

ASX Code: ESS

Corporate Profile

Shares on issue: 151 million
Cash: \$3.4m (30 Sep 2020)
Debt: Nil

Corporate Directory

Non-Executive Chairman
Craig McGown

Non-Executive Directors
Paul Payne
Warren Hallam

Managing Director
Timothy Spencer

CFO & Company Secretary
Carl Travaglini

Exploration Manager
Andrew Dunn

Key Projects

Sole Funded

Juglah Dome (Au)
Blair-Golden Ridge (Au, Ni)
Dome North (Li)
Sinclair Caesium Mine (Cs)
Mavis Lake (Li)

Free Carried to Decision to Mine

Acra (Au) 25%
Kangan (Au) 30%
Balagundi (Au) 25%

Investor Relations

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18 November 2020

\$2.8M capital raising to fund aggressive WA gold drilling and exploration programs

Proceeds will further strengthen cash reserves, allowing upcoming exploration programs to be fast-tracked and expanded

HIGHLIGHTS

- **Share Placement**
 - Oversubscribed and scaled back to \$2.05M before issue costs at an \$0.085 issue price plus a 1 for 2 free option.
 - A 12.4% discount to the closing price on Friday 13 November and a 10.2% discount to the 15-day VWAP.
 - The Placement was company led and supported by Fresh Equities Pty Ltd, who provided a cornerstone firm bid for the offer.
 - Interest received from a range of new and existing sophisticated, professional and institutional investors.
- **Share Purchase Plan (SPP)**
 - \$0.75 million to be raised at an \$0.085 issue price plus a 1 for 2 free option (option issue is subject to shareholder approval) with the Company able to accept applications over \$0.75M at its discretion.
- **Use of Funds – fast-tracking two exciting WA gold projects**

The net proceeds will underpin upcoming multi-phase exploration programs aimed at advancing the Company's two exciting gold projects near Kalgoorlie, Juglah Dome and Golden Ridge, including:

- Drilling to test the Gards, Golden Shovel and Moonbaker prospects at Juglah Dome, planned to commence in two weeks.
- Drilling at Golden Ridge to test two parallel ~1km long gold elevated gold soil anomalies (AC75 prospect) in the 2021 March Quarter.
- A follow-up drill program at Juglah Dome based on the results of the November drilling.

Essential Metals Managing Director, Tim Spencer, said: *"The oversubscribed capital raising reflects the strong level of investor interest in our upcoming gold exploration programs and validates the quality and potential of the targets we have defined at our two key gold projects, Juglah Dome and Golden Ridge.*

“We would like to thank current shareholders for their ongoing support and welcome the new shareholders participating in the Placement. We also welcome the participation of eligible shareholders in the Share Purchase Plan.

“We think it is prudent to raise funds now to expedite our exploration efforts at Juglah Dome and Golden Ridge and to build on the success of each specific phase of work. Drilling will commence in two weeks at three exciting targets at Juglah Dome, with results expected in January. A drill program for Golden Ridge is planned for the March Quarter along with anticipated follow-up drilling at Juglah Dome.”

Essential Metals Limited (ASX: ESS) (the “Company”) is pleased to announce a capital raising of up to \$2.8 million to fast-track and expand its upcoming exploration programs at its two key gold projects located near Kalgoorlie in Western Australia.

Further to its ASX announcement dated 16 November 2020, the Company has received firm commitments from new sophisticated, professional and institutional investors in a share placement to raise \$2.05 million (before costs) and proposes to undertake a Share Purchase Plan to existing shareholders to raise a further \$0.75 million.

PLACEMENT

The \$2.05 million placement of new fully-paid ordinary shares (New Shares) is being undertaken to professional, sophisticated, institutional and other exempt investors (the Placement) through the issue of 24,103,288 new fully-paid ordinary shares (New Shares) at an issue price of \$0.085 per New Share (Placement Price).

The New Shares will rank equally with existing fully-paid shares of the Company. Participants in the Placement will also receive one (1) option (New Option) exercisable at \$0.15 on or before 30 November 2022 for every two (2) Placement New Shares subscribed for.

The Placement was company led and supported by Fresh Equities Pty Ltd, who provided a cornerstone bid for the offer.

The New Shares and New Options will be issued on or around 23 November 2020 subject to the receipt of funds by 20 November 2020. The New Shares and New Options will be issued within the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

SHARE PURCHASE PLAN

In conjunction with the Placement, the Company will offer existing eligible shareholders the opportunity to participate in a Securities Purchase Plan (SPP) to raise up to \$0.75 million. The SPP will also be priced at \$0.085 per New Share (SPP Price) and the SPP subscribers will also receive one (1) option (New Option) exercisable at \$0.15 on or before 30 November 2022 for every two (2) SPP New Shares subscribed for.

The issue of SPP New Options will be subject to shareholder approval at a shareholder meeting to be arranged expeditiously.

The terms and conditions of the SPP will be set out in the SPP Offer Booklet, which is expected to be released to the ASX and dispatched to eligible shareholders via their preferred method of contact by 20 November 2020. Important dates are the Record Date of 17 November 2020 and the Closing Date of 11 December 2020.

The Company will have the discretion to increase the amount accepted under the SPP.

The Company intends to apply to have the New Options class listed on ASX, subject to the relevant Listing Rules, noting that the issue of the SPP New Options will first require shareholder approval.

USE OF FUNDS

The funds raised by the Company under the Placement and the SPP will be used to accelerate exploration activities, particularly at the 100% owned, highly prospective Juglah Dome and Golden Ridge gold projects near Kalgoorlie in Western Australia.

The first exploration program is scheduled to commence in two weeks' time at the Gards, Golden Shovel and Moonbaker prospects at Juglah Dome. Once the assays are received and the geology interpreted, a further drill program will be planned building on those outcomes. Following the completion of a target ranking exercise at Golden Ridge, a drilling program is scheduled to commence in the March 2021 Quarter.

Following on from the encouraging results from the drilling conducted at the Sinclair Caesium Mine, additional drilling will be planned.

This ASX release has been approved by the Board of Directors

For further information:

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Investor Relations

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About Essential Metals Limited

Following successful completion of the Sinclair Caesium Mine, Essential Metals is now a well-funded and active explorer focused on key global demand-driven commodities, looking for its next opportunity to create shareholder wealth through exploration and project development. The Company operates a portfolio of strategically located lithium, caesium, gold, nickel and cobalt projects in mining regions in Western Australia, plus a high-quality lithium asset in Canada.

Lithium - Caesium:

- The **Pioneer Dome LCT Project** is highly prospective for lithium-caesium-tantalum (LCT) mineral systems:
 - The **Dome North Lithium Project** is located in the northern area where multiple spodumene bearing pegmatites were discovered in 2019. It now has a Mineral Resource of 11.2 million tonnes @ 1.21% Li₂O.
 - The **Sinclair Caesium Deposit** that was successfully developed and mined by the Company and extensions to the deposit are currently being explored.
- The Company holds a 51% Project interest in the **Mavis Lake Lithium Project**, Canada where Company drilling has intersected spodumene.

Gold:

- The **Juglah Dome Project** is located ~60km ESE of Kalgoorlie and is considered to be highly prospective for gold with recent work also raising its prospectivity for VHMS style polymetallic deposits.

- The **Blair - Golden Ridge** Project is located ~25km ESE of Kalgoorlie, WA and is prospective for gold. Activities are focussed on reappraising known prospects as well as identifying new areas within the large land tenure.

Gold Farmin/Joint Ventures: Essential Metals has three free-carried interests with well credentialed JV partners:

- **Acra JV Project** near Kalgoorlie: Northern Star Resources Limited (ASX:NST) has earned a 75% Project Interest and continues to fully fund exploration programmes until approval of a Mining Proposal by DMIRS with Essential Metals retaining a 25% interest.
- **Kangan Project** in the West Pilbara: A farmin & JV agreement with Novo Resources Corp (TSXV:NVO) and Sumitomo Corporation will fully fund gold exploration programmes until a decision to mine is made, with Essential Metals retaining a 30% interest.
- **Balagundi Project:** A farmin & JV agreement where Black Cat Syndicate Limited (ASX:BC8) is earning a 75% interest in the Project located at Bulong, near Kalgoorlie. Black Cat will then fully fund gold exploration programmes until a decision to mine is made, with Essential Metals retaining a 25% interest.

Nickel: The **Blair-Golden Ridge Project** includes the suspended Blair Nickel Sulphide Mine and the advanced Leo Dam prospect as well as several other compelling prospects.

Forward Looking Statement

This announcement may contain forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.