

Essex And KNX Resources Revise Purchase Terms

VANCOUVER, BC, Sept. 22, 2021 /CNW/ - **Essex Minerals Inc. (the "Company")** (TSXV: ESX) (OTCQB: ESXFM) (FRA: EWX1) is pleased to announce that further to its Australian gold earn-in joint venture it has reached agreement on revised terms to acquire 100% of its joint venture partner, KNX Resources Ltd ("KNX").

Highlights

- The revised purchase terms shall comprise the issuance of 5,000,000 ordinary shares in Essex (the "Purchase Shares") and 5,000,000 two-year share purchase warrants with an exercise price of 20c per warrant (the "Purchase Warrants") to the shareholders of KNX.
- The Company shall retain the right to force conversion of the Purchase Warrants if the Essex share price closes above \$0.45 per share for more than five consecutive trading days (the "Conversion Event") prior to their expiry date.
- Upon occurrence of the Conversion Event, Essex shall undertake on a best endeavours basis to arrange buyers for any underlying shares from any unexercised Purchase Warrants at \$0.40 per share and retain \$0.20 per share from the sale proceeds for the Purchase Warrant exercise and deliver \$0.20 per share to each KNX Purchase Warrant holder.
- The previous condition on the spin-out and listing of Optegra Capital Corp ("Optegra") has been removed as a condition precedent to the acquisition.
- The Purchase Shares and Purchase Warrants will be issued to the KNX shareholders on the basis of one Essex Purchase Share and one Essex Purchase Warrant for approximately every 4.052 KNX shares in issue.
- Completion of the acquisition will give Essex an 88% interest in the Cumberland and Compass Creek Projects and 100% of the Mt Turner Project through its 100% ownership of KNX.

Essex Minerals President and CEO Paul Loudon said: "De-linking the KNX acquisition from the spin-out timing of Optegra means that both investment activities can progress simultaneously. KNX management is pushing ahead with exploration on its Australian gold projects, while Essex continues to work on positioning Optegra as a renewable energy streaming company which would support a spin out and listing as a separate company."

Additional Information

The KNX acquisition is subject to the approval of the TSX Venture Exchange. The Purchase Shares and Purchase Warrants will be subject to a statutory four month hold period from the date of issuance.

If Essex is unable to deliver the \$0.20 per share to each KNX Warrant holder within 60 days of a Conversion Event, the KNX Warrant holders will be free to exercise the Purchase Warrant by delivering the \$0.20 exercise price to Essex in the normal manner.

About KNX

KNX is arm's length private Australian exploration company with 25 shareholders.

The Mt Turner Project, 15km northwest of the Georgetown, comprises a 48 sq km exploration permit granted to KNX Resources in 2019. A first phase drilling program has been completed to test the width and plunge of gold and silver bearing shoots identified in the Drummer Fault target. In addition to drilling on the Drummer Fault, a detailed soil sampling program is underway on the Mt Turner porphyry copper-molybdenum target with a view to defining drill targets.

The Cumberland property comprises four granted exploration permits covering 250 sq km, 70 km northwest of the former 5 million-ounce Kidston gold mine. Hole 1 encountered 18.8 g/t gold and 160.6 g/t silver over 6.4m from 139.5m down hole (as announced in the Company's news release dated September 2, 2020), and 9 additional stratigraphic and follow-up drill holes over 6 km of structure encountered epithermal gold and silver grades of varying tenor within wide zones of hydrothermal alteration with late-stage carbonate (epithermal) overprint. The Cumberland work program will also include additional surface sampling on the numerous untested prospects on the property which are yet to be drill tested.

The Compass Creek property comprises two granted exploration permits covering 48 sq km in the Pine Creek goldfield, 28 km north of Kirkland Lake's 2.5Mtpa Union Reefs mill in the Northern Territory.

The property contains three drill ready targets within a major anticlinal structure displaying favourable stratigraphy cut by NNW faulting related to the Pine Creek Shear Zone – a major regional structure which has historically produced more than 5 million ounces of gold.

About Essex

Essex Minerals is mineral company focussed on exploration and funding development of a portfolio of mineral projects in Tier 1 locations. The Company adopts an option earn-in and joint venture model where in the first instance it can earn project interests by backing geological teams that have already expended the time and capital to assemble top quality, advanced projects. Management's time is shared across several different projects, as the geological teams already in place manage the approved exploration and development programs. This strategy has the potential to accelerate the growth in value for Essex shareholders by earning an interest in a range of projects of merit in a much shorter time frame than otherwise would be possible, while at the same time, sharing downside risk across a portfolio of mineral investments.

Essex has also sponsored the formation of Optegra which is focussed on adapting the established metal stream finance model to opportunities in the renewable energy sector. The Company continues to negotiate a portfolio of renewable stream investments for Optegra, but the planned spin out timing has been impacted by the general pullback globally in international capital markets.

Qualified Person

All of the scientific and technical information contained in this news release has been reviewed and/or prepared by Mr Lee K. Spencer, BSc (Hons), MSc, MAusIMM, a "Qualified Person" within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects.

Paul Loudon
President & CEO

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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