

Northern Territory Arunta Project Exploration Update

Highlights

- Sacred site clearance by the Central Land Council (CLC) now underway on the Company's existing tenement, EL23816 *Barrow Creek*, which covers the Home of Bullion mine as well as Prospect D, which is required under the existing Native Title Deed;
- This tenement has previously been cleared but the clearance needs to be refreshed;
- No clearances are required for the six tenements being acquired from Bowgan Minerals;
- Once the clearance for EL23186 is satisfactorily completed, all necessary approvals required to commence initial field work will be to hand;
- Exploration is expected to commence in late May;
- Eastern Metals' initial focus will be on lithium and copper exploration in the northern tenements, EL23186 *Barrow Creek*, EL28615 *Donkey Creek* and EL32027 *Home of Bullion*;
- The Company's Mine Management Plan (MMP) for the Home of Bullion deposit is under advanced assessment by the Northern Territory regulator, the Department of Industry, Tourism and Trade;
- Resource expansion drilling at the Home of Bullion mine will commence upon receipt of MMP approvals and drilling rig availability;
- The Arunta Project, which lies in the Northern Territory's Aileron geological province, is prospective for base metals, lithium, rare earths and gold, and includes a highly prospective copper trend on the Company's tenements from the Home of Bullion deposit to the Mulbangas copper prospect 10 kilometres to the northwest;
- The Arunta Pegmatite Province is prospective for LCT pegmatites and associated lithium-bearing mineralogy;
- Several companies including Core Lithium (ASX: CXO) and Australasian Gold (ASX: A8G) are exploring for lithium in the pegmatites in the Barrow Creek pegmatite field, and the Nolans Bore Rare Earths project being developed by Arafura Resources (ASX: ARU) is 160 kilometres to the south, also in the Aileron province; and
- The binding heads of agreement for the acquisition of the six tenements from Bowgan Minerals was signed on 3 March 2022 and the final asset sale agreement is an advanced draft.

Eastern Metals Limited (ASX: EMS, 'Eastern Metals' or 'the Company') is pleased to announce that field activities are expected to begin next month in the Company's Arunta Project located in the Northern Territory. The early work program will focus on both extensions to the Home of Bullion copper deposit as well as lithium exploration in the Barrow Creek Pegmatite field in the northern **Barrow Creek - Home of Bullion – Donkey Creek** areas. This will be followed by deep drilling of targets close to the Home of Bullion mine, once the regulatory authorities approve the Company's Mine Management Plan.

Managing Director and CEO, Wayne Rossiter said,

"The commencement of this sacred site clearance is the key critical path item required to allow field activities in the Arunta Project to begin. COVID precautions in remote aboriginal communities and staff shortages within the CLC have impacted the clearance timetable and the Company's ability to begin fieldwork. The securing of this clearance will pave the way for expansion of our Home of Bullion copper deposit drilling and lithium exploration activities."

Arunta Project

The Company's Arunta Project comprises two separate tenement blocks, all located within the Northern Arunta pegmatite province, part of the Aileron province of the Northern Territory. These are in the northern **Barrow Creek - Home of Bullion – Donkey Creek** area, and the southern **Adnera** area. The tenements are situated east of the Stuart Highway between Alice Springs and Tennant Creek near the township of Barrow Creek. Details of these tenements are shown in the table below, and their locations are shown in Figure 1.

Tenement	Name	Area	Blocks	Interest	Holder	Status
Home of Bullion – Donkey Creek Area						
EL23816	Barrow Creek	89.00 km ²	28	100%	Eastern Metals	Current
EL28615	Donkey Creek	13.00km ²	4	100%	Bowgan ¹	Current
EL32027	Home of Bullion	81.25km ²	25	100%	Bowgan ¹	Current
Adnera Area						
EL24253	Neutral Junction	133.25km ²	41	75.14%	Mithril ²	Current
EL29475	Adnera	81.25km ²	25	100%	Bowgan ¹	Current
EL30797	Ooralingie	123.50km ²	38	100%	Bowgan ¹	Pending Renewal
EL31292	Buggy Camp	71.50km ²	22	100%	Bowgan ¹	Current
Total Area		592.75km²				

¹ Tenement held by Bowgan Minerals Limited subject to acquisition by Eastern Metals Limited pursuant to a Binding Heads of Agreement dated 3 March 2022

² Tenement held by Mithril Resources Limited (ASX: MTH). The 75.14% interest held by Bowgan in the Joint Venture is pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril Resources Ltd, Mega Hindmarsh Pty Ltd and Bowgan.

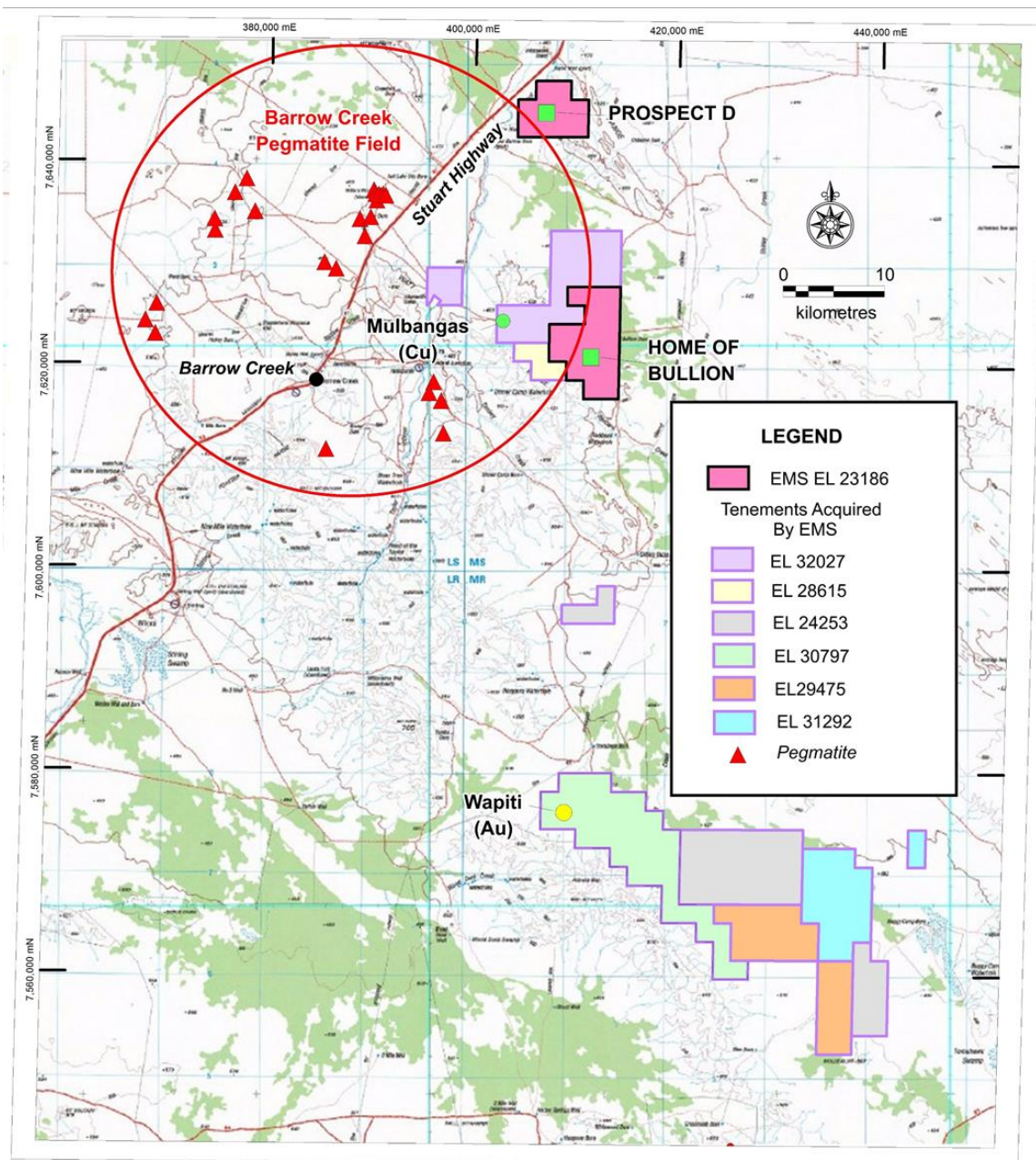


Figure 1. Eastern Metals' Arunta Project tenure showing interpreted Barrow Creek pegmatite field

Barrow Creek - Home of Bullion - Donkey Creek Area

Eastern Metals' flagship asset in the Northern Territory is the Home of Bullion deposit at Barrow Creek on EL23186, which was acquired from Kidman Resources (now owned by Wesfarmers) and hosts a total **Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold**. The Home of Bullion deposit is classified as an Advanced Exploration Project under the Valmin Code. Prospect D, which hosts both high grade copper and nickel intersected in drilling, is also located on the Barrow Creek tenement.

Eastern Metals' strategy is to conduct resource expansion drilling on the Home of Bullion deposit where the existing resource remains open along strike and dip. In addition, several potential VMS targets exist along trend, principally to the west and northwest of the deposit. This copper trend continues from our existing tenure into the Home of Bullion-Donkey Creek tenement package acquired from Bowgan, which includes the Mulbargas copper prospect. This area was explored by Aberfoyle during 1995-1996 which outlined anomalous levels of copper-lead-zinc, along with gold and silver. Targets were not followed up with deep drilling. Eastern Metals is actively reviewing historical exploration information over this area, which lies within the Barrow Creek pegmatite field and is also prospective for gold, silver, REEs, and lithium.

Adnera Area

The Adnera tenements are also located within the Aileron province of the Arunta Block, with prospectivity for copper and gold being recognised within an orogenic (Tanami-style) and IOCG (Tennant Creek-style) deposit setting. These tenements are adjacent to the Sandover Project held by Encounter Resources (ASX: ENR), where high grade copper has been identified at surface in an interpreted Zambian copper belt analogue.

Exploration potential for REEs is also identified within an alaskite (alkali feldspar leucogranite) further east of Adnera Creek where high zirconium values were confirmed. This area is also prospective for gold, silver, REEs, and lithium-bearing pegmatites.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

Previously Reported Information

The information in this report that references previously reported Exploration Results, Mineral Resources or Ore Reserves for the Company's existing tenements is extracted from the Company's Prospectus released on 18 August 2021 (ASX: EMS 22 October 2022). The Prospectus is available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements. Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves (as those terms are used and defined in the JORC Code), except where otherwise noted, is based on information compiled by Mr Gary Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of Geonz Associates, Consultant Geologists, a former director of Eastern Metals, and Principal Consultant – Geology to the Company. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Contacts

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