

ASX Code: ESS

Capital Structure

Shares on issue: 151 million
Market cap: \$17m (at 11c)
Cash: \$4.4m (30 Jun 2020)
Debt: Nil

Corporate Directory

Non-Executive Chairman

Craig McGown

Managing Director

Timothy Spencer

Non-Executive Director

Paul Payne

CFO & Company Secretary

Carl Travaglini

Key Projects

Sole Funded

Blair-Golden Ridge (Au, Ni)
Juglah Dome (Au)
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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29 July 2020

QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 30 June 2020

DOME NORTH Lithium Project

- The third drill programme was completed in June. The standout result (received in July) was drill hole PDAC386 at the Cade Deposit, which intersected a thick high-grade zone of 23m of fresh pegmatite including **21m @ 1.79% Li₂O from 4 metres**, the highest grade intersection to date at Dome North.¹
- The results from the drill programme will feed into an updated JORC Resource Estimate, expected to be completed during the September Quarter.
- Metallurgical test work on mineralisation from the Cade Deposit continued with promising preliminary results.¹

SINCLAIR Caesium Mine

- Final sales reconciliations were completed and the final reconciliation payment of US\$194,000 was received in full on 1 July, completing the caesium off-take agreement.
- An evaluation commenced on a potential Stage 2 Mine. This included a geological review and investigations to determine further drilling requirements, establish the most suitable mining method, engage with potential off-take partners and investigate the potential for any value-adding processes to enhance the project economics.

BLAIR - GOLDEN RIDGE Gold & Nickel Project

- **Gold:** a review of historical data was undertaken and highlighted significant gold targets at Golden Ridge. Historical drilling results included:
 - **21 metres @ 2.5g/t Au** from 59 metres (hole ID: GOC0288 – Flying Ant Prospect); and
 - **19 metres @ 2.21g/t Au** from 51 metres (hole ID: GOC0259 – Flying Ant Prospect); and
- **Nickel sulphides:** Results from a six-hole drill programme included:
 - 15 metres @ 0.73% Ni from 165m (GRRC039), including **4 metres @ 1.35% Ni** from 175m, and **1 metre @ 3.11% Ni** from 178m.

CORPORATE

- Board & management changes completed; Company name change to Essential Metals and 10:1 capital consolidation (approved 7 July).
- At 30 June 2020: **Cash reserves of \$4.4 million**, listed share investments of \$0.6 million and no debt.

¹ Refer ASX release dated 23 July 2020.

DOME NORTH Lithium Project (ESS: 100%)

The Dome North Lithium Project, part of the greater Pioneer Dome Project, is located in Western Australia's Eastern Goldfields, approximately 130km south of Kalgoorlie and 250km north of the Port of Esperance. The southern Yilgarn area is recognised as highly endowed with spodumene deposits, including the Bald Hill Mine, Mt Marion Mine and the Buldania Project. The Earl Grey deposit and the Mt Cattlin Mine are located further west and south, respectively.

The Cade Deposit currently hosts an Inferred Mineral Resource of **8.2Mt @ 1.23% Li₂O** and has significant scope for further growth. Other mineralised pegmatites have been identified within the Dome North Area, such as the Davy, Heller and Cade South Prospects.

The aircore drilling programme carried out in June tested for blind pegmatites in areas either under cover or with poor or weathered outcrop exposure.

Significant spodumene mineralisation was intersected in five holes with a best intersection of **21m at 1.79% Li₂O from 4 metres** (down-hole) in drill hole PDAC386 at the Cade Deposit. This drill intersection has increased the width of the spodumene zone on this drill panel by 14m, adding significant additional width to the Mineral Resource envelope.

Another highlight of this drill hole is the visually fresh pegmatite and fresh spodumene mineralisation within the near-surface environment, thus demonstrating that the upper pegmatite zones (~40m from surface) are not depleted in lithium and, therefore, potential thick fresh zones of high grade spodumene mineralisation remain untested within the Cade Deposit

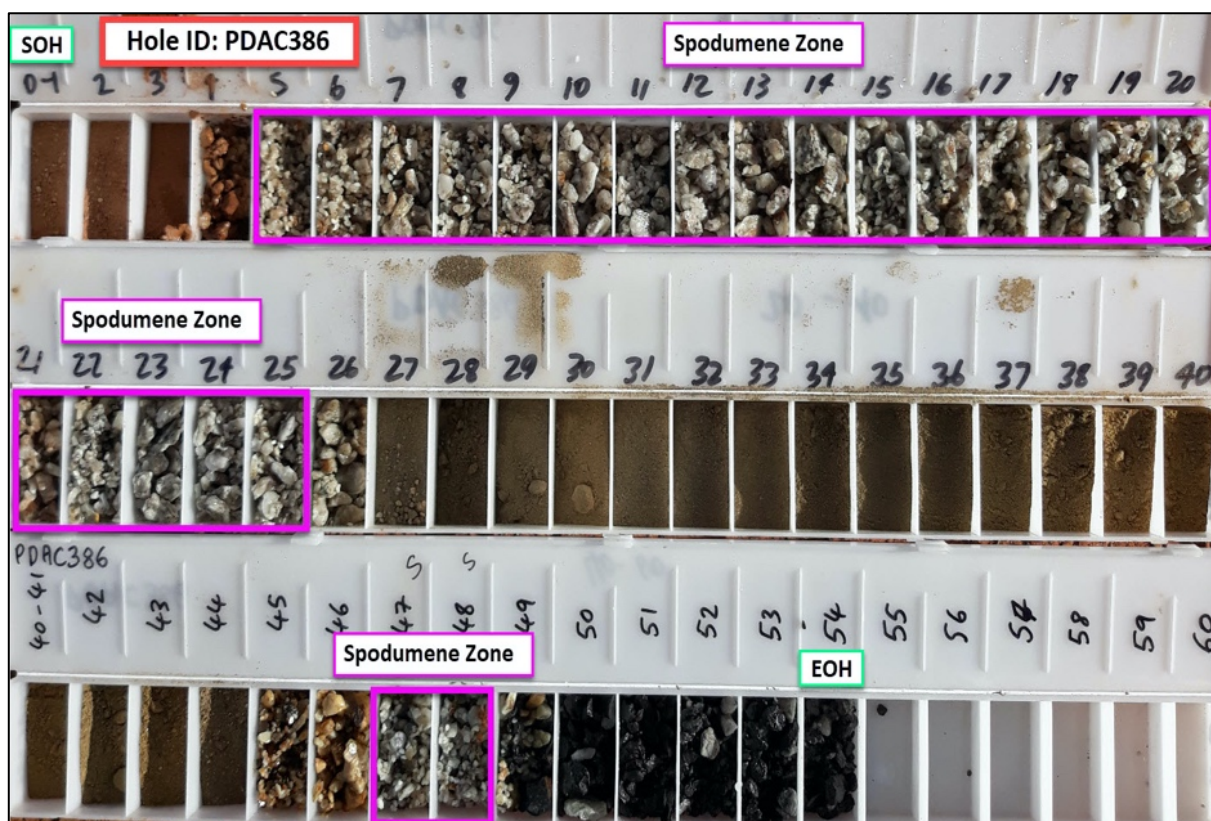
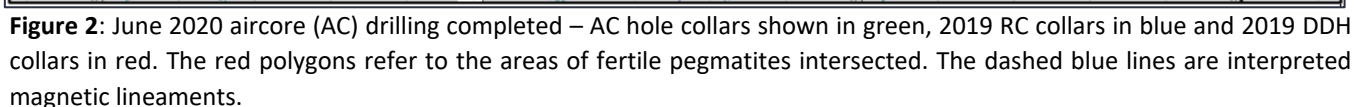


Figure 1: Drill chip tray with high grade intersection from hole PDAC386



Multiple new pegmatite hosting structures, some of which are mineralised, continue to be identified at Dome North.

Hole ID	Type	East	North	Elevation	Depth (m)	Dip	Az	From	To	Length (m)	Li2O (%)	Prospect
PDAC376	AC	367779.7	6486239.6	319.041	51	-60	270.12	18	27	9	1.21	CADE
PDAC384	AC	367656.7	6485998.9	331.538	47	-60	270.12	1	2	1	0.88	CADE
PDAC385	AC	367695.3	6485994.1	324.568	45	-60	270.12	41	42	1	0.58	CADE
PDAC386	AC	367737.3	6486000.9	340.67	54	-60	270.12	4	25	21	1.79	CADE
								46	48	2	1.55	
PDAC442	AC	366103.5	6486040.1	351.966	34	-55	84.12	18	19	1	0.52	DAVY

Geological surface mapping also continues at the Dome North Project in new areas considered to be under-explored and untested by drilling. The Pioneer Dome Project remains highly prospective for the discovery of new lithium-enriched pegmatites.

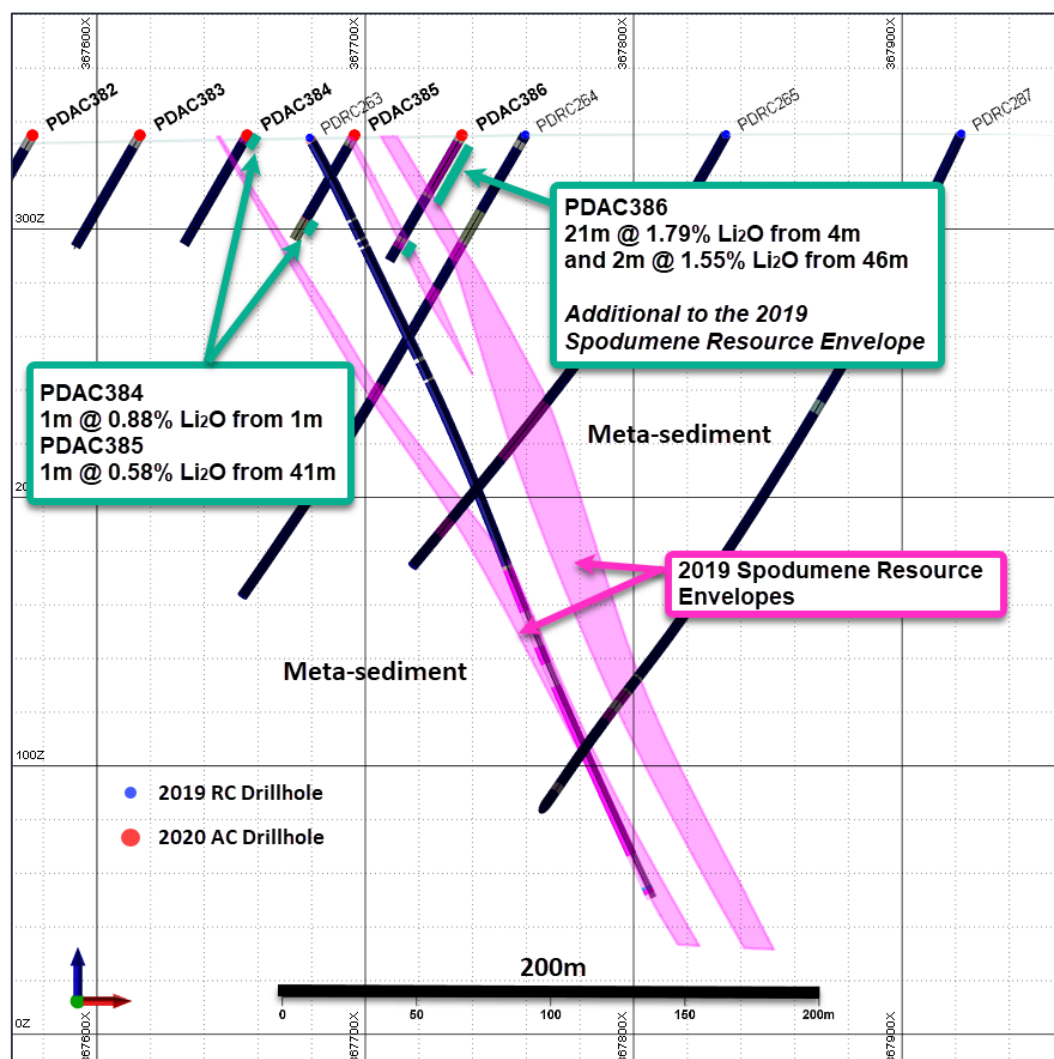


Figure 3: Cross-section on northing 6486000mN looking north through the Cade Deposit with significant intersections from the June 2020 AC drilling relative to the 2019 spodumene resource envelopes.

RESOURCE UPDATE

An update to the Mineral Resource Estimate reported 25 November 2019 will be completed during the September Quarter.

METALLURGICAL TEST WORK ON THE CADE DEPOSIT

The first phase of metallurgical test work using heavy liquid separation (HLS) on spodumene mineralisation from the Cade Deposit was carried out during the Quarter. Lithia (Li₂O) recoveries of up to 33% (P100 6.3mm sizing) to obtain a 6% concentrate were achieved.

This was obtained using a two-stage coarse and fine gravity flowsheet with an approximated recovery for re-crushing and re-processing of coarse mid-grade material. The second phase of metallurgical test work is now underway to determine the best lithia recovery rates achievable via flotation. Results from this work are expected by the end of October.

SINCLAIR Caesium Mine (ESS 100%)

The Sinclair Caesium Mine is also located on the greater Pioneer Dome Project. The Mine is approximately 35km north from the township of Norseman, WA, and 500m west of the Coolgardie – Esperance Highway. Mining took place between August 2018 and January 2019 and the delivery and sale of crushed caesium containing mineral (pollucite) were completed by 1 July 2020, generating a total Project Operating Surplus of \$10 million.

Completion of Caesium Off-take

The final sales reconciliations were completed during the Quarter and the final reconciliation payment of US\$194,000 was received in full on 1 July, completing the caesium off-take agreement with Sinomine Specialty Fluids Limited (SSF). The dealings with SSF throughout the duration of the off-take agreement were conducted with good faith and cooperation from both sides.

Evaluation of Sinclair Caesium Mine Stage 2

A geological review of the existing data generated from Stage 1 mining activities and drilling outside the pit shell demonstrates that additional caesium-bearing pollucite lenses exist just outside the northern pit wall and extend for at least 80m to the north.

An Exploration Target* of between 1,000 and 2,000 tonnes at a grade of between 8% and 14% Cs_2O (caesium oxide) has been defined from the mineralisation remaining outside the Stage 1 pit to the north and intersected in the 2019 diamond core drill intersections that targeted these specific pollucite zones.

**The potential quantity and grade of the Exploration Target is conceptual in nature. There is insufficient exploration information generated to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.*

As part of the Stage 2 evaluation work, investigations are underway to determine further drilling requirements, evaluate the most suitable mining method, engage with potential off-take partners and investigate whether any value-adding processes can be incorporated to enhance project economics.



Figure 4: Sinclair Caesium Mine – looking north-west with the blue arrow indicating the direction of the pollucite corridor.

BLAIR – GOLDEN RIDGE Gold and Nickel Project (ESS: 100%)

The Blair-Golden Ridge Project is located approximately 25km south-east of Kalgoorlie within one of Australia's most productive gold and nickel belts. The Blair Nickel Mine was developed by WMC and production commenced in 1990. There were three separate mining periods, with the most recent ending in December 2008 due to the effects of the Global Financial Crisis and the low nickel price.

The Project lies within the highly prospective Menzies – Boorara Shear Zone (MBSZ) that hosts six significant gold mines. At the north end of the MBSZ, the Paddington Gold Mine has produced over 3.5Moz in the past 20 years while the Golden Ridge Gold Mine is located towards the southern zone of the MBSZ.

The Project also hosts multiple nickel sulphide targets including the Leo Dam Prospect located approximately 2km north of the Blair Mine.

Activity during the Quarter was focused on collating and reviewing historical data related to gold prospectivity on the Project and its surrounds.

Gold mineralisation has been identified within the Company's Golden Ridge Project area and occurs along strike to the south of the Golden Ridge Gold Mine. It is associated with two lines of historical workings at the 18 Footer (600m strike length) and Flying Ant Prospects (400m strike length).

The mineralisation is controlled by a stockwork of quartz veinlets characterised by pervasive sericite-sulphide alteration showing strong similarities to other gold deposits within the MBSZ.

Additional gold prospects where significant gold mineralisation has been intersected in historical drilling are Flying Squirrel, Duplex Hill and Gold Star, located in the south-east of the project area adjacent to the Mount Monger Fault. No deep drilling has been conducted at any of the gold prospects and drilling has rarely tested below 100m depth from surface with the average hole depth being 80m.

The September Quarter gold-focused work programme will include the continuation of interrogation of Project data, field mapping and target generation.

With regard to nickel exploration at the Project, the Company has decided to combine drilling targeting the conductive source identified at Leo Dam from the down-hole electromagnetic (DHEM) survey (*refer ASX release 9 April 2020*) with a larger drill programme, when that takes place.

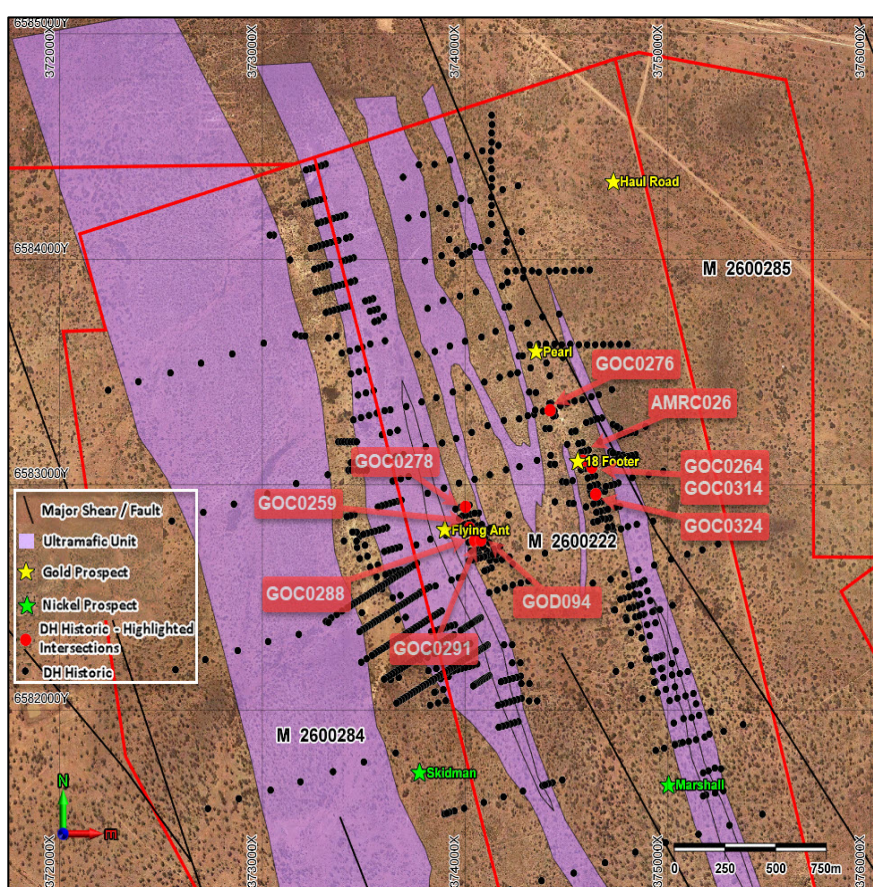


Figure 5 – Geology and drilling at the Flying Ant and 18 Footer Prospects and surrounding areas located in the north western area of the Project.

JUGLAH DOME PROJECT (ESS: 100%)

The Juglah Dome Project is located 60km south-east of Kalgoorlie and is considered to be highly prospective for gold with previous exploration identifying multiple gold targets via soil geochemistry and drilling. The Project exhibits a similar geological setting to that which hosts the Majestic and Imperial Deposits, 10km north-west, that formed part of Silver Lake Resources Limited's Mt Monger Operations.

The tenement granting process continued during the Quarter with granting expected to occur by August.

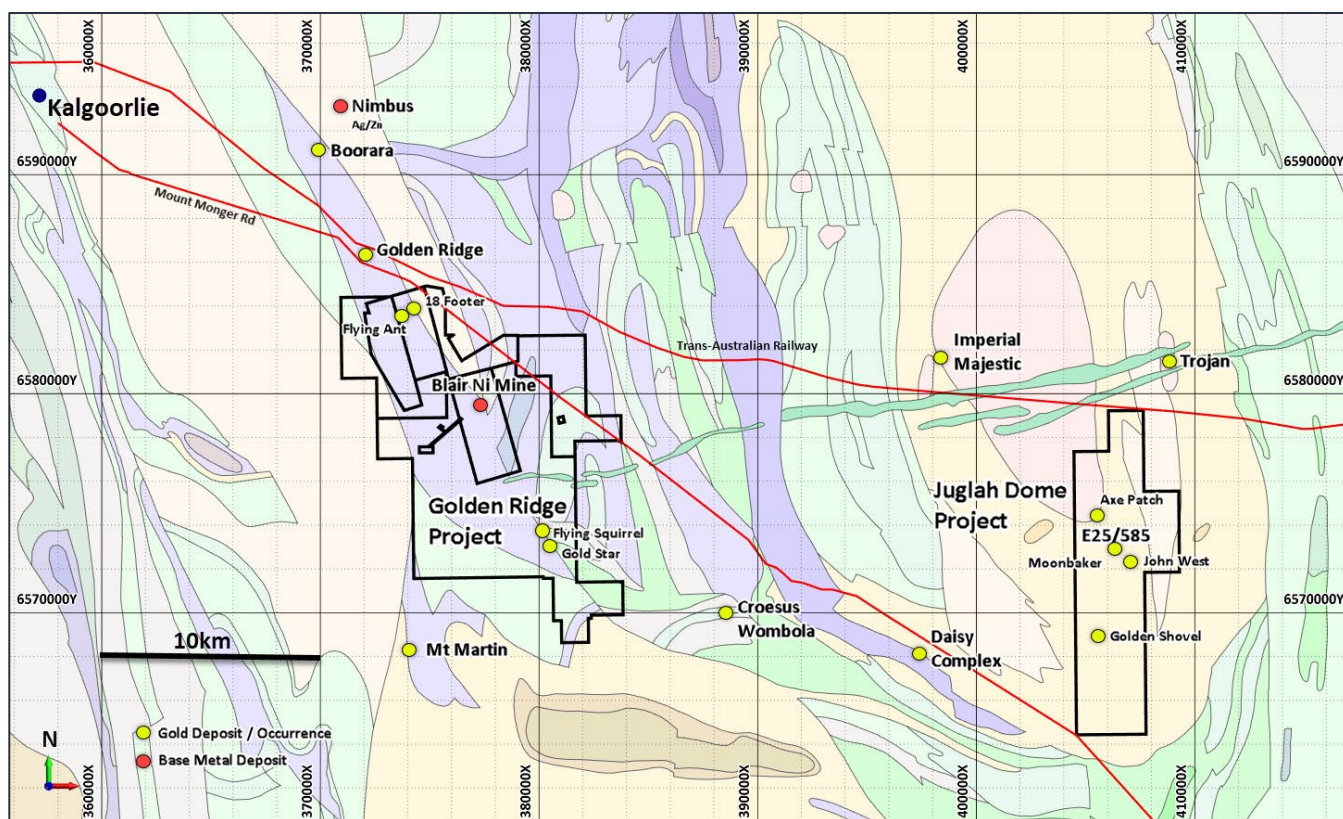


Figure 6: Location Plan of the Juglah Dome Project (E25/585) relative to the Golden Ridge Project underlain by regional 1:500k geology.

JOINT VENTURES

KANGAN GOLD PROJECT – (ESS 30% Farm-in/JV with Novo Resources Corp & Sumitomo Corporation)

The Kangan Project is located in the West Pilbara region of Western Australia. Novo Resources Corp (TSXV:NVO) and Sumitomo Corporation are earning a 70% Joint Venture interest in the Kangan Project by expending \$460,000 by December 2020. Essential Metals is free-carried until a decision to mine is made with Essential Metals holding a 30% interest.

Novo Resources Corp requested a heritage clearance survey from the Kariyarra Aboriginal Corporation for the Kangan Project at several locations within tenement E47/3321 for disturbing exploration activities. Work activities continued to focus on non-Kangan JV areas within the greater Egina Project as well as technical studies pertaining specifically to the Kangan JV ground, based on applying the knowledge being accumulated on the areas where ground disturbing field work can be carried out.

As at 30 June 2020, Novo and Sumitomo are compliant with the Farm-in/JV Agreement in place with Essential Metals and are on track to meet the farm-in expenditure obligation by December 2020, being 18 months from the date of the Agreement as required (*refer ASX release dated 11 June 2019*).

ACRA GOLD PROJECT – (ESS 25% JV with Northern Star Resources Limited)

The Acra JV Gold Project is near Kalgoorlie, Western Australia. Northern Star Resources Limited (ASX: NST) has earned a 75% Project Interest and fully funds the exploration programmes until a Mining Proposal is approved by DMIRS, at which point Essential Metals must contribute in proportion with its interest, presently 25%.

No exploration or drilling activity was conducted during this reporting period due to the impact of COVID-19 restrictions.

BALAGUNDI GOLD/BASE METALS PROJECT – (ESS 25% Farm-out/JV with Black Cat Syndicate Limited)

The Balagundi Project is located ~25km north-east of Kalgoorlie, Western Australia. Black Cat Syndicate Limited (ASX: BC8) is earning a 75% interest in the Project by managing and fully funding exploration programmes up until completion of a Feasibility Study, at which point Essential Metals must contribute in proportion with its interest, presently 25%.

Activities during the Quarter included field reconnaissance and mapping work and reprocessing and interpretation of previous geophysical survey data.

A geochemical soil auguring programme covering a 2km trend considered prospective for gold along the eastern flank of the Project boundary will be undertaken during the September Quarter.

CESSNA NICKEL PROJECT – (ESS 80% Farm-in/JV with Milford Resources Pty Ltd)

The Cessna Nickel Project is located 70km north-northeast of Kalgoorlie, Western Australia. Essential Metals is earning into a 75% interest in the Project by expending \$250,000 by 23 January 2021.

A surface moving loop electromagnetic (MLEM) survey was completed in June. No strong anomalous response was observed consistent with a massive sulphide source at late delay times. A moderate anomalous response in one location was identified, which is interpreted to be a bedrock source likely sourced by a weak to moderate conductive source. Two weak anomalous responses were identified elsewhere and are interpreted to be caused by sediments/ geological feature such as sharp contact.

A field investigation was conducted to inspect the geological setting and provide context to the anomalies, however the trip findings failed to identify host rocks favourable for nickel sulphide mineralisation and coupled with the results of the MLEM have downgraded this Project.

FAIRWATER NICKEL PROJECT – (ESS 75% Farm-in/JV with National Minerals Pty Ltd)

The Fairwater Nickel Project is located in the Albany Fraser Orogen, 70km south-east of Norseman, Western Australia. Aircore drilling has intersected supergene nickel sulphide minerals and diamond core drilling (three holes) intersected rocks considered prospective for nickel sulphides.

Work activity during the Quarter mostly concerned progressing two tenement applications towards granting. The next steps will be submission of a Conservation Management Plan as part of the Project lies within the boundaries of the Dundas Nature Reserve. Subject to regulatory approvals, a geochemical soil auger programme is planned to be completed by December 2020.

OTHER PROJECTS**FRANK'S FIND GOLD/LITHIUM PROJECT – (ESS 100%) – Western Australia**

No reportable work activity during the Quarter.

SPINIFEX PLAINS LITHIUM PROJECT – (ESS 100%) – Western Australia

No reportable work activity during the Quarter.

HORSE ROCKS GOLD/LITHIUM PROJECT – (ESS 100%) – Western Australia

No reportable work activity during the Quarter.

MAVIS LAKE LITHIUM PROJECT – (ESS 51%) – Canada

No reportable work activity during the Quarter.

CORPORATE

At 30 June 2020, the Company's closing cash balance was \$4.4 million. The Company also holds listed securities with a market value of \$0.6 million and has no debt.

On 5 June, a Notice of Meeting was sent to shareholders for a General Meeting to be held on 7 July. At this meeting shareholders approved the changing of the Company's name from Pioneer Resources Limited to Essential Metals Limited to reflect a focus on discovering and producing metals that are essential for the transformation to a cleaner and greener global economy. The name change also entailed a change to the Company's ASX ticker code from PIO to ESS. This became effective on 23 July.

Shareholders also approved a capital consolidation, where the number of issued securities decreased using a fixed ratio of 10:1.

OTHER DISCLOSURE

During the quarter, the Company paid a total of A\$0.1m (including superannuation) to related parties, comprising all directors of the Company. (Appendix 5B, Item 6).

This ASX release has been approved by the Board of Directors

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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:

- The **Pioneer Dome LCT Project** is highly prospective for lithium, evidenced by the discovery of multiple spodumene bearing pegmatites in the Dome North area. It includes the Cade Deposit, on which a maiden JORC Inferred Resource of 8.2 million tonnes @ 1.23% Li₂O was estimated in November 2019.
- The Company holds a 51% Project interest in the **Mavis Lake Lithium Project**, Canada where Company drilling has intersected spodumene.

Gold:

- The **Golden Ridge Project** is 100% owned by the Company. Exploration over the past 40 years has identified multiple gold prospects but the effort and focus has been on nickel. The gold potential is being reappraised and existing and newly identified prospects will be actively explored.
- **Other Projects** in the Company's portfolio, such as **Juglah Dome**, have historically been considered prospective for gold and a detailed review is being undertaken.

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, located between Kalgoorlie and Kambalda, WA. Near-mine target generation is continuing, with the Company announcing a new disseminated nickel sulphide drilling discovery at the Leo Dam Prospect in 2018, highlighting the prospectivity of the greater project area and this work has now been progressed by recent drilling.

Cobalt: Also found as a wide-spread hydromorphic layer throughout the eastern Golden Ridge Project, cobalt is another commodity with demand expanding in response to its requirement in the manufacture of cobalt-based batteries in certain electric vehicles and electricity stabilisation systems (powerwalls). Other uses for cobalt include in the manufacture of super-alloys, including jet engine turbine blades, and for corrosion resistant metal applications.

Reference to previous market announcements

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

ASX releases containing exploration results referred to in this Quarterly Activities Report are listed here chronologically:

- 11 June 2019 – Sumitomo joins Novo in Kangan Gold Project Farmin & JV
- 25 November 2019 – Inferred Resource Estimate for Cade Lithium Deposit
- 9 April 2020 – Nickel sulphides intersected at Leo Dam
- 13 May 2020 – Lithium exploration resumes at Dome North
- 28 May 2020 – Gold swales over Kangan Gold Project
- 9 June 2020 – Sinclair Caesium Mine – Stage 2 evaluation underway
- 6 July 2020 – Golden Ridge – compelling gold targets
- 23 July 2020 – Dome North Lithium Project update

Forward Looking Statement

This announcement contains 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.

Tenement Schedule (Consolidated Basis)

Tenement	Holder	Notes	Status
Golden Ridge Nickel Project Located 30km SE of Kalgoorlie, WA			
E26/186	Golden Ridge North Kambalda Pty Ltd	1	Granted
E26/211	Golden Ridge North Kambalda Pty Ltd	1	Granted
E26/212	Golden Ridge North Kambalda Pty Ltd	1	Acquired this Quarter
M26/220	Golden Ridge North Kambalda Pty Ltd	1	Granted
M26/222	Golden Ridge North Kambalda Pty Ltd	1, 11	Granted
M26/284	Golden Ridge North Kambalda Pty Ltd	1, 11	Granted
M26/285	Golden Ridge North Kambalda Pty Ltd	1, 11	Granted
L26/272	Golden Ridge North Kambalda Pty Ltd	1	Granted
Fairwater Nickel Project Located 220km SE of Kalgoorlie, WA			
E63/1665	Essential Metals Limited/ National Minerals Pty Ltd	10	Granted
E63/1714	Essential Metals Limited/ National Minerals Pty Ltd	10	Under application
E63/2040	Essential Metals Limited/ National Minerals Pty Ltd	10	New application
Pioneer Dome Project Located 133km SSE of Kalgoorlie, WA			
E15/1515	Essential Metals Limited		Granted
E15/1522	Essential Metals Limited		Granted
E15/1725	Essential Metals Limited		Under application
E63/1669	Essential Metals Limited		Granted
E63/1782	Essential Metals Limited		Granted
E63/1783	Essential Metals Limited		Granted
E63/1785	Essential Metals Limited		Granted
E63/1825	Essential Metals Limited		Granted
L63/77	Essential Metals Limited		Granted
M63/665	Essential Metals Limited		Granted
Kangan Lithium Project Located 80km S of Port Hedland, (Wodgina) WA			
E45/4948	Essential Metals Limited	19	Granted
E47/3318-I	Essential Metals Limited	15, 17	Granted
E47/3321-I	Essential Metals Limited	15, 17	Granted
E47/3945	Essential Metals Limited	19	Granted
Donnelly Lithium Project Located 15km SW of Greenbushes, WA			
E70/4826	Paul Winston Askins	12	Under application
E70/4829	Paul Winston Askins	12	Under application
Regional Projects, Located in WA			
E15/1710	Essential Metals Limited		Granted
E30/487	Essential Metals Limited		Surrendered during Qtr
E63/1796	Essential Metals Limited		Surrendered during Qtr
E30/509	Essential Metals Limited		Under application
E30/510	Essential Metals Limited		Under application
E27/575	Milford Resources Pty Ltd	18	Granted
E63/1959	Essential Metals Limited		Granted
Balagundi			
E27/558	Essential Metals Limited	19	Granted

Tenement Schedule (Consolidated Basis)			
Tenement	Holder	Notes	Status
Mavis Lake Project, Located 10km East of Dryden, Ontario, Canada			
4208712	International Lithium Corporation	13	Granted
4208713	International Lithium Corporation	13	Granted
4208714	International Lithium Corporation	13	Granted
4251131	International Lithium Corporation	13	Granted
4251132	International Lithium Corporation	13	Granted
4251133	International Lithium Corporation	13	Granted
4251134	International Lithium Corporation	13	Granted
4251135	International Lithium Corporation	13	Granted
4251136	International Lithium Corporation	13	Granted
4251137	International Lithium Corporation	13	Granted
4251138	International Lithium Corporation	13	Granted
4251139	International Lithium Corporation	13	Granted
4251140	International Lithium Corporation	13	Granted
K489140	International Lithium Corporation	13	Granted
K498288	International Lithium Corporation	13	Granted
K498289	International Lithium Corporation	13	Granted
K498290	International Lithium Corporation	13	Granted
K498292	International Lithium Corporation	13	Granted
K498308	International Lithium Corporation	13	Granted
Acra Gold Project Located 60km NE of Kalgoorlie, WA			
E27/278	Essential Metals / Northern Star Resources Ltd	2, 8	Granted
E27/438	Essential Metals / Northern Star Resources Ltd	2, 8	Granted
E27/491	Essential Metals / Northern Star Resources Ltd	8	Granted
E27/520	Essential Metals / Northern Star Resources Ltd	2, 8	Granted
E27/548	Essential Metals / Northern Star Resources Ltd	8	Granted
E27/579	Essential Metals / Northern Star Resources Ltd	2, 8	Granted
E28/1746	Essential Metals / Northern Star Resources Ltd	2, 8	Granted
E28/2483	Essential Metals / Northern Star Resources Ltd	8	Granted
Wattle Dam Nickel Project Located 65km S of Kalgoorlie, WA			
M15/1101	Maximus Resources Limited	3, 5	Granted
M15/1263	Maximus Resources Limited	3, 5	Granted
M15/1264	Maximus Resources Limited	3, 5	Granted
M15/1323	Maximus Resources Limited	3, 5	Granted
M15/1338	Maximus Resources Limited	3, 5	Granted
M15/1769	Maximus Resources Limited	3, 5	Granted
M15/1770	Maximus Resources Limited	3, 5	Granted
M15/1771	Maximus Resources Limited	3, 5	Granted
M15/1772	Maximus Resources Limited	3, 5	Granted
M15/1773	Maximus Resources Limited	3, 5	Granted
Larkinville Lithium, Nickel Project Located 75km S of Kalgoorlie, WA			
M15/1449	Essential Metals / Maximus Resources Limited	6, 7	Granted
P15/5912	Essential Metals / Maximus Resources Limited	6, 7	Granted
Maggie Hays Hill JV, Located 140km SE of Southern Cross			
E63/1784	Essential Metals / Poseidon Nickel Limited	14	Granted
Ravensthorpe Copper-Gold Project Located 340km SW of Kalgoorlie, WA			
E74/311	ACH Minerals Pty Limited	9	Granted
E74/379-I	Galaxy Lithium Australia Limited	16	Granted
E74/399	Galaxy Lithium Australia Limited	16	Granted
E74/406	Galaxy Lithium Australia Limited	16	Granted
E74/486	ACH Minerals Pty Limited	9	Granted

Tenement Schedule (Consolidated Basis)			
Tenement	Holder	Notes	Status
E74/558	ACH Minerals Pty Limited	9	Granted
E74/559	ACH Minerals Pty Limited	9	Granted
E74/560	ACH Minerals Pty Limited	9	Granted
M74/163	ACH Minerals Pty Limited	9	Granted
P74/349	ACH Minerals Pty Limited	9	Granted
Katanning Gold Project			
E70/5040	Ausgold Exploration Pty Ltd	20	Granted
E70/5042	Ausgold Exploration Pty Ltd	20	Granted
E70/5043	Ausgold Exploration Pty Ltd	20	Granted
E70/5044	Ausgold Exploration Pty Ltd	20	Granted
Juglah Dome Project			
E25/585	Western Copper Pty Ltd	21	Under application

Note	
1	Golden Ridge North Kambalda P/L is a wholly-owned subsidiary of Essential Metals.
2	Heron Resources Limited retains nickel laterite ore.
3	Heron Resources Limited retains pre-emptive right to purchase Nickel Laterite Ore.
5	Wattle Dam JV Agreement: Title, Mineral Rights held by Maximus Resources Limited, except nickel. Essential Metals 20% free carried interest in NiS minerals.
6	Larkinville JV Agreement: Maximus Resources Limited 75% in Gold and Tantalite, Essential Metals 25% free carried interest.
7	Larkinville JV Agreement: Maximus has an 80% interest in nickel rights, Essential Metals 20% free carried interest.
8	Acra JV Agreement Northern Star Resources Limited 75% interest. Essential Metals 25% free carried interest.
9	Ravensthorpe: Title and rights to all minerals held by ACH Minerals Pty Limited. Essential Metals 1.5% NSR.
10	Fairwater JV Agreement: Essential Metals 75% Interest, National Minerals P/L 25% free carried interest.
11	Gold royalty held by Morgan Stanley Finance Pty Limited and Morgan Stanley Capital Group Inc..
12	Subject to an Option Agreement with P Askins.
13	Subject to an earn-in Joint Venture with International Lithium Corp.
14	Maggie Hays Lake JV Agreement: Poseidon Nickel Limited 80%, Essential Metals 20% & free carried interest to commencement of mining.
15	FMG Pilbara Pty Ltd 1.5% NSR royalty.
16	Ravensthorpe: Title and lithium/tantalum rights held by Galaxy Lithium Australia Limited. All other mineral rights held by ACH Minerals Pty Limited. Essential Metals 1.5% NSR.
17	Kangan Farmin Agreement: Novo Resources Corp. may earn a 70% Project Interest (excluding lithium and related minerals).
18	Cessna Dam JV Agreement. Essential Metals may earn an 80% Interest. Milford 20% free carried interest.
19	Balagundi Farmin Agreement: Black Cat Syndicate Limited may earn a 75% Project interest.
20	Katanning Gold Project: Essential Metals 1.5% NSR.
21	Western Copper Pty Ltd is a 100% owned subsidiary of Essential Metals.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ESSENTIAL METALS LIMITED

ABN

44 103 423 981

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	134	8,956
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	(341)
	(d) royalties	(152)	(1,195)
	(e) staff costs	(183)	(1,258)
	(f) administration and corporate costs	(116)	(588)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	48
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	102	102
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(209)	5,724
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(17)	(179)
	(d) exploration & evaluation	(698)	(3,868)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(715)	(4,047)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period	(924)	1,677
4.1	Cash and cash equivalents at beginning of period	5,314	2,713
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(209)	5,724
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(715)	(4,047)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,390	4,390

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	390	1,259
5.2	Call deposits	4,000	4,055
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,390	5,314

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	104
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(209)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(698)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(907)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,390
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,390
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.84
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.