

## ERRAWARRA ENTERS INTO GOLD FOCUSED JOINT VENTURE WITH FALCON METALS

### HIGHLIGHTS:

- Errawarra enters into joint venture with Falcon Metals (ASX:FAL)
- Errabiddy project tenements total > 960km<sup>2</sup>
- JV exploration to focus on gold on tenement E09/2457 which covers 504km<sup>2</sup> at the Errabiddy project in Gascoyne region, WA
- A further >400km<sup>2</sup> 100% owned retained by Errawarra at Errabiddy remains under explored

**Errawarra Resources Ltd (ASX:ERW) (Errawarra or the Company)** is pleased to advise to update shareholders and market in respect to a recent joint venture.

**Executive Chairman Thomas Reddicliffe commented:** *"We are very excited to be partnering with the high calibre exploration team at Falcon Metals. They bring to the table a wealth of exploration experience and previous success and we are looking forward to the exploration program getting underway. With the current positive sentiment in the gold sector, now is the perfect time for this partnership. The joint venture of up to \$2 million exploration expenditure at Errabiddy, will allow Errawarra to focus on base and precious metals exploration at the Andover South project in the West Pilbara. The Company is also considering new opportunities focussed on precious metals where we are seeing increasing demand and prices."*

### Falcon Metals Joint Venture

Errawarra is pleased to advise that it has entered into an Earn-in, Joint Venture and Mineral Rights Agreement with ASX listed Falcon Metals Ltd (**Falcon** or **FAL**) for exploration on the Errabiddy project tenement E09/2457 for all materials excluding graphite.

Falcon was listed on the ASX in December 2021 following a demerger from Chalice Mining Ltd (ASX: CHN), to be primarily a gold focussed exploration company with assets in Victoria and Western Australia.

The joint venture provides a solid pathway to explore for minerals on the Errabiddy project tenure but still leaves the Company with the exciting graphite project which is in proximity to the Graphite Bull project currently being evaluated by Buxton Resources.

The key term of the joint venture include:

JV focused on gold and base metals with Errawarra retaining 100% graphite mineral rights

- \$80,000 up front payment;
- Minimum spend of \$200,000;
- Stage 1 - spend of \$750,000 (minimum spend of \$200,000) to earn up to 51%;
- Stage 2 - spend of \$1,250,000 to earn an additional 19%, which allows Falcon to earn up to 70%; and
- Thereafter, the parties contribute on a pro rata basis (further details are set out in Appendix A.

The joint venture provides a solid pathway for minerals on the Errabiddy project tenure with Errawarra retaining the upside of exploration success on the graphite targets adjacent to Buxton Resources Ltd (ASX: BUX) which will be the subject for further work in the coming months.

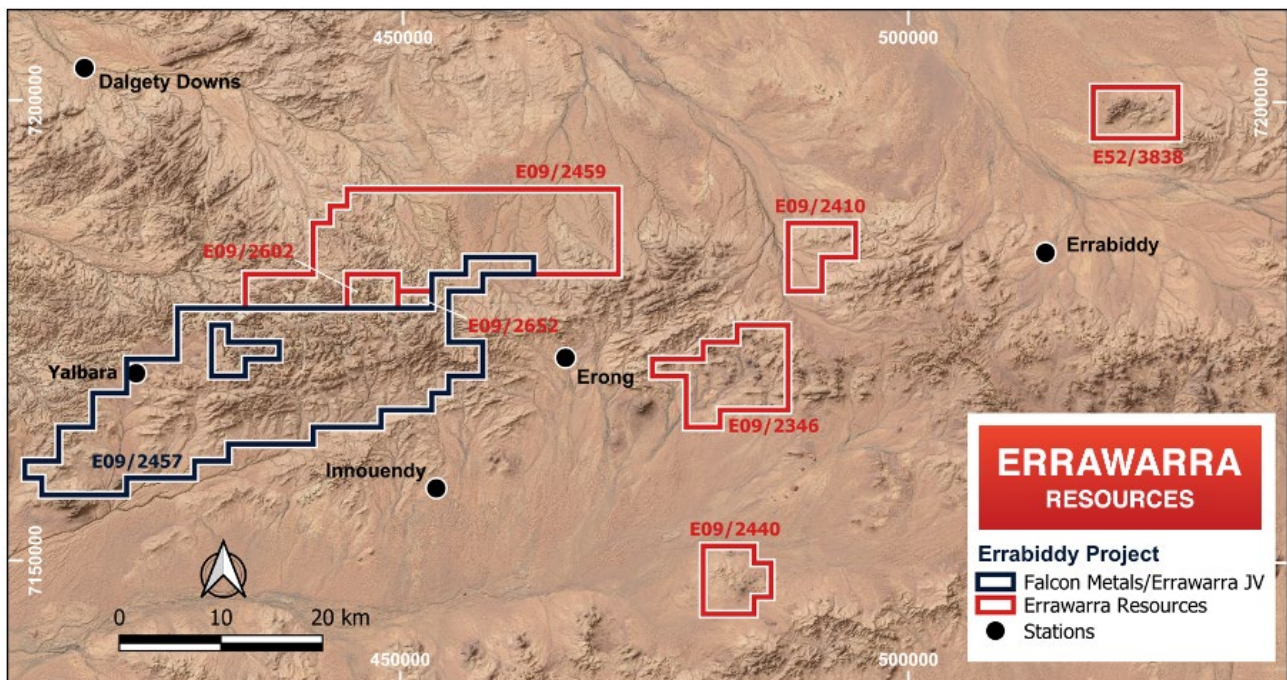


Figure 1. Errawarra's Errabiddy project tenement

### Errabiddy Gold

The Errabiddy project comprises 8 tenements covering an area of approximately 1,000km<sup>2</sup> which are considered prospective for nickel (Ni), copper (Cu), gold (Au), rare earth elements (REE's), lithium (Li) and graphite. Reconnaissance prospecting, soil sampling and rock chip sampling was previously undertaken on the Errabiddy project tenements. This led to the identification of a significant gold in soil anomaly within tenement E09/2457. A 300m x 100m soil sampling grid was completed with 462 samples collected. The gold in soil anomaly displayed a surface extent of approximately **3,000m x 700m** and with a peak soil value of **234ppb Au** and was highlighted coincident with the occurrence of quartz and Fe rich rocks.

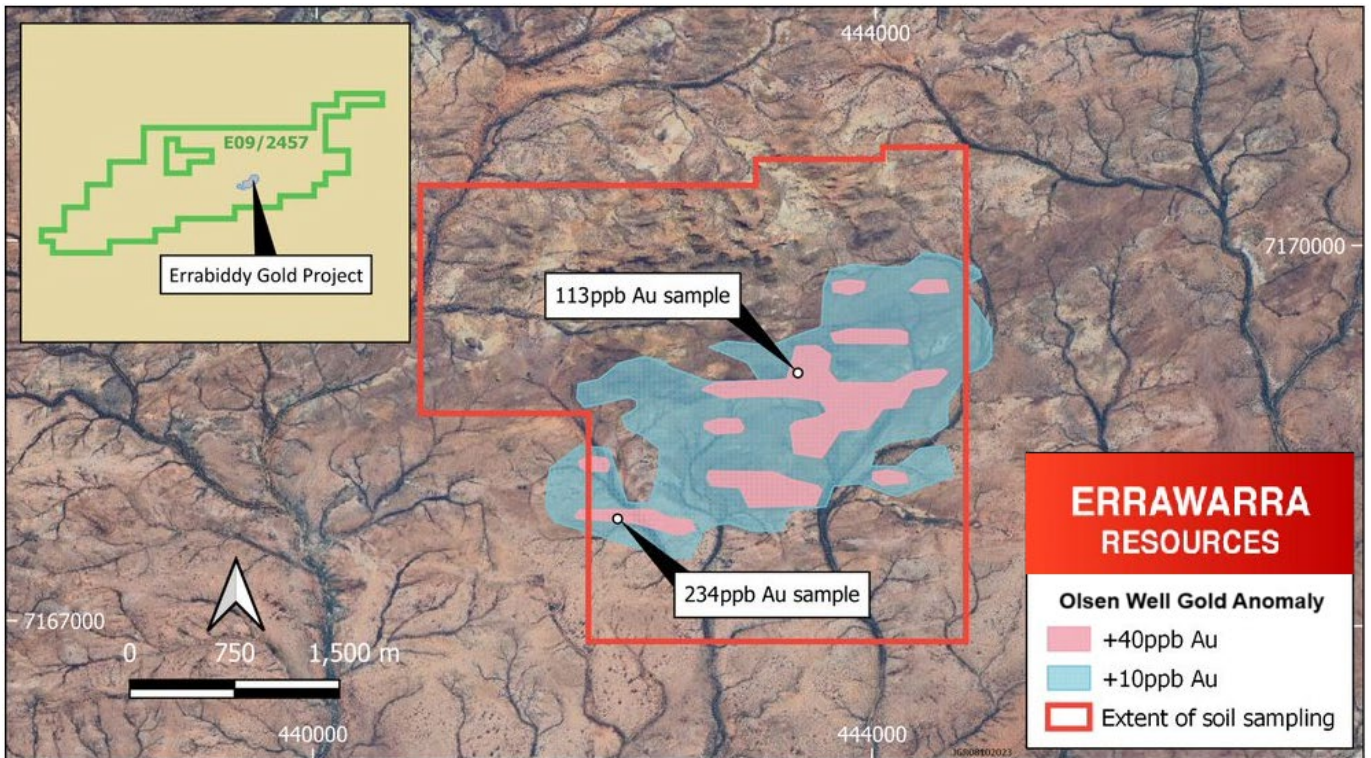


Figure 2. Errabiddy project gold anomaly

Moving forward, the Company will seek to capitalise on the graphite prospectivity contained within the tenement while Falcon focussed on other materials including gold. Buxton Resources which has a tenement within the Errabiddy project has previously reported a mineral resource estimate of **4mt @ 16.2% TGC**. Errawarra in previous sampling has outlined a potential mineralised zone extending to more than **10km of strike length** east of the Buxton Resources tenement boundary and a further **2.5km** to the west. Rock chip samples taken from this location graded up to **14.4% TGC** and point to the potential high grade mineralised graphite system that has largely been under explored.

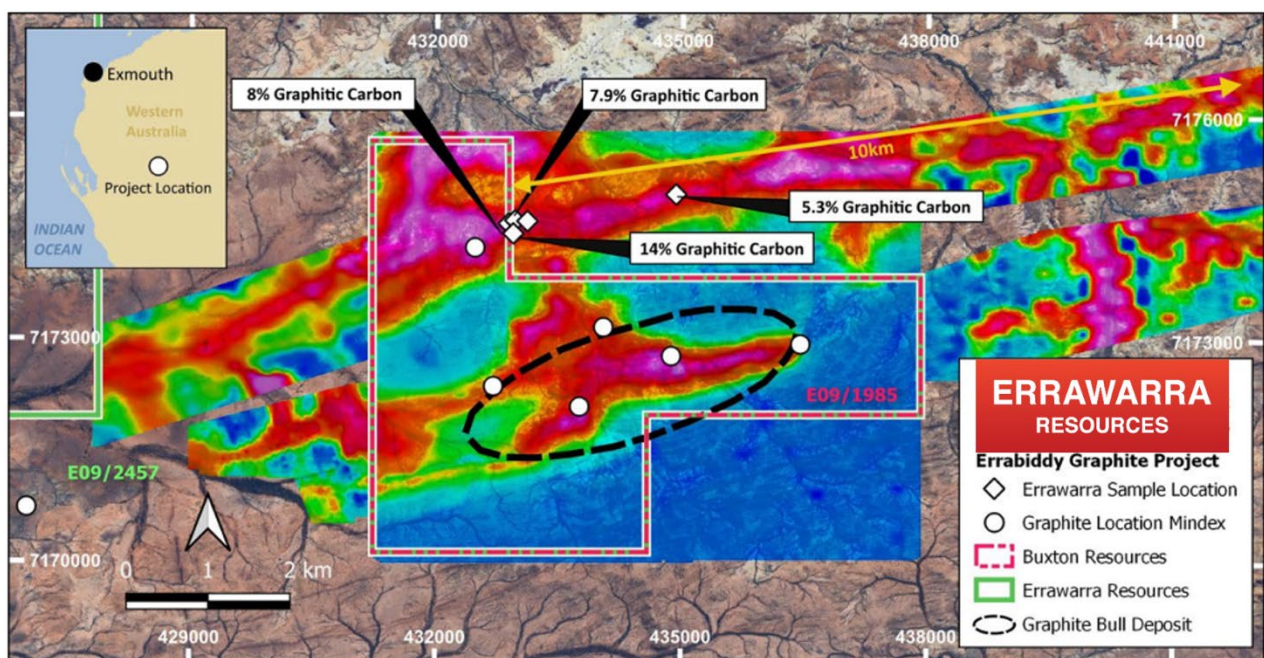


Figure 3. Merged VTM and Loupe EM34 Survey Data with sample results

The graphite and gold prospects mentioned above are contained within tenement E09/2457 which represents only a portion of the >960km<sup>2</sup> Errabiddy project tenement area. The Company retains 100% ownership of the remaining 447km<sup>2</sup> of tenure within the Errabiddy project.

This ASX announcement has been authorised for release by Thomas Reddcliffe, Executive Chairman on behalf of the Board of Directors.

For further information, please contact:

Tom Reddcliffe  
Executive Chairman  
Errawarra Resources Ltd  
E: [info@errawarra.com](mailto:info@errawarra.com)

#### Competent Person Statement

*Thomas Reddcliffe, BSc (Hons), MSc, a Director and Shareholder of the Company, is a Fellow of the AUSIMM, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Thomas Reddcliffe consents to the inclusion in the report of the information in the form and context in which it appears.*

## About Errawarra Resources

Errawarra Resources (ASX:ERW) is a battery metal focused resources company with projects in Western Australia, including the Andover West Lithium Prospect located in the highly prospective Pilbara region and the Errabiddy gold/graphite project located in the Gascoyne region.

For more information, please visit [www.errawarra.com](http://www.errawarra.com).

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Information in this release relating to previous ASX disclosures

- > ASX Announcement, Errawarra Resources Ltd, 9 November 2023
  - > ASX Announcement, Buxton Resources Ltd, 24 October 2014
  - > ASX Announcement, Errawarra Resources Ltd, 29 June 2023
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## APPENDIX A

## Summary of Key Transaction Terms

<b>Parties</b>	Falcon Metals (WA) Pty Ltd ( <b>Falcon</b> ), a wholly owned subsidiary of Falcon Metals Ltd (ASX:FAL). Errawarra Pty Ltd ( <b>EWL</b> ), a wholly owned subsidiary of Errawarra Resources Ltd (ASX: ERW).
<b>Background</b>	(a) EWL is the 100% owner of exploration licence E09/2457 ( <b>Tenement</b> ) located 200km northwest of Meekatharra. (b) This term sheet sets out the terms on which Falcon has a right to earn up to 70% equity interest in the Tenement through expenditure commitments and maintaining the permits in good standing.
<b>Minimum Expenditure &amp; Withdrawal</b>	(a) Falcon is required to incur (or cause to be incurred) a minimum of \$200,000 on Exploration Expenditure (Minimum Expenditure Requirement) during the Stage 1 Earn-in Period. (b) Subject to rehabilitating any ground disturbance caused by Eligible Activities, Falcon may withdraw at any time prior to completion of the Stage 1 Earn-in by giving not less than 30 days written notice to EWL ( <b>Withdrawal Notice</b> ). (c) If Falcon has not met the Minimum Expenditure Requirement by the date of withdrawal under the Withdrawal Notice, Falcon must pay to EWL, in immediately available funds, the Shortfall Amount.
<b>Stage 1 Earn-in</b>	(a) Falcon shall have the right, but not obligation, to earn a 51% Stage 1 interest in the Permits by incurring a minimum \$750,000 in on-ground expenditure. Falcon has the obligation to keep the Permits in good standing including, but not limited to paying rates, rents and minimum expenditure. (b) The Stage 1 Earn-in Expenditure shall be incurred within a 24-month period from the date of this agreement, unless otherwise extended by EWL and Falcon by mutual consent. (c) Once Falcon has incurred the Stage 1 Earn-in Expenditure, it must give written notice to EWL advising it of this and must provide reasonable proof of expenditure. EWL reserves the right to engage, at its own costs, and within 30 days of receipt of the written notice, an independent auditor to verify the Stage 1 Earn-in Expenditure has actually been incurred. (d) Falcon has the right but not the obligation to substitute all or any part of the Stage 1 Earn-in Expenditure by making a payment in an equivalent amount of cash to EWL (or its nominee) provided that the Permits are in good standing at the date of such payment and, if made, such payment shall constitute Exploration Expenditure. (e) As a results of earning the Stage 1 Interest, the Participating Interests of the Parties shall be: (i) Falcon – 51% (ii) EWL – 49% (f) Once Falcon has incurred the Stage 1 Earn-in Expenditure or has made the equivalent payment to EWL in accordance with clause 4(d), then EWL will do all things necessary to facilitate the transfer of the tenement(s) to Falcon. (g) If Falcon does not complete the Stage 1 earn-in by the end of the 24-month period (or such other date as agreed in writing by the Parties), then Falcon's right to earn the Stage 1 earn-in interest shall expire and shall not be capable of exercise, Falcon shall rehabilitate any ground disturbance caused by its activities in accordance with all relevant laws and to EWL's reasonable satisfaction, and this Terms Sheet shall terminate.

<p><b>Stage 2 Earn-in</b></p>	<p>(a) If Falcon earns the Stage 1 Interest (regardless of whether the transfer of the Stage 1 Interest to Falcon has been completed) Falcon shall have the right, but not obligation, to earn the Stage 2 Interest by incurring at least the Stage 2 Expenditure of \$1,250,000 on or prior to the end of the Stage 2 Earn-in Period of 36 months from the date Falcon provides notice that it intends to proceed with the Stage 2 Earn-in. The Stage 2 Expenditure shall be allocated at Falcon's discretion. Falcon shall advise EWL within 10 business days of earning the Stage 1 Interest whether or not it elects to proceed with the Stage 2 earn-in.</p> <p>(b) Once Falcon has incurred the Stage 2 Earn-in Expenditure, it must give written notice to EWL advising it of this and must provide reasonable proof of expenditure. EWL reserves the right to engage, at its own costs, and within 30 days of receipt of the written notice, an independent auditor to verify the Stage 2 Earn-in Expenditure has actually been incurred.</p> <p>(c) As a result of earning the Stage 2 Interest, the Participating Interests of the Parties shall be:</p> <p>(i) Falcon – 70%</p> <p>(ii) EWL – 30%</p> <p>(d) Falcon has the right but not the obligation to substitute all or any part of the Stage 2 Earn-in Expenditure by making a payment in an equivalent amount of cash to EWL (or its nominee) provided that the Permits are in good standing at the date of such payment.</p> <p>(e) Once Falcon has incurred the Stage 2 Earn-in Expenditure or has made the equivalent payment to EWL in accordance with clause 5d), then EWL will do all things necessary to facilitate the transfer of the tenement(s) to Falcon, including transferring a further 19% interest in the tenement to Falcon.</p> <p>(f) If Falcon:</p> <p>(i) elects not to complete the earning of the Stage 2 Interest (which it may do so at any time during the Stage 2 Earn-in Period by giving written notice to EWL); or</p> <p>(ii) does not complete the earning of the Stage 2 Earn-in Interest by the end of the Stage 2 Earn-in Period (or such other date as agreed in writing by the parties),</p> <p>then Falcon shall maintain the Stage 1 Interest and Falcon and EWL shall, on and from that time, each fund Joint Venture expenditure pro rata based on their respective Participating Interest on the condition that Falcon remains liable in full for rehabilitation of ground disturbance caused by Eligible Activities.</p>
<p><b>Joint Venture</b></p>	<p>(a) Upon Falcon completing the Stage 1 Earn-In or subsequent Stage 2 Earn-in Period, an unincorporated joint venture will be formed and the joint venture terms (to be agreed by both parties and based on the terms in this Term Sheet and otherwise on the terms of the Example Exploration Two-Party Farm-in Joint Venture Agreement (Minerals) – Approved Version 2 published by the Energy and Resources Law Association (<b>AMPLA</b>)) will apply.</p> <p>(b) Falcon will be appointed Manager of the joint venture and 5% management fee will be payable.</p> <p>(c) Each party shall bear its own legal costs of and incidental to the preparation, negotiation and execution of a definitive joint venture agreement. The initial draft of the joint venture agreement will be prepared by EWL.</p> <p>(d) The Joint Venture will be managed on industry standard terms including equity proportionate voting rights, except for defined reserved matters, which require agreement by both parties.</p>

	<p>(e) EWL can choose to proceed directly to a Royalty. If EWL chooses to proceed directly to a Royalty, it should provide written notification to Falcon of its intention within 15 days of completion of the Stage 2 Earn-in.</p> <p>(f) Any proposal for a decision to mine must be supported by a Feasibility Study as defined in the Joint Ore Reserves Committee (JORC) Code (2012).</p> <p>(g) 20 business days prior to a Joint Venture meeting being called for the purpose of a Decision to Mine, the Joint Venture parties will be presented with a detailed budget for the proposed mine development.</p> <p>(h) Within 20 business days of receiving a written notice of a Decision to Mine, the Joint Venture parties must form a Mining Joint Venture (published by the AMPLA) and contribute on a pro-rata basis to the mine development. If the parties elect not to form a Mining Joint Venture, the minority joint venture partner will be bought out at fair market price.</p>
<b>Royalty</b>	<p>Once the Stage 2 Earn In has been achieved, Errawarra has the option to elect to convert its percentage interest to a 2% NSR Royalty. Alternatively, if Errawarra's interest dilutes to 10% or less, its interest will convert to a 2% NSR Royalty Falcon has the right but not the obligation to purchase 50% of the NSR Royalty back for \$2,000,000 following grant.</p>