



LITHIUM JOINT VENTURE TO ACQUIRE ESSENTIAL METALS LIMITED

IGO Limited (**IGO** or the **Company**) advises that Tianqi Lithium Energy Australia Pty Ltd (**TLEA**), the lithium joint venture entity owned by Tianqi Lithium Corporation (**TLC**) (51%) and IGO (49%) has entered into a Scheme Implementation Agreement (**SIA**) to acquire 100% of Essential Metals Limited (ASX:ESS) (**ESS**) for A\$0.50/share, payable in cash, pursuant to a proposed scheme of arrangement (the **Transaction** or **Scheme**). The transaction represents a 36.3% premium to ESS's 30-day VWAP and values ESS's equity at A\$136 million on a fully diluted basis.

ESS is a lithium exploration company which owns 100% of the Pioneer Dome Project in Western Australia. Pioneer Dome is located approximately 130 km south of Kalgoorlie and 200 km north of the port of Esperance. The project covers an area of 450 km² and is in close proximity to the Mount Marion and Bald Hill lithium projects. Pioneer Dome is one of only 14 JORC compliant spodumene lithium resources in Australia, with a defined JORC resource of 11.2 Mt @ 1.16% Li₂O¹. ESS also holds several other interests in early-stage exploration projects across lithium, nickel and gold.

ESS's Board of Directors have unanimously recommended that ESS shareholders vote in favour of the Scheme, and each ESS Director intends to vote their ESS shares in favour of the Scheme (in each case in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of ESS shareholders). The proposed Transaction is subject to various conditions including ESS shareholder and court approvals. The conditions are set out in full in the SIA which is attached to today's announcement by ESS regarding the Scheme.

The Transaction delivers significant benefits to TLEA, including:

- It is aligned with TLEA's strategy focused on building a globally significant lithium business;
- Continues to diversify and expand TLEA's lithium portfolio within Western Australia;
- Secures additional lithium resources with the potential for continued growth through future exploration; and
- Offers entry into a highly prospective lithium province.

The Transaction will be funded using cash generated by TLEA. IGO will manage the exploration and initial project studies on behalf of TLEA.

TLEA expects the Transaction to complete by May 2023.

IGO's Acting Chief Executive Officer, Matt Dusci, commented, "*Both IGO and TLC are committed to progressing and growing our lithium joint venture business. The ESS transaction provides an opportunity to accelerate lithium exploration to bring new resources to production. It also complements the significant growth opportunities within the TLEA business which include the continued expansion of the Greenbushes operation, the successful ramp up Train 1 of the lithium hydroxide facility at Kwinana and progressing towards the financial investment decision for Train 2. We look forward to supporting TLEA with future work programs over the ESS*

¹ Refer to ASX Announcement released by Essential Metals Limited (ESS) on 20 December 2022, entitled: Dome North lithium upgrade boosts Indicated Resource tonnes by 50%



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assets, as the joint venture seeks to bring new resources to production to address the market deficit of raw materials critical for clean energy transition.”

This announcement is authorised for release to the ASX by Matt Dusci, Acting Chief Executive Officer.

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