THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Admission Document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 ("FSMA") (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

If you have sold or transferred, or sell or transfer before 8.00 a.m. on 8 October 2020, your entire holding of Ordinary Shares, please send this Admission Document (including the enclosed Form of Proxy) as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction. If you have sold part only of your holding of Ordinary Shares, you should retain these documents.

This Admission Document should not be forwarded or sent in, into or from any Restricted Jurisdiction and persons outside the United Kingdom into whose possession this Document may come, should inform themselves about and observe any applicable restrictions under the laws of the jurisdiction in which this Admission Document is received.

This Admission Document is an admission document drawn up in accordance with the AIM Rules for Companies and has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of the Company to trading on AIM, a market of London Stock Exchange plc. This Admission Document does not constitute a prospectus within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority ("**FCA**") and a copy has not been, and will not be, approved or filed with the FCA.

This Admission Document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise. The Company and each of the Directors and the Proposed Director, whose names appear on page 4 of this Admission Document, individually and collectively accept full responsibility for the information contained in this Admission Document, including for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the whole of the Company's issued and to be issued ordinary share capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

London Stock Exchange plc has not itself examined or approved the contents of this Admission Document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Ordinary Shares are not traded on any recognised investment exchange and no such applications have been made.

Prospective investors should read the whole of this Admission Document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part IV of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

It is expected that Admission (as defined on page 6 of this Admission Document) will become effective and dealings on AIM will commence at 8.00 a.m. on 29 October 2020.

ERRIS RESOURCES PLC

(Incorporated and registered in England & Wales with registration number 10829496)

Proposed acquisition of 50 per cent. interest in Deutsche Lithium GmbH

Placing of 75,000,000 new Ordinary Shares at 5p per share

Divestment of Loch Tay Gold Project

Change of name to Zinnwald Lithium plc

Approval of a waiver under Rule 9 of the City Code on Takeovers and Mergers

Admission of the Enlarged Ordinary Share Capital to trading on AIM

and

Notice of General Meeting

Nominated Adviser

Allenby Capital Limited

Broker

Turner Pope Investments (TPI) Ltd

A Notice convening a General Meeting of the Company to be held at The Clubhouse, 8 St James's Square, London SW14 4JU at 10.00 a.m. on 26 October 2020 is set out at the end of this Document.

The Board takes its responsibility to safeguard the health of its shareholders, stakeholders and employees very seriously and so the following measures will be put in place for the General Meeting in response to the COVID-19 pandemic and the current measures being implemented by the Government in the United Kingdom, which may continue until after the date of the General Meeting.

The formal business of the General Meeting will only be to consider and vote upon the resolutions set out in the notice of meeting. The holding of the meeting will be kept under review in line with Public Health England guidance. However, based on current measures implemented by the Government in the United Kingdom **attendance at the meeting will be limited to two persons** (envisaged to be the Chairman of the meeting and the Company Secretary, both of whom are shareholders), which will be sufficient to make it a quorate meeting. **Shareholders may not attend in person and will be refused entry to the General Meeting** given the current measures being implemented by the Government in the United Kingdom. The Company is

taking these precautionary measures to safeguard its shareholders', stakeholders' and employees' health and make the General Meeting as safe and efficient as possible.

Shareholders wishing to vote on any of the matters of business are strongly urged to do so through completion of a form of proxy which must be completed and submitted in accordance with the instructions thereon. It is strongly recommended that the Chairman of the meeting is appointed as proxy as, apart from the Company Secretary, no other persons will be admitted to the meeting based on the current measures being implemented by the Government in the United Kingdom.

In line with corporate governance best practice and in order that any proxy votes of those shareholders who are not allowed to attend and to vote in person are fully reflected in the voting on the resolutions, the Chairman of the meeting will direct that voting on all resolutions set out in the notice of meeting will take place by way of a poll. The final poll vote on each resolution will be published immediately after the General Meeting on the Company's website.

The situation surrounding COVID-19 is evolving, and the Government of the United Kingdom may change current restrictions or implement further measures affecting the holding of general meetings during the affected period. Any changes to the arrangements for the General Meeting set out above will be communicated to shareholders before the General Meeting through the Company's website at www.errisresources.com/annual-interim-reports and, where appropriate, by a regulatory information service announcement.

The enclosed Form of Proxy for use at the meeting should be completed and returned to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR as soon as possible and to be valid must arrive not less than 48 hours before the time appointed for the meeting.

Allenby Capital Limited (the Company's nominated adviser) and, Turner Pope Investments (TPI) Ltd both of which are regulated in the UK by the FCA, are acting for the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Allenby Capital Limited or Turner Pope Investments (TPI) Ltd (as the case may be) or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Allenby Capital Limited's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers and Turner Pope Investments (TPI) Ltd's responsibilities as the Company's broker under the AIM Rules for Companies are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document without limiting the statutory rights of any person to whom this document is issued. No representation or warranty, express or implied, is made by Allenby Capital Limited or Turner Pope Investments (TPI) Ltd as to, and no liability whatsoever is accepted by Allenby Capital Limited or Turner Pope Investments (TPI) Ltd for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Neither of Allenby Capital Limited or Turner Pope Investments (TPI) Ltd will be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of any acquisition of Ordinary Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on Allenby Capital Limited and Turner Pope Investments (TPI) Ltd by the FSMA or the regulatory regime established thereunder, Allenby Capital Limited and Turner Pope Investments (TPI) Ltd do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Allenby Capital Limited and Turner Pope Investments (TPI) Ltd accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement. Allenby Capital Limited and Turner Pope Investments (TPI) Ltd have not authorised the contents of any part of this document and no liability whatsoever is accepted by Allenby Capital Limited or Turner Pope Investments (TPI) Ltd for the accuracy of the information and the opinions contained in this document or for the omission of any material information from this document for which they are not responsible.

This document will be available on the Company's website, www.errisresources.com, from date of publication.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable securities laws of any of Canada, Australia, the Republic of South Africa, or Japan and, subject to certain exceptions, may not be offered or sold, directly or indirectly, in the United States of America, Canada, Australia, the Republic of South Africa, or Japan, or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. Neither this document nor any copy of it may be distributed, published, sent to or taken (by any means, including electronic submission) into the United States, Canada, Australia, the Republic of South Africa, or Japan or any other jurisdiction where to do so would be in breach of any applicable law and or regulation.

Forward-Looking Statements

This document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company's future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" or the negative of those variations, or comparable expressions, including references to assumptions. These statements are contained in all sections of this document. The forward-looking statements in this document, including statements concerning projections of the Company's future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks relating to the Company are specifically described in Part IV "Risk Factors". If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential Shareholders should not place over-reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or applicable law, whether as a result of new information, future events or otherwise.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing offer no guaranteed income and no capital protection; and an investment in the Placing is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Turner Pope Investments (TPI) Ltd will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

TABLE OF CONTENTS

DIRECTORS AND ADVISERS

Directors	Mr. Jeremy John Martin – *Non Executive Chairman* Mr. Anton du Plessis – *Chief Executive Officer* Mr. Osman Cherif Rifaat – *Chief Financial Officer* Mr. Graham Maxwell Brown – *Non Executive Director*
Proposed Director	Mr. Peter Anthony Secker – *Proposed Non Executive Director*
Company Secretary	Mr. Cherif Rifaat
Registered office	29-31 Castle Street High Wycombe Buckinghamshire HP13 6RU
Website	Current: www.errisresources.com From Admission: www.zinnwaldlithium.com
Nominated Adviser	**Allenby Capital Limited** 5 St Helen's Place London EC3A 6AB
Broker	**Turner Pope Investments (TPI) Ltd** 8 Frederick's Place, London, EC2R 8AB
Competent Person Abbeytown Project	**Addison Mining Services Ltd** 64 Addison Road Wanstead London E11 2RG
Competent Person Zinnwald Lithium Project	**G.E.O.S. Ingenieurgesellschaft mbH** Schwarze Kiefern 2 09633 Halsbrücke Germany
Solicitors to the Company	**DWF Law LLP** Bridgewater Place Water Lane Leeds LS11 5DY
Solicitors to the Company in Ireland	**DWF Dublin** 5 George's Dock IFSC Dublin 1
Solicitors to the Company in Sweden	**Mannheimer Swartling Advokatbyrå** Carlsgatan 3 Box 4291 203 14 Malmö Sweden
Solicitors to the Company in Germany	**Werz Kreis Rechtsanwälte Steuerberater PartG mbB** Nymphenburger Straße 113 80636 München Germany
Solicitors to the Nominated Adviser and Broker	**Howard Kennedy LLP** No. 1 London Bridge London SE1 9BG

Reporting Accountants to the Company	**PKF Littlejohn LLP** 15 Westferry Circus Canary Wharf London E14 4HD
Public Relations	**St Brides Partners Limited** 51 Eastcheap London EC3M 1JP
Registrar	**Share Registrars Limited** The Courtyard 17 West Street Farnham Surrey GU9 7DR

DEFINITIONS

"**Abbeytown**" or "**Abbeytown Project**"	136km² area comprising Erris's five 100 per cent. owned Prospecting Licences in Ireland
"**Abbeytown CPR**"	the competent person's report on the Abbeytown Project which is included in Part VI of this document
"**Act**"	the Companies Act 2006 (as amended)
"**acting in concert**"	shall bear the meaning ascribed thereto in the Takeover Code
"**Acquisition**"	the proposed acquisition of the Sale Share and the Bacanora Cash
"**Acquisition Agreement**"	the agreement dated 8 October 2020 between the Company and Bacanora in relation to the acquisition by the Company of 50 per cent. of the issued share capital of Deutsche Lithium
"**Admission**"	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"**Admission Document**"	this admission document
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"**AIM Rules for Companies**"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
"**AIM Rules for Nominated Advisers**"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time
"**Allenby Capital**"	Allenby Capital Limited, a company incorporated in England and Wales under company number 06706681, the Company's nominated adviser
"**Articles**"	the articles of association of the Company
"**Audit Committee**"	the audit committee of the Company duly authorised by the Board
"**Bacanora**"	Bacanora Lithium plc, a company incorporated in England and Wales with company number 11189628
"**Bacanora Cash**"	the amount of €1,350,000 to be acquired by the Company pursuant to the terms of the Acquisition
"**Bacanora Royalty Agreement**"	the royalty agreement to be entered into on completion of the Acquisition between the Company and Bacanora, as further described in paragraph 12.1.5 of Part XII
"**Beowulf**"	Beowulf Mining plc, a company incorporated in England and Wales with company number 02330496
"**Board**" or "**Directors**"	the directors of the Company, whose names are set out on page 4 of this document

"**Brännberg Gold Project**"	the gold project in the Skellefte Mining District of North Sweden, comprising of three core exploration permits, Brännberg nr.1, Brännberg nr.5 and Grundträsk nr.7
"**Canadian Dollars**" or "**C$**"	Canadian dollars, the lawful currency of Canada
"**Centerra**"	Centerra Gold KB Inc, a wholly owned subsidiary of Centerra Gold Inc., a TSX listed gold mining and exploration company
"**Centerra JV Agreement**"	the former strategic alliance agreement between Erris and Centerra
"**City Code**" or "**Takeover Code**"	the City Code on Takeovers and Mergers issued by the Panel
"**Erris**" or "**Company**"	Erris Resources plc, a company incorporated in England and Wales with company number 10829496
"**Committees**"	together the Audit Committee and the Remuneration Committee
"**Concert Party**"	Bacanora Lithium plc, its directors (being Mark Hohnen, Peter Secker, Eileen Car, James Strauss, Dr Andres Antonius, Junichi Tomono, Wang Xiaoshen and Graeme Purdy) and its Company Secretary, Cherif Rifaat (also a Director of Erris)
"**Consideration Shares**"	the 90,619,170 Ordinary Shares to be issued to Bacanora upon Admission
"**CREST**"	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear UK & Ireland Limited
"**CREST Regulations**"	Uncertificated Securities Regulations 2001 (S.1.2001 No.3755) (as amended)
"**Deutsche Lithium**"	Deutsche Lithium GmbH, a German limited liability company with its registered seat in Freiberg, registered in the commercial register of the local court of Chemnitz under no. HRB 23391, with registered business address at Am St. Niclas Schacht 13, 09599 Freiberg
"**Deutsche Lithium JV Agreement**"	the joint venture agreement dated 17 February 2017 (as amended via a supplemental agreement dated 28 May 2019 and a second supplemental agreement dated 14 February 2020) governing the relationship between the shareholders of Deutsche Lithium
"**Divestment**"	the distribution of shares in Erris Gold Resources, which owns, *inter alia*, the Loch Tay Gold Project and various licences in Norway, to the Existing Shareholders by a distribution in specie
"**EMI Scheme**"	the enterprise management incentive scheme
"**Enlarged Group**"	the Company and its subsidiaries following completion of the Acquisition and the Divestment
"**Enlarged Ordinary Share Capital**"	the issued Ordinary Shares of the Company upon Admission, comprising the Existing Ordinary Shares, the Consideration Shares and the Placing Shares
"**Erris Gold Resources**"	Erris Gold Resources Ltd, a company incorporated in England and Wales with company number 12800758
"**Erris Ireland**"	Erris Zinc Limited, a company incorporated in the Republic of Ireland under company number 621953

"**Erris Resources UK**"	Erris Resources (Exploration) Limited, a company incorporated in England and Wales under company number 12800758
"**ESMA**"	the European Securities and Markets Authority
"**Euro**" or "**€**"	the Euro, the single currency of the European Union
"**Euroclear**"	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the Operator of CREST
"**Ex-Dividend Date**"	29 October 2020, for the purposes of the Divestment
"**Existing Directors**"	each of Anton du Plessis, Cherif Rifaat, Jeremy Martin and Graham Brown
"**Existing Ordinary Shares**"	38,836,787 Ordinary Shares in issue as at the date of this document
"**Existing Shareholders**"	those Shareholders who are shareholders in the Company on the Record Date
"**FCA**"	the Financial Conduct Authority of the United Kingdom
"**Feasibility Study**"	means a detailed feasibility study (including technical studies, the processes for public law approvals, mining or exploitation licence permissions and any environmental impact assessment) prepared in relation to Deutsche Lithium's assets and based on international standard PERC N1 43-101
"**Form of Proxy**"	the form of proxy accompanying this document for use by Shareholders at the General Meeting
"**FSMA**"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"**General Meeting**" or "**GM**"	the general meeting of the Company to be held on 26 October 2020, at which the Resolutions will be proposed
"**Group**"	the Company and the Subsidiaries
"**HMRC**"	Her Majesty's Revenue and Customs
"**IFRS**"	International Financial Reporting Standards as adopted by the European Union
"**Independent Directors**"	the Existing Directors, apart from Cherif Rifaat
"**Independent Shareholders**"	the Shareholders other than the Concert Party and Shareholders who are Placees
"**Irrevocable Undertakings**"	the agreement by David Hall and Osisko Gold Royalties Ltd to irrevocably vote in favour of the Resolutions as summarised in paragraph 23 of Part I
"**Loch Tay Gold Project**"	the Loch Tay gold and associated base metals project in Perthshire, Scotland
"**Loch Tay Option Agreement**"	the Company's option agreement with GreenOre Gold plc to acquire 80 per cent. of the Loch Tay Gold Project, which has been novated to Erris Gold Resources

"**Lock-in Arrangements**"	the lock-in arrangements entered into by the Locked-in Persons, whether under the Placing Agreement or otherwise, as described in paragraph 18 of Part I and paragraph 16 of Part XII of this document
"**Locked-in Persons**"	the Directors (by virtue of being party to the Placing Agreement, as further described at paragraph 17 of Part XII of this document), together with Bacanora and Henry Maxey subject to Lock-in Arrangements as described in paragraph 18 of Part I and paragraph 16 of Part XII of this document
"**London Stock Exchange**" or "**LSE**"	London Stock Exchange plc
"**MAR**"	the Market Abuse Regulation being Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and ESMA)
"**New Share Incentive Schemes**" or the "**Schemes**"	each of the new 'Short-term Restricted Stock Unit Scheme' and the 'Long-term Performance Share Unit Scheme'
"**Notice of General Meeting**" or the "**Notice**"	the notice convening the General Meeting set out at the end of this document
"**Options**"	options to subscribe for Ordinary Shares
"**Ordinary Shares**"	ordinary shares of £0.01 each in the issued share capital of the Company
"**Osisko**"	Osisko Gold Royalties Limited, a TSX listed precious metal royalty and stream company
"**Osisko Royalty Agreement 1**"	the royalty purchase agreement dated 16 September 2016 between Osisko and Erris Resources UK in respect of the Abbeytown Project, further details of which are set out in paragraph 12.1.8 of Part XII of this document
"**Osisko Royalty Agreement 2**"	the royalty purchase agreement dated 16 September 2016 between Osisko and Erris Resources UK in respect of the Group's Swedish projects, further details of which are set out in paragraph 12.1.9 of Part XII of this document
"**Panel**"	the UK Panel on Takeovers and Mergers
"**Placees**"	investors to whom Placing Shares are issued pursuant to the Placing
"**Placing**"	the conditional placing by Turner Pope Investments (TPI) Ltd on behalf of the Company of the Placing Shares at the Placing Price pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional agreement dated 8 October 2020 between (1) the Company, (2) Turner Pope Investments (TPI) Ltd, (3) Allenby Capital and (4) the Directors relating to the Placing, details of which are set out at paragraph 15 of Part I and paragraph 17 of Part XII of this document
"**Placing Price**"	5 pence, being the price at which the Placing Shares are to be issued

"**Placing Shares**"	75,000,000 new Ordinary Shares to be issued to the Placees pursuant to the Placing and at the Placing Price
"**Proposals**"	the Acquisition, the Divestment, the Placing and the Rule 9 Waiver
"**Proposed Director**"	Peter Secker
"**QCA Code**"	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 published by the Quoted Companies Alliance in April 2018 and as amended from time to time
"**Record Date**"	6.00 p.m. on 27 October 2020, for the purposes of the Divestment
"**Registrar**"	Share Registrars Limited
"**Relationship Agreement**"	the relationship agreement to be entered into on completion of the Acquisition between (1) the Company (2) Allenby Capital and (3) Bacanora, details of which are set out at paragraph 16 of Part I and paragraph 18 of Part XII of this document
"**Remuneration Committee**"	the remuneration committee of the Company duly authorised by the Board
"**Resolutions**"	the resolutions set out in the notice convening the General Meeting
"**Restricted Jurisdiction**"	the United States of America, Canada, Australia, the Republic of South Africa and Japan
"**Rule 9 Waiver**"	the agreement of the Panel to waive the obligations on the Concert Party, which would otherwise arise upon the issuance of the Consideration Shares to the Concert Party and the exercise by Cherif Rifaat of his Options, to make a general offer to all Shareholders pursuant to Rule 9 of the Takeover Code, conditional upon the approval of the Independent Shareholders voting on a poll of the Whitewash Resolution at the General Meeting
"**Sale Share**"	the 1 ordinary share of €50,000.00 in the capital of Deutsche Lithium
"**SEK**"	Swedish Krona, the lawful currency of Sweden
"**Share Option Plan**"	the Company's share option plan which includes an unapproved scheme and an EMI Scheme (together with any related options that are granted), details of which are set out in paragraph 10 of Part XII of this document
"**Shareholder**"	a holder of Ordinary Shares
"**SolarWorld AG**"	SolarWorld Aktiengesellschaft (i.I.), the other owner of Deutsche Lithium, represented by Mr. Horst Piepenburg as insolvency administrator
"**Sterling**" or "**£**"	Pound sterling, the legal currency of the UK
"**Subsidiaries**"	each of Erris Resources UK, Erris Ireland, Erris Gold Resources and Tulivouri Exploration Oy (in liquidation)
"**TPI**"	Turner Pope Investments (TPI) Ltd, a company incorporated in England and Wales under company number 09506196, the Company's broker
"**UK**"	the United Kingdom

"**Uncertificated**" or "**in uncertificated form**"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred in CREST
"**US$**"	United States dollar, the lawful currency of the United States of America
"**Whitewash Resolution**"	Resolution 1 in the Notice of General Meeting being an ordinary resolution to be voted on by Independent Shareholders (on a poll) at the General Meeting to approve the Rule 9 Waiver
"**Zinnwald CPR**"	the competent persons report on the Zinnwald Lithium Project which is included in Part V of this document
"**Zinnwald Lithium Project**", "**Zinnwald**" or the "**Project**"	the project to develop mining licences located in southeast Germany and owned by Deutsche Lithium, with the aim of producing battery grade Lithium Fluoride (LiF)

GLOSSARY OF TECHNICAL AND COMMERCIAL TERMS

"**Ag**"	Silver
"**As**"	Arsenic
"**Au**"	Gold
"**Cu**"	Copper
"**diamond drilling**"	drilling using a diamond drill bit which typically returns a solid cylinder of rock subject to ground competency
"**Exploration Permit**"	a designated area of land upon which the permit holder may carry out exploration activities for given commodities
"**g/t**"	grams per tonne
"**GWh**"	Gigawatt hours
"**ha**"	hectares
"**indicated resource**"	an 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
"**inferred resource**"	an 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Proved Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
"**IRR**"	internal rate of return
"**JORC**"	Australasian Joint Ore Reserves Committee
"**km**"	kilometre
"**kt**"	kilotonnes
"**K_2SO_4**"	Sulphate of potash
"**LiF**"	Lithium flouride

"**$LiOH*H_2O$**"	Lithium hydroxide monohydrate
"**LiPF6**"	Lithium hexafluorophosphate
"**Li_2CO_3**"	Lithium carbonate
"**LCE**"	Lithium carbonate equivalent
"**Lead Trial**"	a prospect area in respect of the Loch Tay Gold Project
"**LOM**"	life of mine
"**m**"	metre
"**Measured Mineral Resource**"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
"**Mineral Resource**"	a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into "Inferred", "Indicated" and "Measured" categories.
"**mm**"	millimetres
"**MPa**"	Megapascal Pressure Unit
"**Modifying Factors**"	"Modifying Factors" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
"**Mt**"	Megatonnes
"**NPV**"	net present value
"**Pb**"	Lead
"**ppm**"	parts per million
"**Probable Mineral Reserve**"	the economically mineable part of a measured and/or indicated resource for which at least a preliminary feasibility study demonstrates that, at the time of reporting, economic extraction could be reasonably justified with a degree of confidence lower than that applying to proven reserves
"**Probable Ore Reserve**"	a 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

"**project**"	an exploration or mining property or collection of properties under investigation
"**Prospecting Licence**" or "**PL**"	a designated area of land upon which the licence holder may carry out exploration activities for given commodities
"**Proven Mineral Reserve**"	refers to the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study
"**Proved Ore Reserve**"	a 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
"**QAQC**"	quality analysis and quality control, typically the appraisal of precision, accuracy and contamination in laboratory analytical procedures
"**replacement deposit**"	mineralisation formed by replacement of a chemically reactive geological unit, typically limestones or carbonates reacting with acidic fluids
"**SGU**"	Geological Survey of Sweden (SGU), the agency for issues relating to bedrock, soil and groundwater in Sweden.
"**sulphide**"	a mineral in which a metal or metals is combined with sulphur
"**Sn/W/Li belt**"	tin/tungsten/lithium belt
"**t**"	tonnes
"**tpa**"	tonnes per annum
"**Zn**"	Zinc

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2020
Publication of this document	8 October
Latest time and date for receipt of votes by Proxy	10.00 a.m. on 22 October
General Meeting	10.00 a.m. on 26 October
Record Date (Divestment)	6.00 p.m. on 27 October
Ex-Dividend Date (Divestment)	29 October
Admission effective and dealings in the Ordinary Shares commence*	8.00 a.m. on 29 October
Expected date for CREST accounts to be credited in respect of new Ordinary Shares	8.00 a.m. on 29 October
Payment Date (Divestment)	29 October
Dispatch of definitive share certificates, where applicable	within 10 business days of Admission

** Assuming the Resolutions are passed at the General Meeting*

All future times and/or dates referred to in this document are subject to change at the absolute discretion of the Company and Allenby Capital, and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on a regulatory information service. All references to times in this document are to London times.

KEY STATISTICS

Placing Price (per Ordinary Share)	5 pence
Number of Existing Ordinary Shares	38,836,787
Number of Placing Shares	75,000,000
Number of Consideration Shares	90,619,170
Enlarged Ordinary Share Capital	204,455,957
Consideration Shares as a percentage of the Enlarged Ordinary Share Capital	44.32 per cent.
Placing Shares as a percentage of the Enlarged Ordinary Share Capital	36.68 per cent.
Gross proceeds of the Placing	£3.75 million
Estimated net proceeds of the Placing	£3.04 million
Anticipated market capitalisation of the Company on Admission	£10.22 million
ISIN for the Ordinary Shares	GB00BFN4GY99
SEDOL number	BFN4GY9
LEI code	213800LXW3HPZ7ZSBE37
AIM symbol	ERIS
AIM symbol from Admission	ZNWD

PART I

LETTER FROM THE CHAIRMAN OF ERRIS RESOURCES PLC

ERRIS RESOURCES PLC

(Incorporated and registered in England and Wales with registered number 10829496)

Directors

Jeremy Martin *(Non-executive Chairman)*
Anton Du Plessis *(Chief Executive Officer)*
Cherif Rifaat *(Chief Financial Officer)*
Graham Brown *(Non-executive Director)*

Registered Office

c/o Whitley Stimpson Limited,
29-31 Castle Street, High Wycombe,
Buckinghamshire, HP13 6RU

8 October 2020

Dear Shareholder,

Proposed acquisition of 50 per cent. interest in Deutsche Lithium GmbH

Placing of 75,000,000 new Ordinary Shares at 5p per share

Divestment of Loch Tay Gold Project

Change of name to Zinnwald Lithium plc

Approval of a waiver under Rule 9 of the City Code on Takeovers and Mergers

Admission of the Enlarged Ordinary Share Capital to trading on AIM

and

Notice of General Meeting

1. Introduction

The Board is pleased to inform Shareholders that terms have been agreed for the proposed acquisition of 50 per cent. of the issued share capital of Deutsche Lithium, the principal activity of which is the development of the Zinnwald Lithium Project in south eastern Germany.

As part of its ongoing corporate strategy, the Board has been reviewing projects in low risk jurisdictions internationally with a specific emphasis on finding more advanced assets that are closer to production. The Board believes that the Zinnwald Lithium Project, which already has a published Feasibility Study and a mining licence, presents an excellent opportunity to create value for Shareholders, particularly as the Project is at an advanced stage when compared with the Company's existing assets.

The consideration for the Acquisition will be satisfied by the issue of the Consideration Shares and the grant of the Bacanora Royalty Agreement (further details of which are set out in paragraph 12.1.5 of Part XII) to Bacanora, the current owner of 50 per cent. of the issued share capital of Deutsche Lithium. In conjunction with the Acquisition, the Company will acquire the Bacanora Cash, amounting to €1,350,000, of which €935,000 constitutes the Company's funding obligations, with effect from completion of the Acquisition, under the Deutsche Lithium JV Agreement. In addition, the Company has undertaken to provide further funding of €650,000 to Deutsche Lithium in conjunction with the preparation of a lithium hydroxide (LiOH) NI 43-101 compliant technical report and additional detailed capital expenditure design work. This further funding is to be provided in monthly instalments from October 2020 to February 2022. The Bacanora Cash will be paid from Bacanora's existing cash resources.

The Board believes that the Loch Tay Gold Project, whilst already generating promising results and potential drill targets, is at too early an exploration stage to support the costs of a listed company. The Board believes that the Loch Tay Gold Project, on a standalone basis, would be better developed in a private company that can more efficiently utilise its financial resources to advance the project. Consequently, the Divestment is being proposed to occur in conjunction with, *inter alia*, the Acquisition. Accordingly, Erris Gold Resources, holder of the Loch Tay Option Agreement, will be spun out to the Existing Shareholders, who have funded

the Loch Tay Gold Project to date. Erris Gold Resources will have an initial cash balance of €400,000 together with the business and assets of the Loch Tay Gold Project and the existing Erris operational staff, including David Hall and Aiden Lavelle. Accordingly, Existing Shareholders will not only retain their Ordinary Shares valued at 5 pence per share (being the Placing Price) but will also receive a share in Erris Gold Resources valued at 1 pence per share on a pure cash basis.

The Company will retain its Abbeytown Project in Ireland and its Brännberg Gold Project in Sweden. The work undertaken by the Company at Abbeytown was successful in advancing the project. However, the macro climate in relation to zinc and general market appetite does not support any further substantial work being undertaken for the time being. The Company's work in Scandinavia, and particularly Brännberg, has also further advanced these projects, but again, the equity capital markets' appetite for these projects has been muted. Both of these projects will remain owned by Erris and the Company will look for future funding partners.

The Company has also conditionally raised £3.75 million, before expenses, by way of the Placing, the proceeds of which will be used by the Company for progressing the Zinnwald Lithium Project and for general working capital purposes. Further details of the Placing are set out in paragraph 15 of this Part I.

If the Proposals proceed, Bacanora will have an interest of 44.32 per cent. in the Enlarged Ordinary Share Capital. Bacanora and other members of the Concert Party will have, upon Admission, an aggregate maximum potential interest in 44.60 per cent. of Erris's Enlarged Ordinary Share Capital. Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make a mandatory offer in cash to all Shareholders to acquire their Ordinary Shares. Following an application by the Company, the Panel has agreed to waive this obligation, subject to approval by the Independent Shareholders of the Whitewash Resolution on a poll at the General Meeting. Your attention is drawn to the City Code and Rule 9 Waiver section contained in paragraph 19 of this Part I.

Shareholders should note that the Resolutions required to enable the Proposals to occur are inter-conditional and, consequently, if any of the Resolutions to be proposed at the General Meeting relating to the Proposals are not passed, the Acquisition, the Placing, the Divestment and Admission will not occur and the Existing Ordinary Shares will continue to be admitted to trading on AIM. If the Resolutions are approved, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 8.00 a.m. on 29 October 2020. Further details of the General Meeting are set out in paragraph 21 of this Part I.

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek Shareholder approval for the Proposals, including Shareholder approval for the Rule 9 Waiver (which specifically requires the approval of the Shareholders taken on a poll), at the General Meeting. The Notice of General Meeting, which has been convened for 10.00 a.m. on 26 October 2020, is set out at the end of this document.

You should read the whole of this document, which comprises an Admission Document prepared under the AIM Rules, and your attention is drawn in particular to the risk factors set out in Part IV of this document.

2. Information on the Zinnwald Lithium Project

If the Proposals take effect, Erris will acquire the Sale Share and, as such, have a 50 per cent. interest in, and joint operational control of, Deutsche Lithium, the principal asset of which is the Zinnwald Lithium Project covering 256.5 ha and with a 30 year mining licence to 31 December 2047. The Project is located in southeast Germany, some 35 km from Dresden and adjacent to the border of the Czech Republic.

The Zinnwald Lithium Project is located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten, and lithium at different times over the past 300 years. With an abundant supply of fluorspar/hydrofluoric acid available in the immediate vicinity, Deutsche Lithium has chosen to focus on LiF (Lithium Fluoride) which is used in the lithium-ion battery supply chain. LiF is a high value downstream lithium product and one of the two key components in the manufacturing process of LiPF6, which is the most important conducting salt in lithium electrolytes and serves as the "shuttle" in the lithium battery electrolyte which "ships" the lithium ion between the cathode and the anode. Approximately 95 per cent. of all lithium battery electrolytes use LiPF6, and the percentage used in each cathode is increasing in some of the newer

battery types. The strategic location of the Project allows access to the German automotive and downstream chemical industries.

While the NI 43-101 Feasibility Study for the Project is based solely on the production of LiF, Deutsche Lithium has established the possibility of also producing battery-grade lithium carbonate directly from the lithium mica concentrate with only minimal modifications to the chemical plant circuits. Deutsche Lithium is also undertaking testwork to determine if the same applies to possible lithium hydroxide production.

In May 2019, Deutsche Lithium first announced the results of the NI 43-101 Feasibility Study for the Project, which confirmed the positive economics and favourable operating costs for the production of 5,112 tpa (~7,285 tpa LCE) of battery grade lithium fluoride (LiF). With a long life project of 30 years, the Feasibility Study estimated a pre-tax project NPV of €428 million (8 per cent. discount rate); an IRR of 27.4 per cent.; and favourable LOM operating costs resulting in a 46 per cent. EBITDA operating profit margin. The NPV is not a valuation for the purposes of Rule 29 of the Takeover Code and should not be relied upon as such.

The 30-year Feasibility Study mine plan equates to the extraction of less than 50 per cent. of the currently identified resource.

- Measured plus Indicated Mineral Resource estimate containing 35.51 Mt at a grade of 3,519 ppm containing 124,974 t Li at cut-off grade of 2,500 ppm Li
- Represents approximately 665,000 tonnes of lithium carbonate equivalent ('LCE'), comprising approximately 357,500 tonnes of LCE in Measured Resources and approximately 307,500 tonnes of LCE in Indicated Resources
- Estimated Inferred Mineral Resources of 4.87 Mt at a grade of 3,549 ppm containing 17,266 t Li metal (approximately 92,000 tonnes LCE)

In addition to the mining licence in relation to the Project, Deutsche Lithium holds two other exploration licences; the Falkenhain licence (covering 295.7 ha and with a 5-year term to 31 December 2022) and the Altenberg licence (covering 4,225.3 ha and with an approximately 5-year term to 15 February 2024). These exploration licences for lithium deposits may have the potential to significantly increase Zinnwald's resource base and Project life.

The mining operation for the Project is planned as an underground mine development using a single decline ramp for access to the mine and for ore transportation from the mine to the surface. The mine technology will be a commonly used load-haul-dump room and pillar technology with subsequent backfill using self-hardening material. The processing operation will be based on a conventional processing flow sheet using established sulphate route processing technology. The proposed integrated plant is designed to process approximately 570,000 tonnes of ore per year (assuming a 30 year mine plan, which equates to approximately 50 per cent. of the total resource identified to date). However, in order to make the Project more viable and to reduce the payback time for the investment, the average mined tonnage of the first five years of production is 522,000 tonnes at a grade of 3,400 ppm Li. The Project has a capital cost estimate of approximately €160 million which includes mining, processing plant, infrastructure, tailings management and general administration costs and government grants as well as the requisite contingencies.

At the present time a risk assessment has been undertaken to identify risks that would inhibit the development of the mine. Any technical risks due to historic mine workings and water drainage pathways should be avoided by detailed technical planning. Further, public acceptance of the planned mine seems to be sufficient and risks are being evaluated.

It is anticipated that in addition to returns generated by the sale of LiF, the Project also has the potential to produce up to 32,000 tpa of potassium sulphate ('SOP', 'K2SO4') for sale to the European fertiliser industry. Further, it is expected that a significant portion of the mined tailings may be sold for use as an aggregate filler to local building companies.

The other 50 per cent. owner of Deutsche Lithium is SolarWorld AG, a company which has been in administration since 1 August 2017. On completion of the Acquisition, and as a result of its then 50 per cent. interest in Deutsche Lithium, Erris will enter into a deed of adherence to the Deutsche Lithium JV Agreement with SolarWorld AG which will form the basis on which the parties work together in relation to the Project. The experience of Bacanora in its dealings with the administrator of SolarWorld AG is that

operational matters in relation to Deutsche Lithium and the Zinnwald Lithium Project have been unaffected by the status of SolarWorld AG being in administration.

The Deutsche Lithium JV Agreement sets out the rights and obligations of Deutsche Lithium's shareholders. It restricts shareholders in relation to (i) establishing a competing business whilst they remain a shareholder of Deutsche Lithium and 12 months thereafter, (ii) transferring their shares and/or (iii) granting encumbrances over their shares. The shareholders also agree to abide by deadlock provisions in the instances of any disputes as to how Deutsche Lithium is operated and managed.

In addition, the Deutsche Lithium JV Agreement provides that each shareholder of Deutsche Lithium will be entitled to (i) receive a business plan (including a cash flow statement, monthly projected profit and loss, an operating budget, a management report and a financial report), (ii) access to certain financial records relating to Deutsche Lithium. Furthermore, each shareholder has the right to appoint an appointee to the management board and advisory board of Deutsche Lithium.

Under the terms of the second supplement agreement to the Deutsche Lithium JV Agreement, the Company will be obliged to provide further additional funding to Deutsche Lithium. The Company will acquire the Bacanora Cash pursuant to the terms of the Acquisition Agreement, €935,000 of which will be used for the purpose of providing the balance of such required funding. In addition, the Company has undertaken to provide further funding of €650,000 to Deutsche Lithium in conjunction with the preparation of a lithium hydroxide (LiOH) NI 43-101 compliant technical report and additional detailed capital expenditure design work. This further funding is to be provided in monthly instalments from October 2020 to January 2022.

Each shareholder has pre-emption rights and rights of first refusal in relation to any proposed transfer or disposal of the other shareholder's share in Deutsche Lithium. As a result, SolarWorld AG cannot transfer its share in Deutsche Lithium without first offering it to the Company (and *vice versa*). In the event that the Company subsequently acquires the remaining share in Deutsche Lithium from SolarWorld AG, as envisaged, then the Deutsche Lithium JV Agreement will terminate.

Further information on the Zinnwald Lithium Project can be found in Part II. The Zinnwald CPR can be found in Part V. The NPV detailed within the Zinnwald CPR is not a valuation for the purposes of Rule 29 of the Takeover Code and should not be relied upon as such.

Further information on the Deutsche Lithium JV Agreement can be found at paragraph 12.1.5 of Part XII.

3. Information on Erris

The Group was established in 2012 as a mineral exploration and development company. Its Ordinary Shares were admitted to trading on AIM in December 2017. Its focus has been to create shareholder value through the process of discovering new ore deposits, with a focus on European jurisdictions. The Company received industry backing in December 2017 via a £1.47 million investment by Osisko Gold Royalties, a TSX and NYSE intermediate precious metal royalty company with a market capitalisation of approximately C$2.6 billion. The Company was also supported at the project level by Centerra, a wholly owned subsidiary of Centerra Gold Inc., a TSX listed gold mining and exploration company with a market capitalisation of approximately C$4.56 billion, which funded a number of generative exploration programmes in Scandinavia. However, these programmes did not prove successful in outlining economic resources and the arrangement with Centerra concluded in December 2019.

In Ireland, the Company holds five prospecting licences at its 100 per cent. owned brownfield lead-zinc Abbeytown Project covering a total of 136km^2 and including the historic Abbeytown mine in County Sligo, Ireland. These licences have been held since 2013 and were successfully renewed in the third quarter of 2019 for a further six years to August 2025. Of the five prospecting licences, PL 3735, containing the historically operated Abbeytown Pb-Zn mine, is the licence of most importance for Erris.

Surface and underground drilling undertaken by the Company in 2017 and 2018 intersected significant mineralisation around the Abbeytown mine and high-grade mineralisation is open along strike to the south of the mine. In addition, soil sampling identified high-priority anomalies in a structurally favourable setting up to 1.2km south of the mine.

Work to date has proven the potential for a high-grade Zn-Pb-Ag deposit and underground access allows direct access to the mineralisation with several high priority targets to test.

In Sweden, the Company currently has five permits of which three make up the Brännberg Gold Project in the Skellefte Mining District of north Sweden. The Board considers that three of these five permits are core and where drilling was focussed as part of the Company's previous strategic alliance with Centerra. The combined area of the Brännberg Gold Project is now 2,097 ha. The Company's other two Swedish permits are Enåsen and Storkullen in Central Sweden. All of the permits are 100 per cent. owned by Erris. The Brännberg Gold Project and the two Swedish permits will not be material assets for the Company from Admission.

Further information on the Abbeytown Project and the Brännberg Gold Project can be found in Part III. The Abbeytown CPR can be found in Part VI.

4. Divestment

The Board believes that the Zinnwald Lithium Project should be the principal focus of Erris going forward. However, the Board considers that what it sees as the significant potential of the Loch Tay Gold Project should accrue to the existing Shareholders of the Company. Further, the Directors believe that the Loch Tay Gold Project would be better suited, at this stage of its development, to being owned by a standalone private company. Consequently, the Divestment is being proposed to occur as part of the Proposals and the Loch Tay Gold Project will not form part of the Group on Admission. The Loch Tay Gold Project is owned by Erris's subsidiary company, Erris Gold Resources. Following completion of the Proposals and the passing of the Resolutions, all Existing Shareholders in Erris will receive shares in Erris Gold Resources, *pro rata* on a one-for-one basis to their shareholding of Existing Ordinary Shares. Share certificates in relation to these new shares in Erris Gold Resources will be sent to the registered addresses of Existing Shareholders shortly following completion of the Proposals. David Hall and Aiden Lavelle, respectively the current non-board CEO and COO of Erris, will become directors of Erris Gold Resources and manage the Loch Tay Gold Project on an ongoing basis.

The Loch Tay Gold Project comprises 237 square kilometres of highly prospective ground within the Grampian Gold Belt in Perthshire, central Scotland and, importantly, located 43km east of the new Cononish high-grade gold mine. Two priority target areas, Ardtalnaig and Glen Almond, have been identified as having excellent gold potential based on the presence of historic workings, mineralised outcrops and alluvial gold occurrences. The Loch Tay Option Agreement (which was novated to Erris Gold Resources by Erris Resources UK on 27 August 2020 as a pre-completion step to the Divestment (as further described at paragraph 12.1.7 of Part XII)) allows Erris Gold Resources the option to acquire 80 per cent. of the Loch Tay Gold Project by defining a minimum inferred resource of 250,000 ounces gold, to be defined by an independent competent person, by 22 April 2024. Upon defining 250,000 ounces within the required time frame, the ownership of the licence shall be allocated as to 80 per cent. Erris Gold Resources and 20 per cent. GreenOre Gold plc, the current licence holder, with any subsequent funding being on a *pro rata* basis. In the event of either party failing to fund their respective portion, they will be diluted according to a standard industry formula. If either party shall dilute to less than 10 per cent. then that party shall forfeit all ownership and be entitled solely to a 2 per cent. net smelter return royalty. Erris Gold Resources has the option to purchase 50 per cent. of the net smelter return royalty for US$1 million at any time prior to a production decision on the project. Erris Gold Resources will be the operator and will manage the exploration programme.

The Divestment will also include various licences in Norway, as well as a consultancy agreement in relation to a permit application for potential assets in France.

As part of the Divestment, the Company will transfer cash funding of €400,000 to Erris Gold Resources which is sufficient to meet the expected needs of that business for the next 12 months. It is the intention of the directors of Erris Gold Resources to seek a route back to listed status at the appropriate time having sufficiently advanced the Loch Tay Gold Project.

5. Reasons for the Proposals

The strategy of Erris has been the identification and acquisition of attractive mining development projects in low risk, preferably European, jurisdictions. The Directors of Erris are of the opinion that the Zinnwald Lithium

Project represents an appropriate acquisition target that will provide the Company with a core asset with several compelling attributes.

- Lithium is an important component of battery chemistry and demand for batteries is anticipated to grow due to factors including a transition to electric vehicles;
- The Zinnwald Lithium Project provides the opportunity and flexibility to produce several battery-grade lithium products including LiF, Li_2CO_3 and $LiOH*H_2O$;
- The Project is located in Germany, a country that is host to both a major automotive industry and several major chemical producers;
- The European Union has identified lithium as a strategic mineral for local production;
- The Zinnwald Lithium Project has been the subject of a NI 43-101 Feasibility Study that has demonstrated its economic viability;
- The Project has a valid mining licence;
- The management team of the Zinnwald Lithium Project has appropriate technical expertise in place at the project level; and
- The vendor, Bacanora, will continue to provide management support via Board representation and is contributing cash resources as part of the Acquisition.

In relation to the Divestment, it is the opinion of the Directors that as an early stage gold exploration project, the Loch Tay Gold Project is sufficiently different to the advancement of the Zinnwald Lithium Project that ultimately the Loch Tay Gold Project will be in a better position to attract the capital and resources it needs as a standalone focussed entity with a dedicated management team. Given its current early stage, the Directors are of the opinion that a private company is the appropriate vehicle for the advancement of the Loch Tay Gold Project in the near term.

6. Principal terms of the Acquisition

On 8 October 2020, the Company entered into a share purchase agreement with Bacanora, pursuant to which it has conditionally agreed to acquire the Sale Share and the Bacanora Cash from Bacanora with the consideration to be satisfied by the issue to Bacanora of the Consideration Shares at the Placing Price, credited as fully paid.

The Acquisition is conditional upon, *inter alia*

- the passing of the Resolutions relating to the Proposals at the General Meeting;
- the Placing Agreement becoming unconditional in all respects; and
- Admission becoming effective.

As further consideration for the Acquisition the Acquisition Agreement provides that the Company and Bacanora will enter into the Bacanora Royalty Agreement. The Bacanora Royalty Agreement provides for a royalty in favour of Bacanora of 2 per cent. of the net profits earned by the Company which relate to the Company's 50 per cent. shareholding in Deutsche Lithium and its sale of lithium products or minerals particularly in relation to the Zinnwald Lithium Project. The Bacanora Royalty Agreement provides that the royalty will be paid to Bacanora for an initial 40 year term and the Company has the right to extinguish the agreement by paying Bacanora a one-off payment of €2,000,000.

Further details of the Acquisition Agreement and the Bacanora Royalty Agreement are set out in paragraph 12.1.1 and 12.1.5 respectively of Part XII of this document.

7. Strategy of the Group on Admission

Following Admission, the Zinnwald Lithium Project will form the core of the Company and will be the primary focus of the Board and its strategy. The Company, working with the management team at Deutsche Lithium, will seek to advance the Zinnwald Lithium Project in a number of areas, including:

- Identification of and negotiation with off-take partners that could include battery manufacturers, chemical producers or commodity traders;

- Identification and negotiation with potential financing partners that could include banks, national and trans-national development organisations;
- Expansion of the scope of the NI 43-101 Feasibility Study to assess the commercial viability of producing a broader range of lithium compounds, specifically lithium carbonate and lithium hydroxide;
- Front end engineering design work;
- Finalisation of the selection of the optimal chemical processing site location; and
- Completion of the final steps in the permitting process for the construction and operation of the mine.

Part of this strategy with regard to the Zinnwald Lithium Project will be to gain operational control of Deutsche Lithium. The Erris board and management team intends to engage with the administrator of SolarWorld AG to advance these discussions following Admission.

The Board intends to put the Abbeytown Project on care and maintenance, from 2021 onwards, due to the current challenging zinc and lead market conditions. Planned spending on the Abbeytown Project by Erris over the next 18 months is expected to total €30,000, all of which will be focussed on maintaining licence PL 3735. The Company will also be looking for partners to advance or acquire this project. The Company will also only spend the minimum required to maintain its licences at the Brännberg Gold Project, whilst it looks for funding partners or an acquiror.

8. Current trading and prospects

Erris

The following update regarding the Loch Tay Gold Project has been extracted from the Chairman's statement in the Company's half year results for the six months ended 30 June 2020, which were announced on 30 September 2020. The status of the Company's activities in Ireland and Sweden are set out in paragraph 3 of this Part I.

General

The first half of 2020 has been an active and important six months for the Company, notwithstanding the onset of the COVID-19 pandemic, which forced Erris to shut down its exploration programmes for a period of time in line with Government guidelines.

Loch Tay Gold Project

Early prospecting and mapping during the due diligence period at the Lead Trial, where historic small-scale workings for lead are located, yielded good grades of gold associated with lead and zinc. In February and March 2020, the team commenced further prospecting and a batch of 121 rock samples were submitted to the ALS laboratory in Loughrea, Ireland prior to the commencement of the COVID-19 lockdown on 25 March. The results from the samples submitted yielded some excellent grades of gold including the two highest grade samples with 17.15g/t Au and 14.8g/t Au respectively. These high-grade samples were taken up to 2.9km east of the workings and defined a new high-grade target area called Lead Trial – Dunan.

The team continued to review and compile large amounts of historic data from home during the lockdown period and identified new target areas for subsequent ground truthing and prospecting. On 30 June 2020, the Company announced that it was resuming fieldwork in July 2020 and that GreenOre Gold and Erris had agreed to extend the option period by 98 days due to lost time caused by the COVID-19 restrictions.

Based on work done, the Lead Trial target now consists of a 3km mineralised trend of boulders and outcrop with the highest-grade boulders located at the east end. Detailed mapping, soil geochemical surveys and ground magnetic surveys to define the mineralised system and identify drill targets has been planned.

Several other targets are present within the large licence area such as in Glen Almond where alluvial gold and narrow high-grade veins have been located, the Corrie Buidhe mine where high-grade silver was mined historically and gold has been sampled and Invergeldie where gold-bearing arsenopyrite mineralisation was drilled historically but where there are also stream geochemical anomalies associated with felsites. The next step is to systematically review these target areas and other gold occurrences within the licence area to prioritise and upgrade prospective targets.

Deutsche Lithium

During 2020, Deutsche Lithium has continued to progress the project on both a corporate and operational level.

On a corporate level, in February 2020, Bacanora and the administrator for SolarWorld AG (the "Administrator") agreed to a second amendment to the Deutsche Lithium JV Agreement that removed the right of the Administrator to buy back Bacanora's stake for €1 in return for Bacanora committing to fund Deutsche Lithium for a further two years in the amount of €1.35 million on a non-dilutionary basis. Discussions are ongoing between Deutsche Lithium and local German banks in preparation for the future project debt requirements required for Deutsche Lithium to move the Zinnwald Lithium Project into its construction phase. Deutsche Lithium has also continued to work with potential offtake partners to agree long-term supply or off-take agreements.

On an operational level, Deutsche Lithium has been working on advancing the permitting status of the Zinnwald Lithium Project. Deutsche Lithium obtained its mining licence for Zinnwald in 2017, which is valid until 2047, but comes with the standard requirements to apply for further permits for environmental and construction aspects of the Project. Deutsche Lithium is currently undertaking detailed environmental and community studies to continue to develop the overall Zinnwald sustainability framework. Environmental monitoring programmes are ongoing as well as the permitting process for Zinnwald's mining and mineral processing plant. Deutsche Lithium has also continued to evaluate the potential of the exploration licences held over the adjacent areas in Falkenhain and Altenberg.

In relation to the technical aspects already identified in the Feasibility Study, Deutsche Lithium has continued to refine and develop its operational plan. Deutsche Lithium is currently undertaking testwork to evaluate the addition of lithium hydroxide to its suite of potential end-products, which will require further optimisation of the processing plant flow sheet design. Deutsche Lithium has been working with engineering groups to finalise the capital costs for the processing plant. It is optimising the scope for the supply contracts for critical long-term contracts of both a capital and operating cost nature. Deutsche Lithium has undertaken further testwork for the usage of both the mining tailings and also the potential chemical co-products. Deutsche Lithium is also developing the required logistics framework to develop the Project as a whole.

9. Selected financial information

Selected financial information for Deutsche Lithium and the Company can be found in Parts VII and VIII of this document.

Investors should read this document in its entirety, not just relying upon summarised information. The financial information of the Company and Deutsche Lithium has been prepared using IFRS.

10. Existing Directors, Proposed Director and senior management

(a) ***Existing Directors***

Anton du Plessis (aged 49) – *Chief Executive Officer*

Mr du Plessis joined Erris, originally as Chief Executive Officer, in October 2018. He has over 20 years' experience in the finance sector. During this time, he has held senior positions at several international investment banks including CIBC, Bank of America Merrill Lynch and Morgan Stanley with a focus on advising natural resources companies on the execution of strategic and financing transactions. He has worked on transactions across a range of commodities and for a number of leading global companies including Anglogold Ashanti, Rio Tinto and BHP Billiton. Prior to embarking on his investment banking career, Mr du Plessis worked for the Anglo American group in a corporate finance and business development capacity.

Cherif Rifaat (aged 49) – *Chief Financial Officer*

Mr Rifaat has been Chief Financial Officer of the Company since 2017. He is a UK chartered accountant who has more than 20 years of venture capital, corporate finance, operational turnaround and investor relations experience since his qualification with KPMG. He has primarily worked with technology, mining and real estate companies, with an emphasis on those in a start-up, pre-IPO or restructuring phase. He has been a corporate and financial adviser to the lithium mining company, Bacanora, since it listed on AIM

in 2014, and is currently its company secretary. Mr Rifaat has been a member of the ICAEW since 1998. Mr Rifaat is a member of the Concert Party.

Jeremy Martin (aged 43) – *Non Executive Chairman*

Mr Martin was one of the original founders of Erris in 2012 and has performed both non-executive director and non-executive chairman roles. He has significant experience in companies involved in mining exploration. He has worked in South America, Central America and Europe, where he was responsible for grassroots regional metalliferous exploration programmes through to resources definition and mine development. Mr Martin has been involved in the formation of a number of publicly listed mineral resource companies. He is currently Chief Executive Officer of Horizonte Minerals Plc, which is at the post feasibility study stage of its nickel project in Brazil. Mr Martin holds a BSc (Hons), MSc, ACSM and MSEG.

Graham Brown (aged 61) – *Non Executive Director*

Mr Brown has served as a non-executive director of the Company since 2017. He has been a Fellow of the Society of Economic Geologists ("SEG") since 1999, participated in the Colombia Senior Executives programme in 2004 and the Duke Business Leaders programme in 2007. He is a past councillor of the SEG and current British Geological Survey industry adviser and Natural History Museum honorary research fellow. In 2011, he was the co-recipient of the PDAC Thayer Lindsley Award and from 2013 attained both Chartered Geologist and European Geologist professional status. Mr. Brown joined Amax as an exploration geologist in 1980 and worked on a variety of exploration and mining operations in the Circum-Pacific region. For almost a decade Mr. Brown worked as a consultant involved with the exploration and evaluation of a number of major discoveries in both Asia and Europe. In 1994, he joined Minorco as Chief Geologist. Subsequently, he became the Europe-Asia region's Vice President Exploration and following the Minorco-Anglo American plc merger in 1999, he served as Vice President Geology. In 2003 he was appointed Senior Vice President Exploration and managed geosciences, technical services, and R&D programs. In 2005 he was promoted to Head of Base Metals Exploration and in 2010 he took up the position of Group Head of Geosciences for the Anglo American Group. He is currently a senior adviser to Appian Capital, a prominent private equity fund focussed on mining. Mr Brown holds a BSc. from the University of Strathclyde, Glasgow.

(b) ***Proposed Director***

Peter Secker (aged 61) – *Proposed Non Executive Director*

Mr Secker is Chief Executive of Bacanora. He is a mining engineer with over 35 years' experience in the resources industry. During his career, he has built and operated a number of mines and metallurgical processing facilities in Africa, Australia, China and Canada. His operating and project experience spans a number of commodities, including titanium, copper, iron ore, gold and lithium. For the past 15 years, Mr Secker has been Chief Executive of a number of publicly listed companies in Canada, the UK and Australia. Mr Secker is a member of the Concert Party.

(c) ***Senior management***

Set out below are the biographies of the Deutsche Lithium Project team.

Prof. Dr Armin Mueller – *Managing Director*

Prof. Dr. Armin Mueller has been Managing Director of Deutsche Lithium since 2008. He studied chemistry at the TU Bergakademie Freiberg. He holds a degree in chemistry and became a Ph.D. rer. nat. PhD in chemistry. Since 2008, he has been Honorary Professor of Inorganic-Chemical Technology at the TU Bergakademie Freiberg. His career began in 1991 in the chemical industry at Bayer AG Krefeld in the field of inorganic pigments. In 1996, he moved to Freiberg and worked for Bayer Solar GmbH and subsequently Deutsche Solar GmbH where he was latterly research and development director until 2007. From 2007 to 2011, Prof. Dr Mueller was Chief Technology Officer at Sunicon AG, the main activities of which included the production of high-purity silicon, silicon recycling and the crystallization of silicon for photovoltaics. Between 2003 and 2013, he was also Managing Director of Joint Solar Silicon GmbH, a joint venture between Degussa/Evonik and SolarWorld. From 2010 to 2017, Prof. Dr Mueller was a member of the Supervisory Board of Qatar Solar Technologies, and from 2012 to 2016, Director of Strategic Materials SolarWorld AG.

Dr Torsten Bachmann – *Chemist*

Dr Bachmann is Dipl.-Ing. of Environmental Technology and has a PhD in Chemistry. He has over 15 years' experience in science and industry in the area of photovoltaics and inorganic chemistry and long-term experience in the management of national research projects. He was team leader in the "Lithium Zinnwald Project" from 2011 to 2015 and since 2017 has been responsible for "Chemical Processing" aspects of the Project.

Jan Henker – *Process Engineer*

Mr Henker is Dipl.-Ing. of Process Engineering. He has 15 years industry experience in mechanical processing, photovoltaics and inorganic chemistry and over five years of experience in managing plant engineering and construction. From 2012 to 2015 and since 2017 he has been responsible for the "Mineral Processing" aspects of the Project.

Dr Thomas Dittrich – *Geologist*

Dr Dittrich graduated with a degree in geology/palaeontology in 2009. Between 2009 and 2017, he was a Scientific Research Assistant at the Technical University of Freiberg, where he worked in the fields of the assessment of rare metal deposits and the development of exploration strategies for pollucite bearing rare metal pegmatites. During his studies and doctoral thesis, he also spent several months doing fieldwork in Brazil, Australia and Zimbabwe. In 2017, he joined Deutsche Lithium where he is in charge of mineral exploration and mining.

Dr Matthias Reinecke – *Chemist*

Dr Reinecke is Dipl.-Ing. for Materials Science and holds a PhD in Chemistry. Dr Reinecke has over 20 years' experience in industry in the area of process development in silicon crystallisation and chemistry and of application of Li-ion battery systems for stationary storage. Since 2018 he has been responsible for "Hydrometallurgical Processing" aspects of the Project.

11. Use of proceeds

The net proceeds from the Placing of approximately £3.04 million will be applied to the professional fees incurred in relation to the transaction and for general working capital purposes.

12. Dividend policy

At present, the Directors consider that it is more prudent to retain cash to fund the development of the Group's assets, in particular the Zinnwald Lithium Project. As a result, the Group does not anticipate paying dividends to Shareholders in the short term.

13. Incentivisation schemes

The Directors believe that the success of the Group will depend to a significant degree on the performance of the Group's senior management team. The Directors also recognise the importance of ensuring that the management team are well motivated and identify closely with the success of the Group.

As such, with effect from Admission the Company intends to adopt the 'Short-term Restricted Unit Scheme' ("**RSU Scheme**") and 'Long-term Performance Share Unit Scheme' ("**PSU Scheme**" and together with the RSU Scheme, the "**New Share Incentive Schemes**" or the "**Schemes**"). The New Share Incentive Schemes will be the primary incentive schemes for the Company going forward. The New Share Incentive Schemes will remain effective for a period of 10 years from the date of approval.

The purpose of the Schemes is to assist the Company in attracting and retaining individuals with experience and exceptional skill, to allow selected executives, key employees and directors of the Company to participate in the long term success of the Company and to promote a greater alignment of interests between the participants designated under the Schemes and the Shareholders.

Key features of both Schemes include:

Grants of awards may be made to eligible persons, who are defined as Directors, senior executives and employees of the Company or its subsidiaries or as otherwise determined by the Remuneration Committee.

The potential maximum number of Ordinary Shares that could eventually be granted under the New Share Incentive Schemes, based on performance, shall not exceed 10 per cent. of the number of Ordinary Shares in issue at the date of grant of each award, when calculated in combination with any previously unvested or unexercised awards. Awards may be issued under either or both Schemes, being "**RSUs**" (under the RSU Scheme) or "**PSUs**" (under the PSU Scheme).

Malus (of any unvested awards) and clawback (of any vested but unexercised awards) may be applied during employment or for two years post-termination of employment in the event of the option holder's gross misconduct, material financial misstatement, error in calculation of outcomes or in any other circumstance that the Remuneration Committee considers appropriate.

All unexercised awards shall lapse three months after termination of employment except in the cases of:

- death in service when options may be exercisable for a limited period following the employee's death;
- redundancy or ill-health when options may be exercised for a limited period following termination;
- retirement in circumstances where the Remuneration Committee exercises its discretion to permit options to be exercised for a limited period following termination; and
- in any other circumstance as the Remuneration Committee may determine in its absolute discretion.

In the event of a change of control of the Company, the Board or Remuneration Committee in their sole discretion, may allow unvested awards to vest early or unexercised RSUs or PSUs to be exercised early. In the event of any reorganisation of the Company's share capital, the Board or Remuneration Committee in their sole discretion, may allow an adjustment to be made to the number and/or nominal value of shares under option.

Prior to the delivery of any RSUs, PSUs or Ordinary Shares under the Schemes, the Company shall deduct or withhold all applicable withholding taxes due under the Schemes, namely income tax and employee's national insurance contributions.

Key features of the RSU Scheme:

Awards granted under the RSU Scheme will be subject to annual performance criteria set by the Remuneration Committee each financial year, relating to each eligible employee's performance against personal, financial, strategic and 'Environmental, Social, and Corporate Governance' ("ESG") metrics.

Each eligible person will be set a (i) minimum performance threshold which must be satisfied in order to trigger any issuance of RSUs to them ("**Threshold**"). In addition, a base target ("**Target**") and maximum amount ("**Maximum**") will also be set.

The first performance period will run with an effective date from 1 October 2020 until 31 December 2021 ("**RSU Initial Performance Period**"), with subsequent performance periods running annually from 1 January 2022 onwards.

The Company will calculate any awards under the RSU Scheme based on a percentage of base salary as recommended by the Remuneration Committee at the start of each performance period. The number of RSUs issued will be based on the share price of the Company on expiry of the RSU Initial Performance Period. On the expiry of the RSU Initial Performance Period, RSUs will be issued as follows:

- performance below Threshold – no RSUs issued
- performance equal to Threshold – RSUs issued to 20 per cent. of salary
- performance equal to Target – RSUs issued to 40 per cent. of salary
- performance equal to Maximum – RSUs issued to 60 per cent. of salary

Any RSUs issued under the Scheme will have a further two year vesting period. On the vesting date, the RSUs will convert into cash or ordinary shares at the discretion of the Company.

Key features of the PSU Scheme:

Awards granted under the PSU Scheme will be subject to three-year performance criteria set by the Remuneration Committee each financial year, relating to objective corporate metrics as follows:

- 'Relative Total Shareholder Return ("**RTSR**")' against the peer group; and
- a significant corporate strategic goal set by the Company. During the PSU initial performance period, this goal shall be the Company gaining control of 100 per cent. of Deutsche Lithium.

Performance criteria shall be assessed 50:50 between these two corporate metrics. The assessment relating to RTSR shall be calculated as Maximum being in the top quartile, Target being in the top half and Threshold being in the third quartile. The assessment relating to the corporate goal shall generally be binary Yes or No, but with the Board or Remuneration Committee having sole discretion to assess partial achievement.

The peer group for the 'Relative Total Shareholder Return' metric comprises all of the listed lithium companies that meet the criteria of most or all of being European focussed or listed, pre-production and either hard or soft rock in nature. These peer group companies are Bacanora (AIM:BCN), European Metals Holdings (AIM: EMH), Savannah Resources (AIM:SAV), Kodal Minerals (AIM:KOD), Infinity Lithium (ASX:INF), Vulcan Energy Resources (ASX:VUL), European Lithium (ASX:EUR), and Critical Elements (TSX:CRE).

The first performance period will be with an effective date from 1 October 2020 to 31 December 2023 (the "**PSU Initial Performance Period**") with subsequent three-year performance periods starting from 1 January 2022.

The Company will calculate any awards under the PSU Scheme based on a percentage of base salary as recommended by the Remuneration Committee at the start of each performance period and the share price at the start of the period. On the expiry of the PSU Initial Performance Period, PSUs will be issued as follows:

- performance below Threshold – no PSUs issued
- performance equal to Threshold – PSUs issued to 25 per cent. of salary
- performance equal to Target – PSUs issued to 50 per cent. of salary
- performance equal to Maximum – PSUs issued to 100 per cent. of salary

PSUs issued under the Scheme at the end of each three-year performance period will have a further two year vesting period. On the vesting date, the options will be exercisable into Ordinary Shares with the timing at the sole discretion of the recipient.

14. Corporate governance

All members of the Board believe strongly in the value and importance of good corporate governance and in its accountability to all of its stakeholders, including shareholders, advisers, regulators and other suppliers. Robust corporate governance improves performance and mitigates risk and therefore is an important factor in achieving the medium to long term success of the Company.

Changes to the AIM Rules on 30 March 2018 require AIM companies to apply a recognised corporate governance code from 28 September 2018. Erris chose to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in April 2018) to meet the requirements of AIM Rule 26.

The QCA Code is constructed around ten broad principles and a set of disclosures. The Board publishes its annual QCA Statement on Corporate Governance on its website each year in September and also includes a Corporate Governance report in the Group's annual report and accounts.

The Board has considered how it applies each principle to the extent that it judges these to be appropriate in the circumstances. Set out below is an explanation of the approach taken by the Board in relation to each principle.

Like all aspects of the QCA Code, addressing the disclosure requirements is not approached as a compliance exercise; rather it is approached with the mindset of explaining and demonstrating the Company's good governance to external stakeholders.

The role of the Chairman is to lead the Board and to oversee its function and direction. The Chair has the overall responsibility for implementing an appropriate corporate governance regime at the Company.

1 ***Establish a strategy and business model which promote long-term value for Shareholders***

Erris's business model to date has been focussed on creating significant shareholder value through the process of discovering new ore deposits. The Board believes that the Zinnwald Lithium Project represents an excellent opportunity to create value for Shareholders, particularly as the Project is at an advanced stage when compared to the Company's existing assets. The Company's business model will continue to be underpinned by a technically-led team and a focus on projects in low risk jurisdictions. The main challenge faced by the Company is securing sufficient funding to execute the development programme for the Zinnwald Lithium Project. The Company maintains a tight control on its budgets and reviews spend against budget on a monthly basis. The Directors' extensive experience of mining projects also ensures that funds are spent in the most effective way possible both on a cost basis and in relation to targeting the most effective areas to move the Project through to production and revenue generation.

2 ***Seek to understand and meet Shareholder needs and expectations***

Engagement with all Shareholders

The Board attaches great importance to providing Shareholders with clear and transparent information on the Group's activities, strategy and financial position. General communication with Shareholders is co-ordinated by the Chairman, Chief Executive Officer and Chief Financial Officer.

The Company publishes on its website a variety of information, details of which are set out in principle 10, which the Board believes plays an important part in presenting all shareholders with an assessment of the Group's position and prospects.

The Company's Annual General Meeting ("**AGM**") will generally be held in London in May/June following the publication of its annual results and all shareholders are ordinarily invited to attend. In 2020, due to the COVID-19 pandemic, the AGM was unfortunately closed to external Shareholders.

Institutional investors

In general, the Board maintains a regular dialogue with its institutional investors, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM Rules, MAR and requirements of the relevant legislation. The Company typically holds meetings with institutional investors and other large Shareholders following the release of interim and financial results.

Private investors

The Company is committed to engaging with all Shareholders and not just institutional Shareholders. As the Company is too small to have a dedicated investor relations department, the Chief Executive Officer is responsible for reviewing all communications received from Shareholders and determining the most appropriate response. The Chief Executive Officer works in conjunction with the Company's public relations advisers to facilitate engagement with its Shareholders.

Board review

The Board as a whole is kept informed of the views and concerns of major Shareholders by briefings from the Chief Executive Officer, Chairman and the Company's brokers.

3 ***Take into account wider stakeholder and social responsibilities and their implications for long-term success***

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Company for the benefit of its Shareholders as a whole. The Board also recognises that its operations have wider obligations to the local community and other stakeholders in that area. The Company's 'Environmental and Social Responsibility Framework' and approach is designed to meet these expectations and thus avoid the issues that can often hinder mining projects.

The Company's most important stakeholder groups are its Shareholders, staff and employees, contractors, those communities that reside in proximity to its mining projects, its regulators and its advisers. Each member

of the Board and the Management Team maintains an active relationship with these stakeholders based on the relevance to their skillset and experience.

Managing responsibility at a corporate level

Ultimate responsibility for the Company's 'Corporate Responsibility' activities lies with the Board who set the Company's strategic approach and development of key internal and external corporate policies. These are then delivered by the senior management team ("SMT"). The SMT supports the Audit Committee in ensuring compliance with the Company's 'Code of Conduct', as well as financial compliance and global risk management.

Environmental responsibility

The Board also understands that it has a responsibility to take into account, where practicable, the environmental and economic impact of its operations. The Company maintains a policy to support environmentally-conscientious activities.

4 ***Embed effective risk management, considering both opportunities and threats, throughout the organisation***

The Board is responsible for putting in place and communicating a sound system to manage risk and implement internal control. The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk.

The Board has delegated certain authorities around risk management to the Audit Committee, which has its own formal terms of reference. Further details regarding the Board terms of reference and powers and the Committees can be found below.

Financial controls

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the SMT, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

Internal controls

The Board is responsible for ensuring that a sound system of internal control exists to safeguard Shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk as even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed.

Corporate risk register

The Group's internal risk identification and management process is undertaken by the SMT which prepares and reviews the risk register for the Group. The risk register details specific risks to the Group and mitigating actions required to manage these risks. The risk register is then reported to the Audit Committee at least biannually and any specific risk items may also be discussed at Board level as appropriate.

5 ***Maintain the board as a well-functioning, balanced team led by the chair***

Details of the Company's Board composition from Admission are set out below. Biographies for the Directors and Proposed Director are set out in this Part I of this document. An overview of their service agreements and time commitments are set out in Part XII of this document.

All Directors are expected to attend all Board meetings (either in person or by phone), the AGM, one annual Board strategy meeting a year and committee meetings. The Board looks to meet in a formal manner on a quarterly basis, with additional meetings held as required to review the corporate and operational performance of the Group. Each Committee has compiled a schedule of work to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year.

6 ***Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities***

Board as a whole

The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. The Board believes it has a mix of technical skills (e.g. geologists), sector experience (exploration through to production with resources companies), public company experience and financial expertise to enable it to deliver on its strategy. Whilst there is not currently a balance of genders on the Board, the Company's directors look to appoint individuals with complementary skills and experience to fulfil the Company's strategy, regardless of gender.

The Board does not believe that any of the Directors have too many directorship roles at other listed companies and are hence at risk of "over-boarding" as defined by Institutional Shareholder Services voting guidelines, but will continue to monitor this on an ongoing basis. The Board is satisfied that the Chairman and each of the non-executive Directors is able to devote sufficient time to the Group's business.

The Directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions.

Internal advisory roles

Senior independent director

Due to the size of the company, the Board does not feel it necessary to appoint a senior independent director.

Company Secretary

The Chief Financial Officer undertakes the joint role of company secretary, as the Board does not feel the size of the Company warrants an independent person.

7 ***Evaluate board performance based on clear and relevant objectives, seeking continuous improvement***

Annual Board appraisal

In accordance with current best practice and the Company's 'Code of Conduct', the Board has an annual formal evaluation of its performance and effectiveness and that of each Director and its Committees. This is conducted during the year by way of interviews with the Chairman. In addition, the non-executive Directors will meet, informally, without the Chairman present and evaluated his performance. The Board currently considers that the use of external consultants to facilitate the Board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

Ongoing Board development

Executive Directors are subject to the Company's annual review process through which their performance against predetermined objectives is reviewed and their personal and professional development needs considered.

Non-executive Directors are encouraged to raise any personal development or training needs with the Chairman or through the Board evaluation process.

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Company's advisers where appropriate.

Succession Planning

The Board has a minuted emergency succession plan for the SMT. On an ongoing basis, Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members.

8 ***Promote a corporate culture that is based on ethical values and behaviours***

The Board views sustainability as a guiding principle of the Company's development strategy and is dedicated to delivering on the commitments to its Shareholders, clients, employees, partners and other stakeholders with this in mind.

The Board believes that transparency and ethical behaviour are central to any successful company and undertake all development with respect to the environment and neighbouring communities. It seeks to do this by:

- Minimising the Company's environmental impact;
- Fulfilling legal requirements and other requirements applicable to the Group;
- Identifying new ways to foster positive relationships in the local community;
- Safeguarding employees' health and wellbeing, as well as positive relationships in the work environment;
- Providing sustainability to the business for its Shareholders and its partners, and
- Continuously reviewing and improving its sustainability policy and productivity systems to ensure objectives are met.

The Board believes that the promotion of a corporate culture based on sustainability, sound ethical values and behaviours is essential to maximise shareholder value.

The Company maintains a 'Code of Conduct' that includes clear guidance on what is expected of every employee and officer of the Company. Adherence to these standards is a key factor in the evaluation of performance within the Company, including during annual performance reviews.

9 ***Maintain governance structures and processes that are fit for purpose and support good decision-making by the board***

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as the responsibility of the Board. The Board considers that there is an appropriate balance between the executives and non executives (both independent and non-independent) and that no individual or small group dominates the Board's decision making.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient conduct of the Board's function. The Chairman is expected to encourage the effective contribution of all directors and promote constructive and respectful relations between directors and senior management.

Chief Executive Officer

The Chief Executive Officer leads the development of the Company's short and long–term strategies; fund-raising; general liaising with shareholders; monitoring of the market landscape, expansion opportunities, industry development; and ensuring that the Company maintains high social responsibility.

Reserved matters

The Board has reserved the following matters for sole approval by the Board:

- Review and approval of the Company's strategic plan
- Review and approval of the annual operating plan and financial budget, including any changes during the year
- Establishment of expenditure limits and approval of exceptions
- Hiring, review and compensation of Chief Executive Officer and Chief Financial Officer
- Director recruitment
- Appointment of Chairman
- Appointment of Committee Chairmen and Committee members

Governance framework

The Board continues to monitor its governance framework on an ongoing basis. As the Company grows, the Directors will consider adding additional board committees, such as a nominations committee, and hiring additional personnel in areas such as investor relations or internal audit.

10 ***Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders***

Work of the Committees

The Audit Committee and Remuneration Committee reports are set out in the Company's annual reports.

Website disclosures

Erris places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Company's activities are clear, fair and accurate. The Company publishes on its website the following information, which the Board believes plays an important part in presenting all Shareholders with an assessment of the Group's position and prospects:

- The Company's latest investor presentation;
- The Company's most up to date technical reports on each of its projects;
- All annual and half-yearly financial reports;
- All of the Company's regulatory announcements;
- Notice of any General Meetings will be posted on the website as well as announced via RNS;
- Details on the results of all resolutions put to a vote at the most recent AGM;
- Contact details including a dedicated email address info@errisresources.com (from Admission: info@zinnwaldlithium.com) through which investors can contact the Company; and
- The results of voting on all resolutions in future general meetings will be posted to the Group's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent. of independent shareholders.

Board composition

Upon Admission, the Board will comprise five Directors, two of whom will be executive Directors and three of whom will be non-executive Directors, reflecting a blend of different experience and background. The Board believes that the composition of the Board brings an appropriate range of skills and experience in light of the Company's challenges and opportunities following Admission. Upon Admission, the Board considers that Jeremy Martin and Graham Brown will be independent Directors. Peter Secker and Armin Mueller are not considered to be independent as they are appointees of Bacanora which will hold a substantial shareholding in the Company upon Admission.

Board terms of reference and powers

The Board sets the Company's strategic aims and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

The Board has adopted a 'Charter' that sets out the role and responsibility of the Board and the manner in which it will exercise and discharge these duties. The role of the Board is to determine the strategic direction of the Company, regularly review the appropriateness of it and oversee its implementation. It is not the role of the Board to manage the Company itself but rather to monitor the management and performance of the business. It does this in the following areas:

- Board composition and organisation
- Strategy, financial and operational matters
- Financial expenditure
- Shareholder engagement and communications

- Governance and general sustainability (ESG) matters
- Designated positions of responsibility. The roles of management are covered in relation to their interaction with the Board rather than their day to day operational tasks.

Board Committees

The Board has delegated specific responsibilities to the Audit Committee and the Remuneration Committee, details of which are set out below. Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities. It is intended that these will be kept under continuous review to ensure they remain appropriate and reflect any changes in legislation, regulation or best- practice.

There is currently no internal audit function, given the size of the Group, although the Audit Committee keeps this under annual review.

The Board considers that, at this stage in its development, it is not necessary to establish either a formal nominations or corporate governance committee. These processes shall be carried out by the Board. This decision will be kept under review by the Directors on an on-going basis.

The terms of reference for each committee, as well as the Board Charter, which includes a list of specific matters reserved for the Board, are on the Company's website.

Audit Committee

The Audit Committee's overall goal is to ensure that the Group adopts and follows a policy of proper and timely disclosure of material financial information and reviews all material matters affecting the risks and financial position of the Group.

The Committee is responsible for overseeing for the Company, major subsidiaries and the Group as a whole, in relation to the following matters:

- Financial reporting;
- Internal control and risk management systems;
- Internal audit function;
- External audit and the relationship with the external auditors; and
- Whistleblower and fraud programme

The Audit Committee meets at least twice a year and comprises independent non-executive Directors only, with the Chief Financial Officer in attendance and not a member. The external auditors may attend all meetings. The Audit Committee currently comprises Graham Brown as Chairman and Jeremy Martin. The Audit Committee Report is included in the Company's annual report.

Remuneration Committee

The Remuneration Committee assumes general responsibility for assisting the Board in respect of remuneration policies and strategies for the Company and ensuring they are designed to support strategy and promote long-term sustainable success. It ensures that the Company offers competitive remuneration that is aligned to company purpose and values, and clearly linked to the successful delivery of the Group's long-term strategy, whilst remaining financially responsible. It also ensures formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration.

The Committee is be responsible for overseeing for the Company, major subsidiaries and the Group as a whole, in relation to the following matters:

- Remuneration policies, including long and short-term incentives;
- Review of executive management performance and recommendations for incentive awards;
- Annual reporting of the Company's remuneration activities;
- Administration of the New Share Incentive Schemes;

- Company policies regarding pension and other benefits; and
- The engagement and independence of external remuneration advisers.

The Remuneration Committee meets as and when necessary. The Remuneration Committee is comprised exclusively of independent non-executive Directors and currently comprises Graham Brown and Jeremy Martin as Chairman. No Director is permitted to participate in discussions or decisions concerning his own remuneration. The Remuneration Committee report is in the Company's annual report.

Share Dealing Code

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and the AIM Rules.

Bribery and anti-corruption policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board, management and employees of the Group. It generally sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

15. The Placing

The Company has conditionally raised £3.75 million (before expenses) by way of the proposed issue of the Placing Shares at the Placing Price. Henry Maxey, an experienced investment professional, has participated in the Placing and will have an interest in 14.67 per cent. of the Enlarged Ordinary Share Capital.

The Company, the Directors, Allenby Capital and TPI have entered into the Placing Agreement pursuant to which TPI has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares will represent 36.68 per cent. of the Enlarged Ordinary Share Capital. The Placing has not been underwritten and is conditional, *inter alia*, on Admission occurring on or before 29 October 2020 and on the Placing Agreement not being terminated. The Placing Agreement contains certain warranties and indemnities from the Company and the Directors in favour of Allenby Capital and TPI, in relation, *inter alia*, to the accuracy of the information contained in this Admission Document and certain matters relating to the Company.

Further details of the Placing Agreement are set out in paragraph 17 of Part XII of this document.

16. Relationship Agreement

Bacanora will hold 90,619,170 Ordinary Shares on Admission, representing approximately 44.32 per cent. of the Enlarged Ordinary Share Capital. Bacanora has undertaken to the Company and Allenby Capital that, for so long as it is interested in Ordinary Shares carrying 25 per cent. or more of the Company's voting share capital, it will not act to unduly influence the Company or its Board and will ensure that transactions entered into with the Company are on an arms' length basis and independently considered by the Company. Details of the Relationship Agreement are set out in paragraph 18 of Part XII of this document.

The Relationship Agreement provides that for so long as Bacanora is interested in Ordinary Shares carrying a minimum of 45 per cent. of the Company's voting share capital, Bacanora shall be entitled to appoint two directors to the board of the Company provided that such individuals have experience in the industries in which the Company operates. At Admission, Peter Secker will be Bacanora's only appointed director. The Company understands that it is Bacanora's intention to seek for a further director to be appointed in addition to Mr Secker in the period following Admission. In the event that Bacanora holds more than 20 per cent. but less than 45 per cent. of the Company's voting share capital, it shall be entitled to appoint only one director to the board of the Company.

17. Admission, Settlement, Dealings and CREST

Pursuant to rule 14 of the AIM Rules, an application will be made for the Company's Existing Ordinary Shares to be re-admitted to trading and the Consideration Shares and Placing Shares to be admitted to trading on AIM. It is expected that the last day of trading on AIM of the Existing Ordinary Shares will be on 28 October 2020 and that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on 29 October 2020. Existing share certificates will remain valid after Admission. The Company's Ordinary Shares are eligible for CREST settlement and settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear at 33 Canon Street, London EC4M 5SB or by telephone on +44 (0)207 849 0000.

The Ordinary Shares have the ISIN code GB00BFN4GY99 and SEDOL BFN4GY9. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other exchange.

18. Lock-In Arrangements

On Admission, the Locked-in Persons, being the Directors, Bacanora and Henry Maxey will own, in aggregate, 120,766,170 Ordinary Shares representing 59.07 per cent. of the Enlarged Ordinary Share Capital. The Locked-in Persons have undertaken to the Company, Allenby Capital and TPI that they will not sell or dispose of, except in certain limited circumstances, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission.

The Existing Directors and the Proposed Director, to the extent that they hold, or will hold, Ordinary Shares, will be Locked-in Persons by virtue of being party to the Placing Agreement, further details which are set out in paragraph 17 of Part XII of this document.

Further details of the lock-in agreements are set out in paragraph 16 of Part XII of this document.

19. City Code and Rule 9 Waiver

As indicated above, the terms of the Proposals set out in this letter give rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are given below. The purpose of the Takeover Code is to supervise and regulate takeovers and other matters to which it applies.

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Code applies and as such its Shareholders are therefore entitled to the protections afforded by the Takeover Code. Under Rule 9 of the Takeover Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, an interest (as defined in the Takeover Code) in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer, in cash, to all the remaining shareholders to acquire their shares.

In addition, Rule 9 of the Takeover Code further provides that, *inter alia*, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any such person acting in concert with him, acquires an interest in additional shares which increase his percentage of shares carrying voting rights, such person is normally required by the Panel to make a general offer, in cash, to all remaining shareholders to acquire their shares.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Rule 9 of the Takeover Code further provides that when any person, together with any persons acting in concert with him, holds shares carrying more than 50 per cent. of the voting rights of a company and such person, or any such person acting in concert with him, acquires any other shares which increases the percentage of shares carrying voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares. However, the Panel may deem an obligation to make an offer to have arisen on the acquisition by a single member of a concert party of an interest in shares sufficient to increase his individual interest to 30 per cent. or more of a company's voting rights or, if he already has an interest in more than 30 per cent. but does not hold more than 50 per cent., an acquisition which increases his shareholding in that company.

Under the Takeover Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of that company. Under the Takeover Code, control means an interest, or aggregate interests, in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the interest or interests give de facto control.

The Concert Party is comprised of Bacanora, its directors (being Mark Hohnen, Peter Secker, Eileen Carr, James Strauss, Dr Andres Antonius, Junichi Tomono, Xiaoshen Wang and Graeme Purdy) and its company secretary, Cherif Rifaat (who is also Chief Financial Officer of the Company and a Director). The current shareholdings of the members of the Concert Party as at the date of this document, on Admission and their maximum potential shareholdings are/will be as follows:

	Interest in Existing Ordinary Shares		*Consideration Shares*	*Interest in Enlarged Ordinary Share Capital*		*Options held*	*Maximum potential interest in the then enlarged share capital**	
Concert Party member	***No.***	***%***	***No.***	***No.***	***%***	***No.***	***No.***	***%***
Bacanora	–	–	90,619,170	90,619,170	44.32	–	90,619,170	44.15
Mark Hohnen	–	–	–	–	–	–	–	–
Peter Secker	–	–	–	–	–	–	–	–
Eileen Carr	–	–	–	–	–	–	–	–
James Strauss	–	–	–	–	–	–	–	–
Dr Andres Antonius	–	–	–	–	–	–	–	–
Junichi Tomono	–	–	–	–	–	–	–	–
Xiaoshen Wang	–	–	–	–	–	–	–	–
Graeme Purdy	–	–	–	–	–	–	–	–
Cherif Rifaat	120,000	0.31	–	120,000	0.06	800,000	920,000	0.45
TOTAL	120,000	0.31	90,619,170	90,739,170	44.38	800,000	91,539,170	44.60

** On the assumption that Cherif Rifaat exercises his Options in full at the earliest opportunity (all Options have vested and are exercisable at a price of 10 pence per Ordinary Share) and no other Ordinary Shares are issued.*

The Concert Party will have, upon Admission, an interest in 44.38 per cent. of the Enlarged Ordinary Share Capital. In addition, Cherif Rifaat will hold Options over 800,000 new Ordinary Shares. Assuming that these Options are exercised in full at the earliest opportunity (all Options have vested) and no other new Ordinary Shares are issued, the maximum interest, in aggregate, of the Concert Party would be 91,539,170 Ordinary Shares, representing approximately 44.60 per cent. of the then enlarged voting rights of the Company.

Under Note 1 of the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel may waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code if, *inter alia*, the shareholders of the Company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with him, pass an ordinary resolution on a poll at a general meeting or by way of a written resolution approving such a waiver. Accordingly, the Independent Directors propose that Independent Shareholders waive the obligation on the Concert Party to make a mandatory offer under Rule 9 of the Takeover Code, which would otherwise arise as a result of the issue of the Consideration Shares and the potential exercise of Options by Cherif Rifaat.

The Panel has agreed, subject to the passing of the Whitewash Resolution by Independent Shareholders on a poll at the General Meeting, to waive the requirement under Rule 9 of the Takeover Code for the Concert Party, collectively and/or individually, to make a mandatory offer for the Ordinary Shares not already owned by them or persons connected with them as would otherwise arise as a result of the issue of the

Consideration Shares and any Ordinary Shares issued to Cherif Rifaat following the exercise of his Options. To be passed, the Whitewash Resolution will require a simple majority of the votes cast on a poll by the Independent Shareholders. Only Independent Shareholders will be entitled to vote on this Resolution (being Resolution numbered 1 as set out in the Notice) and Cherif Rifaat, being the only member of the Concert Party to hold Ordinary Shares as at the date of this document, has undertaken to the Company that he will not vote on the Whitewash Resolution. For the avoidance of doubt, the Rule 9 Waiver applies only in respect of increases in shareholdings of the Concert Party resulting from the issue of the Consideration Shares and the potential exercise of Options by Cherif Rifaat and not in respect of other increases in its holdings. If the Resolutions are passed, the Concert Party will not be restricted from making an offer for the Company.

Shareholders should note that should the Resolutions be passed, then on Admission the Concert Party's interest in the Company will exceed 30 per cent. of the Enlarged Ordinary Share Capital but it will not hold more than 50 per cent. of the Enlarged Ordinary Share Capital. Accordingly, the Concert Party would be unable to acquire any further Ordinary Shares without incurring an offer to Shareholders under Rule 9 of the Takeover Code, save that Cherif Rifaat will be able to exercise the 800,000 Options he will hold at Admission.

Individual members of the Concert Party will be unable to increase their individual interest in shares carrying voting rights without triggering an obligation under Rule 9 of the Takeover Code to make an offer, unless agreed otherwise by the Takeover Panel.

Further information on disclosures in accordance with the City Code is set out in Part X of this Document.

20. Taxation

Your attention is drawn to Part XI of this document. These details are intended only as a general guide to the current tax position under UK law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

21. General Meeting

Set out at the end of this document is a notice convening the General Meeting. A Form of Proxy for use by Shareholders in connection with the General Meeting has been sent to Shareholders with this document.

The Resolutions to be proposed at the General Meeting are, in summary, as follows:

- **Resolution 1:** Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged, on completion of the Acquisition and the exercise of the Options held by Cherif Rifaat, to make an offer to all Shareholders (other than the Concert Party) to acquire their Ordinary Shares for cash at the Placing Price. The Panel has agreed to waive this obligation, subject to the approval of Resolution 1 by the Independent Shareholders on a poll at the General Meeting. Accordingly, Resolution 1 is an ordinary resolution to approve the waiver granted by the Panel.
- **Resolution 2:** The Acquisition will constitute a reverse takeover pursuant to Rule 14 of the AIM Rules pursuant to the Acquisition Agreement. As such, the approval of the Shareholders will be required. Accordingly, Resolution 2 is an ordinary resolution to approve the Acquisition, subject to Admission.
- **Resolution 3:** The Divestment will be effected via a dividend in specie to the Shareholders which will be satisfied by the Company transferring the issued share capital of Erris Gold Resources to the Existing Shareholders. Resolution 3 is an ordinary resolution to approve a dividend in specie in order to effect the Divestment.
- **Resolution 4:** The Company does not currently have sufficient authority to allot shares under the Act to effect the Placing or to issue the Consideration Shares. Accordingly, Resolution 4 is an ordinary resolution to ensure that the Directors have sufficient authority under section 551 of the Act to issue such shares. This authority will expire at the earlier of the Company's next annual general meeting and 31 January 2022.
- **Resolution 5:** Resolution 5 is an ordinary resolution to provide the Directors with authority under section 551 of the Act to issue further equity securities (in addition to those set out in Resolution 4 above) of up to 97.82 per cent. of the Enlarged Ordinary Share Capital before the Company's next

annual general meeting. This authority will expire at the earlier of the Company's next annual general meeting and 31 January 2022 and is in addition to the authority set out at Resolution 4.

- **Resolution 6:** Resolution 6 is an ordinary resolution to adopt the New Share Incentive Schemes.
- **Resolution 7:** Resolution 7, is a special resolution to empower the Directors, pursuant to section 570 of the Act, to allot the New Ordinary Shares up to a maximum aggregate nominal amount of £1,656,190.70 on a non-pre-emptive basis to effect the Placing and to issue the Consideration Shares. This authority will expire at the earlier of the Company's next annual general meeting and 31 January 2022. If Resolution 6 is passed, the Directors will have the power, under the Act, to allot such New Ordinary Shares without offering those shares to Existing Shareholders.
- **Resolution 8:** Resolution 8 is a special resolution to empower the Directors, pursuant to section 570 of the Act, to allot New Ordinary Shares up to a maximum aggregate nominal amount of £2,000,000.00 (which is approximately 97.82 per cent. of the Enlarged Ordinary Share Capital) before the Company's next annual general meeting) on a non pre-emptive basis. This authority is in addition to the authority set out at Resolution 7 above and will expire at the earlier of the Company's next annual general meeting and 31 January 2022.
- **Resolution 9:** Resolution 9 is a special resolution to change the name of the Company to 'Zinnwald Lithium plc'.

Resolutions 1 to 6 (inclusive) are ordinary resolutions and require a majority of more than 50 per cent., of the Shareholders voting to be passed. Resolutions 7 to 9 (inclusive) are special resolutions and require the approval of 75 per cent. of the Shareholders voting to be passed.

Resolutions 1 to 4 (inclusive) and 7 relate to the Proposals and are interconditional and will only be passed if all of the Resolutions relating to the Proposals are passed by the Shareholders.

The authorities in Resolutions 1, 4 and 7 are required to enable the Directors to issue the Consideration Shares pursuant to the Acquisition, and to effect the Placing and the remainder of the Proposals. The authorities in Resolutions 5 and 8 are general authorities to allot Ordinary Shares.

In light of the ongoing COVID-19 pandemic, the holding of the General Meeting will be kept under review in line with Public Health England guidance. However, based on current measures implemented by the Government in the United Kingdom, **attendance at the General Meeting will be limited to two persons and shareholders may not attend in person.**

Shareholders wishing to vote on any matters of business are strongly urged to do so through the completion of a form of proxy.

In line with corporate governance best practice and in order that any proxy votes of those shareholders who are not allowed to attend and to vote in person are fully reflected in the voting on the Resolutions, the Chairman of the meeting will direct that voting on **all** Resolutions set out in the notice of meeting will take place by way of a poll. The final poll vote on each resolution will be published immediately after the General Meeting on the Company's website.

The situation surrounding COVID-19 is evolving, and the Government in the United Kingdom may change the current restrictions or implement further measures affecting the holding of general meetings during the affected period. Any changes to the arrangements for the AGM set out above will be communicated to shareholders before the General Meeting through the Company's website at www.errisresources.com/annual-interim-reports/ and, where appropriate, by a regulatory information service announcement.

22. Further information

Prospective investors should read the whole of this document, which provides additional information on the Company and the Placing, and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part IV which contains a summary of the risk factors relating to an investment in the Company.

23. Irrevocable undertakings

David Hall and Osisko have irrevocably undertaken to vote in favour of the Resolutions to be proposed at the General Meeting. The undertaking additionally requires the relevant Shareholders not to dispose of, or encumber in any way, the shares registered in their names, or permit the exercise of voting rights attaching to the shares in any manner which might reasonably be expected to frustrate the proposed acquisition or prevent the Proposals from becoming effective. These irrevocable undertakings represent, in aggregate, 32.71 per cent. of the Company's Existing Ordinary Shares.

24. Recommendation and action to be taken by Shareholders

The Independent Directors (which excludes Cherif Rifaat by reason of his membership of the Concert Party), who have been so advised by Allenby Capital, believe that the Proposals, including the Rule 9 Waiver, are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing such advice, Allenby Capital has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolution and intend to do so in respect of their own aggregate beneficial holdings of 27,000 Ordinary Shares, representing approximately 0.07 per cent. of the Existing Ordinary Shares.

In addition, the Directors recommend that all Shareholders vote in favour of Resolutions numbered 2 – 9 and intend to do so in respect of their own aggregate beneficial holdings of 147,000 Ordinary Shares, representing approximately 0.38 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Jeremy Martin
Chairman

PART II

INFORMATION ON THE ZINNWALD LITHIUM PROJECT

The Zinnwald Lithium Project is located in southeast Germany, some 35 km from Dresden and adjacent to the border of the Czech Republic and within three km of the town of Altenberg and 50 km of the town of Freiberg. The Zinnwald Lithium Project is in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten, and lithium at different times over the past 300 years. With an abundant supply of fluorspar/hydrofluoric acid available in the immediate vicinity, Deutsche Lithium has chosen to focus on LiF production. LiF is one of the two key components in the manufacturing process of LiPF6, which is the most important conducting salt in lithium electrolytes and serves as the "shuttle" in the battery electrolyte which "ships" the lithium ion between the cathode and the anode. Approximately 95 per cent. of all lithium battery electrolytes use LiPF6, and the percentage used in each cathode is increasing in newer battery types. The strategic location of the Zinnwald Lithium Project is near to German automotive and downstream lithium chemical industries in the Saxony region.

The Zinnwald Feasibility Study showed the positive economics for the production of 5,112tpa (~7,285 tpa LCE) of battery-grade lithium fluoride at Zinnwald, with pre-tax NPV of €428 million (8 per cent. discount rate), IRR of 27.4 per cent. and 46 per cent. EBITDA margin. The NPV is not a valuation for the purposes of Rule 29 of the Takeover Code and should not be relied upon as such.

Lithium in Germany

Europe is becoming an important hub for lithium battery manufacturing and Germany has allocated €40 billion for climate related stimulus spending, including 70,000 new electric vehicle charging stations. It is doubling its subsidy towards the purchase of electric vehicles to €6,000 and targeting annual production of 7 to 10 million vehicles by 2030. Several EU countries have announced the phasing out of fossil fuel vehicle sales. By 2030, European lithium battery capacity is estimated to increase by over 300 to 400 GWh from current levels. A number of automotive manufactures, such as Volkswagen and BMW, have announced plans for investment and increased production of electric vehicles. Demand for lithium batteries is being driven by lower prices and consumption is growing from 250,000t to 2,000,000t.

Team

Deutsche Lithium employs a five-person project team located in Germany led by Prof. Dr Armin Mueller, a chemist with over 25 years' experience who has been involved with the Zinnwald Lithium Project since inception.

Key Elements of the Feasibility Study

The Feasibility Study demonstrates the attractive economics of Zinnwald, and key findings are shown in the table below:

Table 1. Key study indicators

Feasibility Study key indicators	*Value*
Pre-tax NPV (at 8% discount) (Euro m)	427.8
Pre-tax IRR (%)	27.4%
Simple payback (years)	6.1
Initial construction capital cost stage 1 (Euro m)	158.9
Average LOM unit operating costs (Euro/t LiF)	13,058
Average LOM revenue (Euro m pa)	112.4
Post-tax NPV (at 8% discount) (Euro m)	270.0
Post-tax IRR (%)	21.5%
Average annual EBITDA with co-products (Euro m)	58.5
Annual average LiF production	5,112
Annual K2SO4 production capacity	32,000

Notes: All costs are in Euro (based on a forecast selling price of €22,000 per tonne LiF)

The NPV is not a valuation for the purposes of Rule 29 of the Takeover Code and should not be relied upon as such.

The Zinnwald lithium property hosts one of the larger lithium deposits in Europe.

The table below provides a breakdown of the upgraded Mineral Resource estimate for the Zinnwald Lithium Project:

Table 2. Lithium Mineral Resource estimate of the Zinnwald Lithium deposit, (below 740 m a.s.l.)

*Resource classification**	*Ore tonnage (000t)*	*Mean Li grade (ppm)*	*Contained LCE (tonnes)*
Measured	18,510	3,630	357,659
Indicated	17,000	3,399	307,579
Inferred	4,865	3,549	91,906
Total Measured + Indicated	35,510	3,519	665,238
Total Inferred	4,865	3,549	91,906

(* Vertical thickness ≥ 2 m, cut-off Li = 2,500 ppm)

Notes:

a.s.l refers to depth above sea level.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

A NI 43-101 resource with an effective date of 20 September 2020 replaces an initial resource compiled in 2014. This initial resource, which was based on the Pan European Resource Code ("PERC"), included ore at a grade of 3,620 ppm containing approximately 96,200 tonnes of Li at a cut-off of 2,500 ppm. Using a minimum thickness of 2 m and 2,500 ppm Li cut-off, the Zinnwald NI 43-101 mineral resource (Measured + Indicated) has significantly increased to 35.5 million tonnes at a grade of 3,519 ppm Li containing 124,974 tonnes of Li, an increase of 30 per cent. over the 2014 resource. The equivalent total mineral resource (Measured + Indicated + Inferred) at a 2m minimum thickness and 2,500 ppm cut-off grade increased by 7 per cent. from 132,740 tonnes of contained Li to 142,240 tonnes.

Mining operations

The mining operation for the Project is planned as an underground mine development using a decline ramp for the access to the mine. The mine technology will be a common load-haul-dump – room and pillar technology. The Mineral Reserve estimate was prepared by independent mining consultants G.E.O.S with a cut-off of 2,500 ppm lithium metal.

The Mineral Reserve of the Zinnwald lithium deposit considers the underground preparation and development of the whole deposit as well as the technological development of selected mine sublevels. Volumes of material belonging to outer and inner dilution exhibit lithium grades > zero. Predominately greisenized granite accompanies the orebodies. It shows mean lithium grades of roughly 1,700 ppm. Inner dilution mostly consists of greisen and greisenized granite that shows mean lithium grades of roughly 1,900 ppm.

The portion of the geological lithium resource, which is locked up in pillars surrounding already existing mine workings, or which cannot be mined economically due to the isolation of ore bodies or to an insignificant ore thickness, amounts to 7 per cent. and was excluded. Based on this reduced resource, Mineral Reserves have been estimated for two mining schemes applying sublevel stopping with longitudinal stopes.

The normal case suggested for the future mining procedure of the Zinnwald lithium deposit, which can be specifically adjusted to locally changing geological conditions, includes maximum dimensions of the rooms of 7 m x 7 m with 2 m wide safety pillars and 1 m thick horizontal roof pillars. Backfill material is characterised by a compressive strength value of at least 4 to 5 MPa. The portion of the Proven Mineral Reserve accounts for 16.5 Mt of ore including dilution and contains 51 kt lithium metal. This corresponds to 54 per cent. of the total lithium metal reserve. The Probable Mineral Reserve is 14.7 Mt of ore including dilution with a content of 43 kt lithium metal. It comprises 46 per cent. of the total lithium metal reserve. For further details see the table below.

Table 3. Mineral Reserve estimation (lithium)

Category	*Ore and dilution tonnage kt*	*Li grade ppm*	*Li metal content kt*
Mineral Reserve considering mining loss and dilution			
(1) Parameter conform ore	22,270 (71%)	3,500	78
(2) Internal dilution	2,632 (8%)	1,929	5
(3) External dilution	6,300 (20%)	1,700	11
(4) Total Mineral Reserve (1+2+3)	**31,203 (100%)**	**3,004**	**94 (100%)**
(5) Proven Mineral Reserve	**16,504 (53%)**	**3,075**	**51 (54%)**
(6) Probable Mineral Reserve	**14,699 (47%)**	**2,933**	**43 (46%)**

Notes: Tonnes rounded to the nearest thousand.

Processing

Metallurgical test work and process design for the Feasibility Study was carried out at:

- UVR-FIA GmbH in Freiberg, Germany;
- IBU-Tec AG in Weimar,Germany;
- K-UTEC AG in Sondershausen, Germany; and
- Ercosplan GmbH in Erfurt, Germany.

The basic engineering for the process plants and infrastructure have been prepared by the companies Köppern (beneficiation), Cemtec (pyrometallurgy) and Amproma (Hydrometallurgy). The process plant design comprises a pre-concentration stage to produce an initial concentrate prior to roasting. The concentrate is subsequently heated in a kiln, at approximately 950 degrees Celsius, in combination with limestone and gypsum. Following roasting a hot water leaching step recovers lithium and after removal of contaminations lithium fluoride (LiF) is precipitated using potassium fluoride. LiF is filtered and packaging, to produce a >99.5 per cent. LiF final battery grade product. The integrated plant has been designed to initially process 522,000 tonnes of ore per year (average of first 5 years of production), producing 5,112 tpa of lithium fluoride, (7,285tpa LCE). The plant will scale up to process up to 600,000 tonnes of ore per year over the life of the mine.

The plant design also includes a circuit to produce up to 32,000 tpa of K2SO4/SOP by-product through a series of evaporation and precipitation stages.

Capital Costs

The LiF metallurgical processing facility is currently proposed to be located in Freiberg, approximately 50km from the mine and concentrate from the plant will be transported by road. The capital cost estimate is based on a brown field processing plant comprising all new equipment, to produce battery-grade lithium fluoride.

The capital cost estimates for the mine, process plant, infrastructure, tailings management, construction, engineering, procurement, and construction management ('EPCM') fees, and general and administration are based on basic engineering from G.E.O.S., Köppern, Cemtec and Amproma and were compiled in a financial model by eXnet.

Table 4. Summary of estimated capital costs

Area	*M EUR*
Mining equipment, infrastructure and site	27.4
Beneficiation/mineral processing plant	23.3
Chemical plant	82.0
On-site infrastructure chemical site	10.6
EPCM / Project management	14.9
Contingency	15.8
Subsidies/grants*	(15.0)
Total:	158.9

Notes: *subsidies/grants (estimated) by the Government of Free state Saxony based on European and national law)

Operating cost estimate

The estimated mining and processing operating costs are based on an operation achieving average annual production of approximately 5,112 tonnes of battery-grade, 99.5 per cent. LiF, (7,285tpa LCE). The estimated average unit operating cost for the mine, primary and secondary processing facilities are as follows:

Table 5. Average annual operating costs per tonne

Category	*EUR/t LiF*
Mining	2,525
Mechanical processing	2,699
Chemical processing	7,448
Environmental and central	386
Total – Direct operating costs	13,058
G&A	607
Total – All costs per LiF	13,665

Cash flow analysis

The Project is currently estimated to have a payback period of 6.1 years. Cash flows are based on a 100 per cent. equity funding basis and the economic analysis indicates a pre-tax NPV, discounted at 8 per cent., of approximately €428 million and an Internal Rate of Return (IRR) of approximately 27.4 per cent., as shown below. Post tax the NPV is approximately €270 million and the IRR 21.5 per cent. The NPV is not a valuation for the purposes of Rule 29 of the Takeover Code and should not be relied upon as such.

Table 6. Sensitivity analysis – Discount rate impact (EUR m)

Discount Rate	*Base case pre-tax NPV*	*Base case post-tax NPV*
0%	1,559.2	1,073.5
2%	1,093.5	743.7
4%	785.3	524.9
6%	575.2	375.3
8%	427.8	270.0
10%	321.5	193.8

Table 7. Sensitivity analysis – Post tax NPV and IRR %

	LiF – price		*Operating costs*		*Capital costs*	
Difference	*NPV*	*IRR*	*NPV*	*IRR*	*NPV*	*IRR*
-30%	30.0	9,8%	402.1	27,1%	310.9	28,1%
-20%	109.9	14,1%	358.1	25,3%	297.1	25,4%
-10%	189.8	17,9%	314.1	23,4%	283.3	23,2%
Base	270.0	21,5%	270.0	21,5%	270.0	21,5%
10%	349.7	24,8%	225.7	19,5%	256.2	19,9%
20%	429.9	28,0%	181.9	17,5%	242.9	18,6%
30%	510.7	31,2%	138.0	15,4%	229.1	17,4%

Base case 30 years LiF revenue is estimated at €3.86 billion, with a 30-year EBITDA of approximately €1.75 billion.

Market review and lithium pricing

In a report dated 10 April 2019, SignumBox (Chile) has provided the Company with its detailed 20 year analysis of the global lithium market. The Faunhofer Institute in Germany (www.fraunhofer.de) has provided an analysis of the electrolyte/LiF market. These reports can be summarised as follows:

- By 2037, SignumBox anticipates global annual demand for lithium chemicals to reach about 1,700,000 tonnes of LCE in their base scenario, compared to the current 360,000 tonnes in 2019, equating to an average annual growth rate of about 11.5 per cent. over the next 20 years.
- Contract prices for battery grade lithium carbonate products have increased significantly since Q3, 2015, from a global average price of lithium carbonate of approx. US$ 6,000 per tonne to over approximately US$ 12,000 per tonne, (Q2, 2019).
- SignumBox estimates total demand for electrolyte materials reached 142,000 tonnes in 2018, this represents a 11.4 per cent. growth compared with 2017, with a value of US$ 4 billion. They expect annual demand to grow to over 230,000 tonnes by 2030.
- Faunhofer estimates that a mid-case consumption of LiF in electrolyte production will be in the range 20,000 to 40,000 tonnes annually by 2030, depending on LiF density remaining in the range of 5 per cent. to 10 per cent. of the electrolyte.

LiF pricing for the Feasibility Study has been averaged from a number of sources including Zion Market Research, SignumBox calculation of manufacturing costs, spot market price in China and a SignumBox market forecast. For the Feasibility Study cashflow analysis, the Company has taken a consensus approach for pricing and is using a price of €22,000/t for battery grade lithium fluoride over the 30 years of production. The potash (SOP, K2SO4) is estimated at €500/t. The cashflow analysis was prepared by the Company's financial consultants, (exNet).

Environment and permits

Deutsche Lithium holds an approved mining licence for the Zinnwald deposit and its permitting process is advanced. Final approvals for construction and operation would be issued once a project construction timetable is submitted to the local authorities.

Project timetable

Subject to the Board's approval and project financing and general lithium market conditions, the Company will continue to progress the development of the Zinnwald Lithium Project. During 2020 and 2021, further engineering design work will be undertaken to evaluate the production of lithium hydroxide (LiOH) products at Zinnwald, in addition to lithium fluoride and lithium carbonate. Subsequent to the LiOH engineering stage, a definitive schedule for the project development will be completed and presented to the Board for final approval. Regular updates on the project progress will be provided throughout the Project schedule.

PART III

INFORMATION ON ERRIS

Introduction

Erris Resources UK was established in 2012 as a mineral exploration and development company. Erris Resources UK was initially set up with the aim of exploring the northwest of Ireland for gold and base metals and has subsequently expanded into Sweden with a funded exploration programme with Centerra, pursuant to the Centerra JV Agreement.

The Company was admitted to trading on AIM on 21 December 2017 subsequent to which the Erris has sought to progress its activities in Ireland and northern Europe, financing these activities from the funds raised at the time the Company was admitted to AIM.

If the Proposals take effect, including the Divestment, the areas of Erris' current operation which will be retained on a care and maintenance basis, from 2021 onwards, within the Group following Admission will comprise the Company's Abbeytown and Brännberg projects, further details of which are set out below.

Abbeytown

Erris Ireland holds five prospecting licences at its 100 per cent. owned brownfield lead-zinc Abbeytown Project in Ireland covering a total of 136km^2. These licences have been held since 2013 and were successfully renewed in the third quarter of 2019 for a further six years. Of the five prospecting licences, PL 3735, containing the historically operated Abbeytown Pb-Zn mine, is the licence of key importance for Erris.

Erris Resources UK commenced exploration activities in 2013 and carried out geophysical, soil geochemical and rock sampling surveys which were guided by the detailed review of the work undertaken by previous operators and regional data sets. Desk study work also included the computerised 3-dimensional modelling of the Abbeytown mine workings and mineralisation from the available historic data.

From 2017 onwards, a total of 22 holes have been drilled at Abbeytown. Ten holes were drilled from surface in the Abbeytown prospect (ERAB001 to ERAB010) totalling 1,843.30 m. Holes were located 150 m to 370 m along strike of the interpreted mineralising structural trend from the furthest extent of the underground workings, covering 250 m of extension to known strike. Mineralisation was encountered in all of the ten Abbeytown surface holes.

In January 2019, the Company reported the final results from an underground drilling and sampling programme. The best intersection in surface drilling was located furthest from the mine where hole ERAB005 intersected 11.6 per cent. Pb and 4.03 per cent. Zn (15.63 per cent. Zn+Pb combined), and 90.68 g/t Ag over an interval of 4.1m. Mineralisation is open to the south.

East-west orientated normal faults are now recognised as important for controlling mineralisation and results have demonstrated that where these intersect north-northeast trending structures is typically where the highest-grade mineralisation is developed. With these new observations, the Company expanded tight-spaced soil sampling and identified new target areas extending the possible footprint of mineralisation further south from the workings and the area drilled 300m south of the mine.

Close-spaced soil sampling confirmed the presence of strong anomalies over interpreted structures visible in the airborne geophysics data close to the Ox Mountains Fault. Results for 527 closely spaced samples were released in March 2019. One sample yielded 10.65ppm silver (Ag), 1,585 ppm lead (Pb) and 2,530ppm zinc (Zn) and represents a priority drill target. A total of 470 samples including QAQC samples were also taken along seven lines at Skreen. These and adjacent results confirm the importance of the Ox Mountains Fault as a first order control on mineralisation in the district, which is also evident south of Abbeytown itself.

Also in March 2019, the Company reported results of a preliminary metallurgical study involving a bench flotation test and bond mill test on material collected from the underground pillars and western workings, which indicated that production of a good quality, saleable concentrate can be achieved based on a straightforward, standard flotation process.

Further drilling is required to outline the potential of new targets south of the mine and near the Ox Mountains Fault. The Company has been seeking a partner to advance the Abbeytown project and will continue to do so. Difficult market conditions in the zinc sector has impacted interest in zinc projects but, as there are no immediate expenditure commitments required for Abbeytown, the value of the project can be preserved until interest recovers. Planned spending on Abbeytown by Erris over the next 18 months totals €30,000, all of which will be focussed on PL 3735.

A CPR in relation to Abbeytown is contained in Part VI of this document.

Brännberg

The Company currently has five permits of which three make up the Brännberg Gold Project in the Skellefte Mining District of north Sweden. The other permits are Enåsen and Storkullen in Central Sweden. The combined area of the Brännberg project is now 2,097 ha and the permits are 100 per cent. owned by Erris. The Company will only spend the minimum required to maintain its licences at the Brännberg project.

In 2018, Centerra funded drilling of 14 holes totalling 2,681.7m to test the down dip and along-strike continuations of mineralisation intersected in historic drilling by Beowulf.

The project has some significant intersections of gold mineralisation, which remain open at depth including hole BB004 with 17.2m @ 1.93g/t Au and 0.26 per cent. Cu. Drilling to date has only tested approximately 900m along a single corridor within the 3,469Ha permit block with results confirming that there is a gold system at Brännberg that warrants further work. The project is only 10.8km from the recently closed (2019) Maurliden Mine (Boliden) and 6.2km from a closed mine (Mensträsk).

The Company plans to seek an acquiror for the Brännberg project.

PART IV

RISK FACTORS

Investing in the Enlarged Group is speculative and involves a high degree of risk. You should carefully consider the entire contents of this document, including, but not limited to, the risk factors described below, before you decide to invest in the Enlarged Group. Ordinary Shares may not be a suitable investment for all recipients of this document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

As at the date of this document, the Directors consider the following risks to be the material risks of which they are aware and the most significant risks for potential investors. Such risks have not been set out in any order of priority. In addition, you should note that the risks described below are not the only risks faced by the Enlarged Group. In particular, there may be additional risks that the Directors currently consider not to be material or of which they are not presently aware.

If any of the events described in the following risks actually occur, the Enlarged Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The Enlarged Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates as well as overall global financial conditions.

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Enlarged Group will achieve its objectives.

1. GENERAL RISKS

An investment in the Enlarged Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Enlarged Group is suitable for him in the light of his personal circumstances and the financial resources available to him. Investment in the Enlarged Group should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Enlarged Group's investments will occur or that the investment objectives of the Enlarged Group will be achieved. Investors may not get back the full or any amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. Changes in economic conditions including, for example, interest rates, currency exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Enlarged Group's prospects.

The mineral exploration industry is subject to numerous risks and uncertainties that can affect the Enlarged Group's ability to explore and develop its mineral deposits and to ultimately generate cash flows from operations. While many of these risks are beyond the Company's control and it is impossible to ensure that the Company's exploration and development initiatives will result in commercial operations, the Enlarged Group strives to minimise the aforementioned risks by:

- Employing management and technical staff and consultants with extensive industry and/or area experience;
- Maintaining an appropriate working capital position to cover the Company's capital and overhead requirements;
- Maintaining a low-cost structure and a tight cost control system; and
- Maintaining insurance in accordance with industry standards to address the risk of liability for property damage, personal injury, and other hazards.

2. RISKS RELATING TO THE ACQUISITION

Failure to implement the Enlarged Group's strategy

A failure to implement the Enlarged Group's strategy following the completion of the Acquisition may have an adverse impact on its business, financial and other conditions, profitability and results of operations. There can be no assurance that the Enlarged Group will be able to maintain and/or grow its financial performance either at historical or anticipated future levels. In addition, the Enlarged Group may seek to enter into transactions or undertake initiatives in furtherance of its business. There are no guarantees that such transactions will complete or that such initiatives will be successful. Failure to complete such transactions or the lack of success of such initiatives could result in the Enlarged Group not being able to implement its growth strategies and initiatives.

There is no certainty and no representation or warranty is given by any person that, following completion of the Acquisition and the Placing, the Enlarged Group will be able to achieve any returns referred to in this document. The financial operations of the Enlarged Group may be adversely affected by general economic conditions, by conditions within the global financial markets generally or by the particular financial condition of other parties doing business with the Enlarged Group.

The Acquisition may not complete

Completion of the Acquisition is subject to the satisfaction (or waiver, where applicable) of a number of conditions, including, amongst other things, the passing of all the Resolutions and Admission.

There is no guarantee that the conditions will be satisfied (or waived, if applicable), in which case the Acquisition will not complete which could have a material adverse effect on the prospects and financial position of the Group.

Company's potential liability under the Acquisition Agreement

Under the terms of the Acquisition Agreement, the Company has provided limited warranties in relation to certain matters about its business and assets to Bacanora. Whilst the Company's total financial liability under the Acquisition Agreement has been capped, if Bacanora was to bring a claim for breach of warranty against the Company, this could have a material adverse effect on the financial condition and prospects of the Enlarged Group.

Impact of any claims under the Acquisition Agreement

If the Company were to bring a claim against Bacanora under the Acquisition Agreement, this could result in an irretrievable breakdown in the relationship between the Company and Bacanora, which will be a substantial shareholder of the Company following completion of the Acquisition and have a material adverse effect on the financial condition and prospects of the Enlarged Group. Similarly, a breakdown in the relationship between the Directors could arise if Bacanora was to bring a claim of breach of warranty against the Company in relation to the warranties given by the Company under the Acquisition Agreement which could have a material adverse effect on the financial condition and prospects of the Enlarged Group.

3. RISKS RELATING TO THE GROUP'S BUSINESS AND FINANCIAL POSITION

There is no certainty that the expenditure to be made in development of the Enlarged Group's Zinnwald Lithium Project will result in profitable commercial operations.

(a) *Financing risk*

Additional funding will be required in order to complete the proposed future exploration and development plans on the projects. There is no assurance that any such funds will be available.

Failure to obtain additional financing, on a timely basis, could cause the Enlarged Group to reduce or delay its proposed operations. The majority of sources of funds currently available to the Enlarged Group for its projects are in large portion derived from the issuance of equity. While the Enlarged Group has been successful in the past in obtaining equity financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

(b) *History of losses and no immediate foreseeable earnings*

The Enlarged Group has a history of losses and there can be no assurance that it will be profitable. The Company expects to continue to incur losses until such time as it develops and commences profitable mining operations on its projects. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners. There can be no assurance that the Enlarged Group will achieve profitability.

(c) *Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of other receivables which relate solely to input tax receivables in the UK. Any changes in management's estimate of the recoverability of the amount due will be recognised in the period of determination and any adjustment may be significant. The carrying amount of accounts and related party receivables represents the maximum credit exposure.

The Company's cash is held in major UK banks, and as such the Company is exposed to the risks of those financial institutions.

(d) *Liquidity risk*

Liquidity risk is the risk that the Enlarged Group will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. Liquidity risk arises primarily from accounts payable and accrued liabilities, all with maturities of one year or less.

(e) *Corporate income taxes*

Erris has filed, and will file, all required income tax returns in all jurisdictions it operates in. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Erris whether by re-characterisation of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

(f) *Tax considerations*

Changes in tax laws in the countries that are applicable to the Company, in particular the UK and Germany, or any other subordinate legislation or the practice of any relevant taxation authority could have a material adverse effect on the Company. An investment in the Company may involve complex tax considerations which may differ for each investor and each investor is advised to consult their own tax advisers. Any tax legislation and its interpretation and the legal and regulatory regimes which apply in relation to an investment in the Company may change at any time.

(g) *Internal controls*

The Company has established a system of internal controls for financial reporting. Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud, but notwithstanding this, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditor discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and adversely affect the market price of the common shares.

(h) *Bribery and Corruption*

Bribery and corruption are by their nature deceptive and each act or instance of bribery or corruption can taint not only the individuals involved but an entire organisation or process, sometimes long into the future.

Based on results from PwC's 2016 Global Economic Crime Survey (GECS), bribery and corruption continue to rate in the top four economic crimes experienced by organisations globally.

The Enlarged Group is subject to stringent bribery and corruption regulation across all its operations. Taking all reasonable measures to prevent bribery and corruption being perpetrated on, or within, the business is critical to the business model. Reputational damage, legal liability and financial loss could result from breach of any of these regulations and guidelines.

(i) *Uninsured hazards*

The Enlarged Group may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of contractors, sub-contractors or operators. Any indemnities the Enlarged Group may receive from such parties may be limited or may be difficult to enforce if such contractors, sub-contractors or operators lack adequate resources.

The Company can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Enlarged Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage. The Enlarged Group is also subject to the risk of unavailability, increased premiums or deductibles, reduced cover and additional or expanded exclusions in connection with its insurance policies and those of operators of assets it does not itself operate.

(j) *SolarWorld AG*

SolarWorld AG filed for bankruptcy in Germany in May 2017 due to ongoing pricing pressures in its core solar markets. The Company believes that the SolarWorld AG insolvency process will have no material impact on Erris's interest in Deutsche Lithium and the Zinnwald Lithium Project, nor its agreement with SolarWorld AG, however there is no guarantee that this will be the case. Erris has a right of first refusal to acquire the outstanding 50 per cent. that it does not own.

(k) *Foreign currency exchange rates*

The Company's revenues will be derived outside the UK and the Company's operations and profitability may be adversely affected by movements in foreign currency exchange rates, particularly by movements in the US dollar and/or Euro relative to the British pound sterling, , through both transaction and conversion risks. The Company's operational and functional currency is the Euro, whilst lithium products are generally priced and transacted in US dollars. The Company's ongoing capital and operational expenditures are either in GBP or Euros. The company's primary exposure to the GBP is in relation to the currency of its listed shares and the Company takes the appropriate hedging steps to mitigate the risks on fund-raising.

(l) *Insurance*

Erris's involvement in the exploration for and development of mining properties and chemical plants may result in the Company becoming subject to liability for pollution, property damage, personal injury or other hazards. In accordance with industry practice, the Company may not be fully insured against all of these risks, nor are all such risks insurable. Although the Company anticipates maintaining liability insurance in an amount that the Company considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a material adverse effect upon the Company's financial condition. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

(m) *Litigation*

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to, but not limited to, personal injuries, property damage, property tax, land rights, the

environment and contractual disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and, as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations.

(n) *Impact of Brexit on Zinnwald Project*

Following the British government's decision to invoke Article 50 on 29 March 2017 (and consequent changes to the exit date), the UK left the European Union on 31 January 2020. At this stage, the nature of the future relationship between the UK and the remaining European Union countries following Brexit has yet to be agreed and negotiations with the European Union on the terms of Brexit have demonstrated the difficulties that exist in reaching such an agreement.

The Company's main risks in regard to Brexit are in relation to any wider disruption to the equity markets, which cannot currently be quantified or mitigated. It is also currently unknown as to the impact on cross-border trade, legal or tax agreements, which may impact on the Enlarged Group.

(o) *COVID-19*

The outbreak of COVID-19 (commonly referred to as Coronavirus) has negatively impacted economic conditions globally. There are risks and uncertainties that the Company may suffer loss including, but not limited to, loss of personnel, loss of access to resources, loss of contractors, loss of ability to attract and retain personnel, delays or increased costs in developing its projects and an adverse impact on the share price of the Company. The Coronavirus outbreak has seen a number of and changeable travel restrictions and quarantining requirements. These restrictions may have a detrimental impact on the operations of the Company in terms of access to resources and supplies from neighbouring countries, access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of Coronavirus has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics, and has also resulted in a number of companies across the globe being essentially shut down for an extended period of time. The impact of this is that the Company will have to ensure that its future plans include an appropriate amount of contingency planning for the current Coronavirus and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable despite periods of lock down or disruption. As such, costs could escalate from the level originally anticipated. While the Company will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus will not have an adverse effect on the future operations of the Company's projects or an investment in the Company.

4. RISKS RELATING TO THE MINING SECTOR

(a) *Market forces of supply and demand/pricing fluctuations*

Numerous factors beyond the Company's control do and will continue to affect the marketability and price of lithium products received by the Company. Accordingly, lithium product prices are the Company's most significant financial risk. The Company intends to sell most or all of its production of battery-grade lithium products to its offtake partners on long-term supply contracts for on-sale to battery manufacturers. The market for these long-term supply contracts is opaque and not subject to any globally accepted or hedgeable spot market price.

The price of these contracts will be largely dictated by the expected growth in demand for lithium-ion batteries in conjunction with increased supply from other mines. Whilst growth in demand for lithium has been strong in recent years due primarily to increased usage of electric vehicles and grid storage; there is no guarantee that this growth will continue at the same rate. The Company competes on a supply basis with established competitors, who may be able to increase their production to fill any supply shortfalls.

A material decline in prices could result in a reduction of the Company's net production revenue and cash flows from operations, which would in turn impact on profitability and borrowing capacity, and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The economics of producing lithium products may change because of lower prices, which could result in reduced production of lithium products.

Furthermore, reserve estimates and feasibility studies using different commodity prices than the prevailing market price could result in material write-downs of the Company's investment in its assets, increased amortisation, reclamation and closure charges or even a reassessment of the feasibility of the Company's lithium projects. Downside price cannot currently be mitigated as no derivatives are currently available on the market.

(b) *Competition in the lithium industry*

The Company's battery-grade lithium products are expected to primarily compete for market share with existing lithium producers and spodumene concentrate producers. The Company is expecting to compete based on quality of end product, consistent and fast production and price per tonne. The Company's competitors, some of which are large multinational corporations, may have substantial strategic advantages over the Company, including existing infrastructure, greater financial resources, strategic relationships with customers and logistical advantages in certain markets and could enhance their competitive position through acquiring, or consolidating interests in, other lithium producers. In addition, new competitors could obtain access to reserves of lithium through new discoveries or to the extent existing or greenfield projects become more economically viable. Any of the foregoing advantages and potential advantages of the Company's competitors over the Company could materially impact its ability to successfully sell its lithium products, which could ultimately have a material adverse effect on the Company's business, results of operations and financial condition.

(c) *Exposure to economic cycle*

Market conditions may affect the value of the Company's share price regardless of operating performance. The Enlarged Group could be affected by unforeseen events outside its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Enlarged Group could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Enlarged Group may operate.

(d) *Geopolitical climate*

The political climate in Germany and Europe is stable and generally held to offer a favourable outlook for foreign investments. There is no guarantee that it will remain so in the future. Changes in government, regulatory and legislative regimes cannot be ruled out.

(e) *Government legislation and regulatory risk*

The mining industries in Germany, Ireland and Sweden are subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record, but the Company is unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including tax and environmental laws and regulations which are evolving in these countries, or more stringent implementation thereof, could have a material adverse impact on the Enlarged Group and its business.

(f) *Environmental compliance and approvals*

All phases of the Enlarged Group's operations in Germany, Ireland and Sweden are subject to environmental regulation in that jurisdiction. Environmental approvals and permits are currently, and may also in the future be, required in connection with the Enlarged Group's operations. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws requires ongoing expenditure and considerable capital commitments from the Company. Non-compliance may subject the Enlarged Group to significant penalties, including the suspension or revocation of its rights in respect of its concessions or assets, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Enlarged Group may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil, administrative or criminal fines or penalties imposed for violations of applicable environmental laws or regulations. There is no assurance that existing or future environmental

regulation will not materially adversely affect the Enlarged Group's business, financial condition and results of operations.

During construction and in operation, the mine and lithium plant will have an impact on the environment. These impacts include but are not limited to:

- Emissions to air (release of carbon dioxide gases from the burning of fossil fuels),
- Dust emissions from the mine,
- Disposal of mining overburden and solid waste from the plant,
- Disposal of spent reagents, batteries, tyres and oils,
- Process plant tailings,
- Pit dewatering, water abstraction and discharge,
- Relocation of vegetation, and
- Disposal of human waste from camp.

(g) *Further licences and permits required*

The Enlarged Group's concessions for its projects will need to obtain further licences and permits prior to commencing commercial operations. The Enlarged Group will also be required to obtain further environmental and technical permits for the construction and development of its commercial operations. There is a risk that these further permits, concessions and licences may not be granted which would have a significant material adverse effect on the Enlarged Group.

In addition, the granting of such approvals and consents may be withheld for lengthy periods, or granted subject to satisfaction of certain conditions which the Company cannot or may consider impractical or uneconomic to meet. As a result of any such delays or inability to exploit such discoveries, the Enlarged Group may incur additional costs or losses.

(h) *The concessions may be impacted by undetected defects, litigation, revocation, non-renewal or alteration by regulatory authorities*

While the Company has diligently investigated its title to, and rights and interests in, the concessions granted to the Enlarged Group and, to the best of its knowledge, such title, rights and interests are in good standing, this should not be construed as a guarantee of the same. The concessions may be subject to undetected defects. If a defect does exist, it is possible that the Enlarged Group may lose all or part of its interest in one or more of the concessions to which the defect relates and its exploration, appraisal and development programmes and prospects may accordingly be adversely affected.

While the Directors have no reason to believe that the existence and extent of any of the concessions are in doubt, title to mineral properties is subject to potential litigation by third parties claiming an interest in them. The failure to comply with all applicable laws and regulations, including failure to pay taxes, meet minimum expenditure requirements or carry out and report assessment work may invalidate title to or rights under all or portions of the concessions.

All of the concessions in which the Enlarged Group has or may earn an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each concession is usually at the discretion of the relevant local government authority. If a concession is not renewed or granted, the Enlarged Group may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that concession area.

5. EXPLORATION, DEVELOPMENT AND OPERATIONAL RISKS

(a) *Resource estimates*

The Enlarged Group's reported mineral resources are only estimates at this stage. Mineral resource estimates are uncertain and may not be representative. There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the Enlarged Group. The estimation of mineral resources is a subjective process and the accuracy of any such estimate is a function of the quality of available data

and of engineering and geological interpretation and judgement. Results of drilling, metallurgical testing, production, and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. The Company and the directors cannot give any assurance that the estimated mineral resources will be recovered if the Enlarged Group proceeds to production or that they will be recovered at the volume, grade and rates estimated.

(b) *Exploration uncertainty*

The Enlarged Group completed the initial exploration phase for its Zinnwald Lithium Project in 2019 and determined that there are economically recoverable mineral reserves, which were included in the project's feasibility study. The recoverability of carrying values for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development, and the success of future operations.

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review when assessing impairment. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available and may therefore impact the Company's financial estimations and reported results.

(c) *Negative conclusions from further economic assessments*

The Company's cash resources will be used, *inter alia*, for general working capital purposes and in particular, to fund the continuation of the work programme to develop its Zinnwald Lithium Project. Until such time as any further economic assessments are concluded, uncertainty will exist as to the economic viability of the Enlarged Group's lithium projects. In the event that any further economic assessments have negative conclusions, shareholders may lose some or all of their investment.

(d) *Successful development of the Enlarged Group's lithium assets, and start of commercial operations*

Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Enlarged Group's control, including but not limited to the following:

- obtain sufficient financing for the complete project (see below)
- a reduction in the market price of lithium (see below);
- delays in obtaining or an inability to obtain, or conditions imposed by, regulatory approvals (see below);
- change in environmental compliance requirements (see below);
- delays in the grant of permit requirements (see below);
- inability to attract sufficient numbers of qualified workers (see below);
- non-performance by third party contractors (see below);
- lack of availability of infrastructure capacity (see below);
- contractor or operator errors (see below);
- lack of availability of mining equipment and other exploration services (see below);
- the breakdown or failure of equipment or processes;
- construction, procurement and/or performance of the processing plant and ancillary operations falling below expected levels of output or efficiency (see below);
- the lack of progress with respect to the development of appropriate processing technologies;
- access to and increased input costs including plant, material, energy and labour costs (see below);
- catastrophic events such as fires, storms or explosions;
- violation of permit requirements;
- unfavourable weather conditions; and

- taxes and imposed royalties.

There are numerous activities that need to be completed in order to successfully commence production at the Zinnwald Lithium Project including, without limitation: acquiring of land and access rights, optimising the mine plan, recruiting and training personnel, negotiating contracts for transportation and for the sale of products, updating, renewing and obtaining, as required, all necessary permits, including, without limitation, environmental permits; and handling any other infrastructure issues. There is no certainty that the Enlarged Group will be able to recruit and train personnel, have available funds to finance construction and development activities, avoid potential increases in costs, negotiate transportation or product sales agreements on terms that would be acceptable to the Enlarged Group, or that the Enlarged Group will be able to update, renew and obtain all necessary permits to start or to continue to operate the projects. Most of these activities require significant lead times, and the Enlarged Group will be required to manage and advance these activities concurrently in order to begin production. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, and would have a material adverse effect on the Enlarged Group's business, prospects, financial position, results of operations and cash flows.

As such, there can be no assurance that the Enlarged Group will be able to commence the development of the Zinnwald Lithium Project, or in accordance with any timelines or budgets that may be established due to the factors described above.

(e) *Dependence on key personnel*

The success of the Company, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of its directors and senior management. The loss of any key personnel could harm the business or cause delay in the plans of the Company while management time is directed at finding suitable replacements. The future success of the Company is in part dependent upon its ability to identify, attract, motivate and retain staff with the requisite expertise and experience. Although the Enlarged Group has entered into consulting arrangements with its key personnel to secure their services, the agreements are not subject to any minimum notice periods and the Company cannot guarantee the retention of such key personnel. Should key personnel leave, the Company's business, prospects, financial condition or results of operations may be materially adversely affected.

(f) *Reliance on third parties*

The Company will be reliant on third party service providers and suppliers to provide equipment, infrastructure and raw materials required for the Enlarged Group's business and operations and there can be no assurance that such parties will be able to provide such services in the time scale and at the cost anticipated by the Company.

(g) *Contractors / quality control on construction*

The development and commercial operation of a chemical processing plant and mine of the size the Company has planned for the Zinnwald Lithium Project are expected to require a significant number of workers during the construction phases as well as once the mine is in production. The Company will likely construct its chemical processing plant under a fixed price (EPC) contract, which will include various process guarantees for eventual plant throughput. The Company will be relying on its contractor to find qualified contractors, sub-contractors and consultants to complete the project and will be competing with other companies for these types of staff. Once the project moves into production, the Company itself will need to find experienced staff to operate its chemical plant and mine. Since many of these skillsets are highly specialised and the pool of available suppliers is limited, for both these phases the market for and availability of individuals possessing these skills will be impacted by the overall health of the natural resource and chemicals sector. The Company may have increased difficulty in attracting the talent necessary to develop and operate the Project on the current timetable and at the current expected cost. Moreover, if contractors with the required skills are not available, the Company may incur significantly higher costs and experience delays in the Zinnwald Lithium Project.

The Company will need to establish a compliance framework and auditing procedures, and management of its own activities, including obtaining necessary permitting and complying with the terms of the approvals, permits and licences granted in connection with the Zinnwald Lithium Project. This will require contractors with specific knowledge related to Germany and its authorities as well as a deep understanding of the overall project plan. Failure of a contractor to perform as expected, failure of a contractor to comply with the terms

of any permit or approval that the Company or a contractor has obtained or failure of a contractor to obtain a necessary permit, may delay the completion of the Zinnwald Lithium Project or may interfere with the Company's planned development of the Zinnwald Lithium Project, which could have a material adverse effect on the Company's business, financial condition or results of operations.

(h) *Infrastructure*

The Zinnwald Lithium Project will depend to a significant degree on adequate infrastructure. In the course of developing its operations the Company may need to construct and support the construction of infrastructure, which includes permanent water supplies, power, transport and logistics services which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Enlarged Group's operations, financial condition and results of operations.

(i) *Access to and costs of materials, spares and machinery and equipment*

The construction of the Zinnwald Lithium Project will require the use of machinery and equipment. Delays in the construction and delivery of critical long lead items, such as the kilns and crystalliser, may cause delays in the completion of the construction and commissioning of the processing plant. Ongoing operations will require the use of mining equipment and maintenance thereof. There is no assurance that these machinery and equipment, related spares and replacement parts will be made available at the time required and/or within expected costs. Cement, electricity, steel, water, chemicals, diesel and petrol are key materials that the Company and its contractors will purchase and use during the construction phase of the Project.

(j) *Operations*

The Zinnwald Lithium Project involves a number of risks and hazards, including industrial accidents, labour disputes, unusual or unexpected geological conditions, equipment failure, changes in the regulatory environment, environmental hazards and weather and other natural phenomena such as earthquakes and floods. The Company may experience a plant shutdown or periods of reduced production as a result of any of the above factors. Such occurrences could result in material damage to, or the destruction of, production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, monetary losses and possible legal liability, any of which could materially adversely affect the Company's results of operations.

(k) *Risks relating to initial production, expanding operations and meeting demands and managing growth effectively*

It is common for new chemical processing plants and mines to experience unexpected costs, problems and delays during construction and into the commissioning stage, often resulting in significant upward revisions to expected costs and/or delays. Whilst the chemical processing plant will be built under a guaranteed cost contract, the costs to commission and refine the production process, including working capital requirements, may increase significantly during construction and as initial phases of the Zinnwald Lithium Project are completed. The performance of the processing plant and ancillary operations may fall below expected levels of quality and quantitative output or efficiency. There can be no assurance that the construction of the Zinnwald Lithium Project will result in the production of battery-grade lithium products in commercially viable quantities such that the Company will be able to generate sufficient revenues to fund its continued operations, or generate or sustain profitability in any future period.

(l) *Risks relating to project concentration and product concentration (ie majority of sales come from lithium products and exposure to negative changes in demand for or prices of these products)*

Almost all of the Company expected revenues are to be generated from the sale of battery-grade lithium products. However, the Company has no history of commercially producing battery-grade lithium products and there can be no assurance that it will successfully and profitably sell its end product. There can be no assurance that a commercially viable alternative to either lithium-ion batteries entirely or to a lithium-ion battery that contains a smaller amount of lithium products. The Company has no assurance that the Zinnwald Lithium Project will be successfully developed. Consequently, the Company may fail to reach its anticipated level of commercial production or revenues, and as a result the Company may be unable to

repay its indebtedness and risk becoming insolvent or otherwise ceasing operations, resulting in a significant or total loss of investment by holders of Ordinary Shares.

(m) *Eventual closure of our lithium mining operations entailing costs and risks regarding ongoing monitoring, rehabilitation and compliance with environmental standards*

The Zinnwald Lithium Project will be an underground mining operation with any tailings created from the mining operations being inert aggregates. The project's 30-year life of mine only covers around 50 per cent. of the resource at its site and the current intention is to mine for a longer period. The Company will comply with all relevant environmental legislation in relation to the mine and chemical processing plant and take all necessary steps on an ongoing basis to maintain and where necessary rehabilitate the site.

(n) *Unknown environmental hazard*

Environmental hazards may also exist on the properties in which the Enlarged Group holds interests, that are unknown to the Company at present and that have been caused by previous or existing concession holders or operators.

(o) *Human and employment rights*

A Company's business model or strategy, its business relationships, operating conditions, workforce characteristics or public policy decisions may result in risks to human rights. These factors are associated with the most salient human rights risks to people. There is a risk of unintentionally impinging upon the human rights of our stakeholders. There is also risk of acting in a discriminatory fashion. This could result in serious reputational damage as well as financial and legal implications.

(p) *Labour relations*

The Company will operate in Germany that has large mining, resources and chemicals companies that have often employed unionized personnel. Employment is an area which has the capacity to give rise to significant legal risk, particularly because of the significant degree of legislation and other regulation. Erris will also employ a number of third-party contractors. Industrial action affecting Erris projects may result in project delays or an increase in costs. Industrial action or threatened industrial action from Erris's employees or contractors may have a material adverse impact on the development of its projects and the financial position and prospects of the Company

(q) *Health and safety*

The Enlarged Group's activities will be subject to health and safety standards and regulations. Failure to comply with such requirements may result in fines and or penalties being assessed against the Enlarged Group.

(r) *Community*

Mining requires the acceptance and support of a wide range of local community stakeholders. Failure to share the benefits of our operations with local communities such as creation of jobs, local procurement or community investment activities, may cause delays or disruptions to our operations and may undermine our social licence to operate.

6. RISKS RELATING TO THE ORDINARY SHARES

(a) *Suitability*

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

(b) *Investment in AIM-traded shares*

Investment in shares traded on AIM involves a higher degree of risk, and such shareholdings may be illiquid. The AIM Rules are different and may be less demanding than those rules that govern companies admitted to the Premium Segment of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be

difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

(c) *Share price volatility and liquidity*

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. There can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The Placing Price may not be indicative of prices that will prevail in the trading market, and investors may not be able to resell the new Ordinary Shares at or above the price they paid for them. The price of the Ordinary Shares may fall in response to market appraisal of the Enlarged Group's business, financial condition, operating results and prospects, or in response to regulatory changes affecting its operations. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Enlarged Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying net asset value or the prospects of the Enlarged Group.

(d) *The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-in period in respect of the Locked-in Persons and Existing Shareholders, or the perception that these sales could occur*

Following Admission, the Locked-in Persons will own, in aggregate, approximately 59.07 per cent. of the Enlarged Ordinary Share Capital. The Locked-in Persons are subject to restrictions on the sale and/or transfer of their respective holdings in the Company's issued share capital as described in paragraph 16 of Part XII. The sale of a substantial number of Ordinary Shares by the Locked-in Persons and Existing Shareholders in the public market after the lock-in restrictions expire (or are waived), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

(e) *Dilution*

The Company will need to raise further capital in the future to be able to achieve its stated goals which could potentially be through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it will be likely to cause dilution for the Company's Existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or issue Options under the Share Option Plan or any other scheme put in place by the Company, as part of its employee remuneration policy, or issue further Ordinary Shares or warrants over Ordinary Shares to third parties in respect of services provided to the Enlarged Group, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

(f) *Dividends*

There can be no assurance as to the level of future dividends, if any. In the near-medium term, the Directors do not intend to pay dividends as the focus will be on investing in the development of its assets. Subject to compliance with the Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, *inter alia*, the Enlarged Group's earnings, financial position, cash requirements, availability of profits and the Enlarged Group's ability to access, and

repatriate within the Enlarged Group, cash flow and profits generated outside the UK. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term. In forming their dividend policy, the Directors have taken into account, *inter alia*, the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year and current capital requirements of the Enlarged Group. Any material change or combination of changes to these factors may require a revision of this policy.

(g) *Shareholders outside the United Kingdom may not be able to participate in future equity offerings*

The Act provides for pre-emptive rights to be granted to shareholders in the Company, unless such rights are disapplied by a special resolution in accordance with the Articles. However, securities laws of certain jurisdictions may restrict the Company or the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the US Securities Act, or the rights and Ordinary Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act. Any Shareholder who is unable to participate in future equity offerings may suffer dilution.

(h) *Overseas Shareholders may be subject to exchange rate risks*

The Ordinary Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

(i) *Accounting adjustments*

The presentation of financial information in accordance with IFRS requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the Company's consolidated financial statements. The accounting policies may result in non-cash charges to net earnings and write-downs of net assets in the consolidated financial statements. Such non-cash charges and write-downs may be viewed unfavourably by the market and may result in an inability to borrow funds and/or may result in a decline in the Ordinary Share price.

(j) *Impact of research on share price*

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline.

The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Company or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Enlarged Group's business, the share price would be likely to decline.

If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

(k) *Concert Party influence*

On Admission, the Concert Party will hold 44.38 per cent. of the Enlarged Ordinary Share Capital. Investors may negatively perceive this level and concentration of share ownership due to the influence that the Concert Party may resultantly exert, which may adversely affect the market value of the Ordinary Shares. The Concert Party may have the ability to determine the outcome of matters requiring Shareholder approval, including appointments to the Board and significant corporate transactions. In addition, the interests of the Concert Party may be different from the interests of the Enlarged Group or other Shareholders as a whole. This

control could also have the effect of delaying or preventing an acquisition or other change of control of the Enlarged Group.

7. FORWARD LOOKING STATEMENTS

Historical facts, information gained from historical performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Enlarged Group's aims, targets, plans and intentions and any other forward looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Enlarged Group to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Enlarged Group. In particular, the Enlarged Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group. If any of the risks referred to in this Part II crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Enlarged Group should only be made by investors able to sustain a total loss of their investment.

Potential investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART V

COMPETENT PERSON'S REPORT ZINNWALD LITHIUM PROJECT

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Competent Person's Report on the Zinnwald Lithium Project of Deutsche Lithium GmbH

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G.E.O.S. Legal Entity		G.E.O.S. Ingenieurgesellschaft mbH
G.E.O.S. Address:		Schwarze Kiefern 2 09633 Halsbrücke Germany
Date:		20 September 2020
G.E.O.S. Project Director:	Jan Richter	Managing Director
G.E.O.S. Project Manager:	Kersten Kühn	EurGeol, Head of Division Mineral Resources
Client Legal Entity:		Erris Resources plc
Client Address:		C/O Whitley Stimpson Ltd. 29-31 Castle Street High Wycombe, Bucks , HP13 6RU United Kingdom

DATA AND SIGNATURE PAGE

Report name

"Competent Person's Report on the Zinnwald Lithium Project of Deutsche Lithium GmbH"

(*Name or heading of Report*) ('Report')

G.E.O.S. Ingenieurgesellschaft mbH, Schwarze Kiefern 2, 09633 Halsbrücke / Germany

(*Name of company releasing the Report)*

Zinnwald Lithium Project

(Name of the deposit to which the Report refers)

20 September 2020

(Date of Report)

Statement

Kersten Kühn, on behalf of G.E.O.S. Ingenieurgesellschaft mbH (G.E.O.S.), is the author of this Competent Person's Report (CPR). G.E.O.S. has a number of professionally qualified personnel and consultants, who are members in good standing of a recognized self-regulatory organization of engineers and/or geoscientists. They have at least 10 years relevant experience in the estimation, assessment, and evaluation of lithium assets. G.E.O.S. is an independent Company. Its directors, management and advisors have no material interest in either directly or indirectly with Deutsche Lithium GmbH (DL) or the assets which are the subject of the CPR. G.E.O.S.'s only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in relation to the Report. G.E.O.S. is qualified to provide such reports for the purpose of inclusion in Public Company prospectuses and admission documents.

Consent

I consent to the release of the Report and this Consent Statement by the director of:

G.E.O.S. Ingenieurgesellschaft mbH, Schwarze Kiefern 2, 09633 Halsbrücke / Germany
(Reporting company name)

Beratender Geowissenschaftler BDG Berufsverband Deutscher Geowissenschaftler e.V. Kersten Kühn

Signature of Competent Person:

20 September 2020
Date:

European Federation of Geologists (EFG)
Professional Membership:
(Organisation name)

1557
Membership Number:

G.E.O.S Ingenieurgesellschaft mbH G.E.O.S.

Signature of Witness:

Jan Richter, 09633 Halsbrücke / Germany
Print Witness Name and Residence

EXECUTIVE SUMMARY

Deutsche Lithium GmbH (DL, the Company) owns 100 % of the Zinnwald Lithium Project (the Project), located in the Free State of Saxony in Germany approximately 35 km south of the state capital Dresden. The Project is situated adjacent to the border with the Czech Republic in a developed area with good infrastructure, services, facilities, and access roads. Power and water supply will be provided by well-established existing regional networks. Geographically, the area forms part of the Eastern Erzgebirge Mountains, a typical low mountain range with steep valleys and smooth summits with elevations of 750 to 800 m a.s.l.

DL is a 50 : 50 joint venture between Bacanora Lithium plc. (Bacanora) and SolarWorld AG i. L. (SWAG). Until the foundation of the joint venture in 2017, DL was a 100 % subsidiary of SWAG and was named Solarworld Solicium GmbH (SWS). SWS originally acquired two exploration licenses in the Zinnwald area in 2011 and 2012. In 2012, exploration drilling on the property confirmed a potential lithium resource. Subsequent drilling during 2013, 2014 and 2017 further delineated the resource.
In April 2017, an extraction license was applied for, which was approved for the field "Zinnwald" on 12 October 2017. The extraction license covers 2,564,800 m² and is valid up to the 31 December 2047. In addition, DL holds two other exploration licenses within the area that have the potential to significantly increase the lifetime of the Project. However, compared to the Zinnwald asset, the total expenditure on these early brownfield projects are lower and are considered of subordinate material value and have therefore not been addressed in detail within this report.

The recent exploration work of the Company has secured a substantial mineral resource and mineral reserve on lithium. In addition, financial analysis largely confirms the profitability of the project. Therefore, a further development of the asset is justified.

The Zinnwald deposit is a typical example of a granite-hosted greisen deposit, which is here geologically linked to the cupola of a geochemically high specialised granite in contact to rhyolitic volcanic rocks. It was in the past in its apical parts underground mined basically for veins of tin (cassiterite) and tungsten (wolframite, minor scheelite) until the end of the Second World War. Lithium carrier is the mica zinnwaldite, which contains up to 1.9 wt% lithium and is enriched in several parallel to subparallel stretching horizons below the already mined tin mineralisation. Individual lithium bearing greisen beds show vertical thicknesses of more than 40 m.

Drilling, sampling, geological description and assaying including quality assurance and control followed best practice guidelines. Together with the data of previous exploration campaigns the results were compiled in a comprehensive database. The data was integrated into a geological model of the ore deposit with respect to lithium mineralisation and a computerised block modelling approach was applied for resource estimation with the help of SURPAC software. The lithium resource is evaluated below the elevation of 740 m a.s.l. for ore horizons >2 m thickness and a cut-off lithium grade of 2,500 g/t. Measured, indicated and inferred resources were only disclosed for lithium.

The combined measured and indicated resource amounts to 35.51 Mt of ore at a lithium grade of 0.3519 %. CIM Definition Standards were followed for the calculation of the Mineral Reserves, which were generated using the September 30th, 2018, version of the Zinnwald deposit resource model. The Mineral Reserves are part of the Mineral Resources. They are reported at a 2,500 ppm Li cut-off grade and below 740 m a.s.l. inside the German state territory. They are inclusive of diluting material and are referenced as mined ore delivered to the plant.
The resulting portion of the Proven Mineral Reserve accounts for 16.5 Mt of ore including dilution and contains 51 kt lithium metal. This corresponds to 54 % of the total lithium metal reserve.
The Probable Mineral Reserve is 14.7 Mt of ore including dilution with a content of 43 kt lithium metal. It comprises 46 % of the total lithium metal reserve.
The capital cost estimates cover the design and construction of the mine and the process plants, together with on-site and off-site infrastructure to support the operation including water and power distribution and support services. Total capital costs are estimated to 158.9 M EUR.
The mining and processing operating costs were calculated for an operation achieving an average annual production of approx. 5,112 tpa of battery grade (99.5 %) lithium fluoride. The operating cost estimate covers the mine, the beneficiation plant and the process plants and general and administration facilities. Operating costs have been estimated with an accuracy of ±10 % and are 13,665 EUR/t LiF
The FS demonstrates the financial viability of the Zinnwald Lithium Project at an initial minimum design production of 5,112 tpa LiF (battery grade 99.5 %). The Project is currently estimated to have a payback period of 6.1 years. Cash flows are based on 100 % equity funding. The average gross annual revenue is 129 M EUR over 30 years of operation.
The economic analysis indicates a pre-tax NPV, discounted at 8 %, of approximately 428 M EUR and an Internal Rate of Return (IRR) of approximately 27.4 %. Post-tax NPV is approx. 270 M EUR and IRR 21.5 %.

A sensitivity analysis has shown that the Project is more sensitive to the lithium price than it is to either CAPEX or OPEX. An increase of 30 % in the average lithium fluoride price from 22,000 EUR/t to 28,600 EUR/t increases the Post-Tax NPV from 270 M EUR to 511 M EUR and the Post-Tax IRR to 31 %. A decrease of 30 % in the average lithium fluoride price from 22,000 EUR/t to 15,400 EUR/t decreases the Post-Tax NPV from 270 M EUR to 30 M EUR and the Post-Tax IRR to 10 %.

TABLE OF CONTENTS

LIST OF TABLES

Page

LIST OF FIGURES

Page

LIST OF APPENDICES

1 INTRODUCTION

Bacanora intends to sell its entire company shares in Deutsche Lithium GmbH (DL) in the course of a transaction to Erris Resources Plc. Since Erris Resources is listed on the AIM on the London Stock Exchange, a Competent Persons Report on the assets of Deutsche Lithium must be created in accordance with the AIM requirements. The present report refers to the "Technical Report on the Feasibility Study for the Zinnwald Lithium Project, Germany" of the year 2020 prepared by Bock et al. for Deutsche Lithium GmbH [1].

The above-mentioned report was prepared according to the rules of the National Instrument 43-101 "Standards of Disclosure for Mineral Projects", which follow the recommendations of the Canadian Institute of Mining (CIM) Standing Committee on Reserve Definitions, and is signed off by the relevant Qualified Person (QP) as defined in National Instrument 43-101 (NI 43-101). The NI 43-101 code is binding upon members of the European Federation of Geologists (EFG), the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and Recognised Professional Organisations ("RPOs") and the rules and guidelines issued by such bodies as the Canadian Securites Administrators (CSA) and the London Stock Exchange ("LSE"), which pertain to Independent Expert Reports or Mineral Expert Reports.

The independent study was prepared under the direction of the Qualified Persons EurGeol Dr. Wolf-Dietrich Bock (independent consultant, Denzlingen/ Germany), EurGeol Kersten Kühn (Mining geologist, G.E.O.S. Ingenieurgesellschaft mbH, Halsbrücke/ Germany) and P.Eng. Dr. Richard Gowans (CEO & Principal Metallurgist, Micon International Ltd., Toronto /Canada).

For the preparation of the report, DL made available all relevant data it holds, and additional technical reports, information, maps and digital data referred to in Item 27 "References" of the Technical Report [1] . The Qualified Persons had inspected the properties and assets material to the company's business on a regular basis and according to the progress of the BFS. Dr. Bock has inspected the property twice underground and on surface (28.08.2017, 24.10.2017, 13.03.2018). Mr. Kühn was involved in the organisation and supervision of the underground sampling and surface drilling program. Kersten Kühn has visited the property at least weekly between January 2011 and December 2017. Dr. Gowans has inspected the site once underground and during the surface drilling program and paid visits to the companies performing the processing test work (02.11.2017, 13.03.2018 - 14.03.2018). In addition to the site visits, the QP's were regularly updated via conference calls or email.

2 Overview of the region, location and assets

The assets of Deutsche Lithium GmbH are in the Erzgebirge Mountains in Saxony/Germany approximately 35 km south of the capital of the Free State of Saxony, Dresden, and about 220 km south of Berlin. These comprise the "Zinnwald" Extraction licence ("Bergrechtliche Bewilligung") according to §8 Bundesberggesetz (BBergG, Federal Mining Act) representing an advanced mining and chemical development project for mining of Li-Sn-W greisen ores and its further beneficiation and extraction of battery-grade lithium compounds. Furthermore, DL holds Exploration licenses (§7 BBergG) for the exploration fields "Falkenhain" and "Altenberg DL" representing early stage brownfield exploration projects for Li-Sn-W greisen ore mineralisations (see Appendix 1). In addition, DL is the owner of a plot of land in Altenberg, representing a key segment of the land on which the surface installations of the mine and mechanical processing plant are to be built.
The asset discussed in detail in this CPR consists of the "Zinnwald" Extraction licence covering a total of 2,564,800 m². This asset is an advanced mining and chemical development project that was explored by DL during several exploration campaigns and include an NI43-101 compliant Mineral Resource and Ore Reserve Estimation. Based on these results, the technical planning documents for mining, mechanical processing and the chemical-metallurgical extraction plant were compiled and economically evaluated. All results were published in a Bankable Feasibility Study ("BFS").

The centre of the Zinnwald extraction license is situated at about 50°44'11''N and 13°45'55''E. The ore deposit stretches along the German-Czech border and continues into the territory of the Czech Republic. The extraction licence essentially covers parts of the residential area of Zinnwald village, which is a sub-district of the town of Altenberg. Border crossing at Zinnwald is possible by car and truck. The motorway A 17 (E 55), which connects Dresden with Prague in the Czech Republic (CZ) bypasses the property 17 km to the east. The airports of Dresden, Berlin and Prague are 70, 230 and 100 km away, respectively. Figure 1 shows the location of the assets in the centre of Europe and their position in Germany.

Figure 1: General location of the Deutsche Lithium GmbH assets

The assets covering the Exploration Licence Fields "Falkenhain" and "Altenberg DL" (Figure 2) are at an early exploration stage of development and do not currently include any NI43-101 compliant Mineral Resource or Ore Reserves as DL performed only limited exploration work.

As there are no minimum expenditure commitments for exploration licence fields in Germany there is little to no liability associated with these projects and the holder of the permits is simply required to show adequate progress in the investigation of the properties.

Compared to the other project in the Company's portfolio, the total expenditure on these early brownfield projects are lower and are considered of subordinate material value and have therefore not been addressed in detail within this report.

Figure 2: Location Plan of the extraction license and exploration fields of DL

3 Geological and mineralogical overview

3.1 General

The Zinnwald ore deposit is part of the Erzgebirge-Fichtelgebirge Anticlinorium, which represents one of the major allochthonous domains within the Saxo-Thuringian Zone of the Central European Variscan (Hercynian) Belt. Its geological structure is characterized by a crystalline basement and post-kinematic magmatites (plutonites and volcanites). The Zinnwald deposit belongs to the group of greisen deposits. Greisens are formed by post-magmatic metasomatic alteration of late stage, geochemically specialized granites and are developed at the upper contacts of granite intrusions with the country rock. The Zinnwald greisen is bound to an intrusive complex, which intruded rhyolitic lavas of Upper Carboniferous age along a major fault structure.

The prospective mineralization is of late Variscan age (about 280 million years old) and is geologically restricted to the cupola of the geochemically highly evolved Zinnwald granite. It was in its apical parts underground mined for veins with tin (cassiterite) and tungsten (wolframite, minor scheelite) until the end of the Second World War (Figure 3). Lithium is incorporated by a lithium-bearing mica, which is called "zinnwaldite", a member of the siderophyllite-polylithionite series, which contains up to 1.9 wt.% lithium. It is enriched in 10 parallel to subparallel stretching horizons below the already mined tin mineralization. Individual lithium-bearing greisen beds show vertical thicknesses of more than 40 m. The mineral assemblage consists of quartz, Li-F-mica (zinnwaldite), topaz, fluorite and associated cassiterite, wolframite and minor scheelite and sulfides.

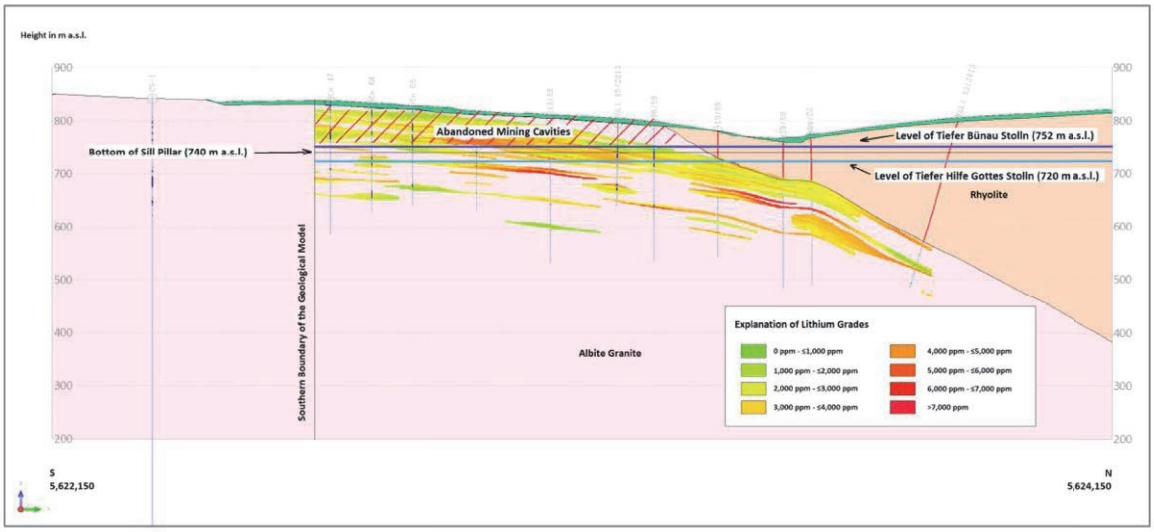

Figure 3: Schematic section through the Zinnwald lithium deposit indicating the location of the ore bodies and historical mine workings

3.2 Exploration Status

The first underground mining for tin in the Zinnwald deposit on both sides of the current border between Germany and the Czech Republic was recorded in the second half of the 15th century. The "Tiefe-Bünau-Stollen", which was driven from the year 1686 on, became the most important gallery of the whole Zinnwald ore field. This adit is actually part of the visitors' mine "Vereinigt Zwitterfeld zu Zinnwald" and is located in the mining concession. Tin and minor tungsten mining on the German side ceased with the end of the Second World War, and on the Czech side in 1990. From 1890 to 1945 lithium-mica was produced as a by-product and used as raw material for lithium carbonate production. Lithium exploration on the German side started again in the 1950s.

SWS initially focused its exploration activities on the central Zinnwald area as well as underground on the accessible parts of the abandoned mine. An underground sampling campaign was conducted in the year 2012, which provided a series of 88 greisen channel samples from the sidewalls of the "Tiefer-Bünau-Stollen" (752 m a.s.l.) and the "Tiefe-Hilfe-Gottes-Stollen" galleries (722 m a.s.l.). SWS subsequently expanded the work to peripheral parts of the deposit. Exploration consisted of 10 surface drill holes (9 DDH and 1 RC DH) completed during the years 2012 to 2014 with a total length of 2,484 m. Infill and verification drilling was resumed and completed in 2017 by DL consisting of 15 surface diamond drill holes with a total length of 4,458.9 m.

4 Reserves and Resources

4.1 Mineral Resource Estimation

The Mineral Resource model and resource estimation was completed by Matthias Helbig, a Senior Consultant and Resource Geologist at G.E.O.S.) using SURPAC version 6.7 software. The effective date of this resource estimate is September 30th, 2018. This section summarizes the key assumptions and parameters used to prepare the revised mineral resource models.
The Mineral Resources presented here are reported in accordance with Canadian Securities Administrators' National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.
G.E.O.S. is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues that could potentially affect this estimate of Mineral Resources. The Mineral Resources may be affected by further infill and exploration drilling which may result in an increase or decrease of a future Mineral Resource estimate. The Mineral Resources may also be affected by assessments of mining, environmental, processing, permitting, taxation, socio-economic and other factors in the future.

The geological and geochemical results of the exploration campaigns were fully integrated in a data base, which comprises the following underlying data:

- 76 surface holes,
- 12 underground holes,
- 6,342 lithium assays of core samples covering 6,465 m of core,
- 88 lithium assays from channel samples,
- 1,350 lithium assays from pick samples.

Each data collective has been cross-checked against original source documents by a minimum of 10 % randomly chosen data sets.
For the central part of the Zinnwald lithium deposit the spacing between the drill holes ranges approximately from 100 m in east-west direction to 150 m in north-south direction. The spacing between the marginal drill holes is in the range of 300 – 350 m.
Like the geological cut-off, exclusively lithologic attributes were used for defining the orebodies.
The differentiation of potential economically interesting ore types was based on mean lithium grades and aspects of ore processing. According to these criteria two ore types can be distinguished:

- "Ore Type 1": greisen beds and interburden intervals up to 2 m and
- "Ore Type 2": greisenized albite granite und greisenized porphyritic microgranite

The "Ore Type 1" - greisen consists of the lithologic sub-types quartz-greisen (TGQ), quartz-mica-greisen (TGQ+GM) and mica-greisen (TGGM).

Despite the opportunity to distinguish up to three levels of postmagmatic alteration intensities, all greisenized intervals of albite granite and porphyritic microgranite were merged into "Ore Type 2".

According to the base case cut-off grade of lithium of 2,500 ppm, the greisen bed unit ("Ore Type 1") is the lithologic domain containing most of the ore. This is caused by the statistical character of the lithium grade frequency distribution that reaches roughly from 2,000 to 4,000 ppm for the majority of the greisen assays.

The geological model (Figure 4) has been continuously updated to reflect the new drill results from the exploration campaigns. It has also been used successfully for drill hole planning. Ore intervals could be predicted sufficiently, and, in most cases, cumulated ore interval thickness exceeded the expectations.

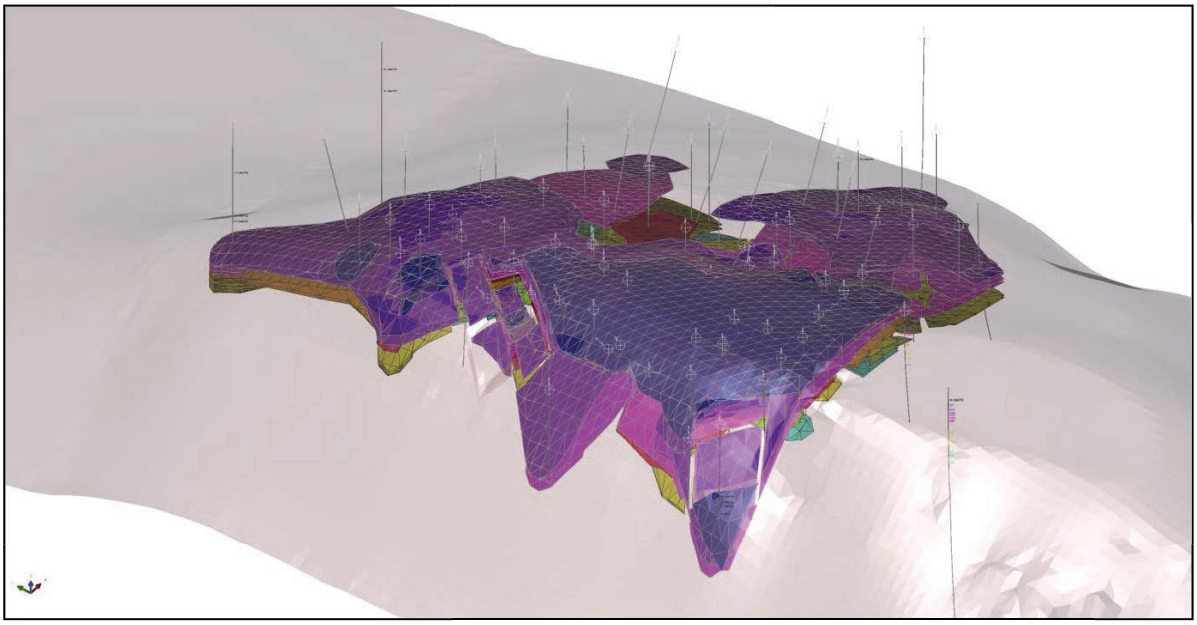

Figure 4: Geological Model of the Zinnwald Deposit, view towards north-eastward direction

Anisotropic inverse distance interpolation method provides the estimation of mineral resources for lithium within the greisen beds. It was based on 1 m-interval composites of the respective core sample assays. Derivation of overall mean grades is used for estimation of potentials only.

A detailed statistical characterization of the data for domains of "Ore Type 1" - Greisen and "Ore Type 2" was performed using best industrial practice and presented in detail within the Technical Report [1].

Concerning the minimum vertical thickness of an economically mineable greisen bed ore, a value of 2 m was chosen as a reasonable measure. The consequent limitation of the lithium orebodies was not done with the 3D geological model only but also in the block model by using the interpolated vertical thickness as a limitation parameter in a database query.
Based on the current process development, the mining cut-off was calculated at 2,500 ppm lithium as the base case.
The lithium resource and the potential of Li, Sn, W and K_2O represent the German part of the Zinnwald lithium deposit below a level of 740 m a.s.l. Resource and potential cover greisen bed ("Ore Type 1") and greisenized granite ("Ore Type 2") lithologic domains.

4.1.1 Lithium Mineral Resource of Greisen Beds ("Ore Type 1")

The criteria used to classify the resource are summarized as follows:

- "Measured" – High level of confidence in data quality, high level of confidence in grade estimation, geological and grade continuity. For the greisen beds ("Ore Type 1") the necessary horizontal distance to drill hole samples accounts for ≤ 73 m in east to west direction and ≤ 50 m in north to south direction as supported by the variogram ranges. A single greisen bed body must be intersected and sampled by at least two drill holes according to the above defined rules. Estimation uncertainty ratio accounts for ± 20 %.
- "Indicated" – Moderate level of confidence in data quality, moderate level of confidence in grade estimation, geological and grade continuity. More widely spaced drill hole sample data. Horizontal distance to drill hole samples accounts for > 73 m to ≤ 145 m in east to west direction and > 50 m to ≤ 100 m in north to south direction. A single greisen bed body must be intersected and sampled by at least two drill holes according to the above defined rules. Estimation uncertainty ratio accounts for ± 40 %.
- "Inferred" – Moderate level of confidence in data quality, low level of confidence in grade estimation, geological and grade continuity. Sparse drilling data compared to variogram ranges: spacing of > 145 m to ≤ 290 m in east to west direction and > 100 m to ≤ 200 m in north to south direction. A single greisen bed body must be intersected and sampled by at least one drill hole according to the above defined rules. Estimation uncertainty ratio accounts for ± 80 %.

Anisotropic inverse distance interpolation was used to estimate the lithium grades within the greisen bed envelopes. The results have been verified by a simplified grid-based 2D-model using inverse distance algorithm. In general, resources have not been extrapolated more than 50 m beyond individual drill hole intersections within the greisen beds (half of the range of the semimajor).

Tin and tungsten weighted mean grades measured in the greisen bed intervals (drill core samples) were interpolated by an inverse distance algorithm. Mean grades of the minor elements are reported for each of the greisen beds of "Ore Type 1".

The K_2O weighted mean grade measured in the greisen bed intervals (drill core samples) was interpolated by inverse distance algorithm also. Mean grades of K_2O are reported for each of the greisen beds of "Ore Type 1".

4.1.2 Li, Sn, W and K_2O Potential of Greisenized Granite ("Ore Type 2")

The volume of greisenized granite was derived from a simplified 2D grid-based model. The volume then was multiplied by the bulk density in order to estimate the total tonnage. The weighted means of lithium, tin, tungsten and K_2O grade, obtained from drill core sample assays were applied to the total tonnage of greisenized granite.

4.1.3 Mineral Inventory of Lithium

The Mineral Inventory of lithium (Table 1) was estimated from the block model on the base of a zero ppm cutoff and without a constraint of minimum thickness of the geological bodies of "Ore Type 1".

Table 1: Lithium Mineral Inventory of Zinnwald, German part below 740 m a.s.l. level

Mineral inventory "Ore Type 1"	Volume [10^6 m³]	Tonnage [10^6 tonnes]	Mean Li grade [ppm]
Total	***19.9***	***53.8***	***3,100***

4.1.4 Lithium Mineral Resource – Base Case "Ore Type 1"

According to prospects for eventual economic extraction (minimum vertical thickness of greisen beds = 2 m, cut-off value Li = 2,500 ppm) the Lithium Mineral Resource shown below has been calculated for the German part of the Zinnwald lithium deposit and below 740 m a.s.l. as the Base Case "Ore Type 1" [1]. It has been compared with the case zero (minimum vertical thick-

ness of greisen beds = 2 m, cut-off-value Li = 0 ppm) to determine the internal dilution of the ore-bodies.

Table 2: Lithium Mineral Resource of Zinnwald, German Part below 740 m a.s.l. – Base Case "Ore Type 1" Summary

Resource classification "Ore Type 1" greisen beds	Ore volume [10^3 m³]	Ore tonnage [10^3 tonnes]	Mean Li grade [ppm]	Ore volume [10^3 m³]	Ore tonnage [10^3 tonnes]	Mean Li grade [ppm]
	Vertical thickness ≥ 2 m, cut-off Li = 2,500 ppm			Vertical thickness ≥ 2 m, cut-off Li = 0 ppm		
Measured	6,855	18,510	3,630	8,954	24,176	3,246
Indicated	6,296	17,000	3,399	8,046	21,725	3,114
Inferred	1,802	4,865	3,549	2,675	7,224	2,995
Demonstrated *(Measured+Indicated)*	***13,152***	***35,510***	***3,519***	***17,000***	***45,901***	***3,183***
	Internal Dilution					
Total *(Measured+Indicated+Inferred)*	***4,722***	***12,749***	***2,001***			

Alternative scenarios were calculated with cut-off grades 0 ppm, 1,000 ppm, 2,000 ppm and 3,000 ppm Li and presented within the Technical Report [1].

4.1.5 Sn, W and K_2O Potential of Greisen Beds ("Ore Type 1")

The Potential of Sn, W and K_2O have been estimated for the greisen beds as mean grades for "Ore Type 1" for the German part of the Zinnwald lithium deposit and below 740 m a.s.l.
Base Case "Ore Type 1" (with a total volume of rounded 15 million cubic meters and a tonnage of 40 million tonnes) overall mean tin grade accounts for approximately 500 ppm, mean tungsten grade for approximately 100 ppm and mean potassium oxide grade for approximately 3.1 wt.%.

4.1.6 Li, Sn, W and K_2O Potential of Greisenized Granite ("Ore Type 2")

The Potential of Li, Sn, W and K_2O of the greisenized granite domain ("Ore Type 2") have been estimated as a Mineral Inventory. Multiplication of domain volume, domain dry bulk rock density and domain mean component grades from statistical analysis of exploration data has been applied for the German part of the Zinnwald lithium deposit and below 740 m a.s.l.

"Ore Type 2" is estimated to approx. 81 million cubic meters containing 214 million tonnes (2.65 t/m³) of ore. "Ore Type 2" has a mean lithium grade of approximately 1,700 ppm. Mean tin grade accounts for approximately 270 ppm, mean tungsten grade for approximately 40 ppm and mean potassium oxide grade for approximately 3.6 wt.%.

The above-mentioned grades of minor elements represent the overall mean contents in the ore types. Veins, seams and locally occurring tin greisen stockworks which are embedded in the ore type bodies might show significant higher grades.

4.2 Mineral Reserve Estimation

4.2.1 Introduction

"Modifying Factors" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. A Mineral Reserve is the economically mineable part of a Measured and / or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur, when the material is mined or extracted (CIM Definition Standard). Generally, a Probable Mineral Reserve is the economically viable part of an Indicated Mineral Resource; a Measured Mineral Resource can be transferred to a Proven Reserve.

Mining and beneficiation circumstances for the Zinnwald Lithium Project are favorable. Considering and resolving the modifying factors, the Mineral Resource can be substantially transferred to a Mineral Reserve.

The Mineral Reserve of the Zinnwald lithium deposit describes the economically mineable part of the Mineral Resource. It considers the preparation and development of the whole deposit as well as the technological development of an exemplary selected mine sublevel.

All calculations are based on the volumetric assessment of the digital deposit model and the resulting block model, which was created using the SURPAC version 6.7 software. The overlap of the planned mine openings with the sub-blocks of the model were classified and assigned to the block model. This allowed a differentiated balancing of the volumes and tonnages of the Mineral Reserve including dilution.

All following figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations consequently introduce a margin of error. Where this occurs, it was not considered to be essential. Totals may not add due to rounding.

A classification of ore and waste rock material (wall rock) was conducted in the areas of the planned mine openings. The basis for this procedure is the already performed geological delineation of the orebodies within the deposit model:

1) Lithium ore conform to the estimation parameters (Li grade ≥ 2,500 ppm and [minimum thickness ≥ 2 m or linear productivity ≥ 5,000 ppm * m], essentially consisting of greisen),
2) Interbeds, which are included in the geometric construction of the orebodies, predominantly consisting of not parameter compatible greisen, greisenized albite granite and subordinate albite granite,
3) Wall rock (rocks outside the ore bodies mainly consisting of greisenized albite granite and subordinate albite granite),
4) Not classified (zones outside the tenement).

Volumes of material belonging to outer and inner dilution exhibit lithium grades > zero. Predominantly greisenized granite accompanies the orebodies. It shows mean lithium grades of approx. 1,700 ppm. Inner dilution mostly consists of greisen and greisenized granite that shows mean lithium grades of approx. 1,900 ppm.

The portion of the geological lithium resource, which is blocked by safety pillars surrounding already existing mine workings, or which cannot be mined economically due to the isolation of ore bodies or to an insignificant ore thickness, was a priori excluded ("blocking out", see Figure 5).

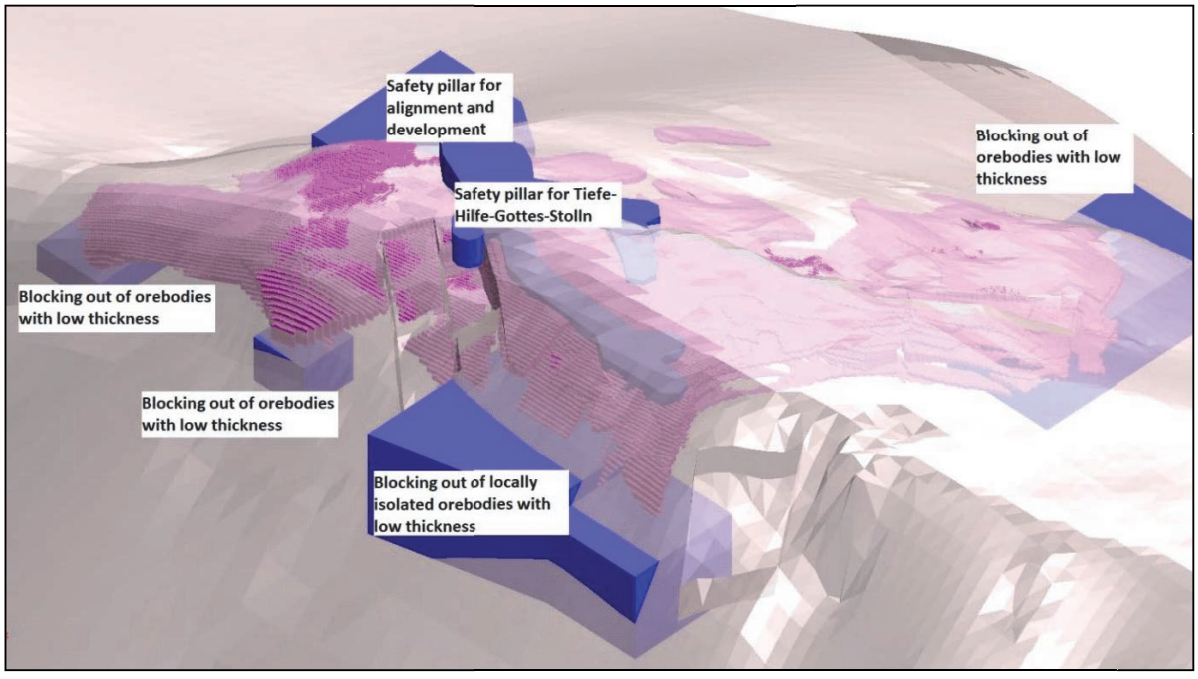

Figure 5: Blocking out of the not mineable lithium resource (view from SW)

The resource calculation for the entire Zinnwald deposit (German part) shows a combined Measured and Indicated Mineral Resource of 13,152,000 m³ / 35,510,000 t with an average lithium

grade of 3,519 ppm. The additional Inferred Mineral Resource amounts to 1,802,000 m³ / 4,865,000 t with an average lithium grade of 3,549 ppm. These numbers are valid for the mineralized area below the level 740 m a.s.l. located in the tenement of DL.

By deducting the portions of safety pillars and uneconomic ore blocks of the deposit, the combined Measured and Indicated Mineral Resource is reduced to 12,170,000 m³ / 32,860,000 t with an average lithium content of 3,534 ppm. Accordingly, the Demonstrated Mineral Resource of the Zinnwald lithium deposit was at first modified by the factor 0.93 (-7%).

4.2.2 Mineable Lithium Reserves of Sublevel +556 m a.s.l. to + 564 m a.s.l.

The horizontal slice between +556 m a.s.l. and +564 m a.s.l. was selected as representative mine sublevel to determine the mining loss by means of a detailed mine design. It is located in the middle between the more or less consistently ore bearing zones of the sublevels in the hanging wall and the predominantly irregular and isolated ore bearing zones of the sublevels in the footwall (see Figure 6). It represents the normal situation for the expected mining conditions of the deposit. Calculated ratios of recoveries and losses have then been projected onto the total resource.

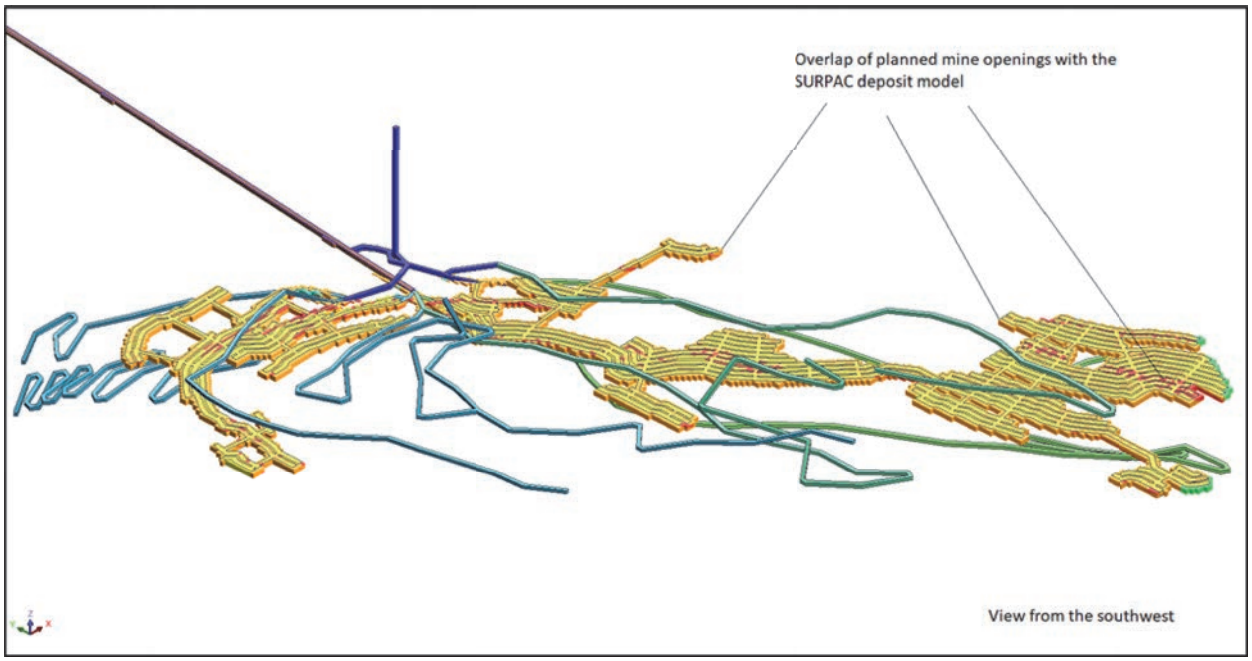

Figure 6: Overlap of the planned mine openings with the deposit model (Sublevel +556 m a.s.l. to +564 m a.s.l., view from SW)

The Mineral Reserve was estimated for two mining schemes based on sublevel stoping with longitudinal stopes. Both cases take into consideration that about 7 % of the total Demonstrated Mineral Resource cannot be mined. Based on this reduced resource, Mineral Reserves have been estimated for both Case No.1 and Case No. 2.

Case No. 1 is referred to as "Standard Mining Technology and Optimized Backfill". Backfill material is characterized by a compressive strength value of at least 4 to 5 MPa which allows a reduced pillar width of 2 m. Case No. 1 is regarded as the normal case suggested for the future mining procedure of the Zinnwald lithium deposit, which can be specifically adjusted to locally changing geological conditions. Case No. 2 is referred to as "Standard Mining Technology and Standard Backfill". In this case backfill material is characterized by a compressive strength value of at least 2 MPa which requires a pillar width of 3 m.

4.2.3 Mineral Reserve Estimation, case no. 1: "Standard Mining Technology, Optimized Backfill"

CIM Definition Standards were followed for the calculation of the Mineral Reserves which were generated using the September 30th, 2018, version of the Zinnwald deposit resource model.

Mineral Reserves are reported at a 2,500 ppm Li cut-off grade and below 740 m a.s.l. inside the German state territory and are part of the Mineral Resource.

Case 1 includes maximum dimensions of the rooms of 7 m x 7 m with 2 m wide safety pillars and 1 m thick horizontal roof pillars. Dimensions of cross-sectional profiles can be reduced to 3 m x 3 m if necessary and are limited by the technical equipment and mining technology. A minimum pillar width of 2 m requires at least a compressive strength parameter of 4 to 5 MPa for the backfill material. This pillar reduction and the demands on the compressive strength behavior can be afforded by an increase of self-hardening backfill additives.

This results in a 7 % loss by safety pillars of already existing mine workings and by uneconomic ore blocks combined with a calculated 32 % of mining loss to a total recovery of about 63 % of the combined Measured and Indicated Mineral Resource. Internal dilution accounts for roughly 8 % and external dilution for about 20 %.

Implying losses and dilution, a total Mineral Reserve of rounded 31 Mt results for mining case no. 1, which is available for processing (Table 3). The lithium metal content accounts for 94 kt, with 78 kt lithium belonging to parameter conform ore, 5 kt to inner dilution (interbeds) and 11 kt to outer dilution (wall rock).

The portion of the Proven Mineral Reserve accounts for 16.5 Mt of ore including dilution and contains 51 kt lithium metal. This corresponds to 54 % of the total lithium metal reserve. The Proba-

ble Mineral Reserve is 14.7 Mt of ore, including dilution, with a content of 43 kt lithium metal. It comprises 46 % of the total lithium metal reserve.

Table 3: Mineral Reserve Estimation (Lithium), Case No. 1

Category	Ore and Dilution Tonnage [kt]	Li Grade [ppm]	Li Metal Content [kt]
Mineral Reserve considering mining loss and dilution of case No. 1			
(1) Parameter conform ore	22,270 (71 %)	3,500	78
(2) Internal dilution	2,632 (8 %)	1,929	5
(3) External dilution	6,300 (20 %)	1,700	11
(4) Total Mineral Reserve (1+2+3)	**31,203 (100 %)**	**3,004**	**94 (100 %)**
(5) Proven Mineral Reserve	**16,504 (53 %)**	**3,075**	**51 (54 %)**
(6) Probable Mineral Reserve	**14,699 (47 %)**	**2,933**	**43 (46 %)**

4.2.4 Mineral Reserve Estimation, case No. 2: "Standard Mining Technology, Standard Backfill"

Case 2 includes maximum dimensions of the rooms of 7 m x 7 m with 3 m wide safety pillars and 1 m thick horizontal roof pillars. Dimensions of the cross-sectional profiles can be reduced to 3 m x 3 m if necessary and are limited by the technical equipment and the mining technology. A minimum pillar width of 3 m requires a compressive strength parameter of at least 2 MPa for the backfill material.

About 7 % of loss by safety pillars of already existing mine workings and by uneconomic ore blocks combined with a calculated 41 % of mining loss will result in a total recovery of about 54 % of the combined Measured and Indicated Mineral Resource. Internal dilution accounts for roughly 8 % and external dilution for about 20 %.

A total Mineral Reserve of rounded 27 Mt result for mining case no. 2 [1]. The lithium metal content accounts for 81 kt, with 68 kt lithium belonging to parameter conform ore, 4 kt to inner dilution (interbeds) and 9 kt to outer dilution (wall rock).

The portion of the Proven Mineral Reserve accounts for 14.3 Mt of ore including dilution and contains 44 kt lithium metal. This corresponds to 54 % of the total lithium metal reserve.

The Probable Mineral Reserve is 12.0 Mt of ore including dilution and contains 37 kt lithium metal. It comprises 46 % of the total lithium metal reserve.

Table 4: Mineral Reserve Estimation (Lithium), Case No. 2

Category	Ore and Dilution Tonnage [kt]	Li Grade [ppm]	Li Content [kt]
Mineral Reserve considering mining loss and dilution of case No. 2			
(1) Parameter conform ore	19,292 (71 %)	3,500	68
(2) Internal dilution	2,280 (8 %)	1,929	4
(3) External dilution	5,500 (20 %)	1,700	9
(4) Total Mineral Reserve out of (1+2+3)	**27,072 (100 %)**	**3,002**	**81 (100 %)**
(5) Proven Mineral Reserve	**14,319 (53 %)**	**3,073**	**44 (54 %)**
(6) Probable Mineral Reserve	**12,753 (47 %)**	**2,931**	**37 (46 %)**

For the calculation of CAPEX and OPEX along with the economic analysis within the Technical Report [1] the mineral reserve estimation for case no 1 (see Table 3) was used for all calculations.

5 Other assets

5.1 Mining

The mining operation for the Project is planned as an underground mine development using a main ramp for access to the mine and for ore transportation from the mine to the surface. The mine technology will be a common load-haul-dump (LHD) room and pillar technology with subsequent backfill using self-hardening material. Based on the key figures of the overall project, the mine has been designed for an annual output of 1,800 t of Li metal. With reference to the reserve estimation, this corresponds to an annually mined ore production between 500,000 to 600,000 t. Preparation and development of the deposit by main ramp and ventilation shaft include the following actions:

- Ramp collar at the Europark in Altenberg

- Shaft collar in the north of the deposit
- Routing towards north
- Main hauling by truck
- Ventilation with intake shaft and return air ramp
- Optional involvement of additional mine openings for ventilation purposes
- Utilization of "Tiefe-Hilfe-Gottes" gallery (THG) for water drainage

The deposit itself will be developed via short ramps and sublevels with a spacing of 8 m, initially focusing on the deeper portions of the deposit. With respect to the best possible adjustment to the deposit structure and the prevention of mining losses, a mining technology consisting of sublevel stoping with longitudinal stopes and optimized self-hardening backfill was developed.
Mining consists of two extraction steps:

- 1st Extraction Step: Construction of pillar roads with a standard cross section of 5 by 4 m with permanently stable dimensioning and a horizontal roof pillar thickness of 4 m.
- 2nd Extraction Step: Systematic reduction of pillars and horizontal roof pillars depending on the local conditions (ore body shape, geotechnical conditions, etc.) to a dimension of up to 7 by 7 m.

5.2 Process Design

The metallurgical plant is planned in Freiberg. The process plant design comprises a pre-concentration stage to produce an initial concentrate prior to roasting. The concentrate is subsequently heated in a kiln at approximately 950 degrees Celsius in combination with limestone and gypsum. Following roasting, a hot water leaching step recovers lithium and after removal of impurities LiF is precipitated using potassium fluoride. LiF is filtered and packaged, to produce a >99.5 % LiF final battery grade product. The integrated plant has been designed to initially process 522 kt of ore per year (average of first 5 years of production), producing 5,112 tpa of lithium fluoride. The plant will scale up to process up to 600 kt of ore per year over the life of the mine. The plant design also includes a circuit to produce up to 32,000 tpa of K_2SO_4 /SOP by-product through a series of evaporation and precipitation stages

5.3 Capital Cost Estimation

The capital cost estimate is based on using brown field processing plant site locations for both the concentrator and the lithium processing plants, but all equipment costs are based on all new

equipment, to produce the concentrate and the battery-grade lithium fluoride. The capital cost estimates for the mine, process plant, infrastructure, tailings management, construction, engineering, procurement, and construction management ('EPCM') fees, and general and administration are based on basic engineering from G.E.O.S., Köppern, Cemtec and Amproma and were compiled in a financial model by eXnet audit GmbH Wirtschaftsprüfungsgesellschaft of Dresden, Germany (eXnet).

Table 5: Summary of Estimated Capital Costs

Area	M EUR
Mining equipment, infrastructure and site	27.4
Beneficiation / mineral processing plant	23.3
Chemical plant	82.0
Property and general on-site infrastructure	10.6
EPCM / Project management	14.9
Contingency	15.8
Subsidies / grants	-15.00
Total:	**158.9**

5.4 Operating Cost Estimate

The estimated mining and processing operating costs are based on an operation achieving average annual production of approximately 5,112 tonnes of battery-grade, 99.5% LiF, (7,285 tpa LCE). The estimated average unit operating cost for the mine, primary and secondary processing facilities are as follows:

Table 6: Operating Costs per tonne LiF, 30-year average

Category	EUR/t LiF
Mining	2,525
Mechanical Processing	2,699
Chemical Processing	7,448
Environmental and Central	386
Total Direct Operating Costs per tonne	**13,058**
G&A	607
Total Cost per tonne	**13,665**

5.5 Cash Flow Sensitivity Analysis

The Project is currently estimated to have a payback period of 6.1 years. Cash flows are based on a 100 % equity funding basis and the economic analysis indicates a pre-tax NPV, discounted at 8 %, of approximately 428 M EUR and an IRR of approximately 27.4%, as shown below. Post tax the NPV is approximately 270 M EUR and the IRR 21.5 %. Cash flows are based on 100 % equity funding. The average gross annual revenue is 129 M EUR over 30 years of operation.

Table 7: Key Study Indicators (all costs are in Euro)

Feasibility Study Key Indicators	Value
Pre-tax NPV (at 8% discount) (EUR m)	427.8
Pre-tax IRR (%)	27.4%
Payback (years)	6.1
Initial Construction Capital Cost (EUR m)	158.9
Average LOM unit operating costs (EUR/t LiF)	13,058
Average LOM revenue - LiF only (EUR m pa)	112.4
Post-tax NPV (at 8% discount) (EUR m)	270.0
Post-tax IRR (%)	21.5%
Average annual EBITDA with co-products (EUR m)	58.5
Annual average LiF production (tpa)	5,112
Annual K_2SO_4 production capacity (tpa)	32

A sensitivity analysis has shown that the Project is more sensitive to the lithium price than it is to either CAPEX or OPEX. An increase of 30 % in the average lithium fluoride price from 22,000 EUR/t to 28,600 EUR/t increases the Post-Tax NPV from 270 M EUR to 511 M EUR and the Post-Tax IRR to 31 %. A decrease of 30 % in the average lithium fluoride price from 22,000 EUR/t to 15,400 EUR/t decreases the Post-Tax NPV from 270 M EUR to 30 M EUR and the Post-Tax IRR to 10 %.

A sensitivity analysis on the base case NPV at different discount rates is shown in Table 8.

Table 8: Sensitivity Analysis Discount Rate Impact (k EUR)

Discount Rate	Base Case Pre-Tax NPV	Base Case Post-Tax NPV
0 %	1,559.2	1,073.5
2 %	1,093.5	743.7

Discount Rate	Base Case Pre-Tax NPV	Base Case Post-Tax NPV
4 %	785.3	524.9
6 %	575.2	375.3
8 %	427.8	270.0
10 %	321.5	193.8

6 Conclusions

The Zinnwald Lithium Project represents a significant opportunity for the development of a large lithium underground operation. No further exploration is currently planned by the Company following the completion of the Feasibility Study. Further work may be planned as part of the pre-production plan. The Zinnwald lithium deposit is open to the west and at least one additional drill hole west of the hole ZGLi 11/2017 is recommended. The potential of the Sn-W mineralization in the meta-albite granite is worth to be furthermore investigated.

Given the favourable location of the deposit and the planed lithium compound extraction plant with respect to local infrastructure and markets, accompanied by the positive results from the detailed process test work, the Zinnwald Lithium Project has the potential to be a significant producer of lithium.

The Zinnwald Lithium Project is substantial in size with a potential to produce 150,000 t of lithium fluoride over a time span of 30 years. It has a robust average grade compared with the cut-off grade which suggests a potential to operate with a considerable profit margin.

Regardless, further work is required to develop the project. This work comprises mainly

- test work for Lithium hydroxide
- engineering for process, buildings and plants
- minor additional permitting activities for construction and operation permits for mine, mineral processing plant and chemical processing plant

7 Qualifications and Basis of opinion

7.1 Basis of opinion

The basis of opinion for the CPR is the "Technical Report on the Feasibility Study for the Zinnwald Lithium Project, Germany" of the year 2020 by Bock et al. for Deutsche Lithium GmbH [1].

EurGeol. Dr. Wolf-Dietrich Bock as Qualified Person for the assets of Deutsche Lithium GmbH on behalf of G.E.O.S. Ingenieurgesellschaft mbH (G.E.O.S.) is the leading author of the "Technical Report on the Feasibility Study for the Zinnwald Lithium Project, Germany" in 2020 [1]. Dr. Wolf-Dietrich Bock is a principal consulting geologist with over 30 years continuous experience in mineral exploration and evaluation across Europe and Asia. He is a Member of the European Federation of Geologists (EFG) and Berufsverband Deutscher Geowissenschaftler (BDG).

7.2 Statement of Competent Person's Independence

Kersten Kühn, on behalf of G.E.O.S., is the author of this Competent Person's Report (CPR). G.E.O.S. has a number of professionally qualified personnel and consultants, who are members in good standing of a recognized self-regulatory organization of engineers and/or geoscientists. They have at least 10 years relevant experience in the estimation, assessment, and evaluation of lithium assets. G.E.O.S. is an independent Company. Its directors, management and advisors have no material interest in either directly or indirectly with DL or the assets which are the subject of the CPR. G.E.O.S.'s only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in relation to the Report. G.E.O.S. is qualified to provide such reports for the purpose of inclusion in Public Company prospectuses and admission documents.

7.3 Up to date confirmation and no material change

G.E.O.S. has given and has not withdrawn its written consent to the inclusion of the CPR set out in "Part III: Competent Person's report" of the Admission Document and references to its report and name in the form and context in which they appear in the Admission Document.

G.E.O.S. has authorised the contents of the CPR report and the context in which it appears for the purpose of paragraph 1.3. of Annex I as required by Schedule 2 of the AIM Rules for Companies.

G.E.O.S. confirms to the best of its knowledge and belief (with all reasonable care to ensure that such is the case), the information contained within the CPR is in accordance with the facts and does not omit anything which is likely to affect the import of such information.

G.E.O.S. confirms that it is not aware of any significant matters arising from its evaluation that are not covered by the CPR which might be of a material nature with respect to the proposed Admission.

G.E.O.S. confirms that no information has come to its attention that would indicate material changes to what is indicated in the CPR.

8 References

[1] BOCK, W.-D., KÜHN, K., GOWANS, R. (2020): Zinnwald Lithium Project, Technical Report on the Feasibility Study. Deutsche Lithium GmbH/ G.E.O.S. Ingenieurgesellschaft mbH, Freiberg and Halsbrücke/ Germany, 20 September 2020

Appendix 1 – Summary Table of Assets

Asset	Holder	Interest (%)	Status	Licence expiry date	Liecence area	Comments
Zinnwald/ Germany	Deutsche Lithium GmbH	100	Development	31.12.2047	2,564,800 m²	Facultative Frame Operation Plan in progress
Falkenhain/ Germany	Deutsche Lithium GmbH	100	Exploration	31.12.2022	2,957,000 m²	Reprocessing of historical data
Altenberg DL/ Germany	Deutsche Lithium GmbH	100	Exploration	15.02.2024	42,252,700 m²	Knowledge Analysis

Appendix 2 – Summary of Reserves and Resources by Status

Category	Gross			Net attributable			Operator
	Tonnes (million t)	Grade (g/t)	Contained metal (t)	Tonnes (million t)	Grade (g/t)	Contained metal (t)	
Ore/Mineral reserves							Deutsche Lithium GmbH
Proved	16.504	3,075	51,000	16.504	3,075	51,000	
Probable	14.699	2,933	43,000	14.699	2,933	43,000	
Total	31.203	3,004	94,000	31.203	3,004	94,000	
Mineral Resources							Deutsche Lithium GmbH
Measured	18.51	3,630	67,191	18.51	3,630	67,191	
Indicated	17.00	3,399	57,783	17.00	3,399	57,783	
Inferred	4.865	3,549	17,266	4.865	3,549	17,266	
Demonstrated (Measured + Indicated)	35.51	3,519	124,974	35.51	3,519	124,974	

Source: Kersten Kühn, on behalf of G.E.O.S. Ingenieurgesellschaft mbH

Appendix 3 – Glossary and definition of terms

List of Definitions used in the Report and the Reference	
Title	**Explanation**
A / B	Resource class according to the resource classification of the former G.D.R, comparable approximately with the category "Measured"
Bulk density	In situ density of material
Cut-off grade	The lowest grade or quality of mineralized material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation or on physical or chemical attributes that define an acceptable product specification.
C_1	Resource class according to the resource classification of the former G.D.R, comparable approximately with the category "Indicated"
C_2	Resource class according to the resource classification of the former G.D.R, comparable approximately with the category "Inferred"
Density	The mass or quantity of a given substance per unit of volume of that substance, usually expressed in kilograms or tonnes per cubic metre.
Dip	The maximum angle at which a planar geological feature is inclined from the horizontal.
Grade	Any physical or chemical measurement of the characteristics of the material of interest in samples or product.
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.
Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
Mineralization	Any single mineral or combination of minerals occurring in a mass or deposit of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

List of Definitions used in the Report and the Reference	
Title	**Explanation**
Mineral Resource	A concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into "Inferred", "Indicated" and "Measured" categories.
Mineral Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Mineral Reserves are sub-divided in order of increasing confidence into "Probable" Mineral Reserves and "Proved" Mineral Reserves.
NI 43-101	National Standard of Disclosure for Mineral Projects, inforced by the Canadian Securities Administrators (CSA)
PERC Code	The Pan European Reserves and Resources Reporting Committee (PERC) Code for reporting of exploration results, mineral resources and mineral reserves sets out minimum standards, recommendations and guidelines for public reporting of exploration results, mineral resources and mineral reserves in the United Kingdom, Ireland and Europe.
Pre-production period	A period of mine commissioning, construction of mechanical and chemical processing plant.
Recovery	The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.

List of element symbols and element oxide conversion factors used in the Report and the Reference				
Symbol	**Element**	**Oxide formula**	**Oxide**	**Multiply factor (element to oxide)**
Al	Aluminium	Al_2O_3	Aluminium oxide	1.8895
Ba	Barium	BaO	Barium oxide	1.117
Ca	Calcium	CaO	Calcium oxide	1.399
Cs	Caesium	Cs_2O	Caesium oxide	1.06
Fe	Iron	FeO	Iron (II) oxide	1.2865
Fe	Iron	Fe_2O_3	Iron (III) oxide	1.4297
K	Potassium	K_2O	Potassium oxide	1.2046
Mg	Magnesium	MgO	Magnesium oxide	1.6581
Mn	Manganese	MnO	Manganese oxide	1.2912
Na	Sodium	Na_2O	Sodium oxide	1.348
P	Phosphorus	P_2O_5	Phosphorus oxide	2.2914
Rb	Rubidium	Rb_2O	Rubidium oxide	1.094
Si	Silicon	SiO_2	Silicon oxide	2.1393
Sn	Tin	SnO_2	Tin oxide	1.2696
Sr	Strontium	SrO	Strontium oxide	1.185
Ti	Titanium	TiO_2	Titanium oxide	1.6681
W	Tungsten	WO_3	Tungsten oxide	1.2611

List of Lithium salts and Lithium salt conversion factors used in the Report and the Reference				
Name	**Formula**	**Mass [g/mol]**	**Proportion Li [%]**	**Conversion factor**
Lithium element/metal	Li	6.941	100.00	1.000
Lithium oxide	Li_2O	29.880	46.46	2.152
Lithium carbonate	Li_2CO_3	73.887	18.79	5.323
Lithium fluoride	LiF	25.940	26.76	3.737
Lithium hydroxide	LiOH	23.946	28.99	3.450
Lithium hydroxide monohydrate	$LiOH*H_2O$	41.960	16.54	6.045
Lithium chloride	LiCl	42.392	16.37	6.107
Lithium nitrate	$LiNO_3$	68.944	10.07	9.933
Lithium sulphate	Li_2SO_4	109.940	12.63	7.920
Lithium sulfate monohydrate	$Li_2SO_4*H_2O$	127.995	10.85	9.220
Lithium phosphate	Li_3PO_4	115.790	17.98	5.561

List of units and technical terms used in the Report and the Reference*)	
Unit	**Explanation**
d	Day
EUR/t	Euro per tonne
h	Hour
km	Kilometer
km²	Square kilometer
kt	Kilotonnes (thousand tonnes / 1,000 t / 10^3 t)
m	Meter
m²	Square meter
m³	Cubic meter
Mt	Megatonnes (million tonnes / 10^6 t)
ppm	Part(s) per million (10,000 ppm = 1 %)
t	Tonne(s) (1,000 kg)
tpa	Tonne(s) per year
USD/t	US dollar per tonne
wt.%	Weight percentage
%	Percentage
2D	2-dimensional
3D	3-dimensional
Ø	Diameter

*) All units and calculations in the report are based on metric system.

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
AAS	Atomic absorption spectrometry
Actlabs	Activation Laboratories Ltd., Ancaster, Ottawa (Canada)
ALS	ALS Global / ALS Romania SRL, Rosia Montana (Romania)
a.s.l.	Elevation above sea level
ATVC	Altenberg-Teplice volcanic complex (also Altenberg-Teplice caldera)
BBergG	Bundesberggesetz (Federal Mining Act)
BC	Kataclastic breccia (lithology in model)
BBF	Baubüro Freiberg GmbH
BE	Basic engineering
BFS	Bankable Feasibility Study
BOO	Build, own, operate
BSE	Back scattered electron
CAD	Computer-aided design
CAGR	Capex Growing
CHS	Channel sample
CAPEX	Capital expenditure
CEF	Balance measures
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHS	Channel sample
CIF	Cost, Insurance & Freight
CIM	Canadian Institute of Mining
COO	Chief Operation Officer
C.P.	Competent Person (according to PERC Standard)
CSO	Chief Sales Officer
CTO	Chief Technical Officer
CZ	Czech Republic
DDH	Diamond drillhole
DGEG	Deutsche Gesellschaft für Erd- und Grundbau (German Society of Earthworks and Foundation Engineering)
DH	Drill hole
DIN	Deutsches Institut für Normung (German Institute of Standardization)
DIN 18136	German Standard No. 18136 for soil investigation and testing - unconfined

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
	compression test
DIN 52105	German Standard No. 52105 for testing compressive strength of natural stone
DL	Deutsche Lithium GmbH
D&M	Distribution and Marketing
E	East
EDX	Energy-dispersive X-ray spectroscopy
EEG	Renewable Energy Sources Act
EFG	European Federation of Geologists
EIA	Environmental impact assessment
EPCM	Engineering, Procurement, Construction and Management
EU	European Union
EUR	Euro
EurGeol	European Geologist (Professional who has had his training and experience peer reviewed and who practises in accordance with the EFG code of ethics. Listened in the register of European Geologists in the section EurGeol title available at www.eurogeologists.eu).
EV	Electric vehicle
EXW	Ex Works (name placed of delivery)
FEED	Front-end engineering design
FEL	Front-end loader
FFOP	Facultative frame operation plan
FGD	Flue gas desulfurization
FIBC	Flexible intermediate bulk container
fl	Fluorite
FM	Finance model
FMC	FMC Corporation
FP	Flame photometry
FS	Feasibility study
GA	Dyke rock (lithology in model)
GDO	Large rotary kiln
G.D.R.	German Democratic Republic
G.E.O.S.	G.E.O.S. Ingenieurgesellschaft mbH
GFE F	VEB Geologische Forschung und Erkundung Freiberg (former G.D.R. com-

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
	pany for geological research and exploration)
GL	Gallery
Gy L	VEB Geophysik Leipzig (former G.D.R. company)
HEV	Hybrid electric vehicles
HIMS	High intensity magnetic separation
HPGR	High pressure grinding roll
HQ	Diamond core drilling with core diameter 63.4 mm
HR	Human resources
IAA	Industrial setting plant
ICP-AES	Inductively coupled plasma - atomic emission spectrometry
ICP-MS	Inductively coupled plasma - mass spectrometry
ICP-OES	Inductively coupled plasma - optical emission spectrometry
IRR	Internal rate of return
IS1	Internal standard 1 (high grade standard)
IS2	Internal standard 2 (low grade standard)
ISE	Ion-selective electrode
ISO	International Standards Organization
ISO 9001	International Standard 9001 for quality of management systems
ISO 17025	International Standard17025 for general requirements for the competence of testing and calibration laboratories
IT	Information technology
KDO	Small rotary kiln
KV	Loss of drill core
LCE	Lithium carbonate equivalent
LFA	Lignite filter ash
LfULG	Federal State Office for Agriculture, Environment and Geology of Saxony
LHD	Load - Haul – Dump Technology
LMBV	Lausitzer und Mitteldeutsche Bergbau-Verwaltungsgesellschaft mbH
Li-OG63	Analysis of lithium by 4-acid digestion and ICP-AES (ALS Romania SRL, range 0.005 – 10 %)
LOI	Loss of ignition
LOMP	Life of mine plan
ME-4ACD81	Analysis of base metals by 4-acid digestion and ICP-AES (ALS Romania SRL)

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
ME-MS81	Analysis of 38 elements by lithium borate fusion (FUS-LI01) and ICP-MS (ALS Romania)
ME-XRF05	Analysis of single elements by pressed pellet XRF (ALS Romania)
MLA	Mineral Labaration Analyzer
msc	Muscovite
my	Mylonite (lithology in model)
N	North
n.a.	Not analyzed
NCA	Nickel cobalt aluminium battery
NE	Northeast
NI 43-101	National Instrument 43 – 101 Standard of Disclosure for Mineral Projects
NMC	Nickel cobalt aluminium battery
NNE	Northnortheast
NNW	Northnorthwest
NPV	Net present value
NQ	Diamond core drilling with a core diameter of 47.6 mm
NW	Northwest
OIC	Older intrusive complex
OK	Percussion drilling
OPEX	Operational expenditure
PDC	Process design criteria
PDF	Portable document format
PERC (Standard)	Compliance and Guidance Standards Proposed by Pan-European Reserves & Resources Reporting Committee ("The PERC Reporting Standard")
PFS	Prefeasibility study
PG	Albite granite (lithology in model)
PG_GGM_1	Weakly greisenized albite granite (lithology in model)
PG_GGM_2	Medium greisenized albite granite (lithology in model)
PG_GGM_3	Strongly greisenized albite granite (lithology in model)
PG_PR	Porphyritic albite granite (lithology in model)
PG_PR_GGM_1	Weakly greisenized porphyritic albite granite (lithology in model)
PG_PR_GGM_2	Medium greisenized porphyritic albite granite (lithology in model)
PG_PR_GGM_3	Strongly greisenized porphyritic albite granite (lithology in model)

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
PG_UK	Stockscheider (lithology in model)
PL	Poland
PLS	Pregnant leach solution
PPG	Porphyritic protolithionite granite
PPM	Porphyritic protolithionite microgranite
PQ	Diamond core drilling with a core diameter of 85.0 mm
PZM	Porphyritic zinnwaldite-microgranite
Q	Quaternary (lithology in model)
QA/QC	Quality assurance / Quality control
Q.P.	Q.P. Qualified Person (according to NI 43-101)
Q1, Q2, Q3, Q4	Year quarter1 to 4
qtz	Quartz
RBS	Rock bulk sample
RC	Resource category
RC DH	Reverse circulation drill hole
RCS	Rock chip sample
REACH	Registration, Evaluation, Authorization and restriction of chemicals
ROM	Run-of-mine ore
RQD	Rock quality designation index
R2	Linear coefficient of correlation
R&D	Research and development
S	South
SA	Spectral analyses
SOBA	Sächsisches Oberbergamt (Mining Authority of Saxony)
SD	Standard deviation
SE	Southeast
SEM	Scanning electron microscope
SGK	Staatliche Geologische Kommission (State Geological Commission of the former G.D.R.
SOP	Sulphate of potash (K_2SO_4)
SQM	Sociedad Química y Minera
SSE	Southsoutheast
SSW	Southsouthwest

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
StVK	Staatliche Vorratskommission (State Resource Committee of the former G.D.R)
SW	Southwest
SWS	SolarWorld Solicium GmbH
SY	Syenite (lithology in model)
TBS	Tiefer-Bünau-Stollen gallery
TF	Feldspatite or metasomatized feldspathic rock (lithology in model)
TGGM	Mica greisen (lithology in model)
TGQ	Quartz greisen (lithology in model)
TGQ+GM	Quartz mica greisen (lithology in model)
THG	Tiefe-Hilfe-Gottes Stollen gallery
TINCO	TINCO Exploration Ltd.
to	Topaz
TR	Teplice Rhyolite
TU BAF	Technical University Mining Academy Freiberg
UG	Microgranite (lithology in model)
UG_GGM_1	Weakly greisenized microgranite (lithology in model)
UG_GGM_2	Medium greisenized microgranite (lithology in model)
UG_GGM_3	Strongly greisenized microgranite (lithology in model)
UG_GQ_3	Microgranite with strong quartz greisenization (lithology in model)
UK	United Kingdom
UNESCO	United Nations Educational, Scientific and Cultural Organization
US	US Dollar
UVR-FIA	UVR-FIA GmbH
VA	Measures for special protection
VBGU	Union for Mining, Geology and Environment
VEB	Public owned enterprise of the former G.D.R.
W	West
WRRL	Water Framework Directive
XE	Xenolith (lithology in model)
XRD	X-ray diffraction analysis
XRF	X-ray fluorescence analysis
YI	Rhyolite (lithology in model)

List of Abbreviations used in the Report and the Reference	
Abbreviation	**Explanation**
YI_GGM_1	Weakly greisenized Teplice rhyolite (lithology in model)
YI_GGM_2	Medium greisenized Teplice rhyolite (lithology in model)
YI_GGM_3	strong greisenized Teplice rhyolite (lithology in model)
YI_GQ	Teplice rhyolite with quartz greisenization (lithology in model)
YIC	Younger intrusive complex
ZAG	Zinnwald Albite Granite
ZG	Zinnwald Granite
ZGI	Zentrales Geologisches Institut (Central Geological Institute of the former G.D.R.
zw	Zinnwaldite

PART VI

COMPETENT PERSON'S REPORT ABBEYTOWN PROJECT

JORC 2012 COMPETENT PERSONS REPORT FOR THE ERRIS RESOURCES ABBEYTOWN PROJECT, IRELAND

PREPARED FOR

ERRIS RESOURCES PLC

BY

Addison Mining Services

EFFECTIVE DATE

29/05/2020

SIGNATURE DATE

18/08/2020

Document Title	JORC 2012 Competent Persons Report for the Erris Resources Abbeytown Project, Ireland.
Project Number	20200408_ERL
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Document Control	FD4

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Competent Person's Consent Form
Pursuant to the requirements of
Clause 8 of the 2012 JORC code (written consent statement)

Competent Person's Report
Erris Resources Plc, JORC 2012 Competent Persons Report for the Erris Resources Abbeytown Project, Ireland.

Released by **Addison Mining Services Ltd**

I,

James Hogg, BSc (Hons), MSc (Merit), MAIG, MSEG, confirm that I am Competent Person for the report and;

- I have read and understood the requirements of the 2012 edition of the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition).
- I am Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposits described in the Report, and to the activity to which I accept responsibility.
- I am a Member in good standing of the Australian Institute of Geoscientists.
- I have reviewed the report to which this Consent Statement applies.

I am a consultant working for;

Addison Mining Services Ltd.

And have been engaged by;

Erris Resources Plc.

To prepare documentation for;

The Abbeytown Project, Ireland.

I have disclosed to the reporting company the full nature of the relationship between myself and the Company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets and Exploration Results.

Table of Contents

List of Figures

List of Tables

1 Executive Summary

1.1 Introduction

Addison Mining Services ("AMS", the "Consultant") has been commissioned by Erris Resources Plc ("Erris", "the Company") to prepare an Independent Competent Persons Report ("CPR") on the Company's mineral exploration project comprising of five Prospecting Licences ("PL's") held in the name of wholly subsidiary Erris Resources Ltd, located in County Sligo in Northwest Republic of Ireland, approximately 180km northwest of the capital Dublin and form part of the Company's material assets, representing an early stage exploration project for lead-zinc-silver-copper (Pb-Zn-Ag-Cu) and including a brownfields prospect at the Abbeytown mine site.

The Project covers 136.5km^2, divided over five adjacent prospecting licence (PL) areas 3735, 757, 4038, 1660, and 4469 and forms five sub-projects areas; Abbeytown, Skreen, Lugawarry and the Ox Mountains Fault Zone.

All licences are Prospecting Licences (PL) issued under the Minerals Development Acts, 1940 to 1999 and permit Erris Resources Ltd to carry out exploration activities, including drilling and sampling for Base Metals, Barytes, Silver and Gold.

The Competent Persons Report has been prepared for the purpose of an intended reverse takeover (RTO) by the Company. The Competent Persons Report relates to the Abbeytown Project group of licences (Table 1.1), and provides a summary of the geology, style of mineralisation, history and exploration work conducted on the Ireland assets held by Erris, namely the Abbeytown Project, with particular focus given to the current three main target areas; the Abbeytown regional/mine extension which is a brownfields exploration project and the Lugawarry and Skreen "grass roots" prospects.

This independent study has been completed by Mr. James Hogg MSc MAIG MSEG, Principal Geologist of AMS, Mr. Richard Siddle MSc MGeol MAIG FGS, Senior Geologist of AMS and Miss. Eleanor Shaw MGeol FGS, Senior Mining Geologist of AMS.

The report has been completed in accordance with the JORC 2012 code of the Australasian Joint Ore Reserves Committee and the Note for Mining, Oil and Gas Companies (the "AIM Note"), which forms part of the AIM rules for companies.

A summary table of the Assets material to this CPR are provided in Table 1.1.

Table 1.1: Summary table of Erris resources assets held at the Abbeytown Project, Republic of Ireland and considered as part of the RTO.

Asset	PL	Licence Number	Holder	Interest %	Status	Date Expiry	Area km^2
Abbeytown Project	757	260573888	Erris Resources Ltd	100	Exploration	25/08/2025	32.27
Abbeytown Project	1660	260573849	Erris Resources Ltd	100	Exploration	25/08/2025	14.76
Abbeytown Project	3735	260573927	Erris Resources Ltd	100	Exploration	25/08/2025	21.98
Abbeytown Project	4038	262447778	Erris Resources Ltd	100	Exploration	29/09/2025	27.87
Abbeytown Project	4469	260574122	Erris Resources Ltd	100	Exploration	25/08/2025	39.62

The competent person has inspected the properties and assets material to the company's business in order to verify the style and presence of mineralisation under investigation and to review the exploration practices of the Company. Visits were made to the Company's properties in Ireland on the 25th to the 27th of April 2017. Due to travel restrictions and social distancing during the preparation of this independent JORC 2012 CPR, AMS have relied upon high resolution core photographs and virtual core inspection by video-link undertaken on the 16th June 2020 to confirm geology, controls and styles of mineralisation and company data collection procedures.

1.2 History

The Abbeytown area has a long history of mining dating back to the to the 1700's and possibly 1500's when Monks at the Abbey in Abbeytown mined silver from argentiferous galena. Mining is reported to have continued through the 18th and 19th century and small-scale mining is recorded during the first world war.

Following the Second World War drilling by the geological survey identified new reserves of disseminated mineralisation and a new company called the Abbeytown Mining Company was set up to exploit the deposit. Mining was initially from open cast workings but later moved underground. The Abbeytown Mining Company was purchased by Johannesburg Consolidated Investment Co. in 1950 and mining with room and pillar developments was implemented. In 1957 mining operations ceased due to declining metals prices, some mining and milling of stockpiled ore was restarted in 1958, but the mine finally closed in 1961.

The ore mined at Abbeytown between 1951 and 1961 reportedly amounts to 1.1 Mt of nearly 1.5% Pb, 3.8% Zn and 40-45 g/t Ag. The silver grade is higher than in most other Irish Pb-Zn deposits and samples of ore taken by Erris returned grades of 50-500 g/t Ag in the mine. Around 730,000 tonnes were derived from the underground mine with the initial production being from an open pit (Hitzman, 1986; Kelly, 2007).

The Competent Person has been unable to verify the above production records and as such for the purpose of this technical report these are not treated as current resources according to JORC 2012 or other CRIRSCO aligned reporting codes. The author cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Exploration was conducted by numerous companies at various times throughout the last 70 years but little deep drilling was undertaken except for a few holes closer to the Abbeytown Deposit. Vertical diamond core hole ABC-06 drilled by Chevron in the mid-late 1980's located 300m south of the mine intersected significant mineralisation down to 148.8m which led to renewed interest at the time. Hole ABC-06 returned two significant intersections of 8m @ 3.67% Pb, 2.3% Zn and 37.74g/t Ag from 114m; and a lower copper zone of 3m @ 2.1% Cu (true thicknesses for these intercepts are at present difficult to ascertain at the current level of available data).

The Competent Person has not been able to verify the results of historical data from soil sampling, rock sampling and drilling described in this report. Although the Authors have no reason to doubt the results described, they should be considered as indications of the presence of mineralisation only and may not accurately reflect true metal concentrations and mineralized thicknesses.

At the Skreen prospect in the west of the PL block, the bulk of previous work was undertaken by Tara Exploration over a number of years between 1964 and 1976. The entire Skreen area as far as the coast to the north was soil sampled. The historic soil data outlined a zinc-lead anomaly with values of up to 1,000ppm Zn and 1,000ppm Pb, the upper detection limit for the analysis technique used. The anomaly extends for at least 3km in a northwest direction through the area known as Skreen and attains a width of up to 1km. Several other smaller anomalies were detected. Limited drilling was conducted by Tara exploration and subsequently Billiton Exploration Ireland during the early 1980's.

A summary of the main works conducted is provided in Table 1.2.

The Lugawarry prospect 3.8 km to the west-southwest of the Abbeytown mine was also the site of old workings for lead and silver. Mining is believed to have commenced in the mid-18th century.

Traces of galena were found in dolomitic limestone exposed by the open cast and subsequently the Abbeytown Mining Company drilled four drill holes in the area of the historic workings. These holes

reached depths between 22.61 m and 43.89 m and were not assayed. Each drill hole encountered stringers of calcite with pyrite and dolomitised limestone. Traces of chalcopyrite and galena were also encountered in two of the holes.

The Dolan-Creelman Trust conducted soil sampling around Lugawarry in 1962 which returned values up to 10,000 ppm Pb and 11,000 ppm Zn. An IP survey over the area showed two small anomalous areas.

In the late 1960s and early 1970s Tara Exploration conducted deep soil geochemistry, a short dipole-dipole IP survey, a small gravity survey and trenching. These techniques lead to coincident anomalies in the area of the old mine. Five short angle holes (61.8 7m to 105.46 m depth) were drilled to test the area, the three initial holes were assayed but not the latter two. Each drill hole encountered calcite (±dolomite) veining with pyrite. In one hole (LUG3) a sample from 4.88 m depth containing about 25% massive pyrite assayed at 440 ppm Pb and 14,000 ppm Zn. The thickness of this sample is not known. A later drill hole (LUG6) encountered pyrite, sphalerite and galena in dolomitic limestone between 64 m and 74 m depth but was not assayed.

Chevron conducted a VLF-R survey over Lugawarry in 1986 that revealed a large area of low resistivity which may correspond to areas of dolomitization although interpretation is complicated by the presence of lower resistivity shaly limestone and areas of thick glacial overburden.

Table 1.2: Summary of the main exploration works conducted on the PLs since 1962.

Summary of Recent Exploration		
Years	Company	Work
1962-1964	Dolan-Creelman Trust / Langis Mining Ltd	Mapping, soil sampling, EM traverses and IP Surveys. 14 holes totalling 2115ft. Four drill holes at Skreen, Lugawarry anomalies detected and further drilling done here.
1964-1976	Tara Exploration	Airborne EM survey, geochemical surveys, gravity surveys and drilling of 11 holes. Soil anomalies discovered in Grange North Area. Focus on the Skreen area.
1980-1982	Billiton Exploration Ireland Ltd.	Mapping, Prospecting and two drill holes near the coast in the Skreen Area.
1985-1989	Chevron Mineral Corporation of Ireland / Northwest Exploration	Mapping, IP Surveys, geochemical surveys and drilling. At least 21 drill holes, Hole ABC-06 drilled south of the mine and encountered significant mineralisation over mineable widths. Mining Appraisal Work and report in 1988. Drilling at Streamstown and Ballysadare North Prospect.
1993-1995	Ennex International Plc	Data compilation, geochemical and IP surveys.

1.3 Target Deposit Type

Following various phases of work by Erris Resources, and in particular the drilling of hole ER001, the Abbeytown deposit is now recognised as a carbonate replacement deposit hosted by dissolution collapse breccias along structures with adjacent stratiform mineralisation.

The model differs from the widely-accepted model for Irish-type deposits in that the ore is not generally stratiform adjacent to the hanging wall of a major normal fault as at the Lisheen Deposit.

The Abbeytown deposit is not immediately related to a major fault although it is situated between two major easterly striking normal faults, the Ox Mountains Fault, approximately 1.3km to the south and the Ballysadare Fault approximately 500m to the north in Ballysadare Bay. The mineralisation occurs in both the Ballysadare Formation and the lowermost Ballyshannon Formation (Abbeytown Limestones and Index Bed) and is thought to be concentrated along steep NNE trending fractures. Intense stratabound replacement mineralisation occurs in the Index Bed, probably due to the calcareous nature and coarse grain size (increased permeability). The Abbeytown deposit is divided into two separate mineralised bodies, the East Zone that was originally worked from an open pit and the deeper West Zone that is localised along the West Fault.

Irish examples that are similar to the Abbeytown deposit are the Harberton Bridge deposit and the Kilbricken deposit. Both of these deposits are known to have breccia hosted ore and significant copper and silver components. The average silver contents of the Abbeytown ore are significantly higher than that at Lisheen or Navan.

1.4 Work Completed by Erris Resources

Erris commenced exploration activities in 2013 and carried out geophysical, soil geochemical and rock sampling surveys which were guided by the detailed review of the work undertaken by previous operators and regional data sets. Desk study work also included the modelling of the Abbeytown mine workings and mineralisation from the available historic data.

Erris Resources collated and synthesised the historic data and carried exploration work including regional soil sampling, digitising, re-modelling, sampling, re-interpretation and drilling a diamond hole, ER001 in 2015 just south of the mine. In August and September 2017, a further three drill holes ER002-ER004 were drilled, to the south of the mine totalling 446.5m, to meet minimum expenditure requirements. The three short holes were the first angled holes at Abbeytown since 1961 and were useful in identifying structure and stratigraphy.

Drilling of holes ER001 to ER003 yielded encouraging results and confirmed the previous mineralisation, significant intersections are presented in Table 1.3. The Company has now used their improved understanding of the local geology, stratigraphy and mineralisation to develop a new exploration model in the absence of previous core.

Table 1.3: Highlights of the drilling of ER001 - ER003. Composites are generated using a length weighted average for assays >2% Pb+Zn, maximum total length of waste 2 m, maximum consecutive length of waste 1m. Additional highlights are also presented. True thicknesses are interpreted to be approximately 50-60% of the sampled thickness in the surface drilling.

Hole ID	From	To	Width	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
ER001	24.40	26.90	2.50	16.50	0.02	3.71	6.75	10.46
ER001	110.55	121.00	10.45	44.00	0.07	1.92	4.36	6.28
ER001	125.00	137.00	12.00	10.10	0.38	2.14	1.63	3.77
ER002	122.00	126.00	4.00	24.50	0.01	1.65	2.81	4.46
ER002	130.10	145.65	15.55	25.50	0.45	1.19	2.75	3.94
inc.	138.80	141.30	2.50	21.30	0.17	1.35	4.67	6.02
ER002	150.80	155.65	4.85	14.20	0.32	3.91	2.84	6.75
inc.	150.80	152.80	2.00	26.90	0.72	8.47	3.57	12.04
ER002	162.00	164.40	2.40	6.07	1.84	0.03	0.00	0.03
ER003	126.35	129.00	2.65	19.90	0.03	3.99	1.63	5.62
inc.	126.35	126.75	0.40	91.80	0.05	14.90	8.98	23.88

At Abbeytown, there appears to be strong geochemical zonation with a copper zone at the base, a lead-rich lower zone through to a zinc>lead middle zone and a pyrite-calcite upper zonation or cap. The copper mineralisation probably occurs proximal to the source or structure feeding hydrothermal fluids into the carbonate basin whereas zinc is precipitated at lower temperatures more distal to the feeder and the deposit.

Following completion of September 2017 drilling, integration of all datasets, including structural and geophysical interpretation of data, soil survey results, digitised mine records, chip samples, core logging and general re-interpretation of the geological model has led to the establishment of a series of exploration targets including those at Abbeytown, Skreen and Lugawarry.

Subsequent exploration undertaken by Erris in 2018 and 2019 has continued development of Abbeytown, Skreen, Lugawarry, and newly developed Ox Mountains Fault targets. Work completed on these prospects are summarised below.

1.4.1 Abbeytown

Since 2017, Erris have continued exploration activities in the Abbeytown area, this has included further drilling, soil sampling and reprocessing of geophysics. A summary table of all exploration completed to date at Abbeytown can be found below in Table 1.4.

Table 1.4: Summary of Abbeytown Exploration completed to date.

		Historical	Erris Pre 2018	Erris 2018 onwards	
Drilling					**Totals**
Surface	No of holes	94	3	18	115
	m drilled	8,135.30	540.50	2,868.20	11,544.00
Quarry	No of holes	56	1	0	57
	m drilled	2,759.70	84.00	0.00	2,843.70
UG	No of holes	91	0	12	103
	m drilled	2,915.60	0.00	1,004.50	3,920.10
Total	No of holes	241	4	30	278
	m drilled	13,810.60	624.50	3,872.70	18,307.80
Soils					
Total	No of soils	0	1809	1581	3390
	No of soils (- QAQC)	0	1683	1460	3143
Rocks					
Surface	No of rocks	0	194	0	194
UG	No of rocks	0	18	0	18
Tailings	No of rocks	0	11	0	11
Total	No of rocks	0	236	0	236
	No of rocks (- QAQC)	0	223	0	223

From 2017 onwards a total of 22 holes have been drilled at Abbeytown.

Ten holes were drilled from surface in the Abbeytown prospect since 2017 (ERAB001 to ERAB010) totalling 1,843.30 m. Holes were located 150 m to 370 m along strike of the interpreted mineralising structural trend from the furthest extent of the underground workings, covering 250 m of extension to known strike. They were drilled at 60° on a west-north-west azimuth to intersect aforementioned structural trend and were centred on the previously drilled mineralisation from the pre 2018 drilling (ER001 and ER002) as seen in Figure 1.1.

Mineralisation was encountered in all of the ten Abbeytown surface holes, significant intercepts as reported by Erris from RNS have been summarised in Table 1.5. Weighted average calculations have been checked and confirmed by AMS, two errors were identified in previous reporting and have been corrected; ERAB007 at 122-124 m, corrected from 1.24% Zn to 0.01% Zn, the intercept remains in Table 1.5 as a Cu only intercept. Also, ERAB007 at 150-152 m, corrected from 2.00% Zn to 1.09% Zn.

ERAB001 returned four significant intercepts; notably within the shales, mineralisation is present between 157.0 m and 167.0 m. Similar high grades were also encountered as stratiform mineralisation in ERAB005 shales while ERAB007 had strong broad mineralisation in the Abbeytown Limestone and hole ERAB010 intersected copper and tennantite mineralisation, the first confirmed occurrence of tennantite in drill core at Abbeytown. Mineralised intercepts are less consistent to the south and the data from this drill campaign suggests that mineralisation may curve to the south west with the structure, resulting in some drillholes missing the main target or intercepting subordinate mineralization or areas of thinning. The most southern drillhole hole (ERAB005), intercepted 11.6% Pb and 4.03% Zn over 4.1 m.

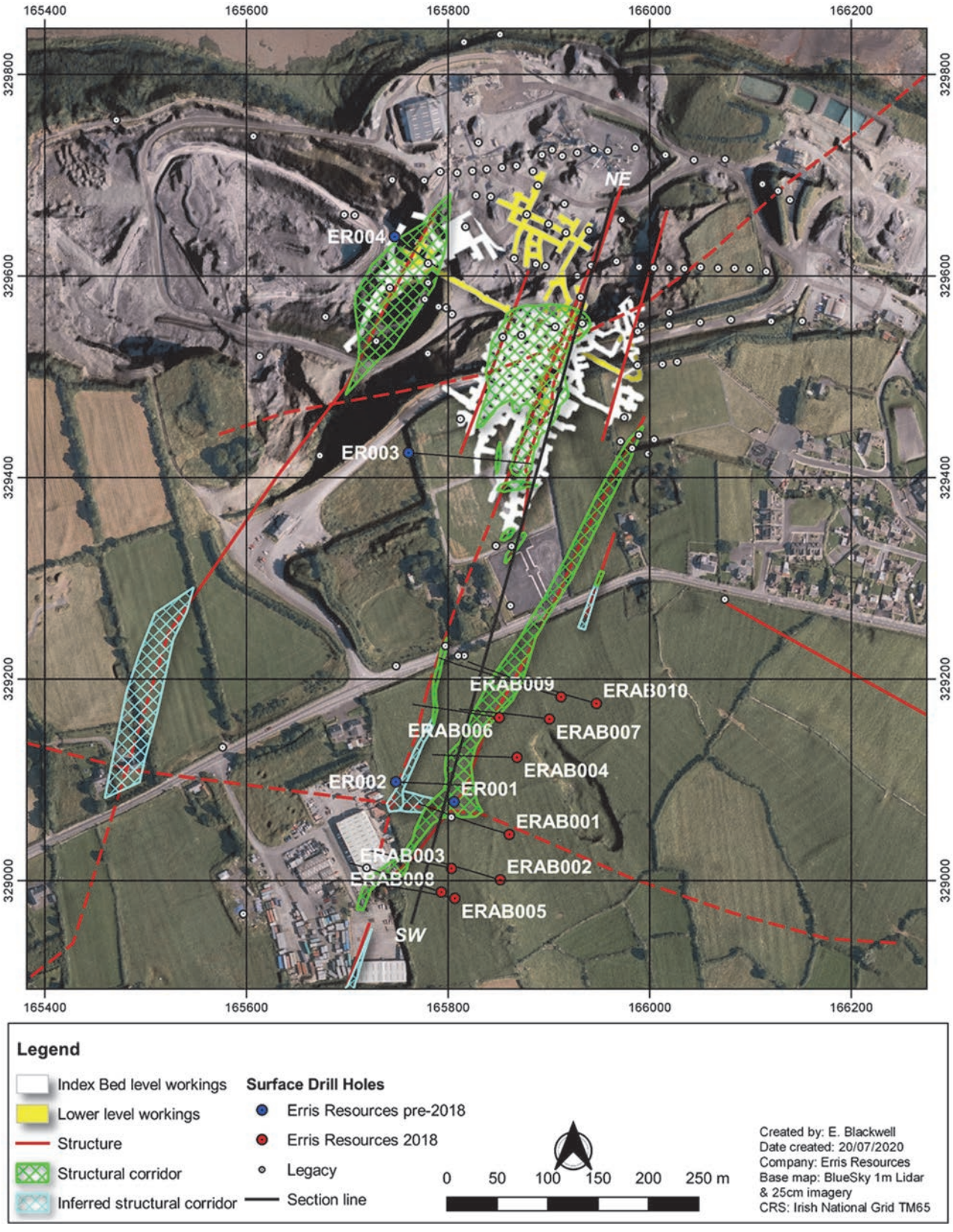

Figure 1.1: Abbeytown surface drill holes in relation to the underground workings, interpreted structures and structural corridors. Section line for Figure 1.2.

Table 1.5: Highlighted intersections from Abbeytown surface drilling, true thickness of mineralised intervals is interpreted to be approximately 50-60% of the sampled thickness.

Hole ID	Length m (drilled)	From	To	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %*
ERAB001	3.50	129.00	132.50	54.40	-	2.62	3.72	6.34
ERAB001	2.50	149.00	151.50	29.50	1.02	4.15	3.25	7.40
ERAB001	2.30	157.00	159.30	28.40	0.10	4.26	4.47	9.03
ERAB001	4.00	163.00	167.00	31.10	0.06	6.20	4.65	10.85
ERAB003	7.00	91.00	98.00	37.36	0.01	2.80	5.53	8.33
inc.	3.00	95.00	98.00	41.45	0.03	2.97	7.25	10.22
ERAB004	3.50	117.00	120.50	8.61	0.00	0.23	2.06	2.29
ERAB004	10.00	131.00	141.00	10.25	0.04	0.52	1.81	2.33
ERAB005	4.10	171.40	175.50	90.68	0.18	11.60	4.03	15.63
inc.	1.50	171.40	172.90	95.63	0.03	11.29	4.31	15.60
inc.	2.10	173.40	175.50	106.93	0.33	14.56	4.79	19.35
ERAB006	3.00	127.00	130.00	28.02	0.02	4.19	2.44	6.63
ERAB007	10.00	105.00	115.00	48.84	0.10	1.98	4.16	6.14
inc.	4.50	105.00	109.50	92.89	0.01	1.70	7.45	9.14
inc.	3.00	112.00	115.00	18.91	0.31	3.80	1.43	5.22
ERAB007	2.00	122.00	124.00	4.03	1.29	0.37	0.01	0.38
ERAB007	2.50	130.00	132.50	8.00	0.07	3.44	0.07	3.52
ERAB007	2.00	150.00	152.00	51.50	1.90	13.57	1.09	14.67
ERAB009	6.00	92.00	98.00	19.73	0.00	0.64	1.62	2.26
inc.	3.00	94.00	97.00	33.23	0.00	1.18	2.52	3.70
ERAB009	4.00	106.00	110.00	29.56	0.00	0.52	3.02	3.53
ERAB010	5.00	119.50	124.50	29.30	1.12	0.46	4.24	4.70
inc.	3.50	121.00	124.50	39.93	1.59	0.64	5.65	6.29

**Erris' significant intercept criteria is defined as composites generated using a length weighted average for assays >2% Zn+Pb, maximum total length of internal waste is 2 m, maximum consecutive length of waste is 1 m. True thicknesses are interpreted to be approximately 50-60% of the sampled thickness in the surface drilling.*

Each drill hole intersected the local sequence of the Ballyshannon Limestone, Index Bed, crinoidal Abbeytown Limestone, Lower Grit, and the Ballysadare Shales with only ERAB007 passing through this sequence into the Basal Sandstone / Conglomerate (Figure 1.2). Previously, the bulk of Pb-Zn mineralisation was contained between the Index Bed and Lower Grit formation, in the Abbeytown Limestone, with minor Cu in the shales below. New drilling has discovered significant Pb-Zn mineralisation both in the lower part of the Ballyshannon Limestone and in the calcareous Ballysadare Shales creating an additional target type for the Abbeytown Area.

The north-north-east trending structural corridor is interpreted to be the main conduit and control for the Abbeytown mineralisation and associated continuity of mineralisation along that orientation (shown in Figure 1.1). The higher grade and broad mineralisation seen in ERAB001 and ERAB007. combined with observations from underground mapping and EM data, suggests that there may be a secondary structural control on mineralisation.

There are potentially some east-west trending faults which would explain one of the shallow intersections in ER001 and the apparent offset in the Index Bed when viewed in long section Figure 1.2.

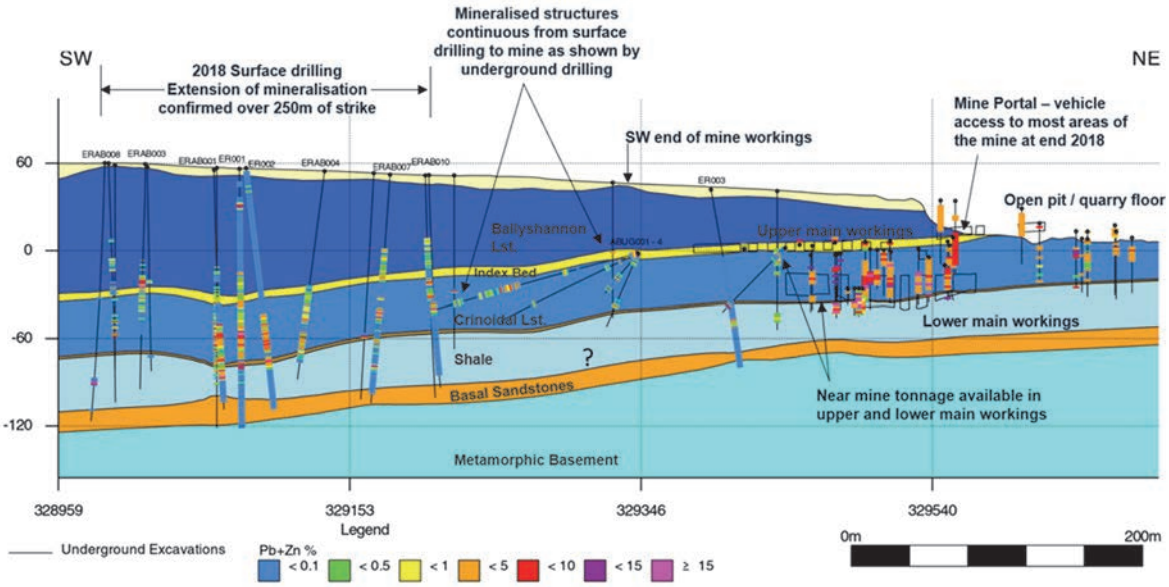

Figure 1.2: Long section showing Abbeytown workings, legacy and Erris drill holes with Pb and Zn combined assays, section line shown in Figure 1.1.

The principal sulphides present were pyrite, sphalerite, galena, and chalcopyrite. Additionally, ERAB010 contained tennantite (a copper, arsenic sulfosalt) mineralisation which had not been seen previously. Sphalerite and galena occur as thin mm to cm scale stratiform bands on the contacts of the Index Bed further away from the main structure; this can be used as a near-miss criteria to major structures and shows stratiform mineralisation is present as suggested by Murray Hitzman and John Guven (iCRAG) when they briefly reviewed the core and underground workings in September 2018.

Dolomite alteration appears to be proximal to mineralisation in many holes although the mineralisation itself caused dedolomitization of the immediate wall rock; sphalerite, galena and chalcopyrite are generally hosted in calcite fill. Zonation has been recorded in the drilling, shallow, 1.5 m wide pyrite-calcite veins in ERAB006 are directly above the deeper mineralisation in ERAB007.

Twelve holes were drilled from underground at the Abbeytown Mine (ABUG001 to ABUG012) totalling 1,004.50 m (Figure 1.3). These are the first underground holes that Erris have drilled. Many of the holes were near flat or shallowly dipping with variable hole azimuths targeting a variety of structures.

Mineralisation was encountered in all of the Abbeytown underground holes, significant intercepts as reported by Erris from RNS have been summarised in Table 1.6. All weighted average calculations have been checked and confirmed by AMS.

Continuous mineralisation occurs along the main north-north-east trending, steeply dipping, structural corridor. Smaller parallel mineralised structures were identified in ABUG001 and ABUG002 stepping out to the east. Mineralisation is noted in association with east-west trending structures and fracture zones which are mapped as moderately north-dipping extensional structures. Upgrading of mineralisation is concurrent with intersection of both structural trends creating intense fracturing with higher grades generally found in the more permeable Index Bed and Lower Grit units. Mineralising fluids can travel further from the feeder structures within these higher permeability units.

Table 1.6: Highlighted intersections from Abbeytown underground drill holes, true thickness of mineralised intervals is interpreted to be approximately 60-90% of the sampled thickness depending on the drill hole orientation and style of mineralisation.

Hole ID	Length m (drilled)	From	To	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
ABUG001	2.00	75.60	77.60	21.70	0.00	0.99	2.53	3.51
ABUG001	3.00	103.00	106.00	26.13	0.01	0.91	3.06	3.97
ABUG002	3.00	76.00	79.00	8.88	0.01	1.41	1.50	2.91
inc.	2.00	76.00	78.00	11.48	0.01	1.95	1.86	3.81
ABUG003	2.00	16.00	18.00	3.35	0.01	0.46	1.74	2.19
ABUG004	2.00	0.00	2.00	21.05	0.01	11.05	1.61	12.66
ABUG004	2.00	3.00	5.00	7.76	0.00	2.34	0.41	2.75
ABUG004	4.00	94.00	98.00	6.79	0.01	0.31	1.84	2.15
inc.	2.00	96.00	98.00	9.78	0.01	0.48	2.32	2.80
ABUG004	2.00	100.00	102.00	20.22	0.01	1.04	3.13	4.17
ABUG006	2.00	14.00	16.00	9.53	0.01	2.89	1.00	3.89
ABUG007	2.15	55.70	57.85	29.69	0.04	9.40	2.80	12.20
ABUG008	2.55	54.35	56.90	15.44	0.01	1.58	2.11	3.70
ABUG009	2.00	0.00	2.00	67.25	0.01	3.59	10.78	14.37
ABUG009	3.00	4.00	7.00	8.66	0.00	0.61	1.42	2.03
ABUG009	2.70	43.50	46.20	34.73	0.05	6.17	4.26	10.43
ABUG010	3.00	0.00	3.00	13.65	0.00	0.87	2.27	3.14
ABUG010	2.00	5.00	7.00	13.48	0.01	0.54	1.92	2.46
ABUG010	5.00	8.00	13.00	21.44	0.07	0.95	4.38	5.33
ABUG011	2.00	0.00	2.00	8.88	0.01	0.68	1.93	2.61
ABUG011	2.00	92.00	94.00	11.28	0.00	0.29	2.06	2.34
ABUG012	1.00	12.00	13.00	10.19	0.00	0.65	0.80	1.15

**Erris' significant intercept criteria is defined as composites generated using a length weighted average for assays >2% Zn+Pb, maximum total length of internal waste is 2 m, maximum consecutive length of waste is 1 m. True thicknesses for the underground drilling are interpreted to be approximately 60-90% of the sampled thickness depending on the drill hole orientation and style of mineralisation intersected.*

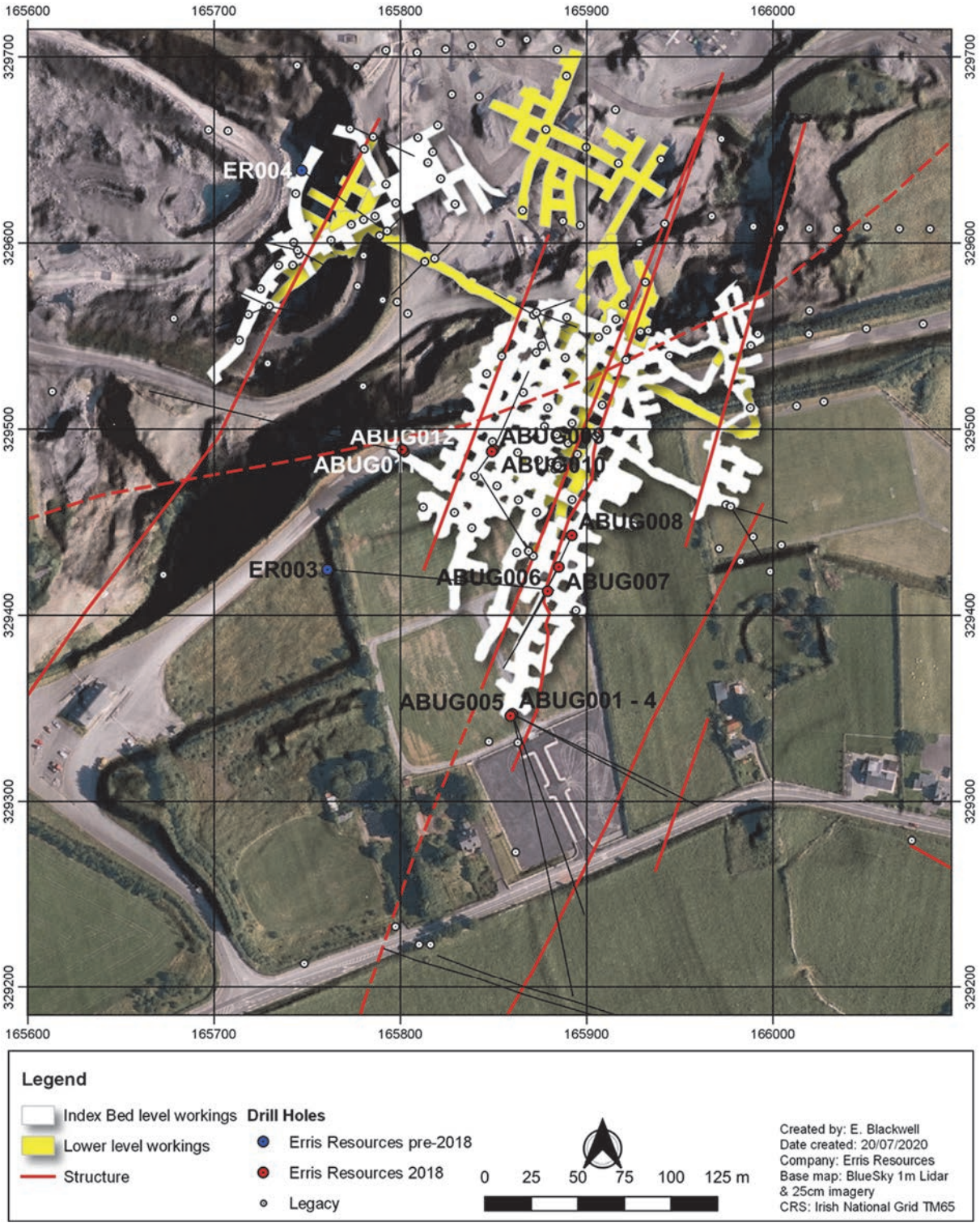

Figure 1.3: Abbeytown underground drill holes in relation to the underground workings, surface collars and interpreted structures.

All holes were collared within the main Index Bed level of the mine workings and drilled out through the Abbeytown crinoidal limestone. Due to the gentle dip of the stratigraphic units, the shallowly dipping holes did not necessarily intersect the Lower Grit formation.

Dolomite alteration is more consistently developed around the mineralised zones at depth and in the Abbeytown Limestone compared to that observed in the surface drilling. Strong pyrite-calcite alteration is proximal to Pb-Zn mineralisation both at depth in the Lower Grit and at shallower levels in the Index Bed as seen on section ABUG006-ABUG008 and in the mapping.

1.4.2 Skreen

A ground magnetics trial survey was carried out by Erris Resources to better define structures in the Skreen prospect. The survey better characterized some structural features and could be used in the future to refine drill targets in the Skeen area.

Infill soils were also completed in the Skreen area and data can be divided into 384 samples collected in 2018 infilling around the main previously identified soil anomaly and 470 samples as new exploratory lines collected in 2019 along the Ox Mountains Fault between Skreen and Abbeytown (Figure 1.4).

The main north-north-east trending soil anomaly (>150 ppm Zn) is approx. 3 km long and 1.75 km wide. The highest soil values were found in the southern end where four shallow holes were drilled in 1963 without recording any significant intercepts. Three of these holes were within 100 m of the highest lead and zinc values of 381 ppm and 2,990 ppm respectively.

New drilling has been completed in this area and is discussed below. It is worth noting that the Skreen anomaly is large (>5 km^2) and vectoring in to a drill hole scale needs to be directed by the mapped and inferred structures.

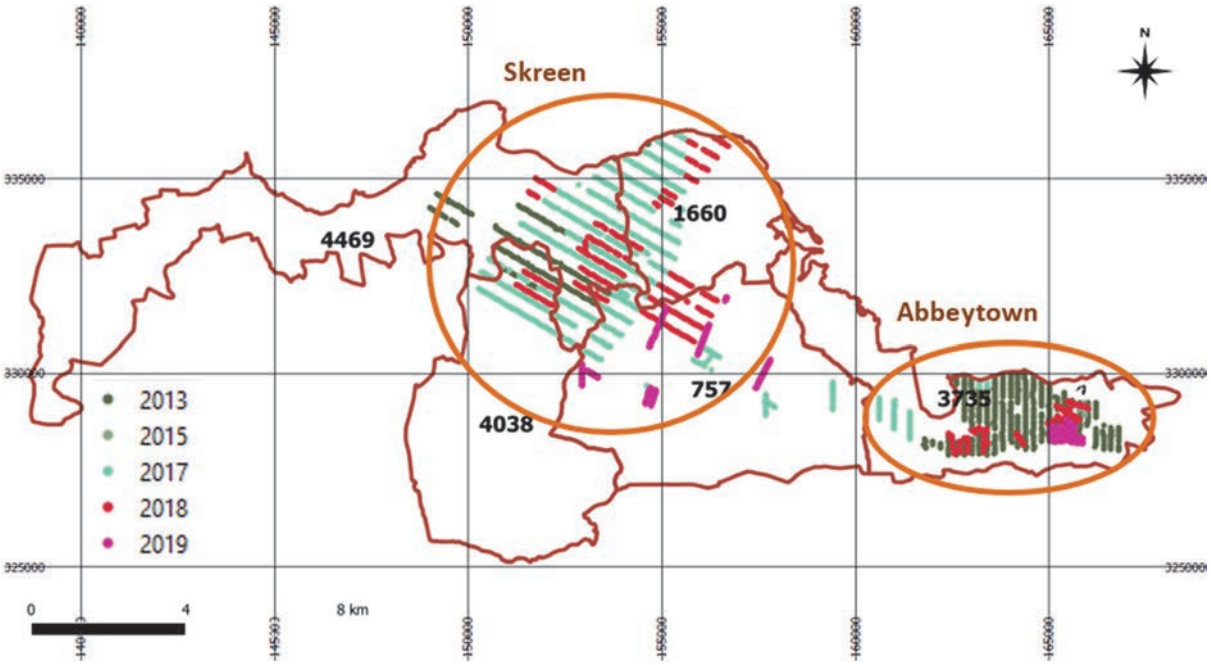

Figure 1.4: Soil samples collected by Erris split by year. The two main prospect areas, Abbeytown and Skreen are highlighted.

From the new soil sampling lines completed between Skreen and Lugawarry, anomalous values up to 500 ppm Pb and 1,145 ppm Zn were returned along the Ox Mountains Fault. Again, this particular anomaly is open to the south with the aforementioned highest values found in the most southern sample (Figure 1.5).

Additional anomalies were identified from the latest sampling campaign and will be examined further in the future.

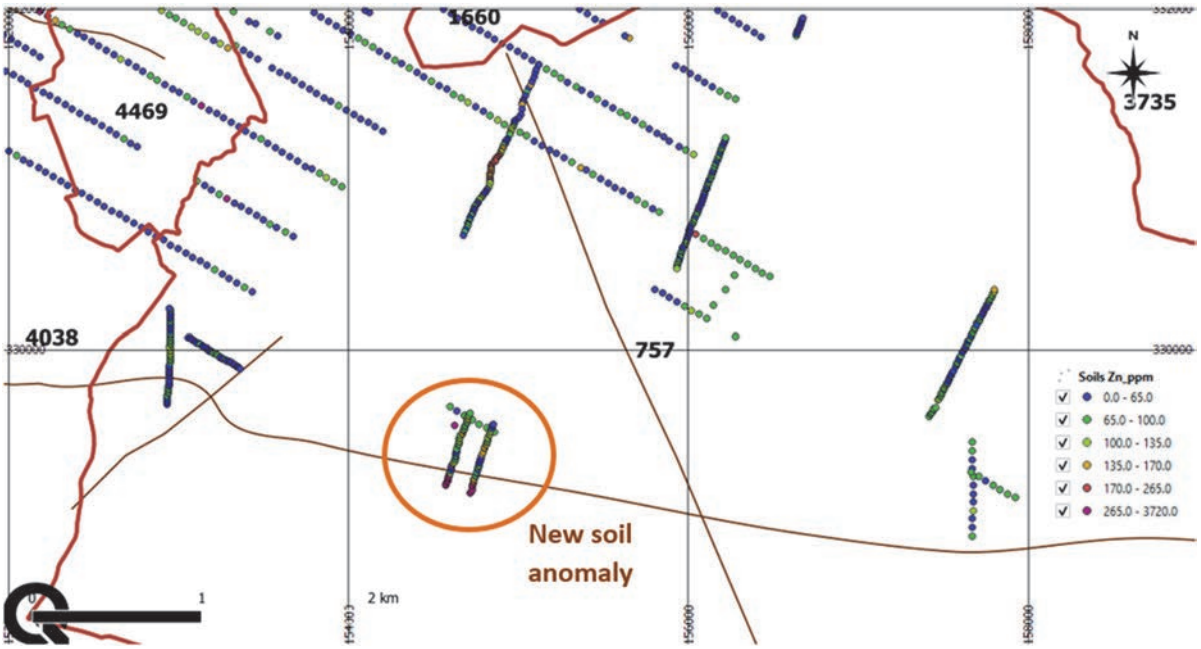

Figure 1.5: New Pb-Zn soil anomaly from 2019 data, image shows Zn values with interpreted structures.

Seven angled holes (ERSK001 to ERSK007) were drilled at the ~5 km^2 Skreen prospect totalling 1,024.9 m. The objectives of this program were to test a strong multi-element soil anomaly and coincident north-east trending structure interpreted from the Tellus data that could be a pathway for hydrothermal fluid flow and base metal mineralisation.

The first two drill holes (ERSK001 and ERSK002) were designed to test the core of the soil anomaly and a magnetic anomaly where favourable lithological units are interpreted to daylight up-dip of the inferred structure. Five other holes were planned to the north-east to intersect the main structure interpreted from the geophysics (Figure 1.6).

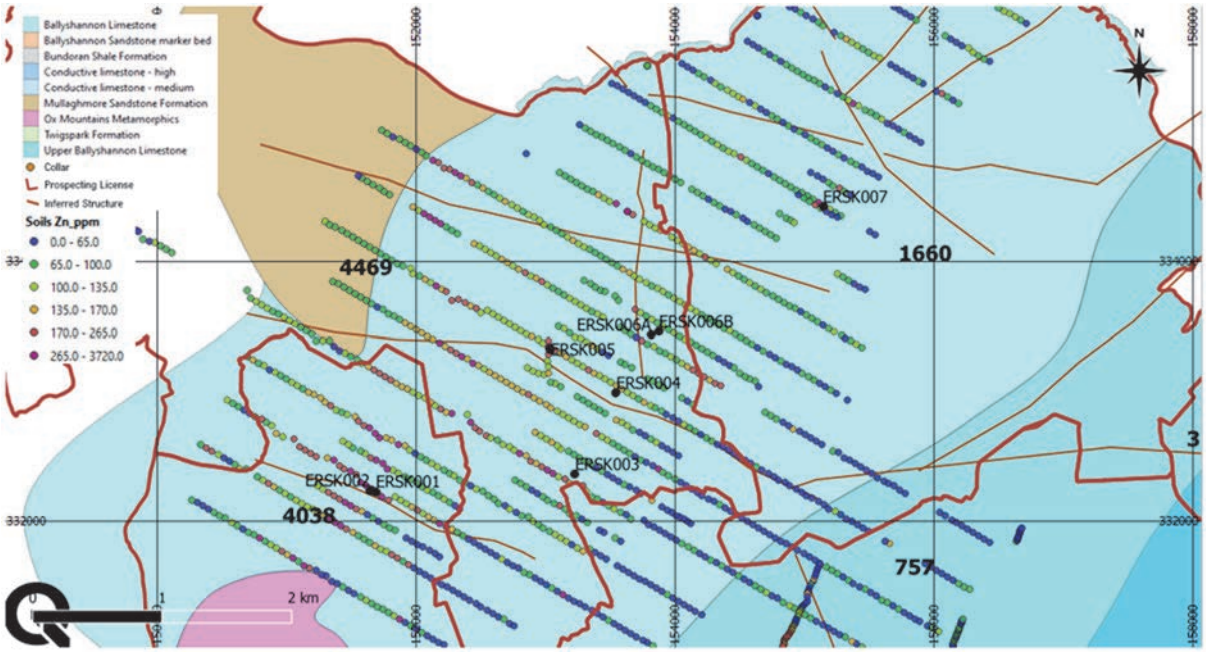

Figure 1.6: Skreen drill holes on regional lithology with updated interpreted structures and Zn in soils.

Holes ERSK001 and ERSK002 tested the core of the large soil anomaly, no base metals were intersected in either hole. Lithologically the holes drilled clastics, including red sandstones and basement at shallower depths than expected which is consistent with the magnetic anomaly and indicates that the carbonate sequence is too thin to host a significant base metal deposit on the higher ground.

Holes ERSK003 to ERSK007 targeted the inferred structural corridor and used the soil data and surface features to focus into a drillhole-scale as the anomalous area is sizable (Figure 1.6). ERSK003 and ERSK004 drilled through similar sequences of carbonates and clastics with minimal alteration, sulphides and calcite veining noted. Hole ERSK005 intersected calcite veins and some localised semi-massive pyrite with elevated Zn (0.55m at 0.47% Zn); similar to the distal carbonate-pyrite alteration seen at Abbeytown. Hole ERSK006a was located 600 m east of ERSK005 and intersected some similar alteration but was stopped at 25 m as the drillhole was linked to a nearby spring and risked

contamination. Re-drill hole ERSK006b was moved 70 m to the east-north-east but did not encounter the same style of alteration. ERSK007 was the most north-easterly of the holes, disseminated pyrite was logged but no other sulphides and the hole was not sampled.

The stratigraphy is consistent across all of the Skreen drill holes with shales and a green mudstone (initially thought to be volcanic material) which can be used as stratigraphic markers.

Following the drilling and re-interpretation of data, magnetic destruction in basement rocks trending east-south-east – west-north-west is now apparent in the aeromagnetic data, and in conjunction with the re-processed EM data has highlighted targets for further investigation (Figure 1.7). ERSK005 was collared close to one of these corridors but drilled on an unfavourable azimuth to intersect the structure. Ox Mountain parallel faults related to basin development with relay ramps or breached relay ramps as suggested by Mark Fitzpatrick, a structural geologist, could be the main control on mineralisation (Fitzpatrick, 2013). A drill hole angled to the south from the same location as ERSK005 would potentially test this idea.

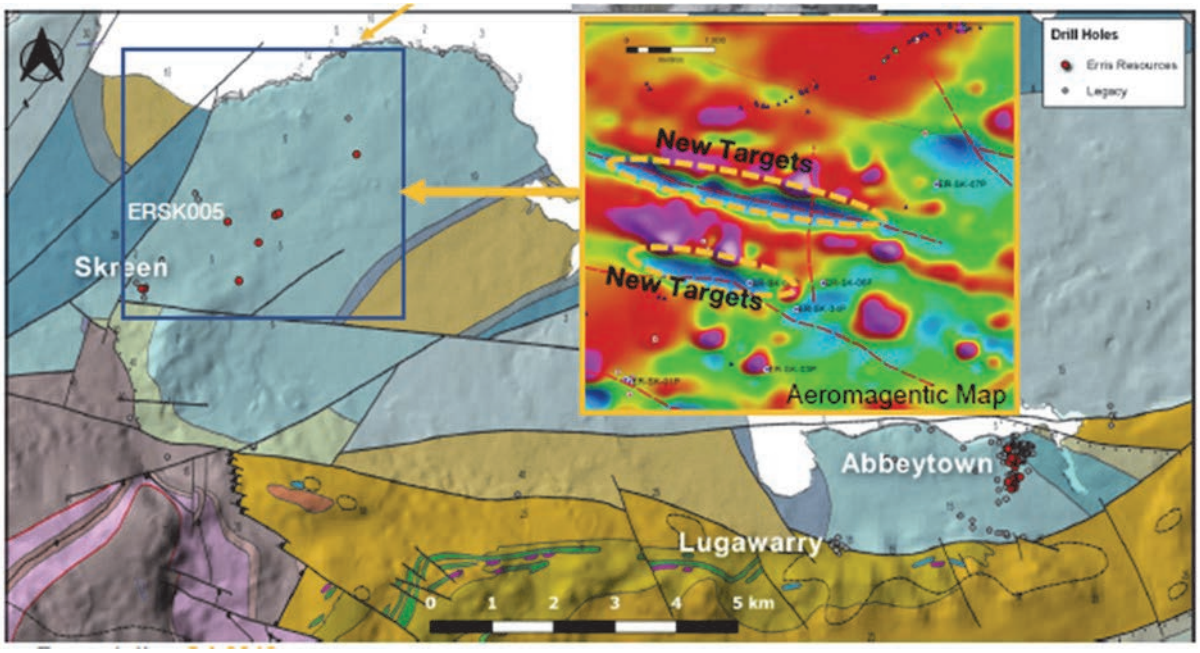

Figure 1.7: Skreen targets from the aeromagnetic data.

1.4.3 Lugawarry and Ox Mountains Fault Prospects

Recent soil sampling to the south and south west of Abbeytown has concentrated on infill lines to increase definition on the anomalies identified in the initial soil sampling campaign which cover the Lugawarry prospect and newly developed Ox Mountains Fault prospects.

In 2018/2019, within the Abbeytown project, 672 (plus an additional 55 QC samples) infill soil samples were collected to investigate anomalies at Lugawarry and the Ox Mountains Fault contact area south

of Abbeytown. The new sample values were in line with those returned previously at Lugawarry while a strong new anomaly has been identified near the Ox Mountains Fault.

The Lugawarry anomaly shows high coincident Pb (3,720 ppm) and Zn (2,050 ppm) values, it covers an area with historic workings in, though the anomaly extends beyond this site; 800 m in an east-west direction and currently more than 250 m in a north-south direction. The northern extent of the anomaly is not yet defined (Figure 1.8). This prospect was previously drilled in 1951 and 1976 with both galena and sphalerite logged in the core.

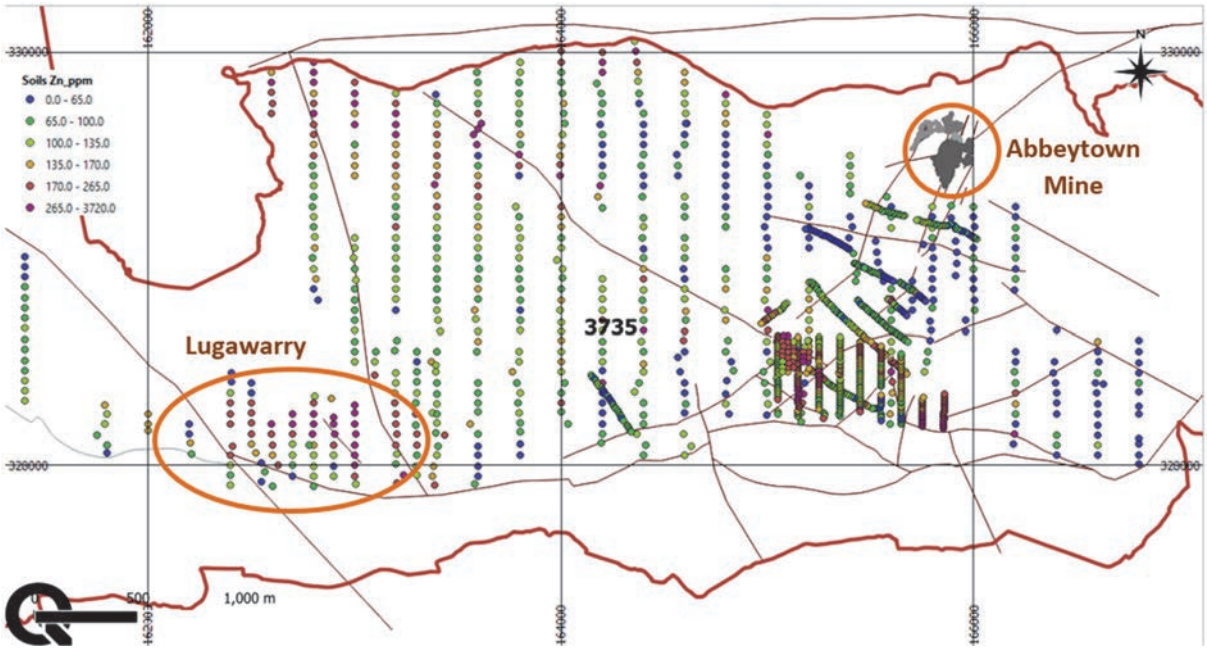

Figure 1.8: Lugawarry Zn soil anomaly, interpreted faults and the Abbeytown Mine.

The Ox Mountains Fault target is approx. 900 m long by 180 m at its widest point, Figure 1.9. It contains maximum assayed values up to 1,585 ppm Pb, 2,530 ppm Zn and 10.65 ppm Ag. This anomaly is coincident with structures interpreted from the airborne EM data and is located 600 m south-west of the recent Abbeytown surface drilling. It is worth noting that the Ox Mountains Fault fluid pathway is inferred to be approx. 20 km in length and offset by later north-north-east trending structures.

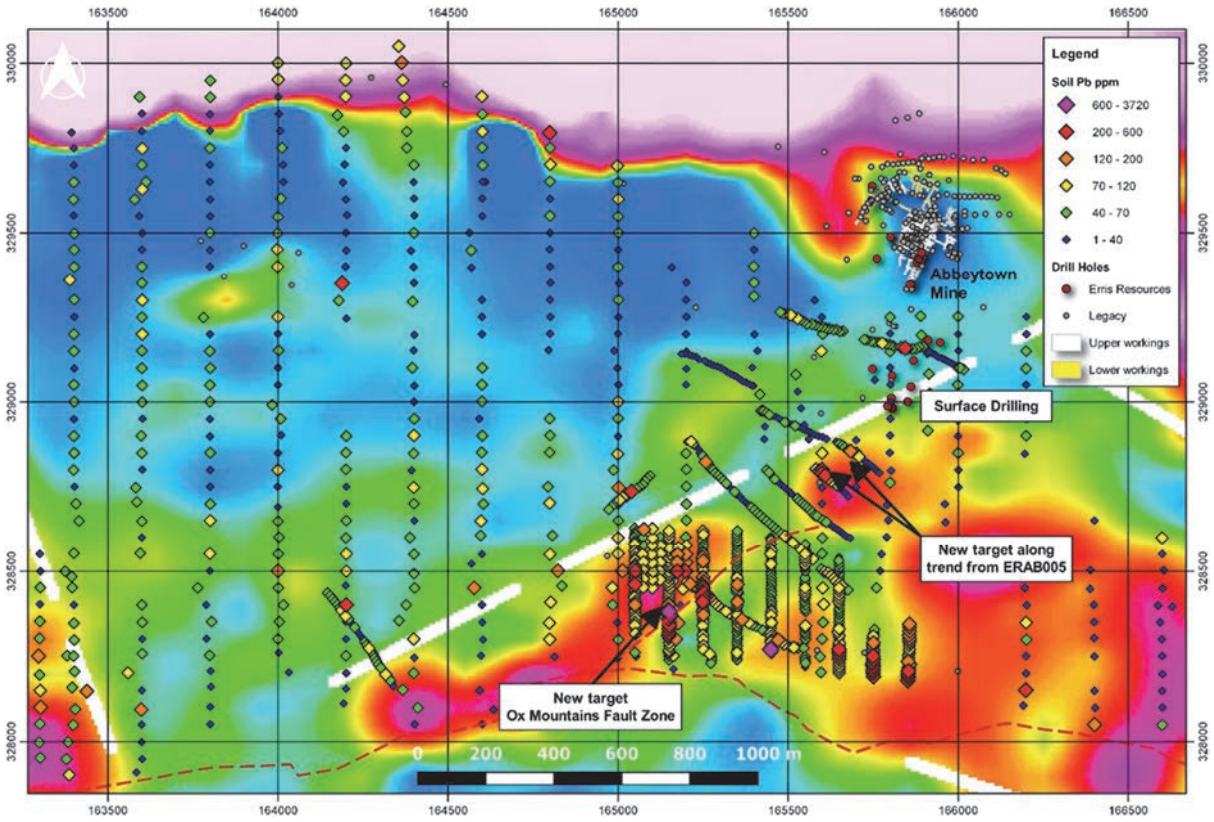

Figure 1.9: Ox Mountains Fault anomaly with Pb in soils, EM data, inferred faults and recent surface drilling.

1.5 Conclusions

The project and associated prospects reviewed by the Competent Person are considered to be a brownfield project at Abbeytown with additional early exploration stage targets in the adjacent licences. Moreover, PL3735 at Abbeytown is considered a core licence where more advanced exploration has occurred. The ancillary PLs are deemed to be regional targets.

Through historic data collation, capture and review, and with recent field based surface and sub-surface exploration activities, regional dataset and geological interpretations, Erris Resources have developed valid exploration models and identified robust immediate target zones where there are existing reported base metal results, favourable geology, alteration and encouraging analytical data. Follow on work completed by Erris since the previous CPR completed by AMS in November 2017 has continued to verify and extend mineralisation.

The Author believes that the data quality is adequate for the purpose of exploration stage assessment, interpretation, and definition of exploration targets. The quality of Erris' data verification and data collection work is highly satisfactory, and interpretation and application of models for targeting are considered reasonable and valid.

However, use of historical data as input to potential future resource estimates reported according to JORC 2012 will require additional verification work including further review of drill core, duplicate check sampling and/or twin verification drilling.

Key target areas identified for Abbeytown-style mineralisation exploration are summarised below and shown in Figure 1.10:

- The Abbeytown Corridor, along strike of prospective structures from the pre-existing mine with encouraging drilling results confirming continuation of mineralisation.
- The Ox Mountains Fault target, a strong Pb-Zn signature in soils with coincident EM anomaly down strike of the north-north-east trending Abbeytown interpreted mineralising structures. The 20 km long Ox Mountain Fault is interpreted to be a key regional fluid pathway within the Abbeytown area and the target of the same name only describes a small area, there remains significant exploration potential along this structure.
- Lugawarry has historic workings and previously logged sphalerite and galena in historic drill core. There is a strong Pb-Zn soil anomaly still open to the north, it sits on the hanging wall of the Ox Mountains Fault and has a number of north-north-east striking structures running through the target as interpreted from the geophysics.
- Skreen is a large Pb-Zn soil anomaly, ~5 km^2, in a prospective limestone host rock with numerous north-east interpreted structures and in close proximity to the Ox Mountains Fault. Minimal drilling has been completed to date for an area so sizable but some holes encountered alteration similar to that seen at Abbeytown.

The current targets described herein are by no means exhaustive.

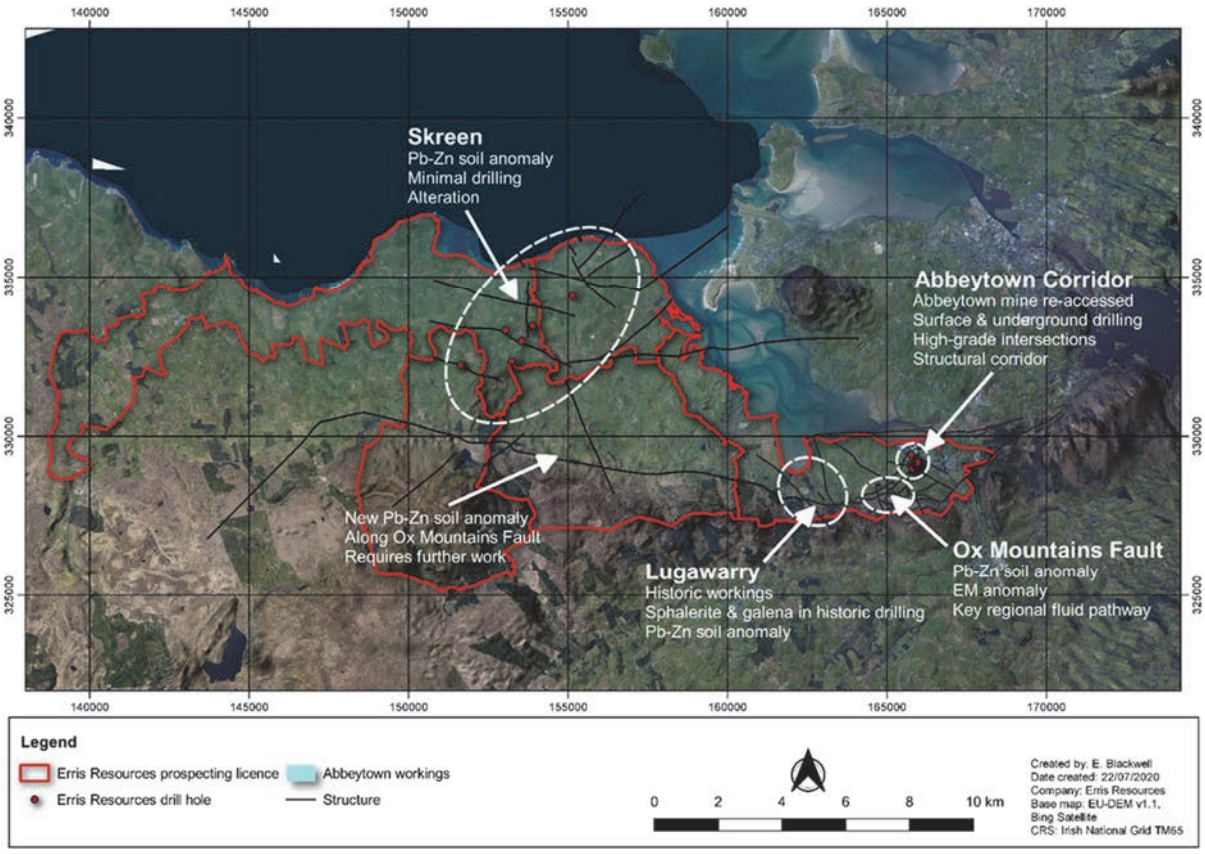

Figure 1.10: Overview image of target locations with key qualifiers.

1.6 Proposed Work Programs

Erris currently proposes a limited drill programme by July 2021 to meet the €30k minimum expenditure requirements on PL3735, prior to the two-year review in August 2021. PL3735 is the most advanced PL with the greatest potential and will be retained. The other PLs will be maintained subject to a JV partner being found.

Details for these programs are currently in preparation.

1.7 Recommendations

The Author makes the below recommendations for future work at the Erris Abbeytown Project:

1. Complete proposed work programs to meet minimum expenditure requirements and maintain PL's in good standing.
2. Continue exploration activities to further test the targets described in section 9.
3. Design data capture templates for drillhole logging and sampling, incorporating lithology and mineralisation codes in drop down menus to enable additional validation, ensure consistency and capture of all relevant data and the effective use of such data in a 3D GIS/Geological modelling package.

4. Implement relational digital databases incorporating validation procedures and SQL type queries to handle laboratory assay and geological logging data.
5. Utilize an exploration/mining specific software package for calculation of significant intercept data.
6. Introduce routine collection of samples for density determination across all lithologies and styles of mineralisation intercepted in drilling.
7. Consider the use of orientated core, in all inclined drill programs, to aid understanding of structural controls on the deposit.
8. Consider a full geochemical audit on the multi-element data to assist with exploration target generation and vectoring into key structures both in soils and drilling.

2 Introduction

Addison Mining Services ("AMS", the "Consultant") has been commissioned by Erris Resources Plc ("Erris", "the Company") to prepare an Independent Competent Persons Report ("CPR") on the Company's mineral exploration project located in Ireland and form the company's material assets, representing an early stage exploration project for lead-zinc-silver-copper (Pb-Zn-Ag-Cu).

The report has been completed in accordance with the JORC 2012 code of the Australasian Joint Ore Reserves Committee and the Note for Mining, Oil and Gas Companies (the "AIM Note"), which forms part of the AIM rules for companies. This report has been signed off by the relevant Competent Person (CP) as defined in JORC2012 and the AIM Note. The JORC code is binding upon members of the Australian Institute of Geoscientists ("AIG"), the Australasian Institute of Mining and Metallurgy ("AusIMM") and Recognised Professional Organisations ("RPOs") and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and the London Stock Exchange ("LSE"), which pertain to Independent Expert Reports or Mineral Expert Reports.

The Competent Persons Report has been prepared for the purpose of an intended reverse takeover (RTO) relating to the Abbeytown Project group of licences (Table 2.1).

This independent study has been completed by Mr. James Hogg MSc MAIG MSEG, Principal Geologist of AMS, Mr. Richard Siddle MSc MGeol MAIG FGS, Senior Geologist of AMS and Miss. Eleanor Shaw MGeol FGS, Senior Mining Geologist of AMS.

This report provides a summary of the geology, style of mineralisation, history and exploration work conducted on the Ireland assets held by Erris, namely the Abbeytown Project, with particular focus given to the current three main target areas; the Abbeytown regional/mine extension which is a brownfields exploration project and the Lugawarry and Skreen "grass roots" prospects.

The Competent Person has inspected the properties and assets material to this CPR in order to verify the style and presence of mineralisation under investigation and to review the exploration practices of the Company. A Competent Persons visit was made to the Company's properties in Ireland on the 25th to the 27th of April 2017. Due to Covid-19 pandemic travel restrictions and social distancing during the preparation of this CPR, AMS have relied upon high resolution core photographs and virtual core inspection by video-link undertaken on the 16th June 2020 to confirm geology, controls and styles of mineralisation and company data collection procedures.

2.1 Terms of Reference

This report provides an independent review and summary of the geology, style of mineralisation and exploration work conducted on the assets held by Erris within the Abbeytown project, Republic of Ireland.

The Terms of reference given to AMS included:

- to provide a Competent Person (CP) and to complete CP verification site visits of the company's assets in Ireland (Covid-19 restrictions permitting),
- to review and comment upon the quality of available data,
- to review and comment upon the exploration potential of the company's assets material to the study,

A summary table of the Assets material to this CPR are provided in Table 2.1.

Table 2.1: Summary table of Erris resources assets held at the Abbeytown Project, Republic of Ireland and considered as part of the RTO

Asset	PL	Licence Number	Holder	Interest %	Status	Date Expiry	Area km^2
Abbeytown Project	757	260573888	Erris Resources Ltd	100	Exploration	25/08/2025	32.27
Abbeytown Project	1660	260573849	Erris Resources Ltd	100	Exploration	25/08/2025	14.76
Abbeytown Project	3735	260573927	Erris Resources Ltd	100	Exploration	25/08/2025	21.98
Abbeytown Project	4038	262447778	Erris Resources Ltd	100	Exploration	29/09/2025	27.87
Abbeytown Project	4469	260574122	Erris Resources Ltd	100	Exploration	25/08/2025	39.62

2.2 Mining Law and Mineral Rights

The following information is taken from the Minerals Ireland Exploration Mining Division website, a division of the Department of Communications, Climate Action and Environment, at http://www.mineralsireland.ie

In the Republic of Ireland, Government policy is to support the development of Ireland's mineral resources in an environmentally and socially responsible way, recognising the economic contribution that mineral extraction can make, through the provision of well-paid secure jobs in rural areas that often have relatively limited employment opportunities.

The Minister for Communications, Climate Action and Environment has statutory responsibility for regulation of the exploration for and development of all minerals, other than stone, clay, sand and gravel. The Minerals Development Acts, 1940 to 1999 are the principal legislative instruments which govern activity in this area. These Acts are to be consolidated in a new Minerals Development Act which will also update and modernise many of the provisions of the existing Acts. There are also a number of Regulations which have been made under the Acts.

Petroleum and natural gas are covered by separate legislation. The Exploration and Mining Division (EMD) is responsible for the administration of regulatory aspects of Ireland's minerals industry by means of a system of a Prospecting Licences, and Mining Leases and Licences. EMD promotes responsible investment in mineral exploration in Ireland through provision of information on a specialist web-site, attendance at trade shows and by industry contacts. At the EU level, the Commission has recently launched an initiative aimed at securing secure supplies of raw material for European industry, following on from a study on the competitiveness of the non-energy extractive industry. Sustainable Development Indices have been developed to give a picture of the industry's progress in this area. The Directive on the Management of Waste from the Extractive Industry sets minimum standards for the management of this important waste stream across the EU.

Exploration is done through a Prospecting Licence (PL) that gives the holder the right to explore for specified minerals over a certain area. Only licence holders are considered for Mining Facilities to develop such minerals within the licence area. A Prospecting Licence typically covers some 35 sq.km., the boundaries of which typically follow Ordnance Survey of Ireland townland boundaries.

No permit is necessary for work of a regional or reconnaissance nature. To safeguard interest, a Statement of Interest over available ground can be made prior to any Prospecting Licence application. Explorers will be notified by EMD if a prospecting licence application is subsequently made in the area, and given two weeks to make your own application, on a competitive basis.

To apply for a Prospecting Licence, explorers must send the following documentation:

1. Prospecting Licence Application Form
2. Application Fee of €190 per Area
3. If the area has never been licenced before
4. a Map of the desired area

All applications are processed on a 'First come - First served' basis (except for competition ground) and if an application is successful the applicant will receive a letter of offer stating the terms of the Prospecting Licence.

Before a Licence is finally issued the proposed licence must be advertised in local newspapers. This allows anyone with concerns about exploration 21 days to submit any issues both positive and negative for consideration before granting the Prospecting Licence.

A Prospecting Licence is normally issued for six years, with the option of renewal if the holder has met the requirements. During a licence period, two reviews are undertaken to ensure Exploration programmes meet the conditions of the Licence. These reviews require Licence Holders to submit exploration reports on the previous two years work. These reports must also be accompanied by a Confidential Work Summary Form and a Statement of Qualification Form

Prior to the end of the first six-year term, a company may apply to extend the lifetime of a licence by submitting a Prospecting Licence Renewal Application Form. If the Licence Holder does not wish to renew the licence the Licence Holder must submit a Prospecting Licence Expiry/Surrender Form. If a Licence is allowed to expire or is surrendered the Licence Area will be entered in the next available Prospecting Licence Area Competition. Three main permits are required before a new mineral development can be started.

These are;

- Planning Permission under the Planning and Development Act 2000.
- An Environmental Impact Statement must accompany applications for developments involving the extraction of minerals under the Minerals Development Acts. The consent of the Minister for Communications, Energy and Natural Resources is also required to make a valid Planning Application for such minerals.
- An Integrated Pollution Prevention and Control (IPPC) Licence for all but small developments on non-metallic minerals. IPPC Licences aim to prevent or reduce emissions to air, water and land, reduce waste and use energy/resources efficiently.
- A State Mining Lease for minerals in State Ownership under the Minerals Development Act 1940 or a State Mining Licence if the right to work minerals is vested in the Minister under the Minerals Development Act 1979. Minerals in these Acts do not include stone gravel sand and clay. As a matter of policy, the Minister will only accept an application from the holder of a valid Prospecting Licence, State Mining Lease, Licence or Permission over the area in question.

Mining Leases etc. are negotiated on a case by case basis as required by Section 26 of the Minerals Development Act 1940 which also applies to Licences under the Minerals Development Act 1979 (see Section 17 of the 1979 Act).

The application procedure is to send in a formal letter marked for the attention of the Principal, Exploration and Mining Division applying for a State Mining Lease or Licence, stating what minerals are being applied for, accompanied by a map showing the area, and the appropriate application fee as set out in S.I. No. 259 of 1996 - MINERALS DEVELOPMENT REGULATIONS, 1996.

The legislation relating to minerals is contained in the Minerals Development Act, 1940, the Petroleum and Other Minerals Development Act, 1960, and the Minerals Development Acts, 1979, 1995 and 1999. Minerals are defined under these Acts as follows:

- 1940 Act: "In this Act (save where the context otherwise requires) the word "minerals" means all substances (other than the agricultural surface of the ground and other than turf or peat) in, on, or under land, whether obtainable by underground or by surface working, and includes all mines, whether they are or are not already opened or in work and also includes the cubic space occupied or formerly occupied by minerals, and, for greater certainty but without prejudice to the generality of the foregoing, the said word also includes all scheduled minerals." See Appendix for list of Scheduled Minerals.
- 1979 Act: "In the Act of 1940 and this Act "minerals" shall not include stone, gravel sand or clay except to the extent that any such substance falls within the list of minerals mentioned in the Schedule to the Act of 1940." Ownership

The right of working almost all minerals is vested in the State. This has occurred in two main ways: Mineral rights were reserved to the State (subject to some provisions about existing workings) during the division of large estates carried out by a State agency, the Land Commission, under a series of Land Acts. These are State Minerals under the 1940 Act, and can be leased under that Act. By statutory vesting in Section 12 the 1979 Act, which states "The exclusive right of working minerals is hereby vested in the Minister except as provided in this Part." These minerals are leased or licensed under the 1979 Act. The exceptions are limited and relate to minerals being worked before 1979. Some minerals were compulsorily acquired under now repealed Sections of the 1940 Act. These are also State Minerals which can be leased under the 1940 Act.

Key features of the legislation are:

- Sole right of working minerals vested in the state
- Royalties fixed by individual agreement. Currently a percentage of net revenues for base metals, and on tonnage extracted in the case of industrial minerals
- Private mineral owners receive compensation
- Corporation Tax at 25% for mines, and 12.5% on income and chargeable gains from general trading
- Capital allowances include exploration and development expenditure, expenditure on plant, machinery, buildings, up to 100%
- Immediate write-off of exploration and development expenditure
- Cost of rehabilitation after closure is tax deductible

2.3 Sources of Information and Data

This technical report is based on findings of the AMS site visits, virtual core inspection, desk study data review, data validation and verification where practical and possible.

In addition, AMS has relied on information and Data contained with the following reports:

- Competent Persons Report for the Abbeytown Project, Ireland and the Klippen, Käringberget and Brännberg Projects, Sweden, November 2017. Report prepared by Addison Mining Services in support of the Admission.
- Block Report on Work Carried Out on Prospecting License Areas 3735, 757, 4038, 1660 & 4469, May 2019. Report prepared by Erris Zinc.

AMS received the full co-operation and assistance from the Company's personnel during the 2017 site visits, 2020 virtual core inspection and in the preparation of this report.

The Author has reviewed information relating to the Company's assets material to this CPR, including relevant published and unpublished third party information, and public domain data, a list of which is provided in Section 14 "References" of this report.

Erris has also provided information which has formed the technical basis of this report. All data used in the report has been verified and validated where practical and is based on information believed to be accurate at the time of completion.

2.4 Property Inspection by the Competent Person

The competent person has inspected the properties and assets material to the company's business in order to verify the style and presence of mineralisation under investigation and to review the exploration practices of the Company. Visits were made to the Company's properties in Ireland on the 25th to the 27th of April 2017. Due to travel restrictions and social distancing during the preparation of this independent JORC 2012 CPR, AMS have relied upon high resolution core photographs and virtual core inspection by video-link undertaken on the 16th June 2020 to confirm geology, controls and styles of mineralisation and company data collection procedures.

The findings of the Competent Person's site visits are described in section 11 in addition to additional verification activities performed by the competent person and the study team.

2.5 Independence of Addison Mining Services

AMS is an independent geology and mining consultancy based in the United Kingdom.

The Author, AMS, its directors, employees and associates neither has nor holds:

- any rights to subscribe for shares in Erris either now or in the future,
- any vested interests in any concessions held by Erris
- any rights to subscribe to any interests in any of the concessions held by Erris either now or in the future,
- any vested interests in either any concessions held by Erris or adjacent concessions,
- any right to subscribe to any interests or concessions adjacent to those held by Erris, either now or in the future.

The Author's only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in connection with the investigations reported here. Payment of professional fees is not dependent either on project success or project financing.

2.6 Qualification of Consultants

James Hogg, MSc, BSc, MAIG:

1. Is the Competent Person for this study and has overall responsibility for all sections in this report. He has the necessary experience and qualifications stipulated under the JORC 2012 code to act as a Competent Person for the style of mineralisation and commodities being investigated.

2. Is employed as a principal consulting geologist by, and carried out this assignment for, Addison Mining Services Ltd., 13-17 High Beech Road, Loughton, London, 1G10 4BN.

3. Graduated with a Bachelor of Science degree (Hons) in Geology from Kingston University, Surrey, UK, in 1993. In addition, obtained a Master's of Science (merit) in Mineral Exploration in 1996 from the University of Leicester, Leicestershire, UK.
4. Is a Member of the Australian Institute of Geoscientists, Prospectors and Developers Association of Canada and Society of Economic Geologists.
5. Has worked as a geologist for a total of twenty-three years since graduation from university. Relevant experience includes eight years exploration, resource and reserve development of lode gold, silver and base metal deposits in Western Australia with Delta Gold NL, Sons of Gwalia Ltd and Newmont Australia and eight years as consultant resource geologist with ACA Howe International Limited and Micromine Consulting Services and six Years as Principal Consultant Geologist at Addison Mining Services.

Richard Siddle, MSc, MGeol, MAIG, FGS:

1. Has made contributions to this report under the supervision of the Competent Person. While he has the relevant experience to act as Competent Person he has not visited the project and is not acting as Competent Person for this study.
2. Graduated with a Master of Geology (Hons) from University of Leicester, Leicester, UK, in 2007. In addition, obtained a Master's of Science (merit) in Mining Geology in 2010 from the Camborne School of Mines, University of Exeter, Tremough, Cornwall, UK.
3. Is a Member of the Australian Institute of Geoscientists and a Fellow of the Geological Society of London.
4. Has worked as a geologist for a total of 12 years since graduation from university. Relevant experience includes 3 years exploration, drilling supervision and resource development of uranium, gold, silver and base metal deposits in Queensland, New South Wales and Western Australia and 2.5 Years as a consultant resource geologist at Micromine Consulting Services. 5.5 Years performing resource estimation, geological modelling and reporting for Addison Mining Services. In addition, 1 year of post graduate studies was spent in the study of exploration, resource estimation and appraisal.

Eleanor Shaw, MGeol, FGS:

1. Has made contributions to this report under the supervision of the Competent Person. Despite her experience and qualifications she lacks the necessary experience stipulated under the JORC 2012 code to act as a Competent Person for the style of mineralisation and commodities being investigated.

2. Graduated with a Master of Geology (Hons) from University of Leicester, Leicester, UK, in 2009.
3. Is a Fellow of the Geological Society of London.
4. Has worked as a Geologist for a total of 10 years since graduation from university with First Quantum Minerals. Relevant experience includes 3.5 years exploration and resource development for Iron-Oxide-Copper-Gold and Copper deposits in Mauritania and Zambia. 6.5 years of production, grade control, mining and modelling in Zambia.

2.7 Units

All units of measurement used in this report are metric unless otherwise stated. Tonnages are reported as metric tonnes ('t'), base metal values, lead (Pb), zinc (Zn) and Copper (Cu) are reported in parts per million (ppm) or percent (%). Precious metal values for gold (Au) and silver (Ag) in grams per tonne ('g/t') or parts per million ('ppm'). Other references to geochemical analysis are in parts per million ('ppm') or percent (%) as reported by the originating laboratories.

Project data has been captured and located using a Universal Transverse (TM) system. The coordinate system used by the client was TM65_Irish_Grid EPSG:29902.

Elevations are reported as metres above sea level.

2.8 No Material Change

As of the publication date of this document AMS is not aware of any likely or pending adverse effect as to business, operations, properties, assets or condition, financial or any other material change, which may arise within the six months following the publication of this report and its inclusion in the reverse takeover admission document.

3 Reliance on Other Experts

AMS, the CP and the Authors have not, nor are qualified to do so, independently verified the company's financial situation or title to the company's, assets, nor have they verified the status of Erris's agreements with local landowners and relevant parties. We are relying on information provided by Erris in this regard. AMS has no reason to doubt that the title situation is other than that which was reported to it by the Erris.

4 Project Location and Description

The Erris Abbeytown Project (the "Project") is located in County Sligo in Northwest Republic of Ireland, approximately 180km northwest of the capital Dublin (Figure 4.1). The Project is divided over five adjacent prospecting licence (PL) areas 3735, 757, 4038, 1660, and 4469 and forms four sub-projects areas; Abbeytown, Skreen, Lugawarry and the Ox Mountains Fault Zone.

All licences are Prospecting Licences (PL) issued under the Minerals Development Acts, 1940 to 1999 and permit Erris Resources Ltd to carry out exploration activities, including drilling and sampling for Base Metals, Barytes, Silver and Gold.

The area is served well by paved roads and modern infrastructure. A national secondary road, the N59 traverses the project area from east to west. The small town of Ballysadare is situated approximately 1km from the former Abbeytown Pb-Zn mine site and the large town of Sligo is located less than 10km to the northeast (Figure 4.2). Ballysadare also sits on the Sligo-Dublin railway line. Knock International Airport is located approximately 40km to the south of the project area.

Figure 4.1: Abbeytown Project regional location map.

Figure 4.2: Abbeytown Exploration Permits local map.

5 Climate, Local Resources, Infrastructure and Physiography

5.1 Climate

The climate is temperate oceanic with wet winters and mild summers. Temperatures are moderated throughout the year by the Gulf Stream. The annual mean temperature is approximately 10°C and rarely drops below freezing in winter. Annual precipitation is approximately 1400mm. Exploration can be conducted throughout the year although fieldwork is more difficult in winter due to wet and windy conditions.

5.2 Local Resource and Infrastructure

The project area is close to and spans several towns and villages of which Sligo is the largest with a population of approximately 20,200. Ballysadare also sits on the Sligo-Dublin railway line. Dublin Port handles almost 50% of the Republic of Ireland's trade, two thirds of all containerised trade and is the largest of the three base ports on the island of Ireland, the others being Belfast and Cork. The area is served by mains grid power.

5.3 Physiography

The project lies between the Ox Mountains, an area of low hills covered by peat bog to the south, and the Atlantic Ocean coast in the north. The ground in the project area, being underlain by limestone, is well drained and is utilised for grazing by sheep and cattle farmers and dairy farmers. Elevations range from sea level to approximately 500 m above sea level at the highest point in PL 4038, topography over most of the project area is gentle and less than 50 m above sea level.

6 History

The Competent Person has not been able to verify the results of historical data from soil sampling, rock sampling and drilling described in this report. Although the Authors have no reason to doubt the results described, they should be considered as indications of the presence of mineralisation only and may not accurately reflect true metal concentrations and mineralised thicknesses.

The Abbeytown area has a long history of mining dating back to the to the 1700's and possibly 1500's when Monks at the Abbey in Abbeytown mined silver from argentiferous galena. Mining is reported to have continued through the 18th and 19th century and small-scale mining is recorded during the first world war.

Following the Second World War drilling by the geological survey identified new reserves of disseminated mineralisation and a new company called the Abbeytown Mining Company was set up to exploit the deposit. Mining was initially from open cast workings but later moved underground. The Abbeytown Mining Company was purchased by Johannesburg Consolidated Investment Co. in 1950 and mining with room and pillar developments was implemented. In 1957 mining operations ceased due to declining metals prices, some mining and milling of stockpiled ore was restarted in 1958, but the mine finally closed in 1961.

The ore mined at Abbeytown between 1951 and 1961 reportedly amounts to 1.1 Mt of nearly 1.5% Pb, 3.8% Zn and 40-45 g/t Ag. The silver grade is higher than in most other Irish Pb-Zn deposits and samples of ore taken by Erris returned grades of 50-500 g/t Ag in the mine. Around 730,000 tonnes were derived from the underground mine with the initial production being from an open pit (Hitzman, 1986; Kelly, 2007).

The author has been unable to verify the above production records and as such for the purpose of this technical report these are not treated as current resources according to JORC 2012 or other CRIRSCO aligned reporting standards. The author cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Exploration was conducted by numerous companies at various times throughout the last 70 years but little deep drilling was undertaken except for a few holes closer to the Abbeytown Deposit. Vertical diamond core hole ABC-06 drilled by Chevron in the mid-late 1980's located 300m south of the mine intersected significant mineralisation down to 148.8m which led to renewed interest at the time. Hole ABC-06 returned two significant intersections of 8m @ 3.67% Pb, 2.3% Zn and 37.74g/t Ag from 114m; and a lower copper zone of 3m @ 2.1% Cu (true thicknesses for these intercepts are at present difficult to ascertain at the current level of available data).

At the Skreen prospect in the west of the PL block, the bulk of previous work was undertaken by Tara Exploration over a number of years between 1964 and 1976. The entire Skreen area as far as the coast to the north was soil sampled. The historic soil data outlined a zinc-lead anomaly with values of up to 1,000ppm Zn and 1,000ppm Pb, the upper detection limit for the analysis technique used. The anomaly extends for at least 3km in a northwest direction through the area known as Skreen and attains a width of up to 1km. Several other smaller anomalies were detected. Limited drilling was conducted by Tara exploration and subsequently Billiton Exploration Ireland during the early 1980's.

A summary of the main works conducted is provided in Table 6.1 below.

Table 6.1: Summary of the main exploration works conducted on the PLs since 1962.

Summary of Recent Exploration		
Years	Company	Work
1962-1964	Dolan-Creelman Trust / Langis Mining Ltd	Mapping, soil sampling, EM traverses and IP Surveys. 14 holes totalling 2115ft. Four drill holes at Skreen, Lugawarry anomalies detected and further drilling done here.
1964-1976	Tara Exploration	Airborne EM survey, geochemical surveys, gravity surveys and drilling of 11 holes. Soil anomalies discovered in Grange North Area. Focus on the Skreen area.
1980-1982	Billiton Exploration Ireland Ltd.	Mapping, Prospecting and two drill holes near the coast in the Skreen Area.
1985-1989	Chevron Mineral Corporation of Ireland / Northwest Exploration	Mapping, IP Surveys, geochemical surveys and drilling. At least 21 drill holes, Hole ABC-06 drilled south of the mine and encountered significant mineralisation over mineable widths. Mining Appraisal Work and report in 1988. Drilling at Streamstown and Ballysadare North Prospect.
1993-1995	Ennex International Plc	Data compilation, geochemical and IP surveys.

The Lugawarry prospect 3.8 km to the west-southwest of the Abbeytown mine was also the site of old workings for lead and silver. Mining is believed to have commenced in the mid-18th century.

Traces of galena were found in dolomitic limestone exposed by the open cast and subsequently the Abbeytown Mining Company drilled four drill holes in the area of the historic workings. These holes reached depths between 22.61 m and 43.89 m and were not assayed. Each drill hole encountered stringers of calcite with pyrite and dolomitised limestone. Traces of chalcopyrite and galena were also encountered in two of the holes.

The Dolan-Creelman Trust conducted soil sampling around Lugawarry in 1962 which returned values up to 10,000 ppm Pb and 11,000 ppm Zn. An IP survey over the area showed two small anomalous areas.

In the late 1960s and early 1970s Tara Exploration conducted deep soil geochemistry, a short dipole-dipole IP survey, a small gravity survey and trenching. These techniques lead to coincident anomalies in the area of the old mine. Five short angle holes (61.8 7m to 105.46 m depth) were drilled to test the area, the three initial holes were assayed but not the latter two. Each drill hole encountered calcite (±dolomite) veining with pyrite. In one hole (LUG3) a sample from 4.88 m depth containing about 25% massive pyrite assayed at 440 ppm Pb and 14,000 ppm Zn. The thickness of this sample is not known. A later drill hole (LUG6) encountered pyrite, sphalerite and galena in dolomitic limestone between 64 m and 74 m depth but was not assayed.

Chevron conducted a VLF-R survey over Lugawarry in 1986 that revealed a large area of low resistivity which may correspond to areas of dolomitization although interpretation is complicated by the presence of lower resistivity shaly limestone and areas of thick glacial overburden.

7 Regional Geology

The following is taken from Blackwell & Lavelle, 2019.

The project area is located in the south of the Sligo Basin, a Carboniferous basin dominated by limestones but also containing shales and calcareous sandstones. The basin is underlain by Precambrian to late Cambrian metasediments and is bounded in the south by the Ox Mountains fault, a large north-dipping steep normal fault that is thought to have a major control on mineralisation in the Ballysadare area. The fault (or fault zone) separates the limestones and clastic sediments of the Ballysadare region from the Precambrian to late Cambrian metasediments to the south (Figure 7.1).

The Moinian Precambrian basement is composed of amphibolite to granulite schists and gneisses while the Dalradian (late Precambrian to Cambrian) metasediments are micaceous quartzites and banded feldspathic psammites of greenschist to amphibolite grade. The metasediments contain small metabasite and serpentinite pods (Hitzman, 1986). It is the Moinian or Slishwood Division rocks that likely underlie the Carboniferous basin in the Abbeytown area (Figure 7.1). Southwest beyond the Erris licenses, the metasediments are intruded by late Caledonian granites/adamellites and granodiorites.

The project area is located in an inflexion zone on the Ox Mountains Fault where the fault locally strikes east-west as opposed to the more common northeast-southwest trend (Figure 7.1 and Figure 7.2). Displacement on the fault is variable and the throw could be up to 200 m (down to the north) south of Abbeytown. The fault is part of the Highland Boundary Fault zone which is a major crustal structure in the region from the west of Ireland to Scotland. The Abbeytown deposit appears to lie in a transfer zone between the Ballysadare Bay Fault and the Ox Mountains Fault. The throw on the Bay Fault pinches out to the west north of the mine while the throw on the Ox Mountains Fault pinches out to the east southeast of the mine.

The metamorphic basement in the Sligo area is overlain by Lower Carboniferous rocks of Chadian age. Devonian red bed sediments are absent north of the Ox Mountains and instead basal Carboniferous pebbly sandstones lie directly on the metasediments forming a major unconformity. The mineralisation in the area is hosted by the Ballyshannon Formation and Abbeytown Limestones which are described in the next section below. Outside of the mine area and in the wider region, the Ballyshannon Limestone is overlain by the Bundoran Shale (Arundian age) which is usually fossiliferous. The shale is in turn overlain by the Mullaghmore Sandstone (Arundian to Holkerian age), a regionally extensive unit that was deposited north of the Ox Mountains by a source from the north. The sandstone is covered by the Benbulben shale which grades vertically into the Dartry and Glencar Limestones (MacDermot, 1996).

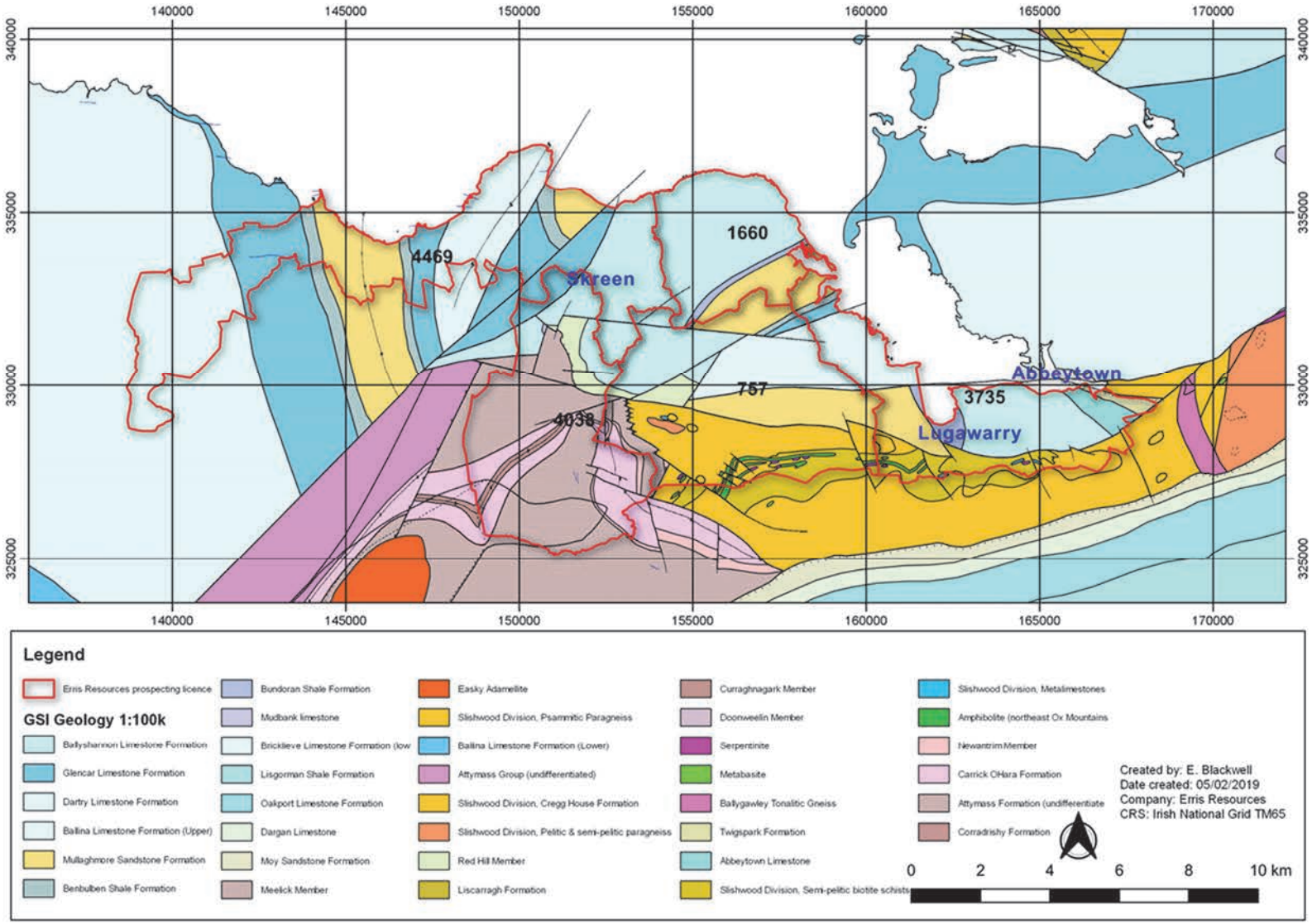

Figure 7.1: Regional Geological map of the area around the Abbeytown project based on GSI data (Erris Resources, 2019).

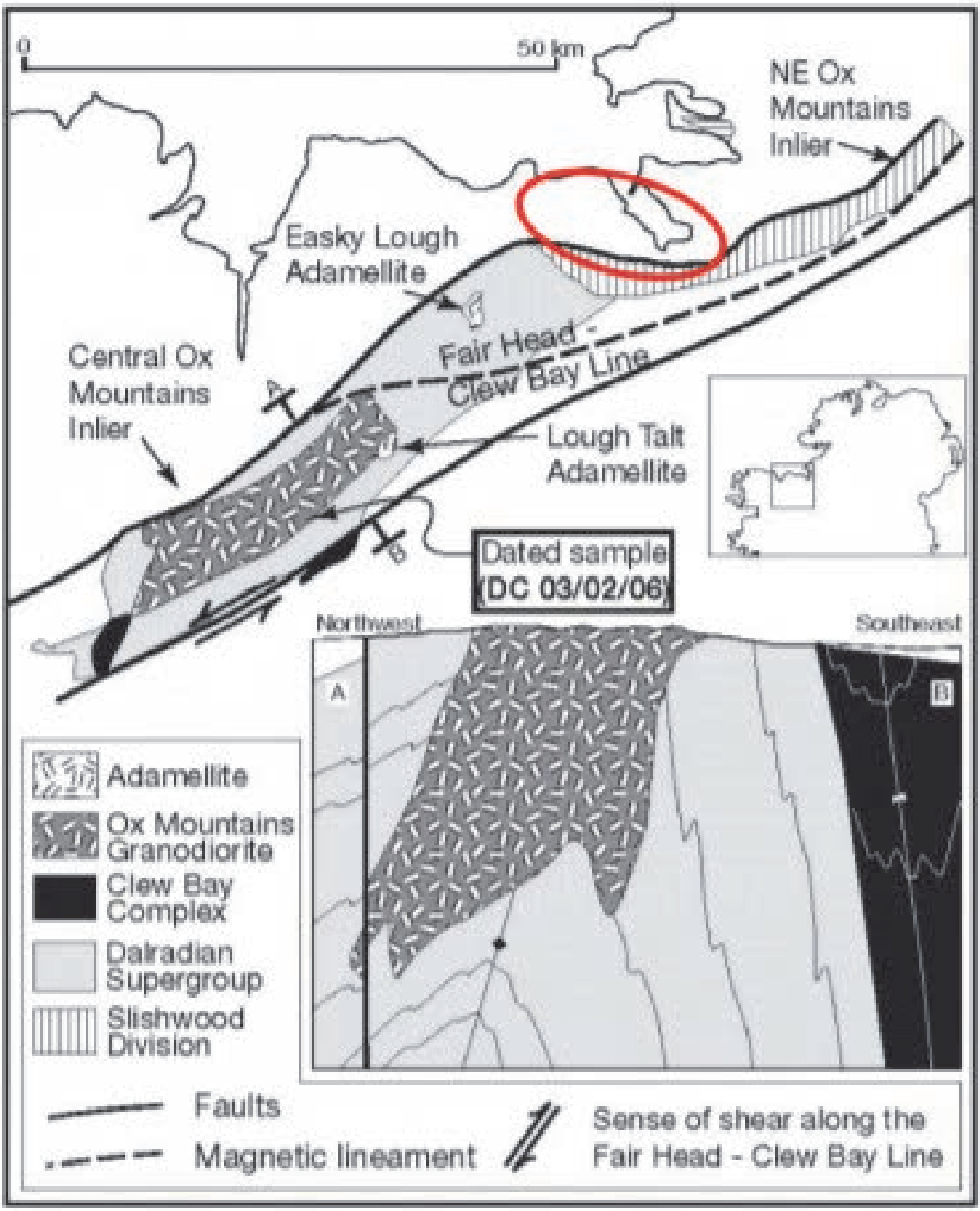

Figure 7.2: Geology and X-Section of the Ox Mountains Fault Zone. Abbeytown PL area shown in red ellipse (Chew and Schalteggur, 2005).

8 Local Geology and Mineralisation

There is good exposure of the geology along the coast and in the Abbeytown Pit but elsewhere exposure of the limestone is poor. South of the Ox Mountains fault in the higher ground, there is good exposure of the metamorphic rocks which form the basement beneath the Carboniferous basins.

The stratigraphy of the Ballysadare area is described well by Murray Hitzman following his work with Chevron in the 1980's. A geological map of the project area is shown in Figure 8.1. The lowermost unit in the area is the Ballysadare Formation which rests unconformably on basement gneisses. It consists of a heterogeneous transgressive sequence of sandstones, quartz-pebble conglomerates, shales and limestones. The unit ranges from 10-180m thick and is of Chadian (lowermost Visean) age.

Overlying the Ballysadare Formation is the Ballyshannon Limestone, the regionally prospective formation. The base of the Ballyshannon Formation is placed at the top of the lower grit unit, a 0.5m to 1.5m thick calcareous sandstone. Above the Lower Grit Unit, the basal part of the Ballyshannon Limestone is composed of 30-35m of crinoidal calcarenite. This calcarenite is overlain by 2 to 8m of medium-grey, poorly fossiliferous calcarenite and calcilutite which is in turn capped by the 5-8m thick Index Bed. Erris has treated the Abbeytown Limestones which lie between the shales of the Ballysadare formation. and the Index bed as a separate unit – the Abbeytown Limestone. This limestone is an important host to mineralisation.

The Index Bed is a well-developed marker horizon in the mine and throughout the area where it can be seen in most drill holes. The bed is composed of calcareous sandstone and calcite-cemented, fine-grained, quartz pebble conglomerate. The Index Bed displays planar laminated beds and large to small scale cross-beds. It hosted most of the ore in the mine.

The Index Bed has a sharp upper contact with dark grey calcarenites and biocalcarenites. The lower 40m of limestone succeeding the Index Bed contains centimetre-thick shale beds. Approximately 100m above the Index Bed, the Ballyshannon Limestone grades vertically into a cherty Limestone which contains thin, sandy and bioclastic units. This is termed by Erris the upper Ballyshannon Limestone.

Digitisation of the drill logs and plotting of the geology in Mapinfo software suggests that the strata dips to the southwest and the Index Bed deepens towards the Ox Mountain Fault suggesting large displacement near the fault.

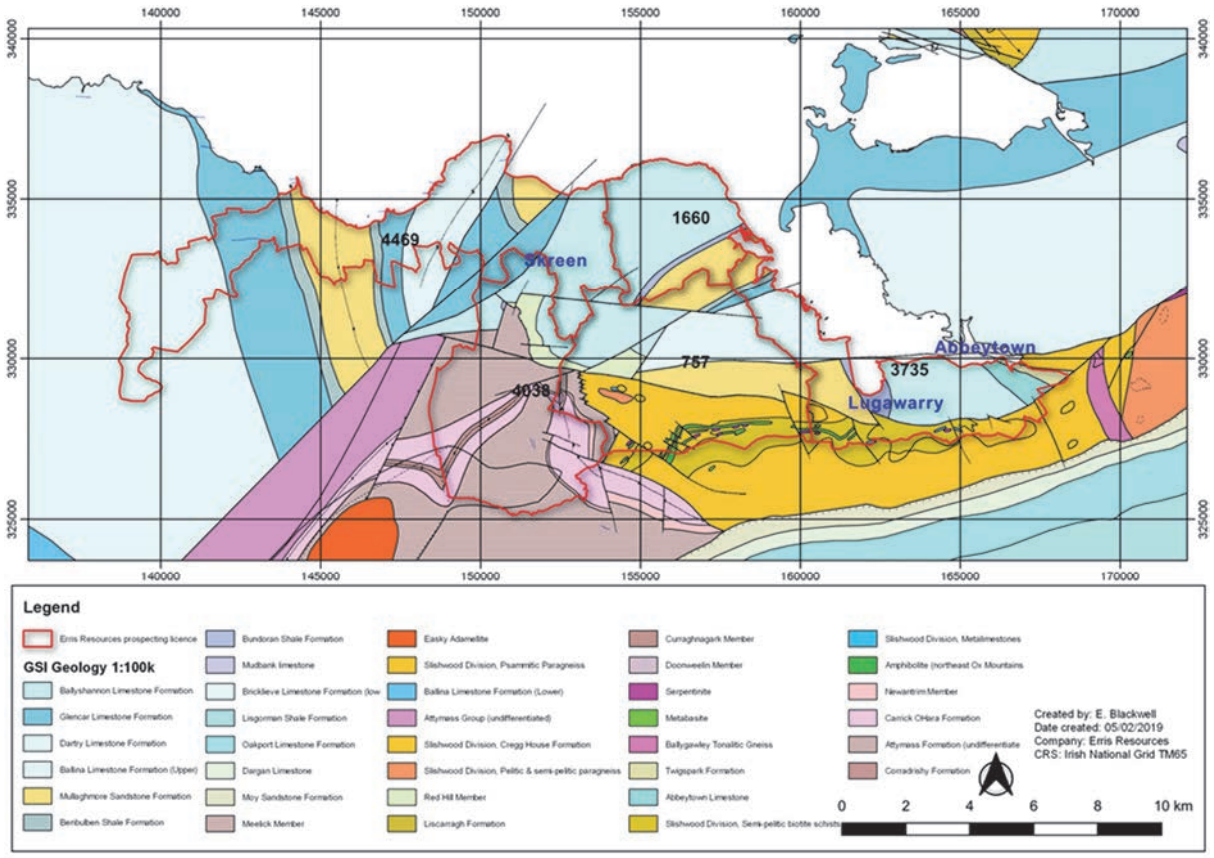

Figure 8.1: GSI Bedrock geology of the prospecting licences. The light blue unit dominating PL 3735 and PL1660 is the prospective Ballyshannon Limestone Fm.

Following various phases of work by Erris Resources, and in particular the drilling of hole ER001, the Abbeytown deposit is now recognised as a carbonate replacement deposit hosted by dissolution collapse breccias. The breccias likely formed by the dissolution of the limestone from weakly acidic, warm to hot fluids ascending from structures in the underlying gneissic basement. Some sericite alteration is seen in feldspar and muscovite in basal sandstones and gneiss at the bottom of hole ER-01.

The model differs from the widely-accepted model for Irish-type deposits in that the ore is not generally stratiform adjacent to the hanging wall of a major normal fault as at the Lisheen Deposit.

The Abbeytown deposit is not immediately related to a major fault although it is situated between two major easterly striking normal faults, the Ox Mountains Fault, approximately 1.3km to the south and the Ballysadare Fault approximately 500m to the north in Ballysadare Bay. The latter is not visible in the mine area but can be seen to the east near the main Sligo Road. Bedding in the mine area strikes northwest and has a shallow dip to the southwest (<10°). The mineralisation occurs in both the Ballysadare Formation and the lowermost Ballyshannon Formation (Abbeytown Limestones and Index Bed) and was thought to be concentrated along steep NNE trending fractures. Intense stratabound

replacement mineralisation occurred in the Index Bed, probably due to the calcareous nature and coarse grain size (increased permeability). The deposit is divided into two separate mineralised bodies, the East Zone that was originally worked from an open pit and the deeper West Zone that is localised along the West Fault (Figure 8.2). Old cross sections are shown in Figure 8.3.

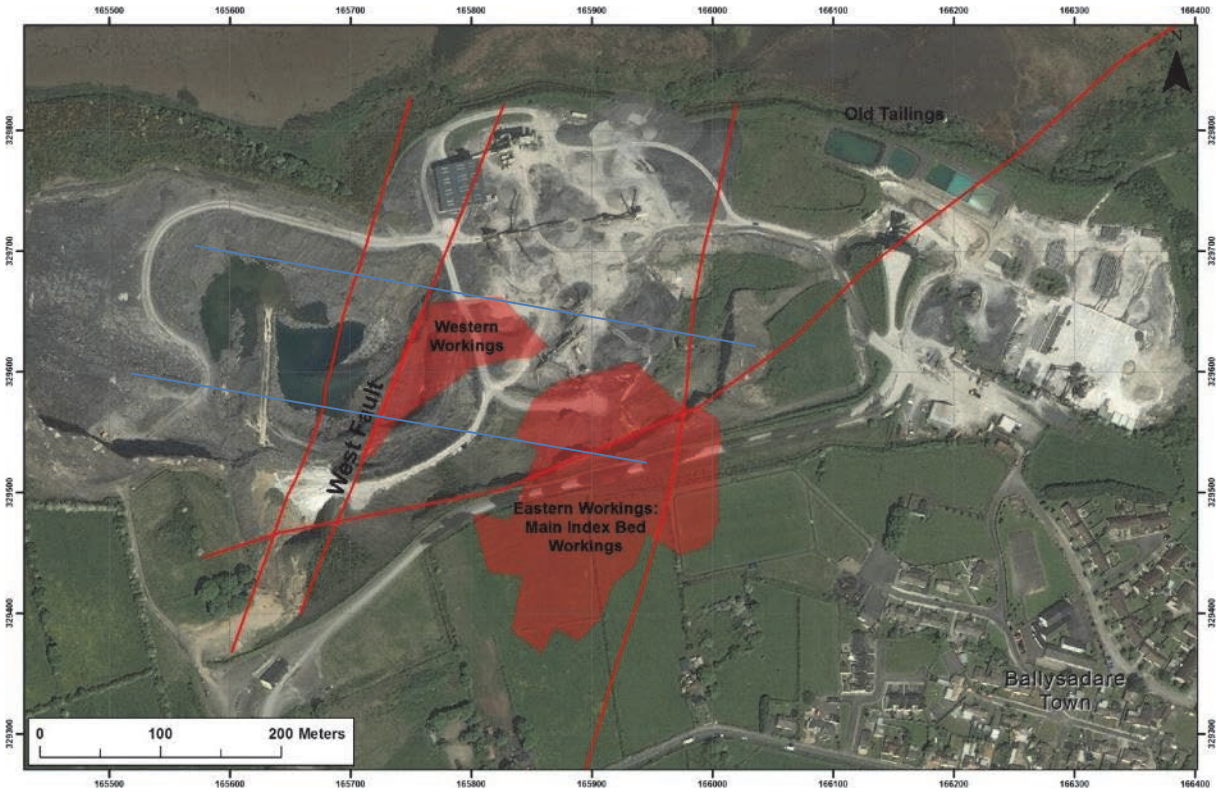

Figure 8.2: Simple Map showing outline of the underground mineralised zones at Abbeytown on Worldview satellite imagery. The old pit has been extended to the west by more recent quarrying for limestone aggregates. The blue lines mark the approximate location of the upper and lower sections in Figure 8.3 respectively.

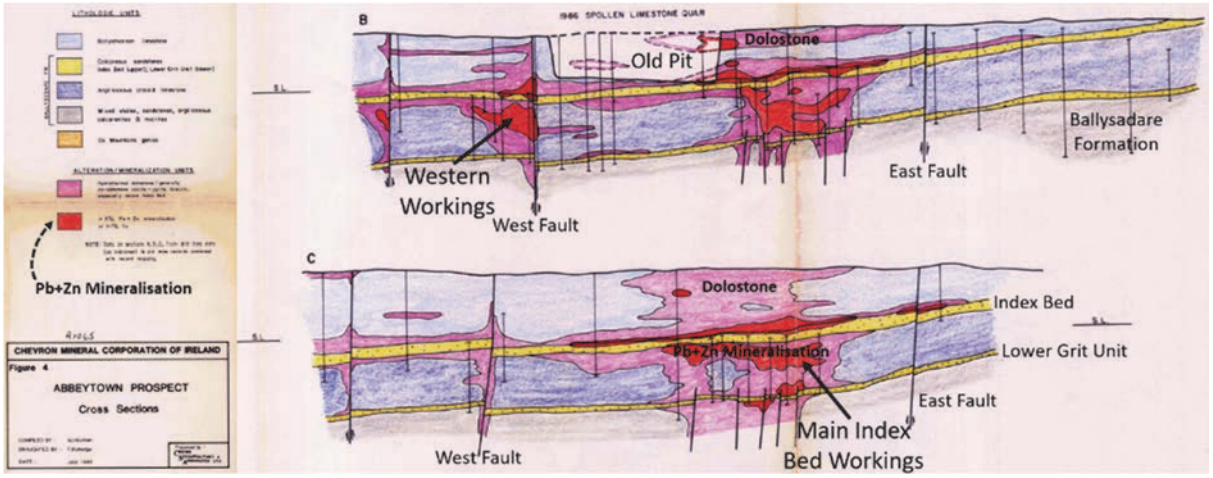

Figure 8.3: Historic cross sections from Chevron Mineral Corporation of Ireland showing geology of the Abbeytown Mine. The sections are approximately east-west and ~90m apart. The section lines are shown approximately in Figure 8.2.

Four mineralising events have been recognised by Hitzman:

1. An early dolomitization event
2. The main sulphide event
3. The calcite-pyrite breccia event
4. The formation of late mineralised vugs

The first alteration event led to the dolomitization of calcareous rocks in the vicinity of the mine. Dolomite or dolostone as it was described occurs as stratabound and crosscutting bodies. The main event is not readily visible in the open pit except for small galena zones in the Western Orebody pit bottom and mineralised slip surfaces in the pit above the main workings. There appears to be some zonation in the main event with a lower lead-rich zone and an upper zinc-rich zone in the Index Bed Workings. The lowermost copper zone is a new concept following a review of the data by Erris Resources and comparison of other Irish deposits discovered in the last twenty years. Stage 3 calcite-pyrite breccias can be seen in the open pit and elsewhere on the coast. They may be important vectors to deeper base metal mineralisation as it now appears that they represent the cap to the deposit. Some late mineralised vugs are also visible in the pit and the underground workings. Following drilling and MSc student petrological work, there appears to be two dolomite stages and three phases of sphalerite have been recognised.

Irish examples that are similar to the Abbeytown deposit are the Harberton Bridge deposit and the Kilbricken deposit. Both of these deposits are known to have breccia hosted ore and significant copper and silver components. The average silver contents of the Abbeytown ore are significantly higher than that at Lisheen or Navan.

The Lugawarry prospect 3 km to the west-southwest of the Abbeytown mine was also the site of old workings for lead and silver. Old maps show the location of shafts and spoil heaps but little else is known of the area. Soil sampling by Erris resources indicates a large Pb anomaly in the area with values in the range of 1000-3700 ppm Pb, some of which is likely due to contamination from the historic mining operations.

The structure of the Abbeytown-Streamstown area appears to be a plunging syncline with a plunge to the west-southwest along the Ox Mountains fault.

At Abbeytown, some stratiform mineralisation developed in the Index Bed, a calcarenite unit which was likely permeable and reactive. This ore was mined by room and pillar methods.

At Abbeytown, there appears to be strong geochemical zonation with a copper zone at the base, a lead-rich lower zone through to a zinc>lead middle zone and a pyrite-calcite upper zonation or cap. The copper mineralisation probably occurs proximal to the source or structure feeding hydrothermal

fluids into the carbonate basin whereas zinc is precipitated at lower temperatures more distal to the feeder and the deposit. Silver is associated with galena but also occurs distally along fractures and faults. The new multi-element data suggests that there is manganese associated with the mineralisation but further drill assay data for manganese is required.

The textures and geochemical zonation at Abbeytown is similar to that recognised in Pb-Zn deposits of the Viburnum trend in Missouri. The Viburnum trend has produced over 300 Mt of ore although unlike Ireland the ore has lead>zinc. In the Viburnum trend, ore is hosted by sinuous dissolution breccias in carbonates and is generally zoned from copper at the base (close to structures), through lead, to zinc and upper vuggy calcite-pyrite zones e.g. the Buick Mine. Some breccia bodies can show similar lateral zoning from the core outwards. The Viburnum trend deposits are strongly controlled by lithology with reef facies and permeable channel-fill facies or calcarenites parallel to the paleo-coastline hosting the ore. The ore breccias in the Buick mine are narrow continuous bodies extending north-south along an 8km trend. Individual breccia bodies are up to 90m wide and 25m thick.

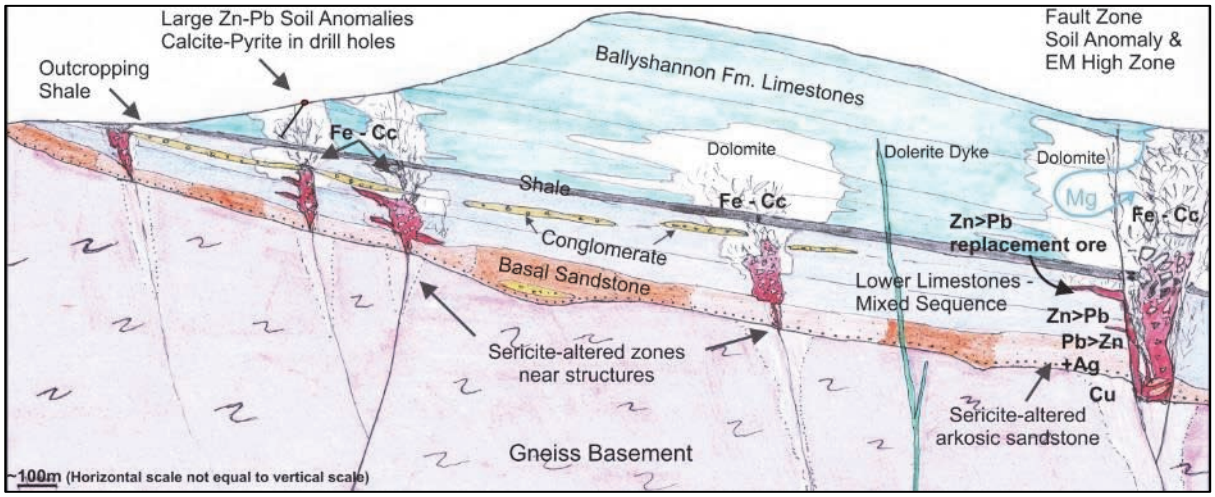

Figure 8.4: Schematic exploration model diagram looking north across the Redhill area of the Skreen Structural Corridor. Possible mineralised breccias shown in red. Subsequent drilling has shown the structure to be more complex.

9 Exploration and Drilling

The following sections summarise exploration and drilling activities completed by Erris and is divided into work completed prior to and post the CPR completed by AMS in November 2017.

9.1 Summary of Pre-November 2017 Erris Resources Exploration

Erris commenced exploration activities in 2013 and carried out geophysical, soil geochemical and rock sampling surveys which were guided by the detailed review of the work undertaken by previous operators and regional data sets. Desk study work also included the modelling of the Abbeytown mine workings and mineralisation from the available historic data.

9.1.1 Desk Study

The multiple sources of available data, including bedrock geology, geochemistry and geophysics, were integrated and reviewed prior to planning exploration in the Abbeytown area.

Landsat and Worldview imagery were acquired for planning and interpreting exploration results.

Historical work reports relating to the PL's were downloaded from the GSI open file viewer and the new GOLDMINE online digital archive facility and digitised as required. This includes the generation of mineralisation and historic mine workings 3D models in Leapfrog software by Mike O' Brien of QG Consulting (Perth W.A., Figure 9.1).

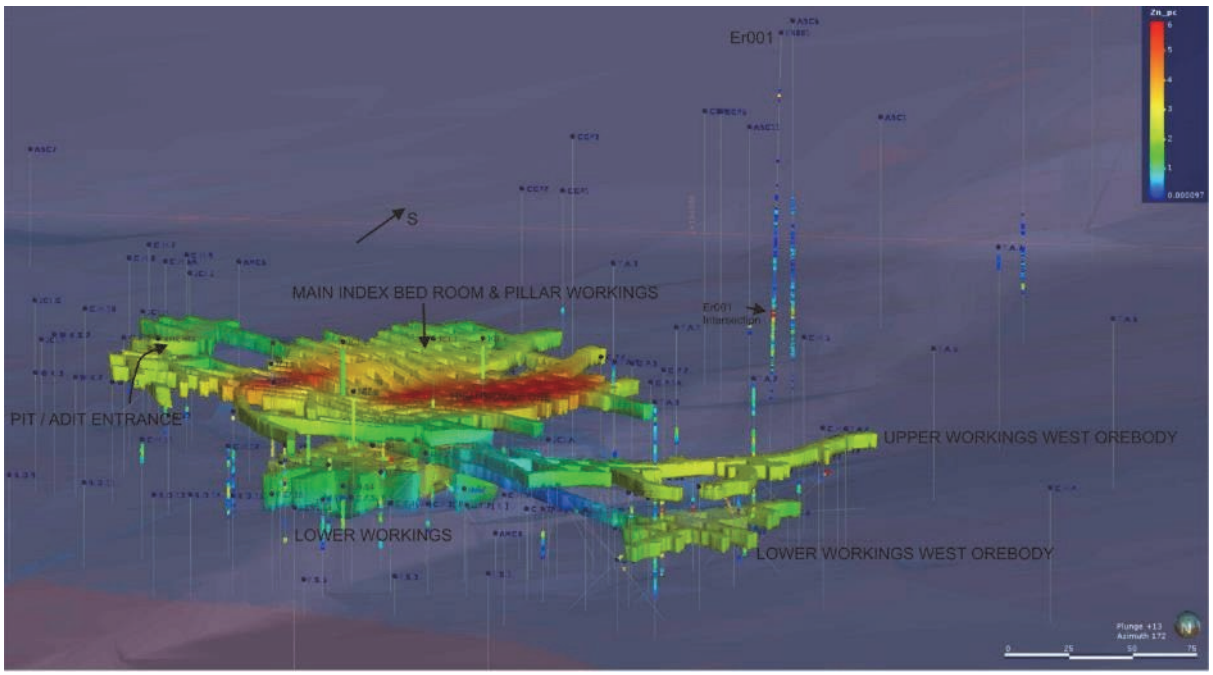

Figure 9.1: 3D model showing the underground workings at the Abbeytown mine. The location of the intersection in ER001 is shown to the south of the mine. The colours represent zinc grade in historic underground sampling; red highlights a higher-grade zone in the main index bed workings. Lower workings are in the Abbeytown limestone.

9.1.2 Geophysics

The Tellus survey data, a geoscience mapping program of Northern Ireland by the Geological Survey of Ireland was released in 2013. The airborne geophysical data was reprocessed by Brian Williams (Williams Geophysics Ltd) to provide new images and included the aeromagnetics (RTP, RTP 1st and 2nd derivatives), the low frequency EM and the radiometric results.

Mr Williams produced an apparent conductivity map (Figure 9.2), with the high, purple, values (on land) showing higher conductivity from shales, breccias and possibly very thick overburden and the low, blue / green, values signifying low conductivity or high resistivity in crystalline limestones and Dalradian quartzites. Linear junctions were identified that may indicate faults, Abbeytown lies near a north-east trending junction. The cores of several low resistivity (i.e. high conductivity) trends were also highlighted that may indicate conductive zones.

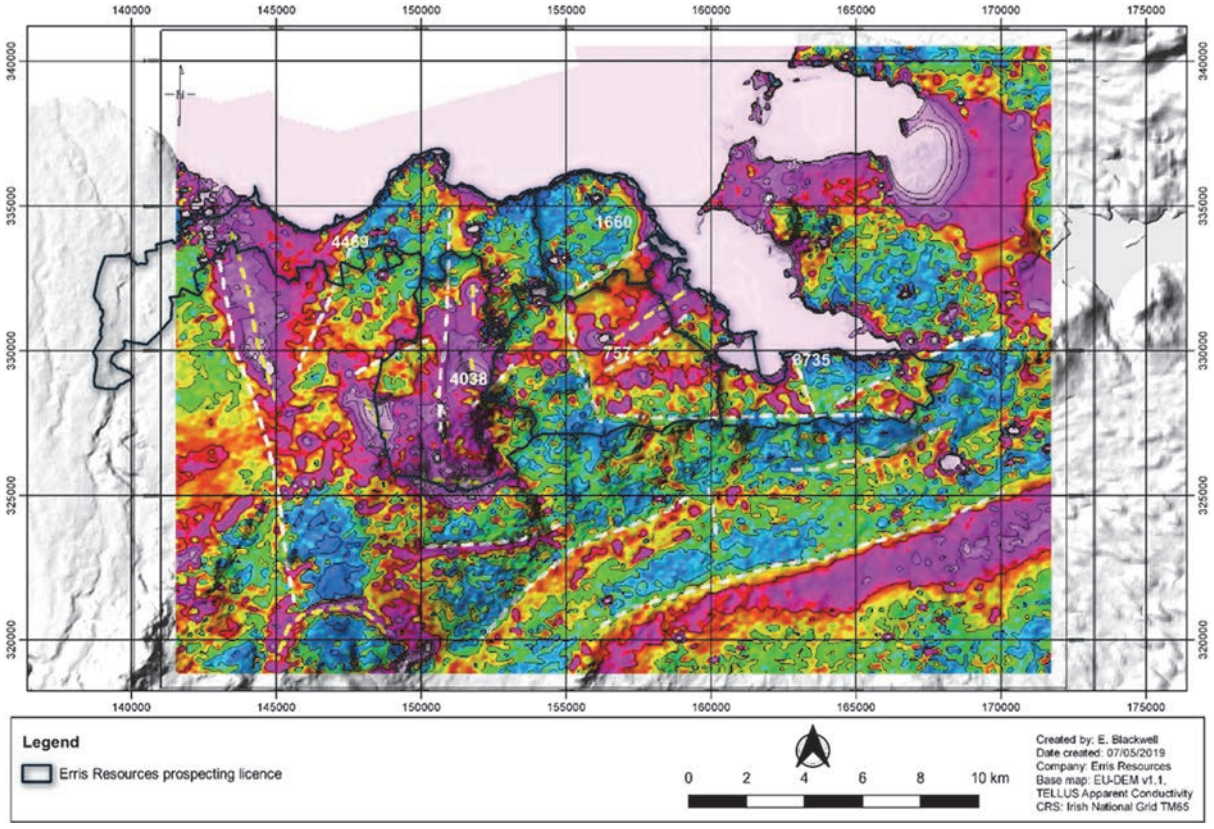

Figure 9.2: Tellus apparent conductivity data, draped over DTM, showing multiple interpreted structures in Abbeytown Area.

A ground magnetic survey was carried out by Erris Resources which showed that the faults can be better defined on the ground while some EM highs are now thought to represent possible calcite-pyrite breccia caps. A summary of the geophysical data available for the study area examined in the desk study phase is shown in Table 9.1.

Table 9.1: Outline of the Airborne Geophysics data held by the Erris Resources for the licence block.

Magnetics Maps	Total Magnetic Intensity (TMI)	**Radiometrics**	Total Count
	TMI Reduced to Pole (RTP)		Radioactive K
	First Derivative of the TMI-RTP		Radioactive U
	Second Derivative of the TMI-RTP		Radioactive Th
	RTP Upward Continuation to 500m	**Electro-magnetics**	Low Frequency EM
	Mag Residual Map (Regional 500mUp - RTP)		Low Frequency EM Anomaly Centres
DTM	Digital Terrain Model		High Frequency EM

9.1.3 Soil and Rock Chip Sampling

Erris Resources took a total of 1715 soil samples and 236 rocks samples between 2013 and 2017. The soil data reconfirmed old anomalies and provided new multi-element data for improved target definition. Rock sampling yielded information on the geochemical zonation of metals and led to the discovery of a new high-grade zinc zone on the coast at Skreen.

Table 9.2: Outline of soil samples taken on each PL.

PL Number	Area/Prospect	No of Soil Samples	No of Rock Samples
757	Drumard-Skreen	159	27
3735	Abbeytown-Streamstown	631	100
3967	Ballysadare North-Kilmacowen	72	0
1660	Skreen-Drumard-Derkmore	231	63
4038	Skreen - Ox Mtn-Lst contact	168	15
4469	Skreen-Aughris Head	454	31
	Total	**1,715**	**236**

Within the entire soil sample data set reasonable correlations between Zinc, Lead and Silver are present, Zinc values are generally more dispersed than Lead values while Silver anomalism is generally restricted to the higher Lead and Zinc anomalies.

In the Skreen area, a 3 km by 1.8 km, north-northeast trending historic soil anomaly (>150 ppm Zn) was confirmed with the new multi-element soil samples.

The GSI Tellus survey also included a geochemistry survey of stream sediments and topsoil samples on a 2 km^2 spacing. This data was reviewed and confirms that the Ballysadare corridor has elevated Pb, Zn, Ag, and Ba in regional soil sampling.

At the Abbeytown Mine rock chip samples taken underground (Figure 9.3) in the mine pillars indicate that the main Index bed mineralisation has high grades with sixteen samples giving a mean of 2.76% Pb, 9.16% Zn and 91g/t Ag (Table 9.3). The geochemistry indicates that there are no excessive penalty elements (As, Bi, Cd, Co, Hg, Mn, Ni, Sb), although a number of Cd assays exceeded the upper detection limit (>1000 ppm or 0.1%).

Figure 9.3: Abbeytown Mine; Left is adit entrance with quarry equipment in the background and right is underground pillar in the main index bed workings with Erris geologists taking samples.

Table 9.3: Results of selected elements for all the underground samples taken at Abbeytown.

Sample Number	Ag ppm	As ppm	Cd ppm	Cu ppm	Fe %	Ga ppm	Ge ppm	S %	Pb %	Zn %	Pb+Zn %
RX00242	200	38.9	729	153	1.92	6.82	4.74	>10.0	11.65	17.25	28.90
RX00243	35.5	68.3	197.5	72.5	10.55	6.68	3.94	>10.0	4	4.54	8.54
RX00244	19.9	24.4	99.5	23	13	4.15	2.59	>10.0	0.985	1.79	2.78
RX00245	302	35.3	>1000	303	2.37	16.45	17.35	>10.0	5.42	27.2	32.62
RX00246	149	30.3	>1000	179.5	1.99	12.75	3.41	>10.0	2.15	16.85	19.00
RX00247	9.87	36.6	73.2	18.5	9.46	3	0.21	>10.0	0.0563	0.899	0.96
RX00248	58.6	32.4	204	36.6	15.15	3.74	2.74	>10.0	0.764	3.71	4.47
RX00249	83.1	47.5	503	52.2	2.32	7.63	0.55	6.61	1.215	8.81	10.03
RX00286	63	46.5	224	41	10.85	2.45	1.72	>10.0	1.015	4.36	5.38
RX00287	60.1	10.3	542	94.3	1.86	10.85	0.82	5.72	2.53	7.68	10.21
RX00288	51.8	35.5	254	70.6	8.67	8.95	4.7	>10.0	5.38	5.46	10.84
RX00289	30.8	10.4	205	45.9	3.75	5.68	0.74	5.92	2.56	3.45	6.01
RX00290	114	34.1	>1000	184.5	3.48	34.4	1.99	>10.0	1.04	16.6	17.64
RX00291	83.9	39.9	419	48.8	4.95	5.66	0.98	9.51	1.68	8.36	10.04
RX00292	8.9	33.6	70.5	443	2.09	1.22	<0.05	1.75	0.263	1.205	1.47
RX00293	186	90.7	>1000	195	16.7	23.7	18.35	>10.0	3.44	18.35	21.79
Average	91.03	38.42	293.39	122.59	6.82	9.63	4.32	5.90	2.76	9.16	11.92

9.1.4 Drilling

In 2015 Erris drilled hole ER001, approximately 400 m south of the mine in PL 3735. The hole was planned to twin a historic Chevron drillhole (ABC-06) which intersected significant mineralisation and indicated the presence of a lower copper zone with results of 3 m @ 2.1% Cu from 144.5 m but for which the core was lost. Composited intersects are calculated using a 2% trigger value. Hole ER001 yielded encouraging results which confirmed the presence of the historic mineralised intercept.

In 2017 Erris Resources drilled a further three holes (ER002 to ER004) near to the mine in PL 3735 (Figure 9.4). These three holes were the first angled holes at Abbeytown since 1961 and were useful in identifying structure and stratigraphy. Key drillhole information is presented in Table 9.4.

Table 9.4: Erris Abbeytown pre 2018 drillhole collar information.

Hole ID	Easting	Northing	RL	Azimuth	Dip	EOH
ER001	165805.96	329076.67	55.00	0.00	-90.00	178.00
ER002	165745.39	329103.12	55.10	93.00	-60.40	190.00
ER003	165760.80	329424.58	41.57	95.00	-45.00	172.50
ER004	165747.00	329639.00	5.63	115.00	-50.00	84.00

Figure 9.4: Location map of pre-2018 Erris drill holes at Abbeytown.

The drill holes all intersected the same sequence of limestone, calcarenite, crinoidal limestone, shales, basal sandstone and metamorphic basement although hole ER004 was drilled in Harrington's quarry and topographically lower so collared in the Abbeytown Limestone and was therefore shorter than the others.

Mineralisation was commonly associated with karstic dissolution breccias (Figure 9.5) in the Abbeytown Limestone of ER001 (Figure 9.6) and ER002 with strong copper mineralisation in the Lower Grit formation. ER003 intersected a thin intersection of massive of sphalerite and galena associated with calcite veining thought to represent a feeder structure to the deposit at the top of the Ballysadare Shales, a summary of mineralisation intercepts by stratigraphic unit can be seen with the recent drilling in Table 9.12.

No significant results were returned from ER004 as the Abbeytown crinoidal limestone target horizon was thinner than predicted.

Drilling of holes ER001 to ER003 yielded encouraging results and confirmed the previous mineralisation, significant intersections are presented in Table 9.5. The Company has now used their improved understanding of the local geology, stratigraphy and mineralisation to develop a new exploration model in the absence of previous core.

Table 9.5: Highlights of the drilling of ER001 - ER003. Composites are generated using a length weighted average for assays >2% Pb+Zn, maximum total length of waste 2 m, maximum consecutive length of waste 1m. Additional highlights are also presented. True thicknesses are interpreted to be approximately 50-60% of the sampled thickness in the surface drilling.

Hole ID	From	To	Width	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
ER001	24.40	26.90	2.50	16.50	0.02	3.71	6.75	10.46
ER001	110.55	121.00	10.45	44.00	0.07	1.92	4.36	6.28
ER001	125.00	137.00	12.00	10.10	0.38	2.14	1.63	3.77
ER002	122.00	126.00	4.00	24.50	0.01	1.65	2.81	4.46
ER002	130.10	145.65	15.55	25.50	0.45	1.19	2.75	3.94
inc.	138.80	141.30	2.50	21.30	0.17	1.35	4.67	6.02
ER002	150.80	155.65	4.85	14.20	0.32	3.91	2.84	6.75
inc.	150.80	152.80	2.00	26.90	0.72	8.47	3.57	12.04
ER002	162.00	164.40	2.40	6.07	1.84	0.03	0.00	0.03
ER003	126.35	129.00	2.65	19.90	0.03	3.99	1.63	5.62
inc.	126.35	126.75	0.40	91.80	0.05	14.90	8.98	23.88

Figure 9.5: Strong sphalerite and galena mineralisation in karstic dissolution breccia in crinoidal limestone. This is typical style of mineralisation in the main zone from 110 - 121 m. Image is ER001 core at 113.0 m with 3.4% Pb, 9% Zn and 122 ppm Ag.

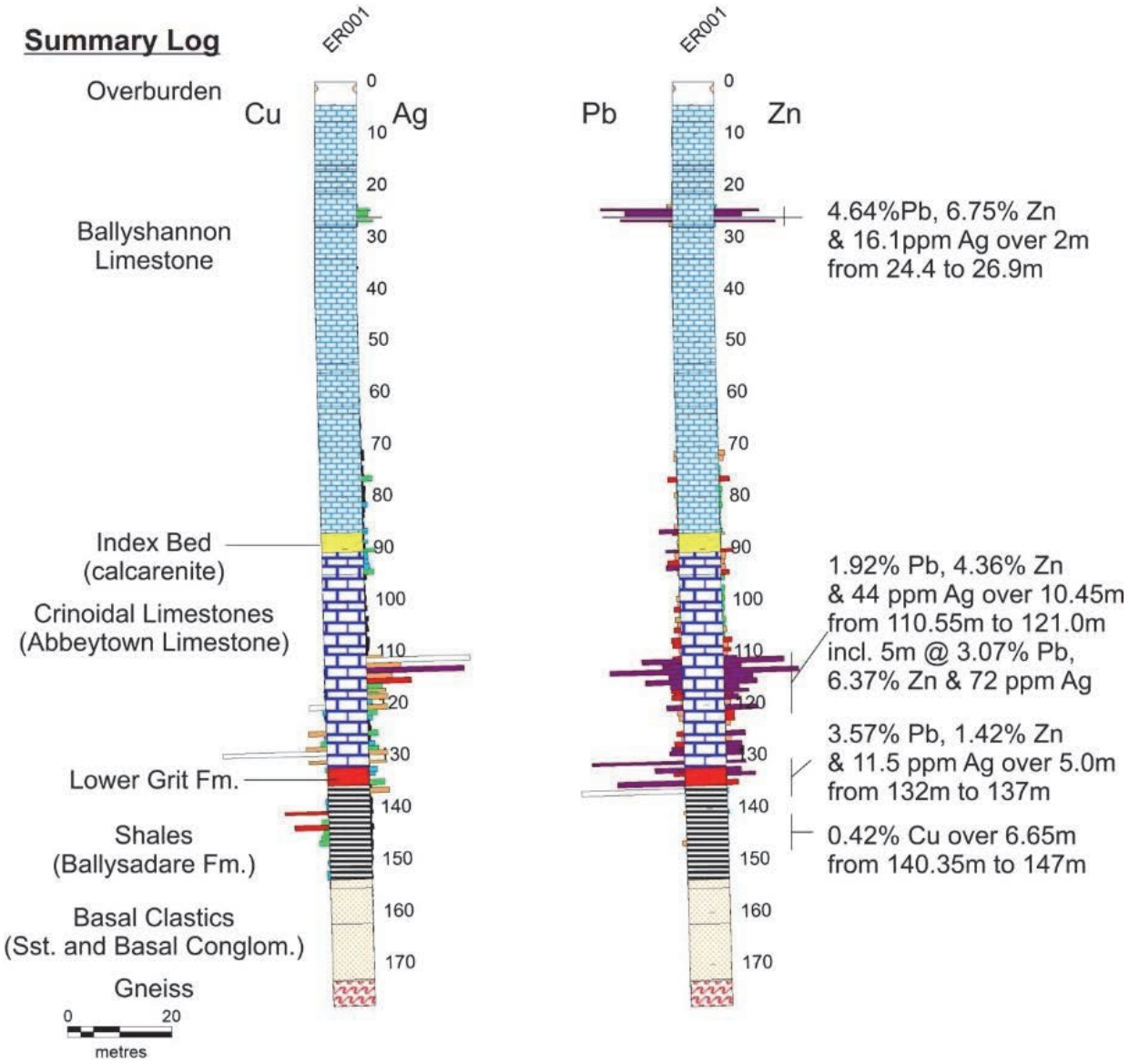

Figure 9.6: Summary Drill Log for ER001 showing results for the main elements, Ag & Cu on left and Pb & Zn on the right plot. Section looking north with deviation of 1.5° to the east as indicated by survey data taken at 50m intervals.

9.2 Post November 2017 Erris Resources Exploration

Since 2017, Erris have continued exploration activities in the Abbeytown area, this has included drilling, soil sampling and ground geophysics. A summary table of all completed exploration to date can be found below in Table 9.6.

As of 25th August 2019, Erris have relinquished PL 3967, Ballysadare North-Kilmacowen; this will not be referenced going forwards.

Table 9.6: Summary of Abbeytown Exploration completed to date.

		Historical	Erris Pre 2018	Erris 2018 onwards	
Drilling					**Totals**
Surface	No of holes	94	3	18	115
	m drilled	8,135.30	540.50	2,868.20	11,544.00
Quarry	No of holes	56	1	0	57
	m drilled	2,759.70	84.00	0.00	2,843.70
UG	No of holes	91	0	12	103
	m drilled	2,915.60	0.00	1,004.50	3,920.10
Total	No of holes	241	4	30	278
	m drilled	13,810.60	624.50	3,872.70	18,307.80
Soils					
Total	No of soils	0	1809	1581	3390
	No of soils (- QAQC)	0	1683	1460	3143
Rocks					
Surface	No of rocks	0	194	0	194
UG	No of rocks	0	18	0	18
Tailings	No of rocks	0	11	0	11
Total	No of rocks	0	236	0	236
	No of rocks (- QAQC)	0	223	0	223

9.2.1 Geophysics

A ground magnetics trial survey has been carried out by Erris Resources to better define structures in the Skreen prospect. 59.5 line km were completed over a three-week period using a G-858 Mag Mapper supplied by Geomatrix Earth Science Ltd in the UK. The survey better characterized some structural features and could be used in the future to refine drill targets in the Skeen area.

9.2.2 Soil and Rock Chip Sampling

Erris Resources have collected a total of 3,390 soil samples (including QC samples in the form of duplicates, standards and blanks), 1,581 of these since the end of 2017 as shown in Figure 9.7. They

can be reviewed by PL number in Table 9.7 below. All soil samples were sent for ICP-MS analysis at the ALS Loughrea certified laboratory, with appropriate QAQC insertion.

Table 9.7: Soil samples collected by Erris, broken down by PL number.

PL Number	Area/Prospect	No of Recent Soil Samples (2018 onwards)	No of Initial Soil Samples (pre 2018)	Total
757	Drumard-Skreen	563	180	743
3735	Abbeytown-Streamstown	727	676	1403
1660	Skreen-Drumard-Derkmore	115	282	397
4038	Skreen - Ox Mtn-Lst contact	47	180	227
4469	Skreen-Aughris Head	129	491	620
	Total	**1,581**	**1,809**	**3,390**

Recent soil sampling has concentrated on infill lines to increase definition on the anomalies identified in the initial soil sampling campaign. The results are divided into Abbeytown and Skreen prospects as shown in Figure 9.7 for more complete prospect reporting. The Abbeytown samples are all within PL 3735 while Skreen samples are split through the other PL's held by Erris (757, 1660, 4038 and 4469).

No rock chip samples have been collected since the previous reporting phase.

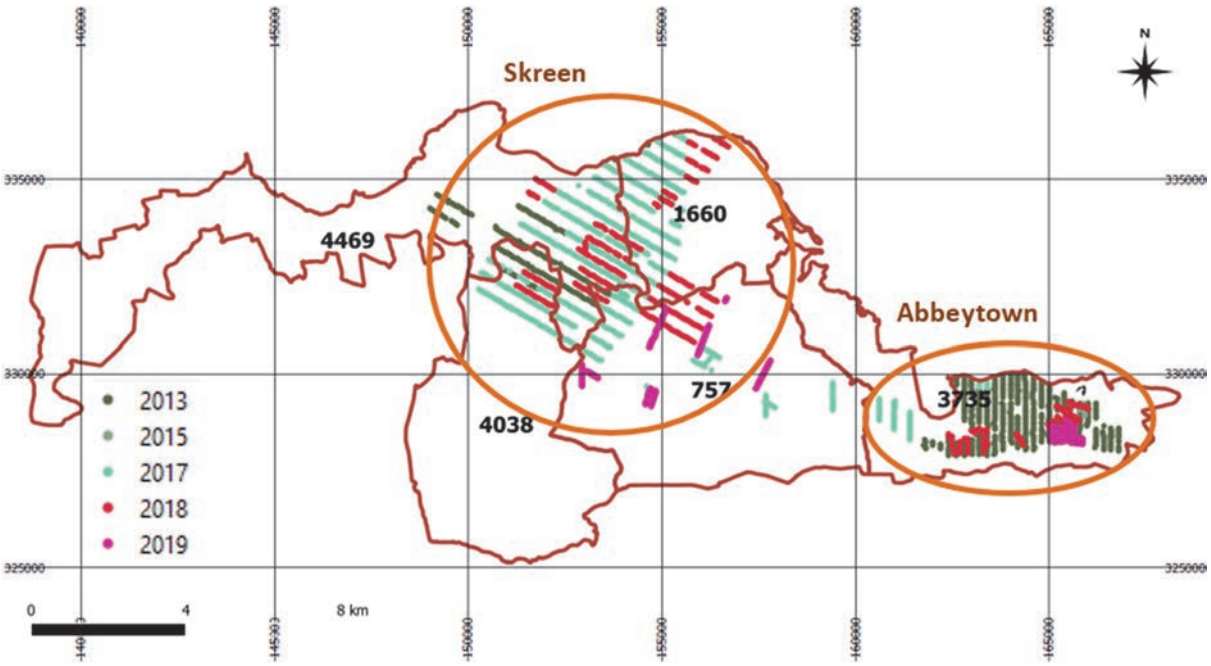

Figure 9.7: Soil samples collected by Erris split by year. The two main prospect areas, Abbeytown and Skreen are highlighted.

9.2.2.1 Abbeytown

Within the Abbeytown area 727 infill soil samples were collected to investigate anomalies at Lugawarry and the Ox Mountains Fault contact area south of Abbeytown. The new sample values were in line with those returned previously.

The Lugawarry anomaly shows high coincident Pb (3,720 ppm) and Zn (2,050 ppm) values, it covers an area with historic workings in, though the anomaly extends beyond this site; 800 m in an east-west direction and currently more than 250 m in a north-south direction. The northern extent of the anomaly is not yet defined (Figure 9.8). This prospect was previously drilled in 1951 and 1976 with both galena and sphalerite logged in the core.

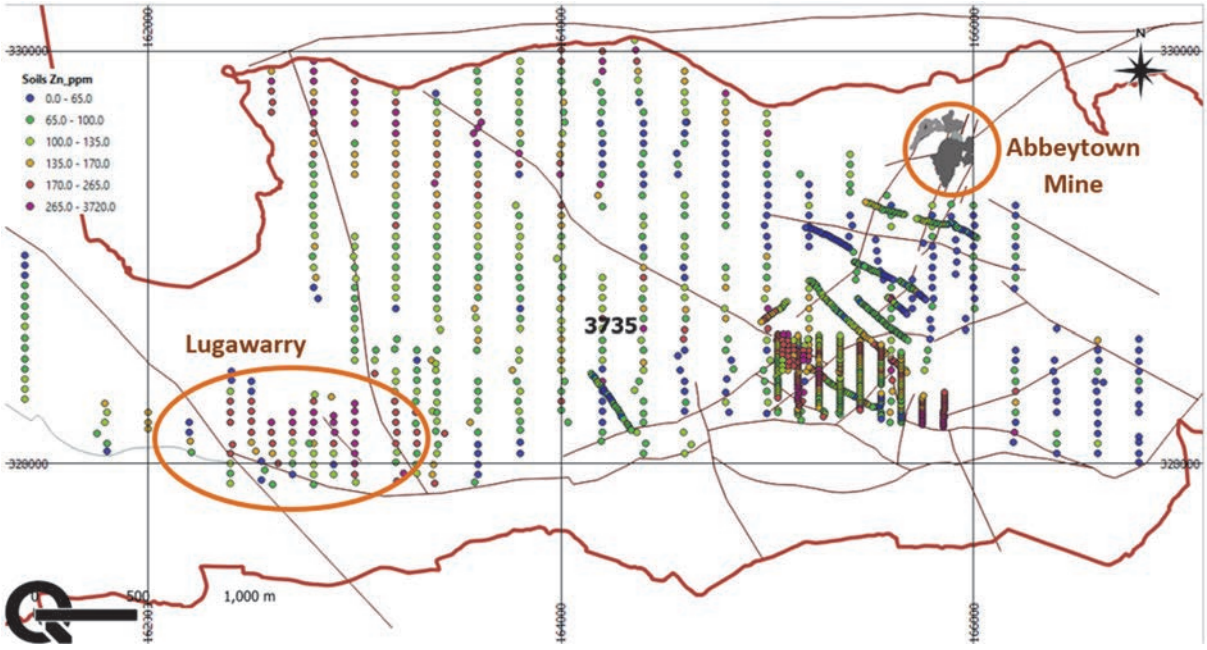

Figure 9.8: Lugawarry Zn soil anomaly, interpreted faults and the Abbeytown Mine.

The Ox Mountains Fault target is approx. 900 m long by 180 m at its widest point, Figure 9.9. It contains maximum assayed values up to 1,585 ppm Pb, 2,530 ppm Zn and 10.65 ppm Ag. This anomaly is coincident with structures interpreted from the airborne EM data and is located 600 m south-west of the recent Abbeytown surface drilling. It is worth noting that the Ox Mountains Fault fluid pathway is inferred to be approx. 20 km in length and offset by later north-north-east trending structures.

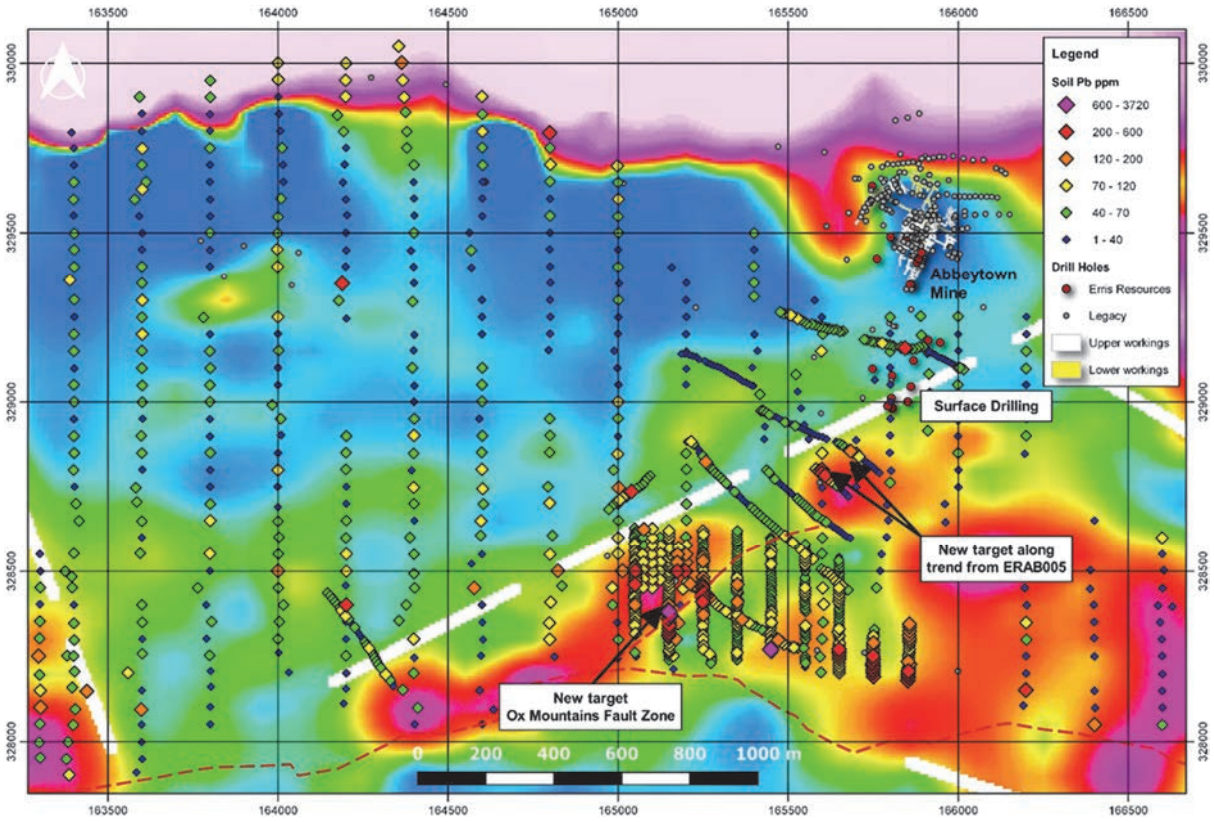

Figure 9.9: Ox Mountains Fault anomaly with Pb in soils, EM data, inferred faults and recent surface drilling.

9.2.2.2 Skreen

The Skreen data can be divided into 384 samples collected in 2018 infilling around the main previously identified soil anomaly and 470 samples as new exploratory lines collected in 2019 along the Ox Mountains Fault between Skreen and Abbeytown (Figure 9.7).

At Skreen, the north-north-east trending soil anomaly (>150 ppm Zn) is approx. 3 km long and 1.75 km wide. The highest soil values were found in the southern end where four shallow holes were drilled in 1963 without recording any significant intercepts. Three of these holes were within 100 m of the highest lead and zinc values of 381 ppm and 2,990 ppm respectively.

New drilling has been completed in this area and is discussed in section 9.2.4.1. It is worth noting that the Skreen anomaly is large (>5 km^2) and vectoring in to a drill hole scale needs to be directed by the mapped and inferred structures.

From the new lines between Skreen and Lugawarry, anomalous values up to 500 ppm Pb and 1,145 ppm Zn were returned along the Ox Mountains Fault. Again, this particular anomaly is open to the south with the aforementioned highest values found in the most southern sample (Figure 9.10).

Additional anomalies were identified from the latest sampling campaign and will be examined further in the future.

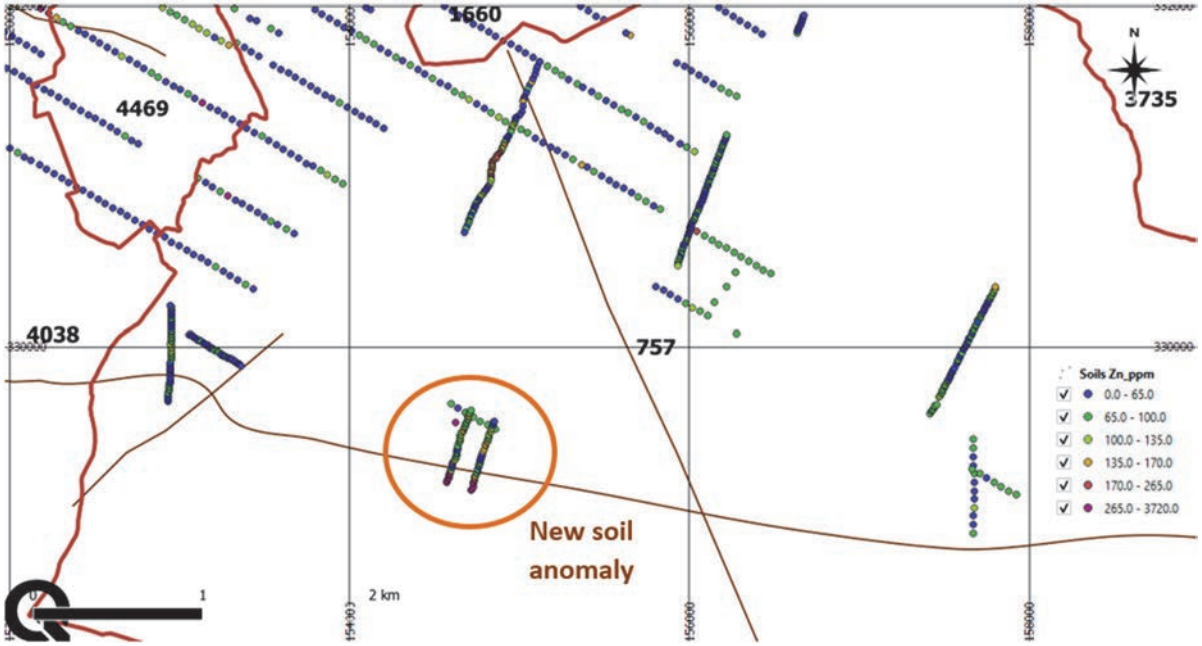

Figure 9.10: New Pb-Zn soil anomaly from 2019 data, image shows Zn values with interpreted structures.

9.2.3 Channel Sampling

48 channel samples were collected from 12 pillars (AB-PL-01 to AB-PL-12) within the underground workings at Abbeytown. The samples were taken vertically up the face of the pillars, from the top to the bottom of the pillar face, keeping to the centre. Grades were high and consistent as expected. These samples were used to influence the placement of some of the underground collars. Significant results are found in Table 9.8 below.

Table 9.8: Results from the Abbeytown underground channel sampling. Length weighted average applied to samples where Pb+Zn >2%, maximum consecutive length of waste 1 m maximum total length 2m.

Channel ID	Length m (Sampled)	From	To	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
AB-CH-01	1.3	0.8	2.1	75.23	0.06	11.02	7	18.04
AB-CH-02	2.3	0	2.3	84.25	0.04	5.52	8.25	11.57
AB-PL-01	2	1	3	44.6	0.03	9.89	4.2	14.08
AB-PL-02	3	0	3	105.4	0.01	4.73	10.34	13.49
AB-PL-03	2	2	4	26.7	0	7.19	2.38	9.56
AB-PL-04	4	0	4	116.85	0.01	5.75	12.65	18.4
AB-PL-05	3	0	3	125.1	0.01	2.04	9.13	11.17
AB-PL-06	2	2	4	83.15	0.01	1.75	6.34	8.09
AB-PL-07	2	0	2	162	0.01	2.97	13.8	16.77
AB-PL-08	3	0	3	43.73	0	1.08	4.22	5.3
AB-PL-09	1	3	4	29.9	0.09	2.78	1.59	4.37
AB-PL-10	4	0	4	60.4	0.01	3.65	5.68	9.32
AB-PL-11	2	2	4	69.15	0.01	3	7.92	10.92
AB-PL-12	3	1	4	42.4	0	2.13	3.68	5.81
AB-CH-01	1.3	0.8	2.1	75.23	0.06	11.02	7	18.04
AB-CH-02	2.3	0	2.3	84.25	0.04	5.52	8.25	11.57
AB-PL-01	2	1	3	44.6	0.03	9.89	4.2	14.08
AB-PL-02	3	0	3	105.4	0.01	4.73	10.34	13.49
AB-PL-03	2	2	4	26.7	0	7.19	2.38	9.56
AB-PL-04	4	0	4	116.85	0.01	5.75	12.65	18.4
AB-PL-05	3	0	3	125.1	0.01	2.04	9.13	11.17
AB-PL-06	2	2	4	83.15	0.01	1.75	6.34	8.09
AB-PL-07	2	0	2	162	0.01	2.97	13.8	16.77
AB-PL-08	3	0	3	43.73	0	1.08	4.22	5.3
AB-PL-09	1	3	4	29.9	0.09	2.78	1.59	4.37
AB-PL-10	4	0	4	60.4	0.01	3.65	5.68	9.32
AB-PL-11	2	2	4	69.15	0.01	3	7.92	10.92
AB-PL-12	3	1	4	42.4	0	2.13	3.68	5.81

9.2.4 Drilling

Erris have completed 30 diamond drill holes since the end of 2017 totalling 3,872.70 m. These can be seen divided by PL number in Table 9.9.

Table 9.9: Diamond drill hole breakdown by PL number since the end of 2017.

PL Number	Area/Prospect	No of Holes Drilled	No of Metres Drilled
757	Drumard-Skreen	0	0
3735	Abbeytown-Streamstown	22	2,847.80
1660	Skreen-Drumard-Derkmore	1	162.50
4038	Skreen - Ox Mtn-Lst contact	2	260.30
4469	Skreen-Aughris Head	5	602.10
	Total	**30**	**3,872.70**

Drilling results are divided into the two prospects of Abbeytown (Figure 9.11) and Skreen (Figure 9.12) with Abbeytown drilling including both the ten holes from surface and twelve underground holes.

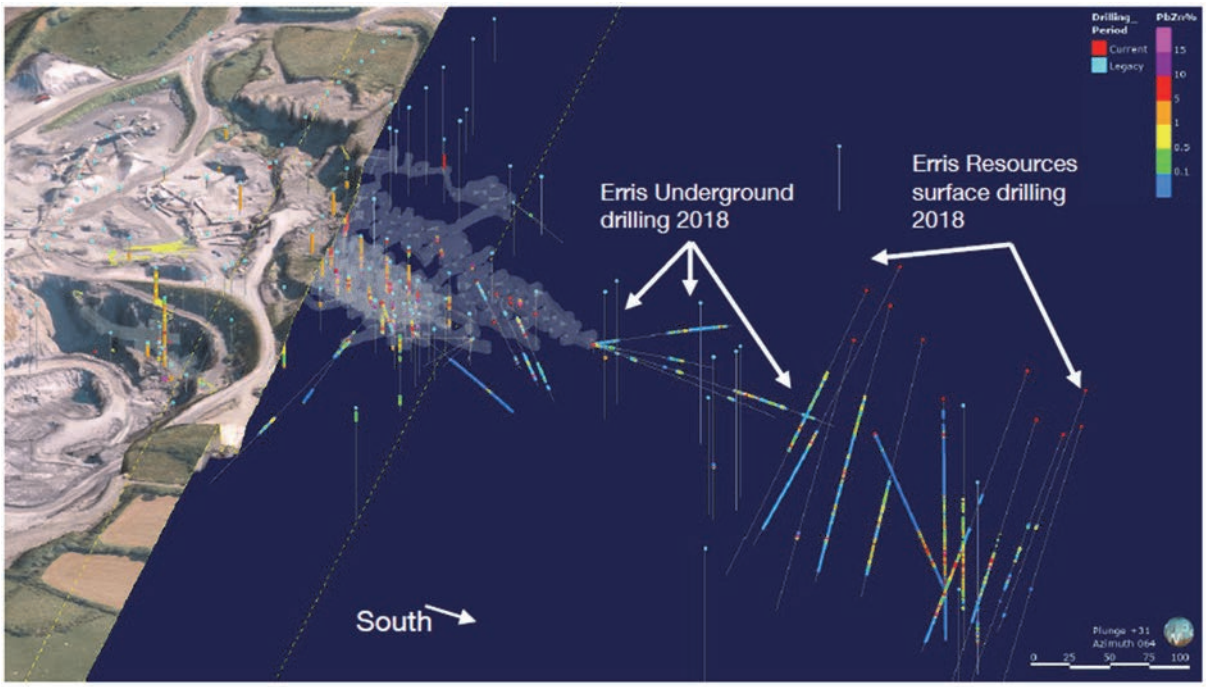

Figure 9.11: 3D model of the underground Abbeytown workings with aerial imagery draped on topography created from the Lidar data.

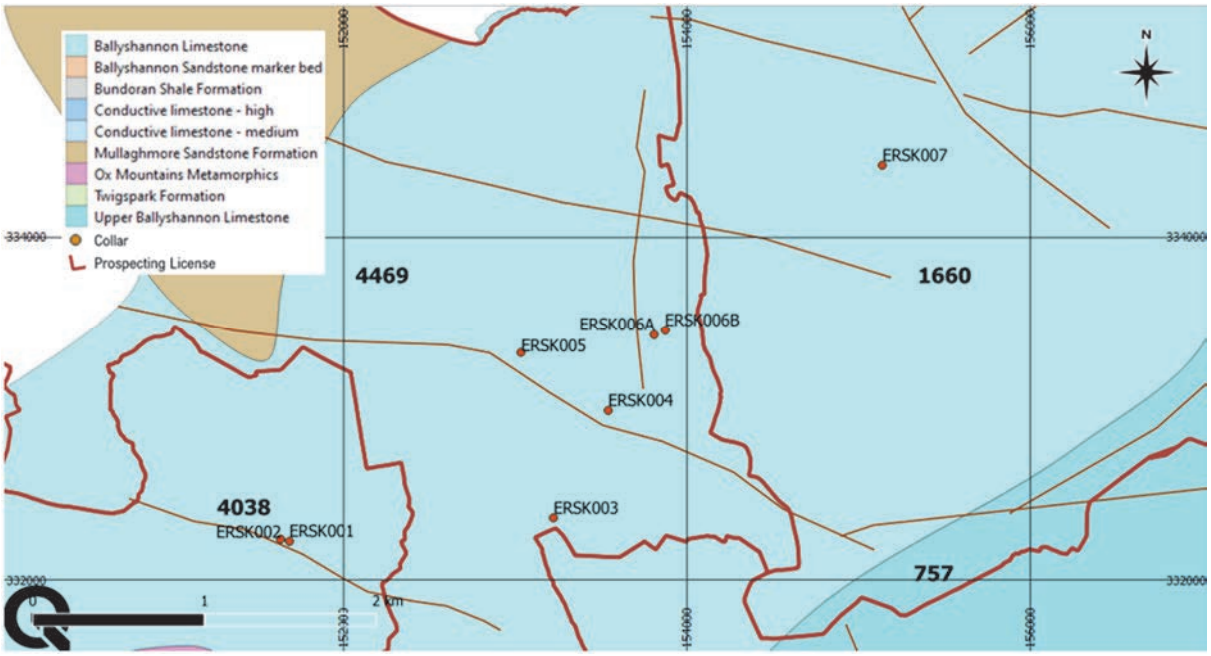

Figure 9.12: Skreen drilling collar location map showing PL boundaries and updated interpreted structures.

9.2.4.1 Abbeytown Surface Drilling

Ten holes were drilled from surface in the Abbeytown prospect since 2017 (ERAB001 to ERAB010) totalling 1,843.30 m. Holes were located 150 m to 370 m along strike of the interpreted mineralising structural trend from the furthest extent of the underground workings, covering 250 m of extension to known strike. They were drilled at 60° on a west-north-west azimuth to intersect aforementioned structural trend and were centred on the previously drilled mineralisation from the pre 2018 drilling (ER001 and ER002) as seen in Figure 9.13. Key drilling information can be found in Table 9.10.

Table 9.10: Erris Abbeytown post 2017 surface drillhole collar information.

Hole ID	Easting	Northing	RL	Azimuth	Dip	EOH
ERAB001	165860.75	329045.80	55.47	280.00	-60.00	189.50
ERAB002	165851.76	329000.84	57.44	280.00	-60.00	162.50
ERAB003	165803.27	329012.03	59.39	280.00	-60.00	177.50
ERAB004	165868.41	329122.23	54.58	280.00	-60.00	165.50
ERAB005	165806.76	328982.41	60.13	280.00	-60.00	204.50
ERAB006	165850.84	329161.78	53.20	278.00	-60.00	177.50
ERAB007	165900.55	329160.29	52.22	278.00	-60.00	180.50
ERAB008	165793.29	328988.62	60.02	280.00	-60.00	189.50
ERAB009	165912.09	329182.34	51.63	280.00	-50.00	198.30
ERAB010	165947.13	329175.74	51.89	280.00	-50.00	198.00

Mineralisation was encountered in all of the ten Abbeytown surface holes, significant intercepts as reported by Erris from RNS have been summarised in Table 9.11. Weighted average calculations have been checked and confirmed by AMS, two errors were identified in previous reporting and have been corrected; ERAB007 at 122-124 m, corrected from 1.24% Zn to 0.01% Zn, the intercept remains in Table 9.11 as a Cu only intercept. Also, ERAB007 at 150-152 m, corrected from 2.00% Zn to 1.09% Zn.

Erris' significant intercept criteria is defined as composites generated using a length weighted average for assays >2% Zn+Pb, maximum total length of internal waste is 2 m, maximum consecutive length of waste is 1 m. True thicknesses are interpreted to be approximately 50-60% of the sampled thickness in the surface drilling.

ERAB001 returned four significant intercepts; notably within the shales, mineralisation is present between 157.0 m and 167.0 m. Similar high grades were also encountered as stratiform mineralisation in ERAB005 shales while ERAB007 had strong broad mineralisation in the Abbeytown Limestone and hole ERAB010 intersected copper and tennantite mineralisation, the first confirmed occurrence of tennantite in drill core at Abbeytown. Mineralised intercepts are less consistent to the south and the data from this drill campaign suggests that mineralisation may curve to the south west with the

structure, resulting in some drillholes missing the main target or intercepting subordinate mineralization or areas of thinning. The most southern drillhole hole (ERAB005), intercepted 11.6% Pb and 4.03% Zn over 4.1 m.

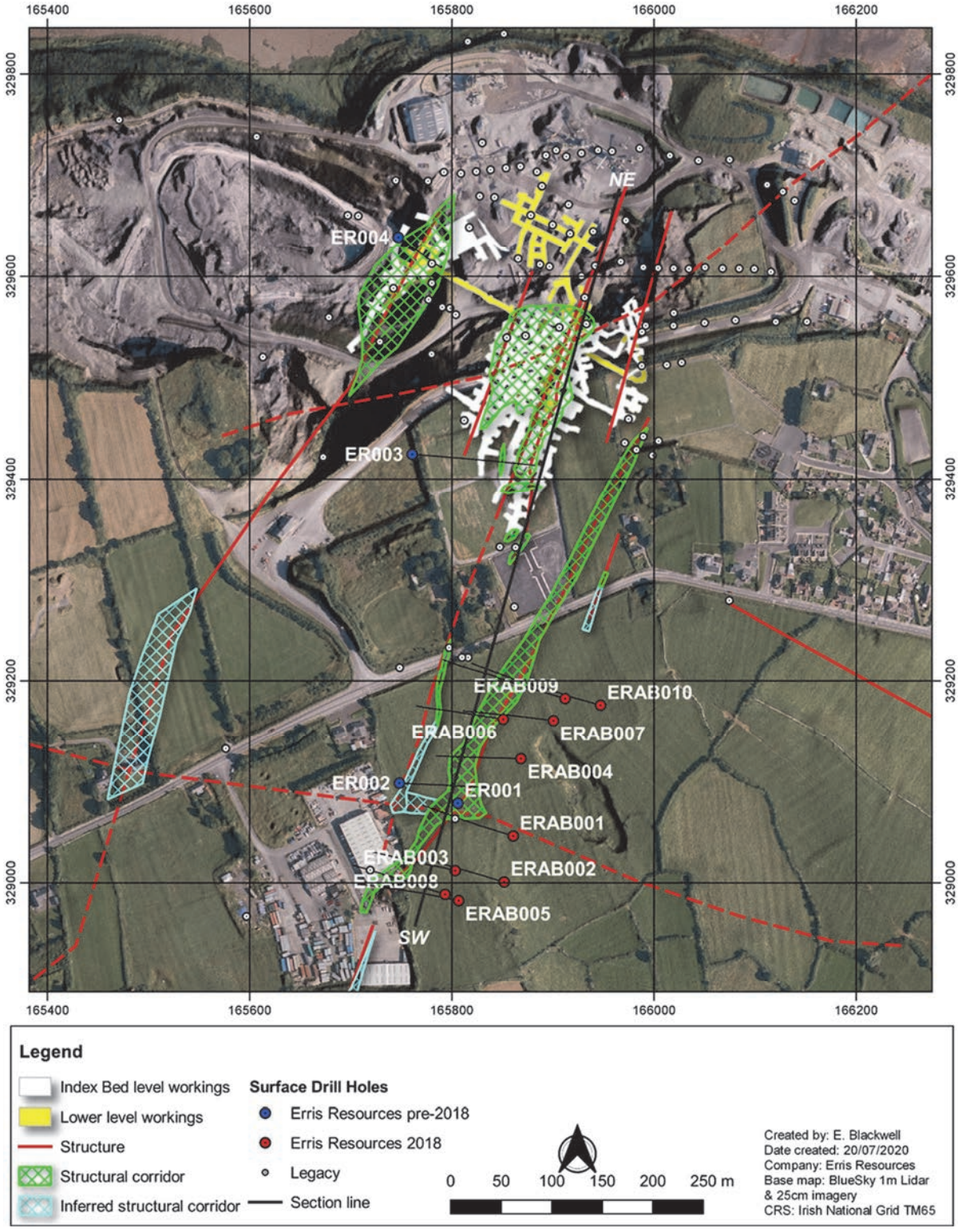

Figure 9.13: Abbeytown surface drill holes in relation to the underground workings, interpreted structures and structural corridors. Section line for Figure 9.14.

Table 9.11: Highlighted intersections from Abbeytown surface drilling, true thickness of mineralised intervals is interpreted to be approximately 50-60% of the sampled thickness.

Hole ID	Length m (drilled)	From	To	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
ERAB001	3.50	129.00	132.50	54.40	-	2.62	3.72	6.34
ERAB001	2.50	149.00	151.50	29.50	1.02	4.15	3.25	7.40
ERAB001	2.30	157.00	159.30	28.40	0.10	4.26	4.47	9.03
ERAB001	4.00	163.00	167.00	31.10	0.06	6.20	4.65	10.85
ERAB003	7.00	91.00	98.00	37.36	0.01	2.80	5.53	8.33
inc.	3.00	95.00	98.00	41.45	0.03	2.97	7.25	10.22
ERAB004	3.50	117.00	120.50	8.61	0.00	0.23	2.06	2.29
ERAB004	10.00	131.00	141.00	10.25	0.04	0.52	1.81	2.33
ERAB005	4.10	171.40	175.50	90.68	0.18	11.60	4.03	15.63
inc.	1.50	171.40	172.90	95.63	0.03	11.29	4.31	15.60
inc.	2.10	173.40	175.50	106.93	0.33	14.56	4.79	19.35
ERAB006	3.00	127.00	130.00	28.02	0.02	4.19	2.44	6.63
ERAB007	10.00	105.00	115.00	48.84	0.10	1.98	4.16	6.14
inc.	4.50	105.00	109.50	92.89	0.01	1.70	7.45	9.14
inc.	3.00	112.00	115.00	18.91	0.31	3.80	1.43	5.22
ERAB007	2.00	122.00	124.00	4.03	1.29	0.37	0.01	0.38
ERAB007	2.50	130.00	132.50	8.00	0.07	3.44	0.07	3.52
ERAB007	2.00	150.00	152.00	51.50	1.90	13.57	1.09	14.67
ERAB009	6.00	92.00	98.00	19.73	0.00	0.64	1.62	2.26
inc.	3.00	94.00	97.00	33.23	0.00	1.18	2.52	3.70
ERAB009	4.00	106.00	110.00	29.56	0.00	0.52	3.02	3.53
ERAB010	5.00	119.50	124.50	29.30	1.12	0.46	4.24	4.70
inc.	3.50	121.00	124.50	39.93	1.59	0.64	5.65	6.29

Each drill hole intersected the local sequence of the Ballyshannon Limestone, Index Bed, crinoidal Abbeytown Limestone, Lower Grit, and the Ballysadare Shales with only ERAB007 passing through this sequence into the Basal Sandstone / Conglomerate (Figure 9.14). Previously, the bulk of Pb-Zn mineralisation was contained between the Index Bed and Lower Grit formation, in the Abbeytown Limestone, with minor Cu in the shales below (Figure 9.6). New drilling has discovered significant Pb-Zn mineralisation both in the lower part of the Ballyshannon Limestone and in the calcareous Ballysadare Shales creating an additional target type for the Abbeytown Area. A summary table of Pb, Zn and Cu occurrences by drill hole and stratigraphic unit is shown in Table 9.12.

The north-north-east trending structural corridor is interpreted to be the main conduit and control for the Abbeytown mineralisation and associated continuity of mineralisation along that orientation (shown in Figure 9.13). The higher grade and broad mineralisation seen in ERAB001 and ERAB007. combined with observations from underground mapping and EM data, suggests that there may be a secondary structural control on mineralisation. There are potentially some east-west trending faults

which would explain one of the shallow intersections in ER001 and the apparent offset in the Index Bed when viewed in long section Figure 9.14.

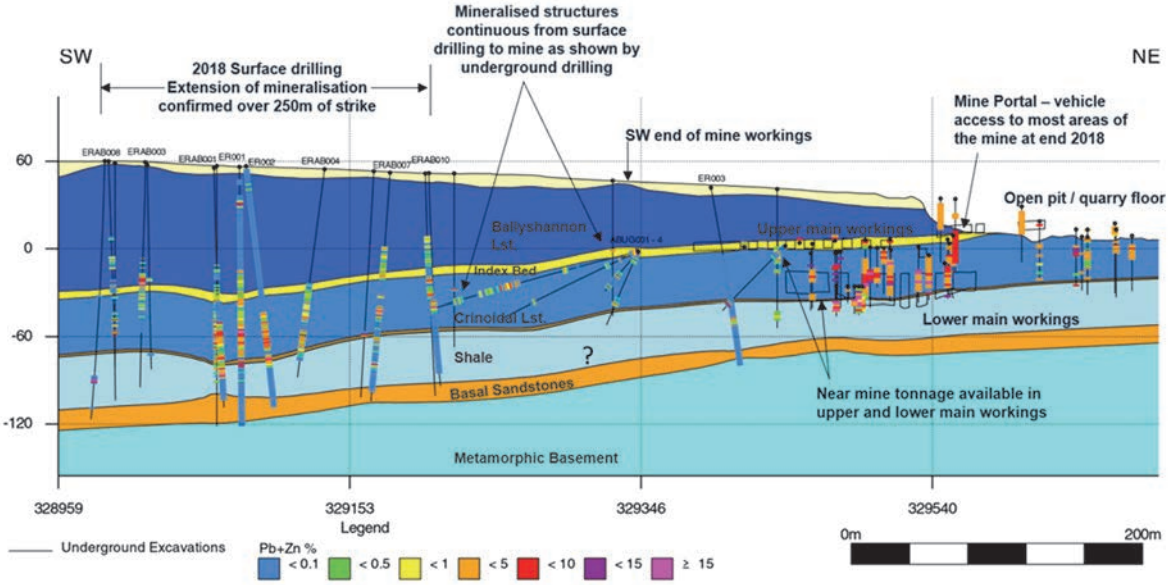

Figure 9.14: Long section showing Abbeytown workings, legacy and Erris drill holes with Pb and Zn combined assays, section line shown in Figure 9.13.

The principal sulphides present were pyrite, sphalerite, galena, and chalcopyrite. Additionally, ERAB010 contained tennantite (a copper, arsenic sulfosalt) mineralisation which had not been seen previously. Sphalerite and galena occur as thin mm to cm scale stratiform bands on the contacts of the Index Bed further away from the main structure; this can be used as a near-miss criteria to major structures and shows stratiform mineralisation is present as suggested by Murray Hitzman and John Guven (iCRAG) when they briefly reviewed the core and underground workings in September 2018.

Dolomite alteration appears to be proximal to mineralisation in many holes although the mineralisation itself caused dedolomitization of the immediate wall rock; sphalerite, galena and chalcopyrite are generally hosted in calcite fill. Zonation has been recorded in the drilling, shallow, 1.5 m wide pyrite-calcite veins in ERAB006 are directly above the deeper mineralisation in ERAB007. Individual hole summaries are presented below.

Table 9.12: Mineralisation occurrences split by stratigraphic unit, where ✓ indicates a significant interval and grade of mineralisation, < indicates present but non-continuous mineralisation..

Hole ID	Ballyshannon Limestone			Index Bed			Abbeytown Limestone			Lower Grit			Ballysadare Shales		
	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu
ER001	✓	✓		<	<		✓	✓	<	✓	✓				✓
ER002							✓	✓	✓	✓	✓	<			✓
ER003													✓	<	
ER004															
ERAB001							✓	✓	<	✓	✓	✓	✓	✓	<
ERAB002				<	<										
ERAB003	✓	✓		<	✓										
ERAB004							<	✓		<	✓				
ERAB005													✓	✓	<
ERAB006							✓	✓							
ERAB007		<					✓	✓	<	<		✓	✓	<	✓
ERAB008	<	<													
ERAB009							<	✓							
ERAB010							<	✓	✓						

ERAB001, was drilled approximately 320 m south of the historic workings. Calcite-pyrite veins were common in the top 80 m along with some breccias. Dissolution breccias with pyrite were noted from 107 m and are now recognised as a common feature of the Abbeytown mineralisation. Sphalerite and galena first appear in the marker Index Bed and are present in disseminations and bands within the crinoidal Abbeytown Limestone until 140.5 m. The strongest mineralisation in this zone is a 3.5 m intersection between 129.0 m and 132.5 m assaying at 6.34% combined Pb and Zn, Figure 9.15.

The lower stratigraphic marker horizon, the Lower Grit Formation, was intersected between 149.15 m and 153.55 m, including a 2.5 m mineralised intercept from 149.0 m to 151.5 m averaging 7.4% combined Pb and Zn. The Lower Grit Formation overlies the calcareous Ballysadare Shales and, unlike in earlier holes, the Ballysadare Shales contained a jigsaw breccia with a calcite-pyrite-sphalerite-galena-chalcopyrite fill. Within the shales, mineralisation is present between 157 m and 167 m, averaging 7.13% combined Pb and Zn and including two higher grade intervals of 2.3 m and 4.0 m. The presence of mineralisation in the shales suggests that the weakly acidic mineralising fluids do not need chemically reactive limestone to act as a host and that the calcareous nature of these shales is also a suitable buffer for the fluid.

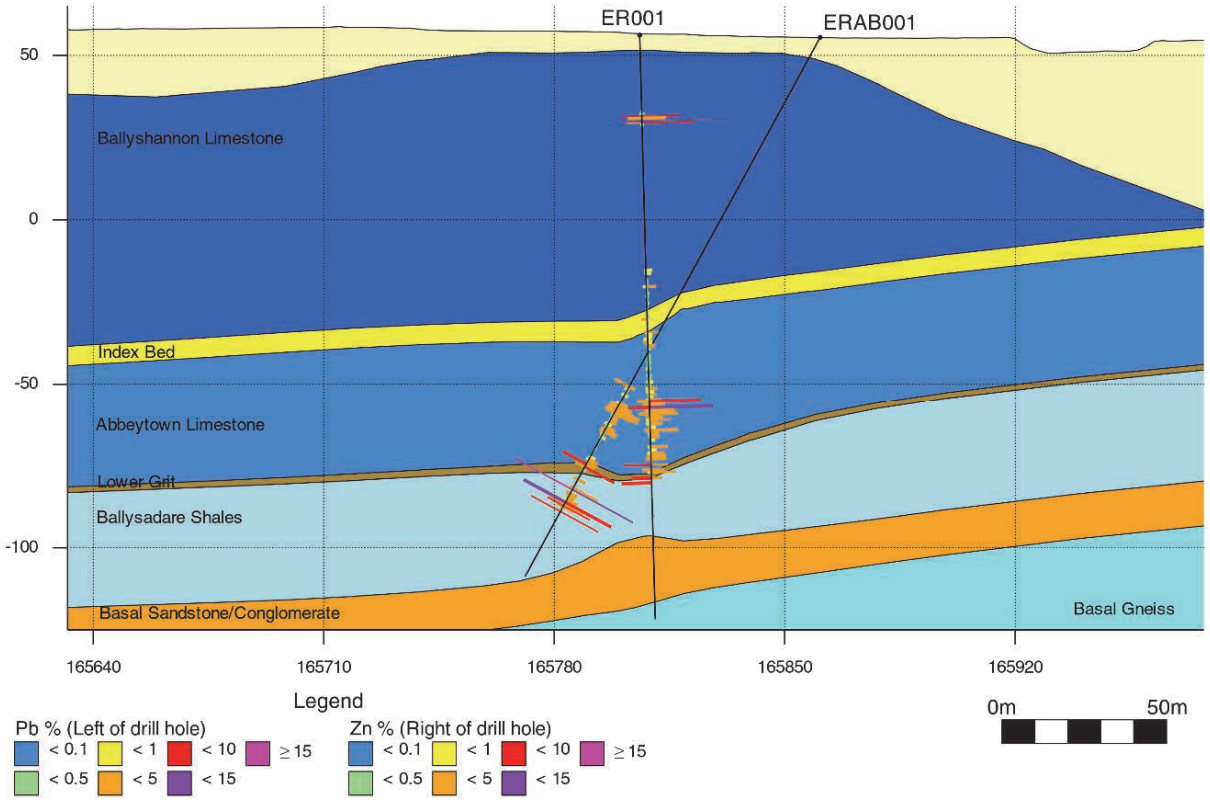

Figure 9.15: Cross section showing ERAB001 and ER001 with the assayed Pb-Zn mineralisation.

ERAB002 was collared 50 m south of ERAB001 and missed the targeted structure however the dolomite alteration and Index Bed mineralisation suggests that the hole may be close to the main mineralised structure. ERAB003 was collared 50 m west from ERAB002 and intersected intense calcite-pyrite alteration from surface. Sphalerite was encountered at 91 m with sulphide mineralisation in a dissolution breccia to a depth of 98 m averaging 7.93% combined Pb and Zn.

ERAB004 was collared 75 m to the north of ERAB001 and encountered a broad zone of sphalerite mineralisation from 100 to 144 m, with pervasive dolomitization. Erris believes this to be outboard of the high-grade zone.

ERAB005 and ERAB008 are the furthest south of all the Erris drill holes, located on a line 375 m south of the old workings. ERAB005 targeted the crinoidal Abbeytown Limestone along strike of the western fault where mineralisation occurred in ERAB001 and ERAB003. While the crinoidal limestone was intersected, it was not mineralised. However, like in ERAB001 high grades were encountered in the EBAR005 shales.

ERAB008 is mineralised above the Index Bed in the Lower Ballyshannon Limestone, with a strong pyrite halo from 50 m downhole. The first observation of sphalerite is at 62 m with calcite infilled brecciation between 75 and 85 m. The data from these southern holes suggests that the general trend of the mineralisation may curve to the south-west, south of ERAB001.

Holes ERAB006 and ERAB007 are located 180 m south of the workings. ERAB006 drilled into breccia fault gouge and massive calcite veins from 8.7 to 17.0 m. At the bottom of the Abbeytown Limestone between 127 and 130 m there is a strong intersection of calcite veins with associated Pb-Zn mineralisation.

ERAB007 was drilled to intersect the structure at the top of ERAB006 as described above, so collared 55 m to the east, Figure 9.16. It is brecciated throughout, weak, disseminated sphalerite-galena mineralisation is logged from 65.0 to 84.5 m. In the Abbeytown Limestone target horizon high Pb-Zn grades are present from 105 to 115 m, averaging 6.14% Pb and Zn combined. There is Cu enrichment in the Lower Grit and then some galena mineralisation from 130 to 132 m, which does not include any coincident sphalerite. A distinct fault gouge at 150 m leads straight into 2 m of high grade Pb-Zn-Cu mineralisation with Pb averaging 13.57 % over the 2 m interval, minor disseminated chalcopyrite continues in the shale down to 165 m.

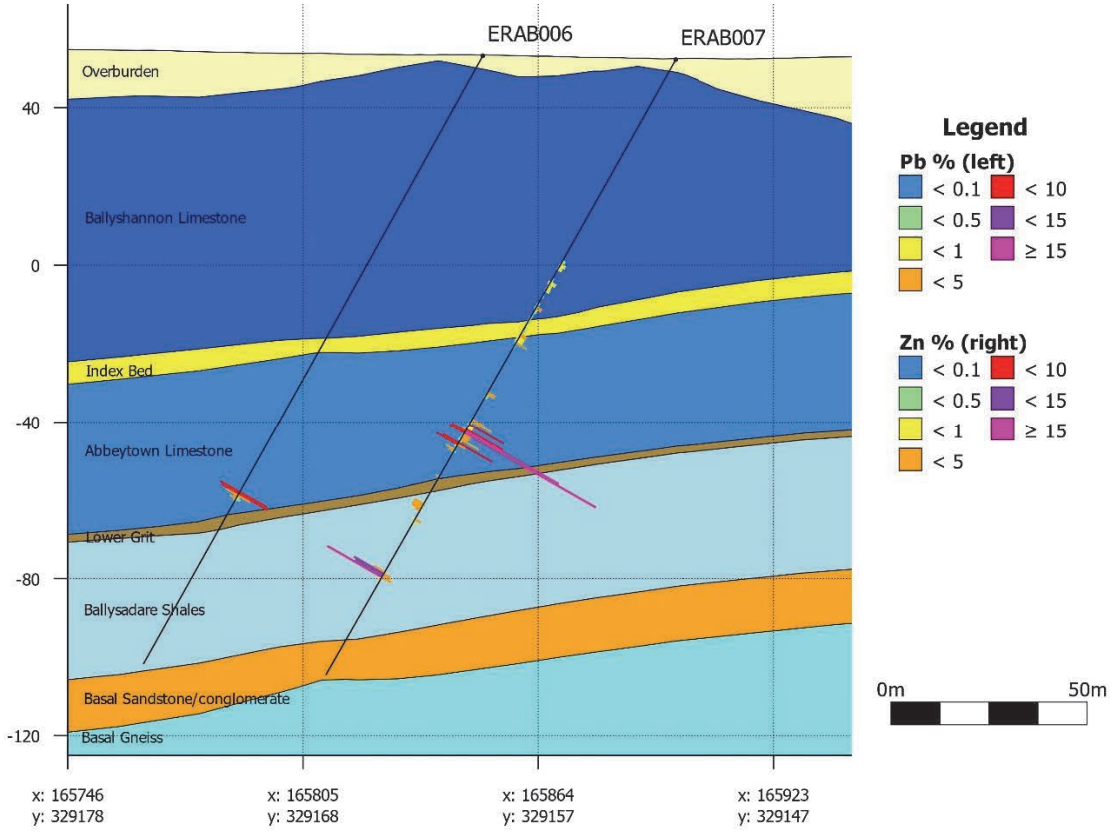

Figure 9.16: Cross section of ERAB006 and ERAB007 with assayed Pb-Zn mineralisation.

ERAB009 and ERAB010 are located on a line 140 m south of the workings: the closest holes to the workings. The Ballyshannon Limestone in ERAB009 contains calcite dissolution breccias throughout. Sphalerite and trace galena are present from 56.5 m. Between 64.1 and 64.5 m a massive calcite vein was intersected with pyrite rims and disseminated sphalerite in limestone at the vein edges. The Index Bed was brecciated but only contained intense pyrite mineralisation, stronger sphalerite with some galena was intersected in the crinoidal Abbeytown Limestone.

ERAB010 was stepped back from ERAB009 by 30 m to intersect the structure believed to be represented by the massive calcite vein. Minimal sulphide mineralisation was intersected until 118 m in the Abbeytown limestone, with a disseminated sphalerite, galena, pyrite and chalcopyrite zone up to 128 m, though Pb was significantly lower than the Zn and Cu. This is inferred to be the mineralised zone from ERAB009 however the assemblage was pyrite-chalcopyrite with less galena and sphalerite than expected. Additionally, tennantite was identified in this zone.

9.2.4.2 Abbeytown Underground Drilling

Twelve holes were drilled from underground at the Abbeytown Mine (ABUG001 to ABUG012) totalling 1,004.50 m (Figure 9.17). These are the first underground holes that Erris have drilled. Many of the holes were near flat or shallowly dipping with variable hole azimuths targeting a variety of structures. Key drill hole information can be found in Table 9.13.

Table 9.13: Erris Abbeytown underground drillhole collar information.

Hole ID	Easting	Northing	RL	Azimuth	Dip	EOH
ABUG001	165860.00	329347.00	-1.96	120.00	-15.00	114.50
ABUG002	165860.00	329347.00	-1.96	120.00	-27.50	106.50
ABUG003	165860.00	329347.00	-1.96	145.00	-19.00	123.50
ABUG004	165860.00	329347.00	-1.96	167.00	-13.00	160.00
ABUG005	165859.00	329346.00	-1.69	0.00	-90.00	6.00
ABUG006	165879.00	329413.00	0.81	200.00	-45.00	67.50
ABUG007	165885.00	329426.00	1.03	200.00	-45.00	64.00
ABUG008	165892.00	329443.00	1.84	200.00	-45.00	62.00
ABUG009	165850.00	329489.00	-2.63	20.00	-52.50	74.00
ABUG010	165849.00	329488.00	-2.82	200.00	-45.00	23.00
ABUG011	165802.00	329488.00	-4.77	275.00	-15.00	146.00
ABUG012	165801.00	329489.00	-4.77	350.00	-60.00	57.50

Mineralisation was encountered in all of the Abbeytown underground holes, significant intercepts as reported by Erris from RNS have been summarised in Table 9.14. All weighted average calculations have been checked and confirmed by AMS.

Erris' significant intercept criteria is defined as composites generated using a length weighted average for assays >2% Zn+Pb, maximum total length of internal waste is 2 m, maximum consecutive length of waste is 1 m. True thicknesses for the underground drilling are interpreted to be approximately 60-90% of the sampled thickness depending on the drill hole orientation and style of mineralisation intersected.

Continuous mineralisation occurs along the main north-north-east trending, steeply dipping, structural corridor. Smaller parallel mineralised structures were identified in ABUG001 and ABUG002 stepping out to the east. Mineralisation is noted in association with east-west trending structures and fracture zones which are mapped as moderately north-dipping extensional structures. Upgrading of mineralisation is concurrent with intersection of both structural trends creating intense fracturing with higher grades generally found in the more permeable Index Bed and Lower Grit units. Mineralising fluids can travel further from the feeder structures within these higher permeability units.

Table 9.14: Highlighted intersections from Abbeytown underground drill holes, true thickness of mineralised intervals is interpreted to be approximately 60-90% of the sampled thickness depending on the drill hole orientation and style of mineralisation.

Hole ID	Length m (drilled)	From	To	Ag g/t	Cu %	Pb %	Zn %	Pb % + Zn %
ABUG001	2.00	75.60	77.60	21.70	0.00	0.99	2.53	3.51
ABUG001	3.00	103.00	106.00	26.13	0.01	0.91	3.06	3.97
ABUG002	3.00	76.00	79.00	8.88	0.01	1.41	1.50	2.91
inc.	2.00	76.00	78.00	11.48	0.01	1.95	1.86	3.81
ABUG003	2.00	16.00	18.00	3.35	0.01	0.46	1.74	2.19
ABUG004	2.00	0.00	2.00	21.05	0.01	11.05	1.61	12.66
ABUG004	2.00	3.00	5.00	7.76	0.00	2.34	0.41	2.75
ABUG004	4.00	94.00	98.00	6.79	0.01	0.31	1.84	2.15
inc.	2.00	96.00	98.00	9.78	0.01	0.48	2.32	2.80
ABUG004	2.00	100.00	102.00	20.22	0.01	1.04	3.13	4.17
ABUG006	2.00	14.00	16.00	9.53	0.01	2.89	1.00	3.89
ABUG007	2.15	55.70	57.85	29.69	0.04	9.40	2.80	12.20
ABUG008	2.55	54.35	56.90	15.44	0.01	1.58	2.11	3.70
ABUG009	2.00	0.00	2.00	67.25	0.01	3.59	10.78	14.37
ABUG009	3.00	4.00	7.00	8.66	0.00	0.61	1.42	2.03
ABUG009	2.70	43.50	46.20	34.73	0.05	6.17	4.26	10.43
ABUG010	3.00	0.00	3.00	13.65	0.00	0.87	2.27	3.14
ABUG010	2.00	5.00	7.00	13.48	0.01	0.54	1.92	2.46
ABUG010	5.00	8.00	13.00	21.44	0.07	0.95	4.38	5.33
ABUG011	2.00	0.00	2.00	8.88	0.01	0.68	1.93	2.61
ABUG011	2.00	92.00	94.00	11.28	0.00	0.29	2.06	2.34
ABUG012	1.00	12.00	13.00	10.19	0.00	0.65	0.80	1.15

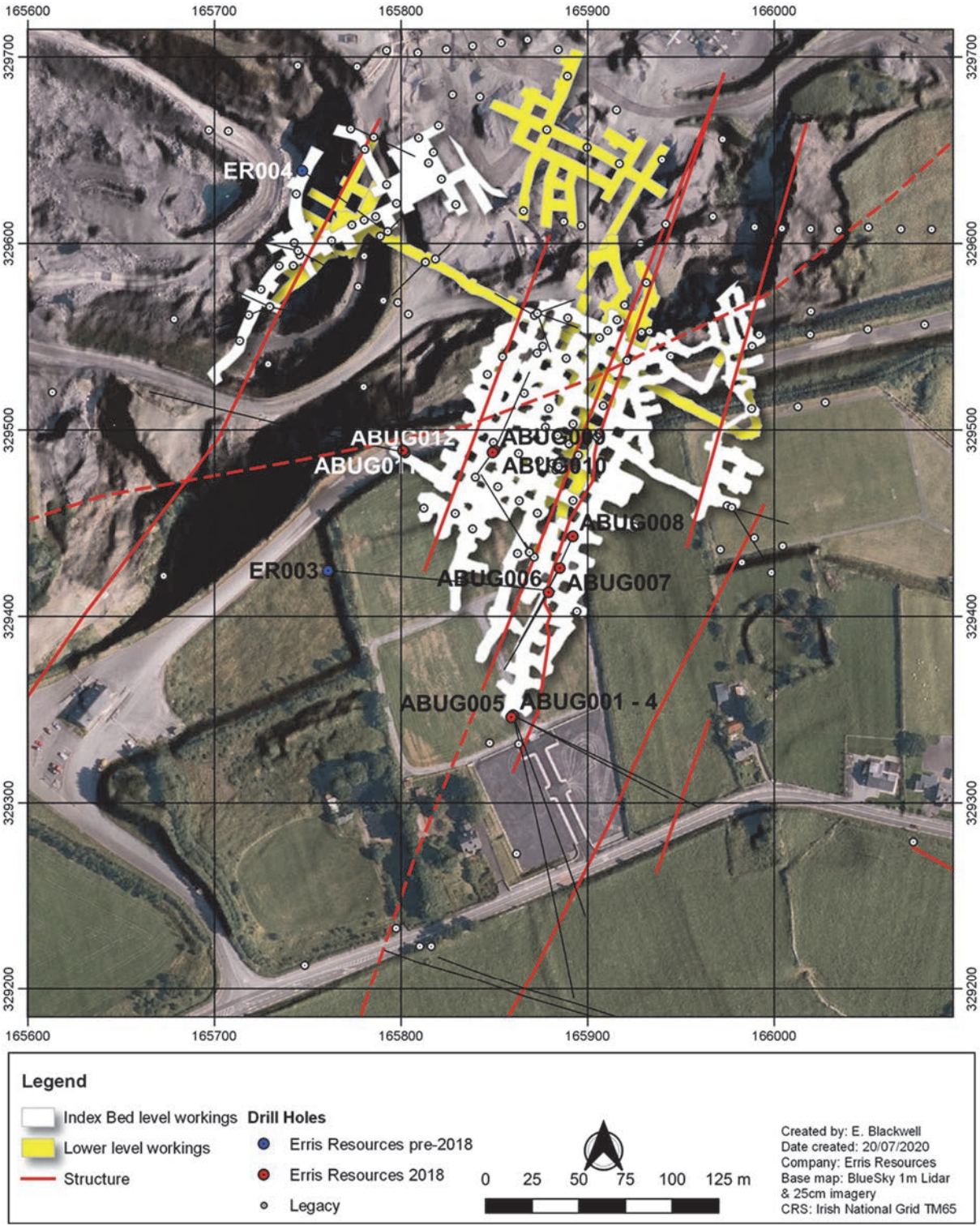

Figure 9.17: Abbeytown underground drill holes in relation to the underground workings, surface collars and interpreted structures.

All holes were collared within the main Index Bed level of the mine workings and drilled out through the Abbeytown crinoidal limestone. Due to the gentle dip of the stratigraphic units, the shallowly dipping holes did not necessarily intersect the Lower Grit formation. Table 9.15 summarises the presence of mineralisation based on stratigraphic unit.

Table 9.15: Mineralisation occurrences split by stratigraphic unit where ✓ indicates a significant interval and grade of mineralisation, < indicates present but non-continuous mineralisation.

Hole ID	Ballyshannon Limestone			Index Bed			Abbeytown Limestone			Lower Grit			Ballysadare Shales		
	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu	Pb	Zn	Cu
ABUG001				<			✓	✓							
ABUG002				<			✓	✓							
ABUG003				<			<	<							
ABUG004				✓	✓		<	✓							
ABUG005															
ABUG006							✓	<							
ABUG007										✓	✓				
ABUG008										<	✓				
ABUG009				✓	✓		<	<		✓	✓		✓		<
ABUG010				✓	✓		✓	✓							
ABUG011				<	<		<	<							
ABUG012							<	<							

Dolomite alteration is more consistently developed around the mineralised zones at depth and in the Abbeytown Limestone compared to that observed in the surface drilling. Strong pyrite-calcite alteration is proximal to Pb-Zn mineralisation both at depth in the Lower Grit and at shallower levels in the Index Bed as seen on section ABUG006-ABUG008 and in the mapping. More detail on the individual holes is provided below.

Five holes were drilled from the first location at the southern-most part of the mine (Figure 9.17). ABUG001 was drilled at -13° to the southeast from the pad and encountered two narrow zones of mineralisation at 70 and 102 m. ABUG002 was drilled steeper at -28° to test the first mineralised intersection from ABUG001 deeper in the stratigraphy, in the permeable Lower Grit unit. Sphalerite and galena were intersected at 76 m as expected suggesting a structure running parallel to the main mineralisation corridor.

Holes ABUG003 and ABUG004 were drilled towards the south, sub-parallel to the main mineralising structure but did not encounter significant continuous mineralisation beyond the current limits of the mine. The orientation of these holes was restricted by the mine substructure as they were collared at the southern-most drive. ABUG005 was only 6 m in length and not logged or assayed.

Drill holes ABUG006, ABUG007 and ABUG008 were drilled at 15 m spacing towards 208° to test the footwall beneath a high-grade channel sample (AB-PL-04) in the Index Bed which returned 4 m at 18.40% combined Pb and Zn with 116.85 g/t Ag, Figure 9.18. Hole ABUG006 encountered minor mineralisation high up in the Abbeytown Limestone which is likely from the same structure as the

pillar sample, with ABUG007 intersecting strong mineralisation (2.15 m @ 9.4% Pb, 2.8% Zn and 29.69 g/t Ag) in the Lower Grit. The mineralisation seems to be controlled by intersecting east-west and north-north-east striking fracture zones with the increased permeability of the Index Bed and Lower Grit units resulting in more developed mineralisation. The Lower Grit was weakly mineralised in ABUG008 but this hole is further away from the high volume of mapped fractures which is thought to act as a fluid pathway.

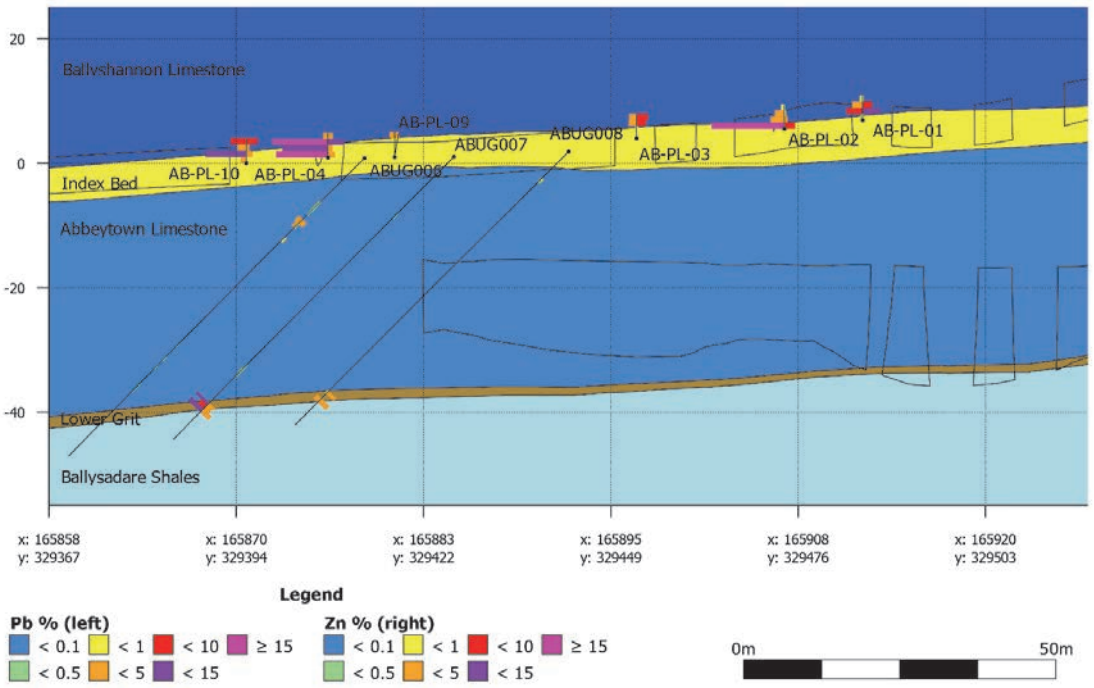

Figure 9.18: Cross section of ABUG006, ABUG007 and ABUG008 showing assayed downhole Pb and Zn values.

Drill hole ABUG009 was located in the west side of the main Index Bed level and drilled north-north-east at -52.5° to intersect an east-west orientated fault zone seen in the shale, west of the lower workings. Fault gouge was intersected in the Ballysadare Shales, with mineralisation found above in the Lower Grit, assaying 2.7 m at 6.17% Pb, 4.26% Zn & 34.73 g/t Ag from 43.5 m (Figure 9.19).

ABUG010 collared from the same location but drilled towards the south (azimuth 200°) to test another east-west fracture zone. Fault gouge was logged immediately prior to a mineralised interval which saw more sphalerite than galena. Mineralisation was also present at the top of the hole with a broad zone of calcite-pyrite alteration.

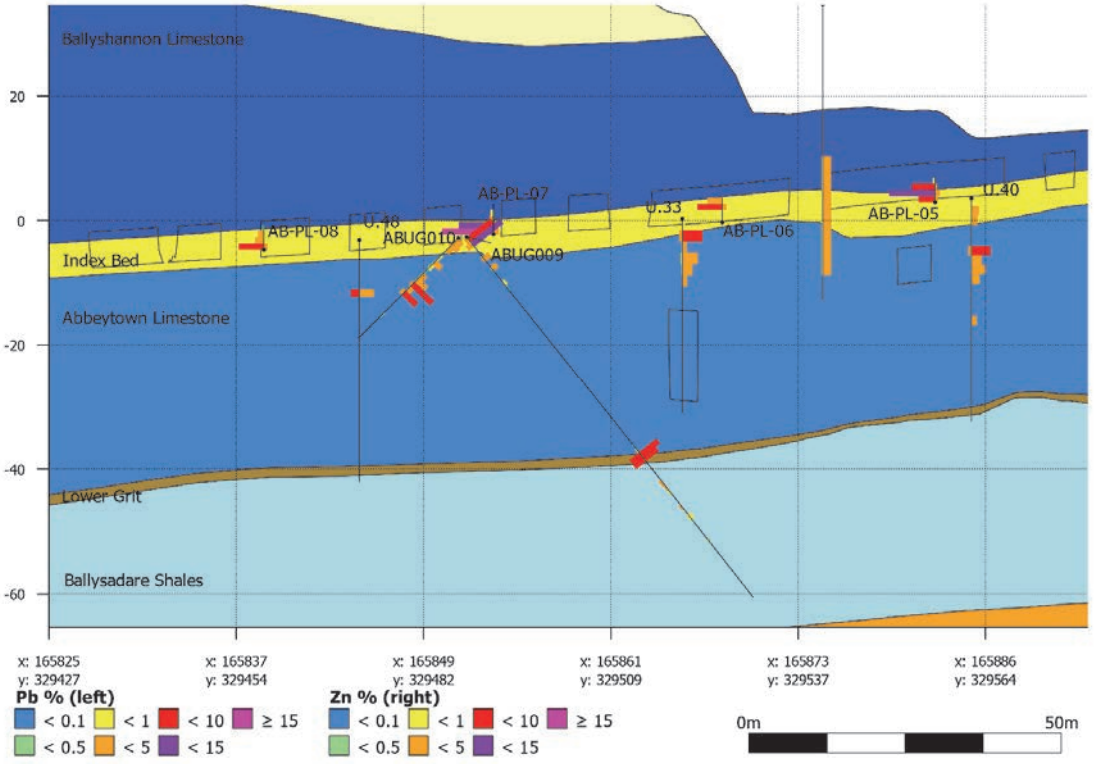

Figure 9.19: Cross section showing ABUG009 and ABUG010 with the assayed Pb and Zn values.

ABUG011 was drilled at -15° to the west from the most westerly drive in the upper Index Bed workings. The aim was to test for parallel altered structures to the main trend and to test the west fault at depth near the Lower Grit. The hole failed to intersect significant mineralisation and due to the shallow dip of the hole, did not intersect the Lower Grit.

ABUG012 was drilled from the same location as ABUG011 but to the north at -50° to test along strike extension of the east-west fault intersected in ABUG009. The hole intersected only minor mineralisation suggesting that high-grade mineralisation is developed at intersections between these east-west fracture zones and the main north-north-east structural corridor.

9.2.4.3 Skreen

Seven angled holes (ERSK001 to ERSK007) were drilled at the ~5 km^2 Skreen prospect totalling 1,024.9 m. The objectives of this program were to test a strong multi-element soil anomaly as described in section 9.2.2.2 and a coincident north-east trending structure interpreted from the Tellus data that could be a pathway for hydrothermal fluid flow and base metal mineralisation.

The first two drill holes (ERSK001 and ERSK002) were designed to test the core of the soil anomaly and a magnetic anomaly where favourable lithological units are interpreted to daylight up-dip of the inferred structure. Five other holes were planned to the north-east to intersect the main structure

interpreted from the geophysics (Figure 9.20). All holes were angled from 45 - 60° on azimuth ~310° to intersect proposed structures and bedding which dips gently towards the east. Key drillhole information for the Skreen holes can be found in Table 9.16 below.

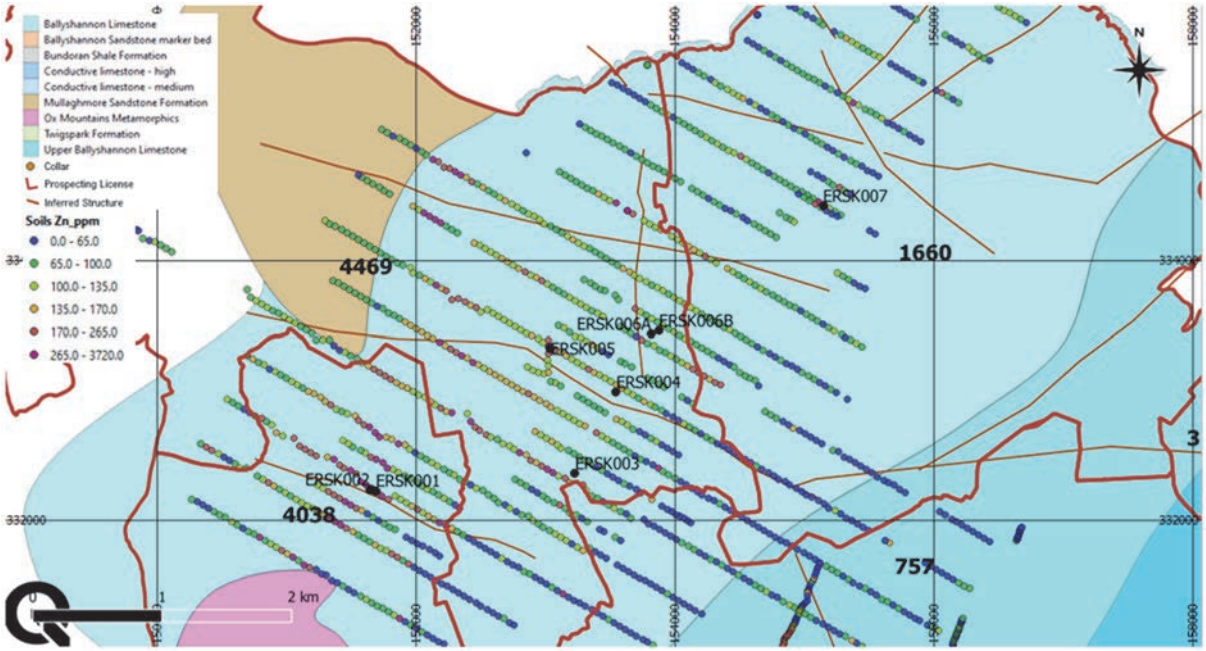

Figure 9.20: Skreen drill holes on regional lithology with updated interpreted structures and Zn in soils.

Table 9.16: Erris Skreen prospect drillhole collar information.

Hole ID	Easting	Northing	RL	Azimuth	Dip	EOH
ERSK001	151686.00	332225.00	97.00	305.00	-60.00	155.30
ERSK002	151638.00	332234.00	95.00	305.00	-60.00	105.00
ERSK003	153225.00	332359.00	57.00	305.00	-60.00	151.10
ERSK004	153543.00	332986.00	23.00	305.00	-60.00	121.00
ERSK005	153036.00	333321.00	26.00	305.00	-60.00	166.00
ERSK006A	153813.00	333431.00	24.00	305.00	-60.00	25.00
ERSK006B	153873.00	333456.00	25.00	305.00	-60.00	139.00
ERSK007	155140.00	334418.00	59.00	305.00	-60.00	162.50

Holes ERSK001 and ERSK002 tested the core of the large soil anomaly, no base metals were intersected in either hole. Lithologically the holes drilled clastics, including red sandstones and basement at shallower depths than expected which is consistent with the magnetic anomaly and indicates that the carbonate sequence is too thin to host a significant base metal deposit on the higher ground.

Holes ERSK003 to ERSK007 targeted the inferred structural corridor and used the soil data and surface features to focus into a drillhole-scale as the anomalous area is sizable (Figure 9.20). ERSK003 and ERSK004 drilled through similar sequences of carbonates and clastics with minimal alteration,

sulphides and calcite veining noted. Hole ERSK005 intersected calcite veins and some localised semi-massive pyrite with elevated Zn (0.55m at 0.47% Zn); similar to the distal carbonate-pyrite alteration seen at Abbeytown. Hole ERSK006a was located 600 m east of ERSK005 and intersected some similar alteration but was stopped at 25 m as the drillhole was linked to a nearby spring and risked contamination. Re-drill hole ERSK006b was moved 70 m to the east-north-east but did not encounter the same style of alteration. ERSK007 was the most north-easterly of the holes, disseminated pyrite was logged but no other sulphides and the hole was not sampled.

The stratigraphy is consistent across all of the Skreen drill holes with shales and a green mudstone (initially thought to be volcanic material) which can be used as stratigraphic markers. Cross sections show lithological discontinuities between the holes suggestive of major structures Figure 9.21.

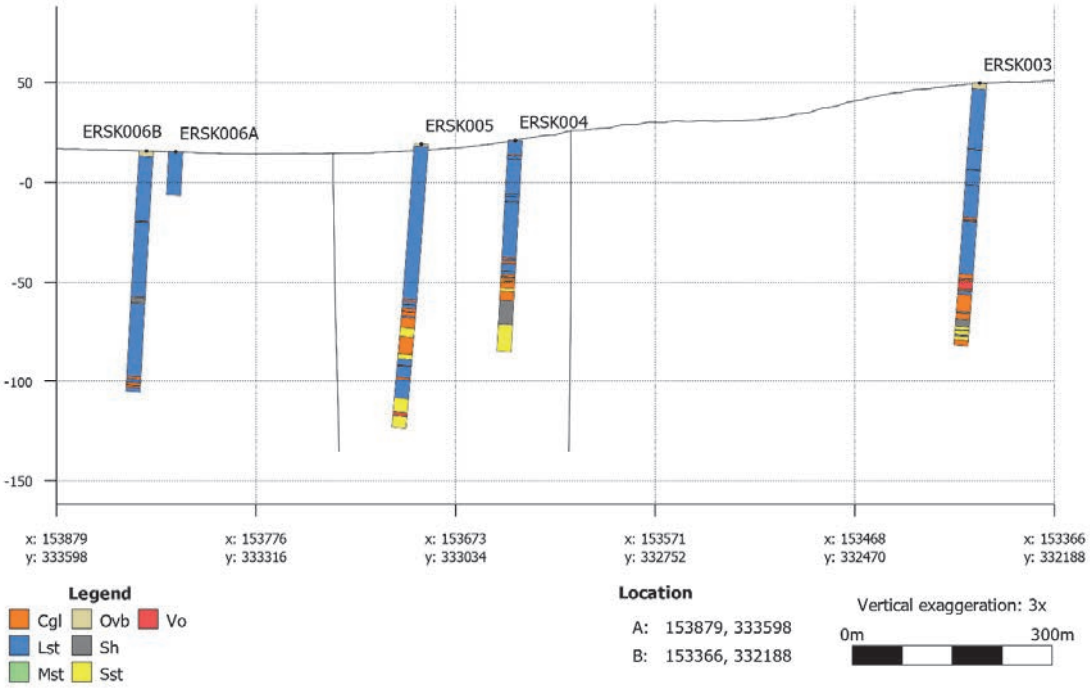

Figure 9.21: Skreen cross section with logged lithologies.

Magnetic destruction in basement rocks trending east-south-east – west-north-west is now apparent in the aeromagnetic data and in conjunction with the re-processed EM data has highlighted targets for further investigation (Figure 9.22). ERSK005 was collared close to one of these corridors but drilled on an unfavourable azimuth to intersect the structure. Ox Mountain parallel faults related to basin development with relay ramps or breached relay ramps as suggested by Mark Fitzpatrick, a structural geologist, could be the main control on mineralisation (Fitzpatrick, 2013). A drill hole angled to the south from the same location as ERSK005 would potentially test this idea.

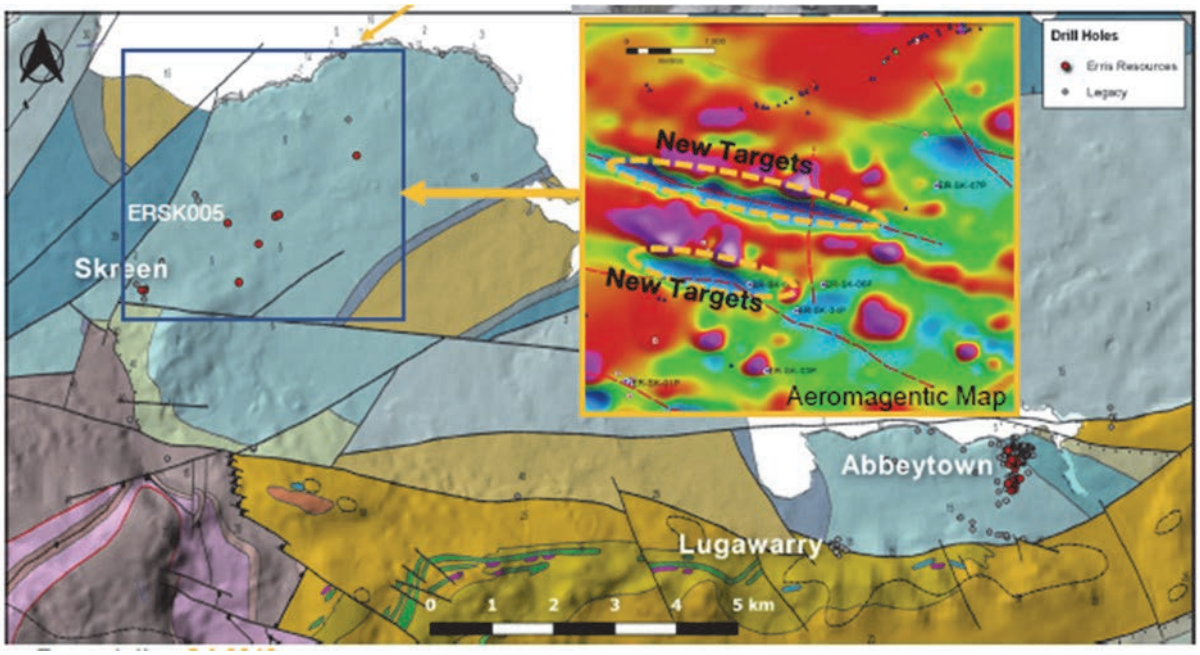

Figure 9.22: Skreen targets from the aeromagnetic data.

10 Sample Preparation, Analysis and Security

The Erris sample collection, preparation, analysis and security procedure for the Abbeytown project is described as follows.

All samples are placed into clear plastic bags with the sample number written on the bag and a sample ticket with corresponding sample number inserted into the bag. For diamond drilling, a matching sample ticket is stapled to the core box at the start of the sample. Sample bags are secured with a cable tie. Soil samples and sharp rock samples are double bagged and secured with cable ties. Multiple bagged samples are inserted into cardboard boxes or large sacks, soil samples are never mixed in with rock and drill core samples. Samples are logged into an excel based sampling database with the sample number and related metadata.

All samples are dispatched to ALS laboratories in Loughrea, Co. Galway and are accompanied by a standard ALS sample submission form. Samples are delivered directly to the laboratory by Erris personnel.

The required sample preparation and analysis codes are recorded on the sample submission form. The techniques applied to each sample type are summarised in Table 10.1 and Table 10.2. ME-MS41 uses Aqua Regia digestion and Inductively Coupled Plasma Atomic Emission/Mass Spectrometry (ICP-MS) for 51 elements, the detection limits are given in Table 10.3. Additional ME-OG46 overlimit techniques are triggered on high grade samples and completed as required. ME-MS61 uses Four Acid digestion with an ICP-MS finish for 48 element results, ME-OG62 overlimit is triggered on high grade samples. Analysis method Au-AA23 used for gold is a Fire Assay technique by Atomic Absorption Spectrometry using a 30g nominal sample weight and 0.005-10 ppm detection limits.

Table 10.1: Summary of ALS preparation and analysis techniques used for different samples. ALS applies additional techniques to "over limit" or "ore grade" samples where appropriate.

Sample Type	**Soils**	**Rock Chip**	**Drill Core**
Prep Code	PREP-41	PREP-31B	PREP-31B
Analysis Code	ME-MS41, ME-MS41(L)	ME-MS41, ME-MS41(L), ME-MS61 Au-AA23 ME-OG46, Ag-OG46, Cu-OG46, Pb-OG46, Zn-OG46 ore grade conducted by lab where appropriate based on ME-MS method	ME-MS41, ME-MS41(L), ME-MS61 Au-AA23 ME-OG46, Ag-OG46, Cu-OG46, Pb-OG46, Zn-OG46, ME-OG62, Ag-OG62, Pb-OG62, Zn-OG62 ore grade conducted by lab where appropriate based on ME-MS method

Table 10.2: ALS preparation techniques and description.

Prep Code	Description
PREP-31	Crush to 70% less than 2mm, riffle split off 250g, pulverize split to better than 85% passing 75 microns.
PREP-31B	Crush to 70% less than 2mm, riffle split off 1kg, pulverize split to better than 85% passing 75 microns.
PREP-41	Login, dry at <60°C/140F, sieve sample to -180 micron (80 mesh). Retain both fractions.

Table 10.3: ME-MS41 and ME-MS61 detection limits.

CODE	ANALYTES & RANGES (ppm)								PRICE PER SAMPLE
ME-MS41™ 0.5g sample	Ag	0.01-100	Cs	0.05-500	Mo	0.05-10,000	Sr	0.2-10,000	€ 21.55
	Al	0.01-25%	Cu	0.2-10,000	Na	0.01%-10%	Ta	0.01-500	
	As	0.1-10,000	Fe	0.01%-50%	Nb	0.05-500	Te	0.01-500	
	Au*	0.02-25	Ga	0.05-10,000	Ni	0.2-10,000	Th	0.2-10,000	
	B	10-10,000	Ge	0.05-500	P	10-10,000	Ti	0.005%-10%	
	Ba	10-10,000	Hf	0.02-500	Pb	0.2-10,000	Tl	0.02-10,000	
	Be	0.05-1,000	Hg	0.01-10,000	Rb	0.1-10,000	U	0.05-10,000	
	Bi	0.01-10,000	In	0.005-500	Re	0.001-50	V	1-10,000	
	Ca	0.01%-25%	K	0.01%-10%	S	0.01%-10%	W	0.05-10,000	
	Cd	0.01-1,000	La	0.2-10,000	Sb	0.05-10,000	Y	0.05-500	
	Ce	0.02-500	Li	0.1-10,000	Sc	0.1-10,000	Zn	2-10,000	
	Co	0.1-10,000	Mg	0.01%-25%	Se	0.2-1,000	Zr	0.5-500	
	Cr	1-10,000	Mn	5-50,000	Sn	0.2-500			

* Gold determinations by this method are semi-quantitative due to the small sample weight used. For Au with multi-element using a 25g or 50g charge please use AuME-TL43™ or AuME-TL44™.

CODE	ANALYTES & RANGES (ppm)								PRICE PER SAMPLE
ME-MS61™ 0.25g sample	Ag	0.01-100	Cu	0.2-10,000	Na	0.01%-10%	Sr	0.2-10,000	€ 25.70
	Al	0.01%-50%	Fe	0.01%-50%	Nb	0.1-500	Ta	0.05-100	
	As	0.2-10,000	Ga	0.05-10,000	Ni	0.2-10,000	Te	0.05-500	
	Ba	10-10,000	Ge	0.05-500	P	10-10,000	Th	0.01-10,000	
	Be	0.05-1,000	Hf	0.1-500	Pb	0.5-10,000	Ti	0.005%-10%	
	Bi	0.01-10,000	In	0.005-500	Rb	0.1-10,000	Tl	0.02-10,000	
*ME-MS61m™ 0.75g sample	Ca	0.01%-50%	K	0.01%-10%	Re	0.002-50	U	0.1-10,000	€ 34.30
	Cd	0.02-1,000	La	0.5-10,000	S	0.01%-10%	V	1-10,000	
	Ce	0.01-500	Li	0.2-10,000	Sb	0.05-10,000	W	0.1-10,000	
	Co	0.1-10,000	Mg	0.01%-50%	Sc	0.1-10,000	Y	0.1-500	
	Cr	1-10,000	Mn	5-100,000	Se	1-1,000	Zn	2-10,000	
	Cs	0.05-500	Mo	0.05-10,000	Sn	0.2-500	Zr	0.5-500	
ME-MS61r™	Dy	0.05-1,000	Gd	0.05-1,000	Nd	0.1-1,000	Tb	0.01-1,000	€ 32.25 Full suite
	Er	0.03-1,000	Ho	0.01-1,000	Pr	0.03-1,000	Tm	0.01-1,000	
	Eu	0.03-1,000	Lu	0.01-1,000	Sm	0.03-1,000	Yb	0.03-1,000	

* Note: To include Hg by a separate method in the suite of elements above, please request ME-MS61m™ instead of ME-MS61™.

11 Data Verification

11.1 Database Verification

Data relating to the Abbeytown project has been carefully checked by the study team under the supervision of the CP. Drilling data has been examined spatially and within the database spreadsheet, and drillhole validation has been completed to check for overlapping intervals. Analytical certificates from the assay laboratory have been checked against the database and Erris' reported intercepts. QC inserts have been checked against the reported CRM grades and found to be within acceptable limits for elements of interest. Blanks and duplicate insertion rates are appropriate and within expected deviations.

11.2 Site Visit

The timing of this report coincides with COVID-19 therefore a site visit for data verification purposes by the Competent Person was not possible. A virtual core shed visit was conducted on the 16th June 2020 in which the Erris personnel laid out a number of the recently drilled holes for inspection. The core was in good condition and the geology, key stratigraphical units, type and characteristics of mineralisation encountered to date was confirmed by the CP during this meeting. Cross reference with drill logs, photographs and virtual core inspection confirmed the logging, data capture and transfer to be of high standard. Sampling methodology was discussed in detail and the sampling and storage facilities at the Erris Core Shed were inspected and deemed to be appropriate.

The CP has previously visited the project between 25th to 27th April 2017.

11.3 Competent Persons Comment

The Competent Person is satisfied data quality is adequate for the purpose of exploration stage assessment, interpretation, and definition of exploration targets. The quality of Erris' data verification and data collection work is highly satisfactory, and interpretation and application of models for targeting are considered reasonable and valid.

The Competent Person has not been able to verify the results of historical data from soil sampling, rock sampling and drilling described in this report. Although the Authors have no reason to doubt the results described, they should be considered as indications of the presence of mineralisation only and may not accurately reflect true metal concentrations and mineralised thicknesses.

12 Metallurgical Testing

An initial metallurgical testwork program was completed by Wardell Armstrong, Cornwall, UK (Marley & King, 2019). The testwork programme involved a preliminary characterisation study including chemical analysis and comminution testing to assess grindability. A suite of batch rougher and cleaner flotation tests was then undertaken to assess the feasibility of producing saleable-grade lead and zinc concentrates.

The sample was a composite of grab samples from within the Abbeytown mine workings. Sample mass was 36.4 kg and is considered by the CP to be an adequate size to provide an initial indication of metallurgical response.

Head grades were 8.4% Pb 13.1% Zn which is significantly higher than the historical production estimates described in section 0 of this report of 1.5% Pb, 3.8% Zn and 40-45 g/t Ag and the drilling completed by Erris to date. It should be noted that the amount of dilution included in historic mining and any future mining is not well understood.

The Bond Ball Mill Work Index was 8.76kWh/t, classifying the sample as being soft with respect to grindability.

A lead cleaner concentrate was produced assaying 76.6% Pb and 2.69% Zn at recoveries of 95.7% and 2.1% respectively. A zinc cleaner concentrate was produced assaying 51.8% Zn and 0.52% Pb at recoveries of 94.4% and 1.5% respectively. The numbers are favourable, but it is cautioned that floatation recovery percentages typically increase with increasing grade and decrease with decreasing grade. Due to the high head grades of the composite sample these numbers would likely have to be factored downwards to properly support and reflect any grades contained within any future mineral resource.

13 Conclusions

The project and associated prospects reviewed by the Competent Person are considered to be a brownfield project at Abbeytown with additional early exploration stage targets in the adjacent licences. Moreover, PL3735 at Abbeytown is considered a core licence where more advanced exploration has occurred. The ancillary PLs are deemed to be regional targets.

Through historic data collation, capture and review, and with recent field based surface and sub-surface exploration activities, regional dataset and geological interpretations, Erris Resources have developed valid exploration models and identified robust immediate target zones where there are existing reported base metal results, favourable geology, alteration and encouraging analytical data. Follow on work completed by Erris since the previous CPR completed by AMS in November 2017 has continued to verify and extend mineralisation.

The Author believes that the data quality is adequate for the purpose of exploration stage assessment, interpretation, and definition of exploration targets. The quality of Erris' data verification and data collection work is highly satisfactory, and interpretation and application of models for targeting are considered reasonable and valid.

However, use of historical data as input to potential future resource estimates reported according to JORC 2012 will require additional verification work including further review of drill core, duplicate check sampling and/or twin verification drilling.

Key target areas identified for Abbeytown-style mineralisation exploration are summarised below:

- The Abbeytown Corridor, along strike of prospective structures from the pre-existing mine with encouraging drilling results confirming continuation of mineralisation.
- The Ox Mountains Fault target, a strong Pb-Zn signature in soils with coincident EM anomaly down strike of the north-north-east trending Abbeytown interpreted mineralising structures. The 20 km long Ox Mountain Fault is interpreted to be a key regional fluid pathway within the Abbeytown area and the target of the same name only describes a small area, there remains significant exploration potential along this structure.
- Lugawarry has historic workings and previously logged sphalerite and galena in historic drill core. There is a strong Pb-Zn soil anomaly still open to the north, it sits on the hanging wall of the Ox Mountains Fault and has a number of north-north-east striking structures running through the target as interpreted from the geophysics.

- Skreen is a large Pb-Zn soil anomaly, ~5 km^2, in a prospective limestone host rock with numerous north-east interpreted structures and in close proximity to the Ox Mountains Fault. Minimal drilling has been completed to date for an area so sizable but some holes encountered alteration similar to that seen at Abbeytown.

The current targets described herein are by no means exhaustive.

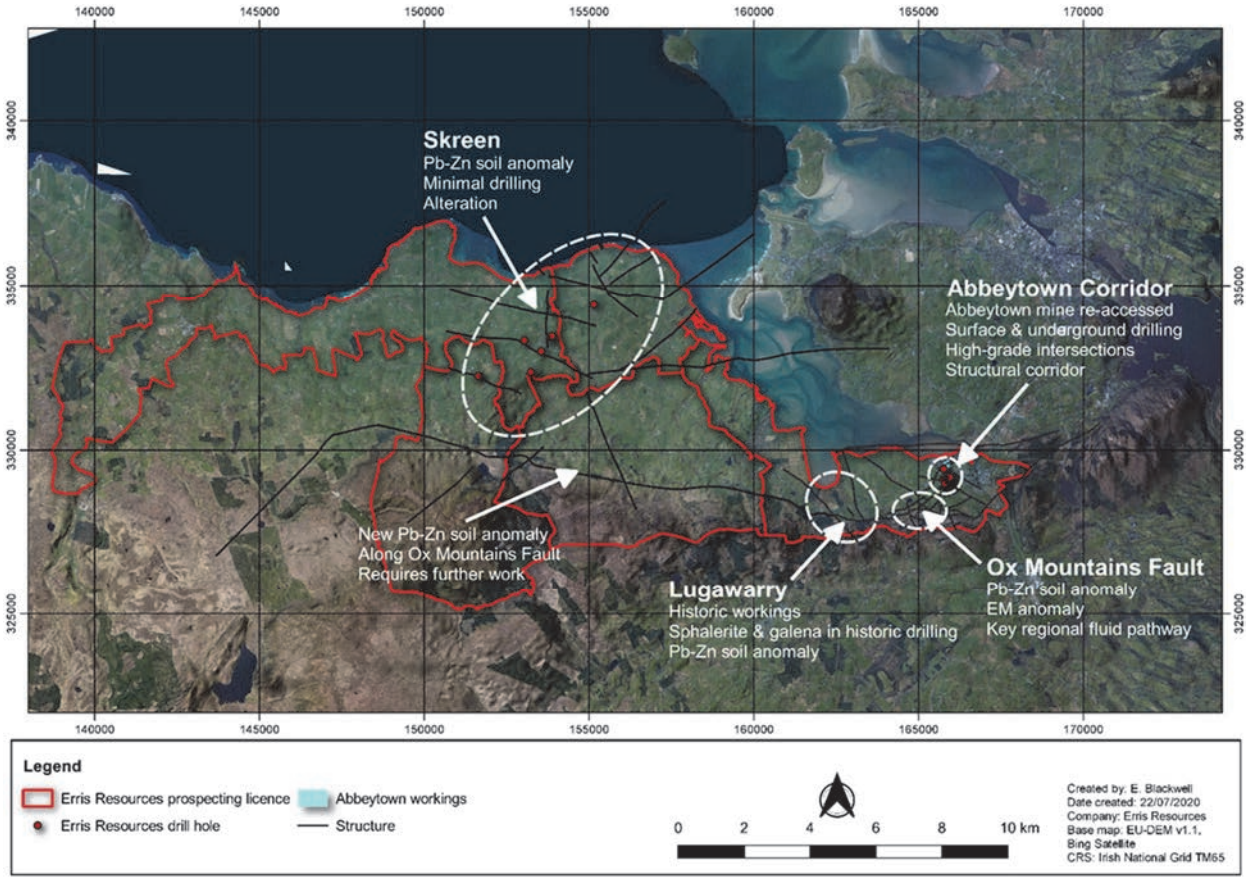

Figure 13.1: Overview image of target locations with key qualifiers.

13.1 Proposed Work Programs

Erris currently propose limited drill programs by July 2021 to meet with €30k minimum expenditure requirements per PL, prior to the two-year review in August 2021.

Details for these programs are currently in preparation.

14 Recommendations

The Author makes the below recommendations for future work at the Abbeytown Project:

1. Complete proposed work programs to meet minimum expenditure requirements and maintain PL's in good standing.
2. Continue exploration activities to further test the targets described in section 9.
3. Design data capture templates for drillhole logging and sampling, incorporating lithology and mineralisation codes in drop down menus to enable additional validation, ensure consistency and capture of all relevant data and the effective use of such data in a 3D GIS/Geological modelling package.
4. Implement relational digital databases incorporating validation procedures and SQL type queries to handle laboratory assay and geological logging data.
5. Utilize an exploration/mining specific software package for calculation of significant intercept data.
6. Introduce routine collection of samples for density determination across all lithologies and styles of mineralisation intercepted in drilling.
7. Consider the use of orientated core, in all inclined drill programs, to aid understanding of structural controls on the deposit.
8. Consider a full geochemical audit on the multi-element data to assist with exploration target generation and vectoring into key structures both in soils and drilling.

15 References

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16 Glossary of Terms

Term/Symbol/Abbreviation	Meaning
$	United States Dollar unless otherwise stated
@	At
£	British Pounds
€	Euro
°	Degrees
AA	Atomic Absorption
AAS	Atomic Absorption Spectrometry
Abbeytown	The Abbeytown project collection of Prospecting Licences or the Town
Ag	Silver
ALS	ALS Laboratory
AMS	Addison Mining Services Ltd
As	Arsenic
Au	Gold
Auger	A cork screw like drill for collecting samples of unconsolidated material such as soils or gravels
Author(s)	James Hogg, Richard Siddle or Eleanor Shaw
Ba	Barium
Ballysadare Corridor	The geological area around and including the Abbeytown target
Bi	Bismuth
Blank	A sample containing no mineralisation of interest to test for contamination in laboratory studies
Cd	Cadmium
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
cm	centimetres
Company (the Company)	Erris Resources Plc
Competent Person	James Hogg, or, A person of sufficient experience and qualification to act as a Competent Person as defined by the JORC Code 2012. A Competent Person must be a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation'. A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking.
CP	Competent Person
CRIRSCO	Committee For Mineral Reserves International Reporting Standards
CRM	Certified Reference Material, a sample of a "know" chemical concentration to within a given standard deviation
Cu	Copper
DD(H)	Diamond Drill (Hole)
DGPS	Differential Global Positioning System, typically sub centimetre accuracy
Diamond Drilling	Drilling using a diamond drill bit which typical returns a solid cylinder of rock subject to ground competency
DL	Detection Limit

Duplicate	A Duplicate sample or sub sample taken from the same location or parent sample to test precision
EM	Electro Magnetic
E-W	East-West
FA	Fire Assay, a laboratory technique typically used for determination of Gold concentrations
g	grams
g/t	grams per tonne, interchangeable with ppm
GPS	Global Positioning System, not differential, accuracy is typically <10m
GSI	Geological Survey of Ireland
GSR	Gross Smelter Return
Hg	Mercury
ICP-MS/AES	Inductively Coupled Plasma Mass Spectrometry/Atomic Emission Spectrometry. A Laboratory technique capable of determining elemental concentrations to very low values. Typically not suitable for gold analysis.
Indicated Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
Inferred Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Irish Grid	The Irish national grid coordinate system
JORC	Australasian Joint Ore Reserves Committee
JORC 2012	The JORC reporting code 2012 edition
km	Kilometre
landat	A satellite imaging system
LDL	Lower Detection Limit of an analytical procedure
Lidar	A high resolution topographic survey technique

LSE	London Stock Exchange
m	meters
Measured Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.
mm	millimetres
Mo	Molybdenum
Modifying Factors	'Modifying Factors' are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
NI43-101	National Instrument 43-101 reporting code of Canada
NSR	Net Smelter Return
NE-SW	North East - South West
Over Limit	Greater than the upper detection limit of an analytical technique
Oxide	Oxidised geological material, typically low sulphide content
Pb	Lead
PERC	Pan European Resources Committee
Pers Comm	Personal Communication
PL	Prospecting Licence (Ireland)
ppm	parts per million, interchangeable with g/t
Probable Reserve	A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Project	An exploration or mining property or collection of properties under investigation
Prospecting Licence	A designated area of land upon which the permit holder may carry out exploration activities for given commodities
Proven Reserve	A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
QAQC	Quality analysis and quality control, typically the appraisal of precision, accuracy and contamination in laboratory analytical procedures.
QP	Qualified Person

Qualified Person	Substituted for Competent Person when reporting under NI43-101 guide lines.
RAB	Rotary Air Blast
Replacement Deposit	Mineralisation formed by replacement of a chemically reactive geological unit, typically limestones or carbonates reacting with acidic fluids.
Reserve	An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.
Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Sb	Antimony
SOP	Standard Operating Procedures
Sulphide	A mineral in which a metal or metals is combined with sulphur
t	tonnes
Table 1	The JORC 2012 code table one checklist
Tellus	A ground and airborne geoscience mapping programme undertaken by the Geological Survey of Ireland
Till	A deposit of poorly sorted clay, sand, gravel, cobbles and boulders deposited by a glacier
TM	Transvers Mercator used in grid systems
TM65	The Irish national grid coordinate system Transvers Mercator 1965
UDL	Upper detection limit
UTM	Universal Transverse Mercator
WGS84	Word Geodetic System 1984
WNW-ESE	West North West - East South East
Zn	Zinc

17 JORC 2012 Table 1

17.1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• On surface, diamond core drilling was sampled as half core with intervals typically 1 m or 0.5 m over potentially mineralised intervals, to geological contacts. Samples were not taken across areas expected to be waste. • Underground, diamond core drilling was sampled as whole core at typically 1 m or 0.5 m intervals to geological contacts. Samples were not taken across areas expected to be waste. • All drilling completed is diamond core with 22% drilled underground and 78% on surface. There is a total of 4,497.2 m of drilling. • To ensure representative sampling, diamond cores were marked considering the presence of mineralisation. A line was drawn down the core to ensure the same half of the core was consistently sampled. • All drill samples were sent to ISO accredited laboratory; ALS Loughrea, Ireland and underwent multi-element analysis by ICP-MS and aqua regia leach with Ag / Cu / Pb / Zn over range assays automatically undergoing ore grade analysis by aqua regia and ICP-AES. The assay techniques and preparation used are considered appropriate and are detailed in section 10 of this report. • The nature of Historic sampling techniques is unclear and the Author has not been able to verify sampling methods, their appropriateness or Quality Analysis and Quality Control procedures for historic trenching and drill core sampling at the Abbeytown project. This data is considered at this point in time suitable only for exploration targeting purposes. • Soil sampling has been undertaken on near regular grids at the Abbeytown project over sufficiently large areas to identify potential for mineralisation. The soils were taken with a hand Auger from 20-50cm depth where possible or deeper where

		peaty soils were encountered. • Erris exploration sampling at Abbeytown has included a number of rock chip prospecting samples, representivity of such samples is hard to maintain but a wide variety of mineralised and mineralised samples have been tested and described in full in sample sheets. • Pre-2018 Underground pillar sampling at Abbeytown was conducted over 1 m^2 panels where possible to maintain sample representivity. Sampling was undertaken with a hammer and chisel rather than channels being cut with grinder to avoid unintentional bias where softer material is easier to sample. 2018 pillar sampling was done using circular concrete saw, cutting a 5cm wide channel which was subsequently chiselled at 1m sample intervals. The samples are for exploration purposes only and may not be truly representative of all pillars remaining in the Abbeytown mine. • Tailings samples at Abbeytown were collected with a soil auger from 20-40 cm depth. The tailings do not at this point represent an exploration target.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling on surface was carried out using NQ (47.6 mm) core sized equipment and underground diamond drilling using BQTK (40.7 mm) core sized equipment. • No core orientation has been applied for the diamond cores. • The Author has been unable to verify drilling techniques of historic data.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drillcore at Abbeytown was logged for total core recovery and rock quality designation. Recovery for most of the drill holes was in excess of 95% with some small areas of core loss. • Lower recovery values have been cross-checked against the core and the presence of structures verified. • Intervals of lower recovery are generally at the top of the holes and there is currently no relationship between recovery and grade. • The Author has been unable to verify drilling recoveries of historic data.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drillcore has been qualitatively logged in detail by Erris personnel for lithology, structural zone, dolomite alteration and mineralisation. Dolomite alteration is recorded as the intensity of reaction with hydrochloric acid. Geotechnical logs including TCR and RQD were completed. The detail of logging is sufficient to support geological modelling. • All drill core has been photographed. • Drill holes were logged in their entirety.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For surface drilling, diamond drill core with obvious sulphide and the adjacent intervals were cut in half using a masonry bench saw with half core sampled for assay. Half core is considered sufficient for the mineralisation under investigation. • 27 quarter core duplicates have been taken in the surface drilling, 1.8% of the samples and all are recorded in the database. Quarter NQ core used for duplicate analysis is considered appropriate. • For underground drilling, full BQTK core was sampled due to the narrow diameter, therefore core duplicates were not possible. • Samples for both surface and underground were typically 1 m in length or 0.5 m where strongly mineralised. Samples did not cross obvious lithology contacts and some sample lengths have been adjusted to coincide with lithological contacts. • Soils sampling included field duplicates, 1.9% of the samples, and the results are largely within 20% of the original. • Historic data has not been verified by the Author.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All Erris sample preparation and analysis has been undertaken by ISO accredited laboratory, ALS Loughrea, Republic of Ireland. • The assay and sample preparation techniques used are considered appropriate for sulphides in a predominantly carbonate host rock and are detailed in section 10 of this report. • ICP-MS/AES used for multielement analysis. Over limit 'ore grade' analyses were carried out by the lab where appropriate. • No umpire laboratory checks have been undertaken at this time. • Erris have inserted routine QAQC in the form of Certified Reference Materials (CRMs), blanks and duplicates. If CRMs were outside of acceptable limits, the sample batches were re-assayed. The results of QAQC have been inspected by the Author and the CRM's are performing very well, the blank material is not consistent containing low levels of background Pb and Zn but assayed values are very low and not thought to represent laboratory contamination.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Assay data and significant intersections have been reviewed and verified by other company personnel and the Author. • Drillhole ER001 was a twin hole of a historic drillhole and the results were comparable, no other twin holes have been completed. • Primary data is recorded into paper logs before being transferred to Excel spreadsheets. The spreadsheets contain appropriate meta data and are well organized, however assay data from the laboratory is merged by a copy paste. Erris performs a visual validation on the merged data and all data has been verified by the Author. Erris stores all original assay certificates in PDF format. • No modification of assay data is carried out unless over limit values are reported, in which case these results are used over the standard technique. Original assays values are stored in appropriate fields of the database. • The Author has not been able to verify historic data.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Surface drillhole collar locations at Abbeytown have been surveyed by a professional 3rd party surveyor. The Skreen prospect surface drill holes were recorded using a handheld GPS. • Underground holes were measured using a measuring tape to known reference points within the mine, taken from a 3D mine survey tied in with DGPS points by a professional 3rd party surveyor. • Downhole survey of Erris drill holes at Abbeytown was conducted using single shot. Surveys were taken at or close to collar and approximately every 50 m for the surface holes and every 40 m for the underground holes. • Data has been captured and located using a Universal Transverse (TM) system. The coordinate system used by the client was TM65_Irish_Grid EPSG:29902. • The topographic survey of the area is high resolution LiDAR from Bluesky, at 1 m contour spacing.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing is consistent with result reporting for early stage exploration. The drill spacing is not intended to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation. • Compositing has only been applied for reporting of significant intercepts where length weighted averaging has been applied and internal waste included in the calculation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling orientation is perpendicular to the interpreted key mineralised structures and should therefore intersect them as near to a right angle as possible. • Further drilling is required to confirm the orientations of the mineralisation in the future. • For the inclined surface drilling, the true thickness of mineralised intervals is interpreted to be approximately 50-60% of the sampled thickness for structurally controlled mineralisation. • For the inclined underground drilling, the true thickness of mineralised intervals is interpreted to be approximately 60-90% of the sampled thickness for structurally controlled mineralisation east of the mine and possibly lower for intersections to the south of the mine.

Sample security	• *The measures taken to ensure sample security.*	• Sample chain of custody was managed by Erris personnel from the drill rig to the ALS laboratory. • Core was stored on site in a locked facility adjacent to the project during the logging and sampling process. • On delivery to ALS the samples are accompanied by a standard ALS sample submission form and logged into the system.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The project is in early stage exploration and detailed audit of standard operating procedures has not been undertaken. • The Author has reviewed Erris and Historical datasets as part of this study and considers them to be well organized and catalogued. • There has not been any outside/3rd party reviews of this data to date.

17.2 Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Holes drilled at Abbeytown are all located within a 100%-owned Prospecting Licence (PL) 3735 issued to Erris Zinc Ltd, a wholly owned subsidiary of Erris Resources plc. • Holes drilled at the Skreen prospect are all located within the other four Erris Zinc Ltd. Prospecting licenses. • Osisko Gold Royalties own a 1% net smelter return royalty on any future production from the project. The PL was renewed for 6 years in August 2019 and is valid until 25th August 2025 subject to expenditure review after each two-year period. • A full list of assets and details for the five Abbeytown prospecting licenses are given in section 2.1.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• A large volume of historic data exists for the project and has been summarized in the relevant sections of the report. • It has not been possible to verify the historic data and it is used for exploration targeting purposes only.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Abbeytown deposit consists of lead, zinc, copper and iron sulphides, hosted in limestones and carbonaceous shales along extensional fault structures within a Carboniferous sedimentary basin. • Mineralisation is associated with veins, breccias and carbonate replacement along the mineralised structures (section 0). This is consistent with other Irish-type base metal deposits.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Erris have drilled 30 drill holes at the Abbeytown project which are presented in section 9.1.4 and 9.2.3
		• Other drilling is historic drilling which has not been verified and is not considered material to this report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Where compositing has been applied for the calculation of significant intercepts length weighted averaging has been applied and internal waste included in the calculations. • Composites have been generated for assays >2% Zn+Pb, maximum total length of internal waste 2 m, maximum consecutive length of waste 1 m. • No top cutting has been applied. • Minimum composite lengths were applied to composites of significant intercepts to prevent the reporting of short high grade samples in isolation. Shorter high grade intercepts have been reported alongside broader low grade intercepts where appropriate. • No metal equivalate t values have been applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Due to limited geological understanding at this time conversion of apparent to true thicknesses was not undertaken. Current interpretation suggests true thickness is 60-90% of drilled thickness.

Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are presented in the relevant sections of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Calculation and reporting of significant intercepts used a systematic method of reporting all intervals above a given weighted average grade, a length weighted average for assays >2% Zn+Pb, maximum total length of internal waste is 2 m, maximum consecutive length of waste is 1 m. This ensured that higher grade and lower grade intercepts were reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Relevant and appropriate exploration activities are summarised in the relevant sections of the report. • A metallurgical bench flotation test has been carried out on one composited bulk sample from the deposit.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further holes will be drilled to the south to test the open strike extent of the main NNE trending mineralised structure.

PART VII

FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT ON DEUTSCHE LITHIUM GMBH

SECTION (A) – ACCOUNTANTS' REPORT ON DEUTSCHE LITHIUM GMBH

The Directors and the Proposed Director
Erris Resources plc
29-31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU
United Kingdom

The Directors
Allenby Capital Limited
5th Floor
5 St Helen's Place
London
EC3A 6AB

8 October 2020

Dear Sirs

Deutsche Lithium GMBH

We report on the historical financial information of the Deutsche Lithium GMBH set out in Section B of Part VII of the admission document dated 8 October 2020 (the "Admission Document") of Erris Resources plc. This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information. This report is required by Rule 18 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

We have not audited or reviewed the financial information for the six months ended 30 June 2020 and the comparative period, and accordingly do not express an opinion thereon.

Save for any responsibility arising under Rule 18 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 18 of Annex 11 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

Responsibilities

The directors (the "Directors") and the proposed director (the "Proposed Director") of Erris Resources plc are responsible for preparing the historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Deutsche Lithium GMBH as at 31 December 2017, 2018 and 2019 and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Rule 1.2 of Annex I and Rule 1.2 of Annex II of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP
Chartered Accountants

SECTION (B) – FINANCIAL INFORMATION ON DEUTSCHE LITHIUM GMBH

INCOME STATEMENTS

For the periods

In Euros	*Note*	*Six months ended 30 June 2020 (unaudited)*	*Six months ended 30 June 2019 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Expenses						
General and administrative	11	(90,881)	(102,774)	(239,354)	(292,279)	(161,502)
Depreciation	6	(9,111)	(9,121)	(18,242)	(10,221)	(5,269)
Foreign exchange loss		(3)	(19)	(59)	(236)	–
Operating loss		(99,995)	(111,914)	(257,655)	(302,736)	(166,771)
Finance income	12	–	–	(1)	(1)	304,183
Loss before tax		(99,995)	(111,914)	(257,656)	(302,737)	137,412
Taxation	14	–	–	–	–	–
(Loss)/Profit after tax		(99,995)	(111,914)	(257,656)	(302,737)	137,412
Total comprehensive loss		(99,995)	(111,914)	(257,656)	(302,737)	137,412

STATEMENTS OF FINANCIAL POSITION

As at

In Euros	*Note*	*30 June 2020 (unaudited)*	*31 December 2019*	*31 December 2018*	*31 December 2017*
Assets					
Current assets					
Cash and cash equivalents	4	153,203	150,189	643,722	903,578
Other receivables and prepayments	5	112,716	110,859	129,902	136,739
Total current assets		265,919	261,048	773,624	1,040,317
Non-current assets					
Deposits		5,526	5,526	5,526	3,360
Property, plant and equipment	6	54,507	61,670	66,527	11,247
Exploration and evaluation assets	7	7,711,873	7,484,881	6,233,056	3,745,614
Total non-current assets		7,771,906	7,552,077	6,305,109	3,760,221
Total assets		8,037,825	7,813,125	7,078,733	4,800,538
Liabilities and shareholders' equity					
Current liabilities					
Trade payable and accrued liabilities	8	49,343	55,069	275,822	444,891
Total current liabilities		49,343	55,069	275,822	444,891
Non-current liabilities					
Total non-current liabilities		–	–	–	–
Total liabilities		49,343	55,069	275,822	444,891
Shareholders' equity					
Share capital	9	100,000	100,000	100,000	100,000
Other capital reserve	10	9,024,222	8,693,801	7,481,001	4,731,001
Retained earnings		(1,135,740)	(1,035,745)	(778,090)	(475,354)
Total shareholders' equity		7,988,482	7,758,056	6,802,911	4,355,647
Total liabilities and shareholders' equity		8,037,825	7,813,125	7,078,733	4,800,538

STATEMENT OF CHANGES IN EQUITY

		Share capital				
In Euros	*Note*	*Number of shares*	*Value*	*Other capital reserve*	*Retained earnings*	*Total equity*
31 December 2016		2	100,000	2,481,001	(612,764)	1,968,237
Comprehensive income for the period:						
Loss for the period		–	–	–	137,412	137,412
Total comprehensive loss		–	–	–	137,412	137,412
Contributions by and distributions to owners:						
Other capital reserve contributions		–	–	2,250,000	–	2,250,000
31 December 2017		2	100,000	4,731,001	(475,352)	4,355,649
Comprehensive income for the period:						
Loss for the period		–	–	–	(302,737)	(302,737)
Total comprehensive loss		–	–	–	(302,737)	(302,737)
Contributions by and distributions to owners:						
Other capital reserve contributions		–	–	2,750,000	–	2,750,000
31 December 2018		2	100,000	7,481,001	(778,089)	6,802,912
Comprehensive income for the period:						
Loss for the period		–	–	–	(257,656)	(257,656)
Total comprehensive loss		–	–	–	(257,656)	(257,656)
Contributions by and distributions to owners:						
Other capital reserve contributions		–	–	1,212,800	–	1,212,800
31 December 2019		2	100,000	8,693,801	(1,035,745)	7,758,056
Comprehensive income for the period:						
Loss for the period		–	–	–	(99,995)	(99,995)
Total comprehensive loss		–	–	–	(99,995)	(99,995)
Contributions by and distributions to owners:						
Other capital reserve contributions		–	–	330,421	–	330,421
30 June 2020 (unaudited)		2	100,000	9,024,222	(1,135,740)	7,988,482
31 December 2018		2	100,000	7,481,001	(778,089)	6,802,912
Comprehensive income for the period:						
Loss for the period		–	–	–	(111,914)	(111,914)
Total comprehensive loss		–	–	–	(111,914)	(111,914)
Contributions by and distributions to owners:						
Other capital reserve contributions		–	–	750,000	–	750,000
30 June 2019		2	100,000	8,231,801	(890,003)	7,440,998

CASH FLOW STATEMENTS

For the periods

In Euros	*Note*	*Six months ended 30 June 2020 (unaudited)*	*Six months ended 30 June 2019 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Cash flows from operating activities						
Loss for the period		(99,995)	(111,914)	(257,656)	(302,737)	137,412
Adjustments for:						
Depreciation of property, plant and equipment		9,111	9,121	18,242	10,221	5,269
Finance income from loan waiver		–	–	–	–	(304,183)
Changes in working capital items:						
Change in trade payable and accrued liabilities		(5,726)	(201,795)	(220,752)	(169,068)	423,674
Change in other receivables and prepayments		(1,858)	75,244	19,044	4,671	(77,882)
Net cash used in operating activities		(98,468)	(229,344)	(441,122)	(456,913)	184,290
Cash flows from investing activities:						
Purchase of property, plant and equipment		(3,113)	(111,485)	(121,190)	(221,324)	(15,355)
Purchase of exploration & evaluation assets		(225,826)	(936,829)	(1,144,021)	(2,331,619)	(1,678,395)
Net cash from/(used) in investing activities		(228,939)	(1,048,314)	(1,265,211)	(2,552,943)	(1,693,750)
Cash flows from financing activities						
Issues of capital, net of share costs		330,421	750,000	1,212,800	2,750,000	2,250,000
Repayments of bonds/ borrowings		–		–	–	(357,611)
Net cash flows from financing activities		330,421	750,000	1,212,800	2,750,000	1,892,389
Change in cash and cash equivalents during the period		3,014	(527,658)	(493,533)	(259,856)	382,929
Exchange rate effects		–	–	–	–	–
Cash and cash equivalents, beginning of the period		150,189	643,722	643,722	903,578	520,649
Cash and cash equivalents, end of the period		153,203	116,064	150,189	643,722	903,578

NOTES TO THE FINANCIAL INFORMATION

1. General Information

The principal activity of Deutsche Lithium GmbH (the 'Company') is the development of the Zinnwald Lithium Project. The Company is incorporated and domiciled in Germany. The address of its registered office is Am St. Niclas Schacht 13, 09599 Freiberg, Germany.

2. Accounting policies

The principal accounting policies applied in the preparation of this financial information are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 ***Basis of preparing of financial statements***

The financial information of Deutsche Lithium GmbH has been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRS IC') as adopted by the European Union. The financial information has also been prepared under the historical cost convention.

The financial information is presented in euros rounded to the nearest euro.

The preparation of financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 3.

(a) New and amended standards mandatory for the first time for the financial period beginning 1 January 2017

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 January 2017 and have been applied in preparing these Financial Statements. Below are the material standards and amendments to these accounts:

IFRS 9 – Financial instruments

IFRS 9 provides a comprehensive new standard for accounting for all aspects of financial instruments. The focus is on three main areas:

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets.

The new standard has replaced the incurred loss model for impairment under IAS 39 with a forward-looking expected credit loss model.

Although the classification criteria for financial liabilities did not change under IFRS 9, the fair value option requires different accounting for changes to the fair value of a financial liability resulting from changes to an entity's own credit risk.

New hedge accounting requirements were incorporated into IFRS 9 that increase the scope of items that can qualify as a hedged item and change the requirements of hedge effectiveness testing that must be met to use hedge accounting. The Company has no hedging arrangements.

On 1 January 2018, the Company adopted IFRS 9. The new standard has been applied retrospectively but did not result in a restatement of prior period financial assets and liabilities. An impairment review using IFRS 9's expected credit loss model did not result in an impairment provision.

IFRS 15 – Revenue from contracts with customers

IFRS 15 provides a single model to determine how and when an entity should recognise revenue, as well as requiring entities to provide more informative, relevant disclosures in respect to its revenue recognition criteria.

On 1 January 2018, the Company adopted IFRS 15. The new standard had no impact on prior period financial assets and liabilities.

IFRS 16 – Leases

IFRS 16, which supersedes IAS 17, sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). Lessee accounting has changed substantially under this new standard while there is little change for the lessor. IFRS 16 has removed the classification of leases as either operating leases or financing leases and, instead, introduced a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and is required to present depreciation of leased assets separately from interest on lease liabilities in the Statement of Comprehensive Income. A lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases separately.

On 1 January 2019, the Company adopted IFRS 16. The Company has reviewed its contracts and agreements and has not identified any material leases. The impact of IFRS 16 is nil on both current and prior periods.

There are no other new standards and amendments to standards and interpretations effective for the financial period beginning on or after 1 January 2017 that are material to the Company and therefore not applied in preparing these Financial Statements.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	*Detail*	*Effective date*
IFRS 7	Amendments resulting from Annual improvements	1 January 2022
IAS 1	Amendment – regarding the classification of liabilities	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

The Company is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's results or shareholders' funds.

2.2 ***Going concern***

The financial information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial information.

2.3 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand, and are subject to an insignificant risk of changes in value.

2.4 ***Other receivables***

Other receivables are mainly VAT receivables due from the German government, which are current assets and expected to be received within the next 12 months. All receivables are held at amortised cost less any provision for impairment. A loss allowance for expected credit losses is made to reflect changes in credit risk since initial recognition.

2.5 ***Property, plant and equipment***

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Land and Freehold buildings	Nil
Plant and machinery	14-33.3%
Furniture and vehicles	16.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Income Statement.

2.6 ***Exploration and evaluation assets***

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred.

Exploration and evaluation assets are intangible assets. Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential mineral resources, and include costs such as exploratory drilling, sample testing, activities in relation to the evaluation of technical feasibility and commercial viability of extracting a mineral resource, and general & administrative costs directly relating to the support of exploration and evaluation activities.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Assets are allocated to cash generating units not larger than operating segments for impairment testing. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. They are subsequently stated at cost less accumulated impairment. Exploration and evaluation assets are not amortised.

Where the Company's exploration commitments for a mineral property are performed under option agreements with a third party, the proceeds of option payments under such agreements are applied to the mineral property to the extent costs are incurred. The excess, if any, is recorded to the Statements of Comprehensive Loss. Asset swaps are recognised at the carrying amount of the asset being swapped when the fair value of the assets cannot be determined.

Once the work completed to date on an area of interest is sufficient such that the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be an evaluated mineral property. Exploration and evaluation assets are tested for impairment before the assets are transferred to "Evaluated mineral property".

2.7 ***Trade payable and accrued liabilities***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.8 ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.9 ***Other reserves***

Other capital reserve – the capital reserve is a historical reserve account predominately containing additional equity contributions from joint venture partners.

Retained earnings – the retained earnings reserve includes all current and prior periods retained profit and losses.

2.10 ***Foreign currencies***

(a) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is euros. The financial information is presented in euros, rounded to the nearest euro, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the income statement within 'foreign exchange loss'. All other foreign exchange gains and losses are presented in the income statement within 'foreign exchange loss'.

2.11 ***Taxation***

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.12 ***Financial risk management***

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the German based management team under policies approved by the Directors.

(a) Market risk

The Company is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Company does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Company has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the financial information of the Company at the present time. The Directors will continue to assess the effect of movements in market risks on the Company's financial operations and initiate suitable risk management measures where necessary.

(b) *Credit risk*

Credit risk arises from cash and cash equivalents as well as outstanding receivables. To manage this risk, the Company periodically assesses the financial reliability of customers and counterparties.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

2.13 ***Capital risk management***

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to enable the Company to continue its construction material activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the issue of shares or sell assets to reduce debts.

The Company defines capital based on the total current assets less current liabilities of the Company. The Company monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

2.14 ***Financial risk management***

The preparation of the financial information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this financial information.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Accounting estimates and judgements

Management have concluded that there are no significant estimates or judgements which would have a material impact on the financial statements.

4. Cash and cash equivalents

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Cash in hand	245	55	255	335
Cash at bank	152,958	150,134	643,467	903,243
Cash and cash equivalents	153,203	150,189	643,722	903,578

All of the Company's cash at bank is held with institutions with an A-2 credit rating.

5. Other receivables and prepayments

Other receivables consist of the following and are all current:

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Due from Shareholders	101,821	101,400	0	0
VAT Receivable	8,353	3,370	117,793	114,615
Prepayments	2,542	6,088	12,109	22,124
Total	112,716	110,859	129,902	136,739

6. Property, plant and equipment

Cost (Euro)	*Buildings*	*Plant and machinery*	*Office furniture and equipment*	*Total*
30 June 2017	–	1,363	15,355	16,718
Additions	–		63,324	63,324
Disposals	–	–	–	–
31 December 2018	–	1,363	78,679	80,042
Additions	9,705	–	–	9,705
Disposals	–	–	–	–
31 December 2019	9,705	1,363	78,679	89,747
Additions	113	–	–	113
Disposals	–	–	–	–
30 June 2020 (unaudited)	9,817	1,363	78,679	89,860
Depreciation 30 June 2017	–	1,362	4,109	5,471
Charge for the period		–	8,044	8,044
Disposals	–	–	–	–
31 December 2018	–	1,362	12,153	13,515
Charge for the period			14,562	14,562
Disposals	–	–	–	–
31 December 2019	–	1,362	26,715	28,077
Charge for the period			7,275	7,275
Disposals	–	–	–	–
30 June 2020 (unaudited)	–	1,362	33,991	35,353
Net Book Value 30 June 2017	–	1	11,246	11,247
31 December 2018	–	1	66,526	66,527
31 December 2019	9,705	1	51,964	61,670
30 June 2020 (unaudited)	9,817	1	44,689	54,507

7. Exploration and evaluation assets

All of these assets relate to work done for the Pre-Feasibility Study and subsequent Feasibility Study for the Zinnwald Lithium Project.

In Euro	*Zinnwald Lithium*
31 December 2017	3,745,614
Additions	2,487,442
31 December 2018	6,233,056
Additions	1,251,825
31 December 2019	7,484,881
Additions	226,992
30 June 2020 (unaudited)	7,711,873

8. Trade and other payables

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Trade payables	(8,091)	(1,825)	(154,706)	(424,072)
Accrued liabilities	(29,576)	(39,910)	(107,925)	(10,000)
Other payables	(11,676)	(13,334)	(13,191)	(10,819)
Total	(49,343)	(55,069)	(275,822)	(444,891)

Other payables mainly consist of employment taxes payable to the German government.

9. Share capital

	Share capital	
In Euros	*Number of shares*	*Value*
31 December 2017	2	100,000
31 December 2017	2	100,000
31 December 2018	2	100,000
31 December 2019	2	100,000
30 June 2020 (unaudited)	2	100,000

10. Other reserves

In Euros	*Other capital reserve*
31 December 2016	2,481,001
Other capital reserve contributions	2,250,000
31 December 2017	4,731,001
Other capital reserve contributions	2,750,000
31 December 2018	7,481,001
Other capital reserve contributions	1,212,800
31 December 2019	8,693,801
Other capital reserve contributions	330,422
30 June 2020 (unaudited)	9,024,223

11. Expenses by nature

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Six months ended 30 June 2019 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Management fees	(63,145)	(64,576)	(158,002)	(154,212)	(52,122)
Legal and accounting fees	(2,299)	(14,897)	(24,568)	(37,164)	(43,970)
Travel and other expenses	(7,596)	(11,408)	(16,563)	(55,919)	(31,575)
Office expenses	(17,841)	(11,893)	(40,221)	(44,984)	(33,835)
Total	(90,881)	(102,774)	(239,354)	(292,279)	(161,502)

12. Finance income

Finance income consists of a loan from a shareholder which was waived in the period to 31 December 2017.

13. Employee benefits expenses

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Six months ended 30 June 2019 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Staff costs (including directors)					
Salaries and wages	212,878	194,711	433,798	457,552	198,612
Post-employment benefits	0	0	0	0	0
Social security contributions and similar taxes	37,106	32,132	62,461	67,251	33,122
Other employment costs	6,003	6,004	12,007	9,731	3,165
	255,987	232,847	508,266	534,534	234,899

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

In Euros	*Six months ended 30 June 2020 (unaudited)*	*Six months ended 30 June 2019 (unaudited)*	*Year ended 31 December 2019*	*Year ended 31 December 2018*	*Year ended 31 December 2017*
Staff costs (directors)					
Salaries and wages	73,300	73,300	196,600	196,600	61,083
Post-employment benefits	0	0	0	0	0
Social security contributions and similar taxes	7,460	7,127	14,255	13,142	5,484
Other employment costs	6,003	6,004	12,007	9,731	3,165
	86,763	86,431	222,862	219,473	69,732

14. Taxation

The Company has an accumulated tax loss carried forward at 30 June 2010 of €6.531 million (at 31 December 2019 it was €6.205 million, at 31 December 2018 it was €4.802 million and at 31 December 2017 it was €2.175 million). There is no time limit on the usability of these accumulated tax losses. No deferred tax asset has been calculated, since under German GAAP, the Company has assessed that there is no current certainty on recoverability of these losses within 5 years. The difference between accumulated tax losses and accumulated losses on the Balance Sheet is due to the difference in IFRS treatment of capitalisation of certain costs and is hence a matter of timing difference. The movement in unprovided deferred tax in respect of tax losses differs from the accounting result due principally due to the differing tax treatment of expenditure on exploration and evaluation assets."

15. Commitments

The Company has the following commitments:

Rent for Offices:	1500 Euro/month	termination time 3 months
Rent for warehouse:	1500 Euro/month	termination time 6 months

16. Related parties

The Companies related parties include its joint venture shareholders, there have been transactions totalling EUR 330,421 with Bacanora Lithium Plc in the period to 30 June 2020 (EUR 1,212,800 in the year to 31 December 2019, EUR 2,7501,000 in the year to 31 December 2018 and EUR 2,250,000 in the year to 31 December 2017) and no balances remain outstanding at 30 June 2020 to related parties (31 December 2019, 2018 and 2017: Nil). There were no transactions with SolarWorld AG.

PART VIII

FINANCIAL INFORMATION ON THE COMPANY

In accordance with rule 28 of the AIM Rules, this document does not contain historical financial information on the Group which would be required by Section 18 of Annex 1 of the Prospectus Rules.

The Group's unaudited interim results for the six months ended 30 June 2020, audited annual report and accounts for the financial years ended 31 December 2019 and 31 December 2018 are available on the Company's website https://www.errisresources.com/. The Company's admission document dated 14 December 2017, also available on the Company's website, contains special purpose historical financial information of Erris Resources plc dated 30 September 2017 and historical financial information of Erris Resources (Exploration) Ltd for the years ended 30 September 2014, 2015 and 2016.

PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD, were the auditors of such audited financial information.

PART IX

UNAUDITED PROFORMA CONSOLIDATED NET ASSET STATEMENT FOR ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets as at 30 June 2020 (the "**Unaudited Pro Forma Financial Information**") of Erris Resources Plc ("**the Company**") and an adjustment for the purchase of 50 per cent. of Deutsche Lithium GmbH ("**DL**") (together "**the Enlarged Grou**p"). The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared on the basis set out in the notes below to illustrate the impact of the Placing and proposed asset purchase as if it had taken place on 1 January 2020.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group's financial position. The Unaudited Pro Forma Financial Information is based on the unaudited net assets as at 30 June 2020 of the Company, as incorporated by reference in Part VIII and for DL as shown in Part VII (Historical Financial Information). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 June 2020, being the date of the last published balance sheet of the Company.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Admission Document and not rely solely on the summarised financial information contained in this Part.

Unaudited pro forma statement of net assets at 30 June 2020

	The Company	*Acquisition of DL adjustment*		
	Net assets as at 30 June 2020 (Note 1) €	*(Note 2)* €	*Issue of Placing Shares net of costs (Note 3)* €	*Unaudited pro forma adjusted aggregated net assets of the Enlarged Group on admission* €
Assets				
Non-current assets				
Intangible assets	2,140,610	–	–	2,140,610
Investment in JV	–	960,906		960,906
Property, plant and equipment	–	–	–	–
Non-current assets	2,140,610	960,906	–	3,101,516
Current assets				
Cash and cash equivalents	1,271,251	–	3,324,605	4,595,856
Trade and other receivables	51,330	–	–	51,330
Current assets	1,322,581	–	3,324,605	4,647,186
Total assets	3,463,191	960,906	3,324,605	7,748,702
Liabilities				
Current liabilities				
Trade and other payables	12,476	–	–	12,476
Total current liabilities	12,476	-	–	12,476
Total liabilities	12,476	–	–	12,476
Total assets less total liabilities	3,450,715	960,906	3,324,605	7,736,226

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Company as at 30 June 2020 have been extracted without adjustment from the unaudited interim financial information for the 6 month period ended 30 June 2020 included by reference in Part VIII.
2. An adjustment has been made to reflect the acquisition of 50 per cent. of the share capital of Deutsche Lithium GmbH. The investment in joint venture has been fair valued based on the consideration of 90,619,170 shares at an issue price of 5p per Ordinary share. The adjustment takes account of 50% of the net assets of DL which have been extracted without adjustment from the unaudited interim financial information at 30 June 2020 included in Part VII.
3. An adjustment has been made to reflect the proceeds of a placing of 75,000,000 Ordinary Shares of the Company at an issue price of 5p per Ordinary Share net of an adjustment to reflect the payment in cash of finance costs estimated at approximately £410,000. The total net proceeds have been converted to Euros, for the purpose of the Pro forma statement of net assets, at a rate of 1.09362.
4. No adjustments have been made to the historical results of any entities within the Enlarged Group to reflect the trading or other transactions.
5. The pro forma statement of net assets does not constitute financial statements.

PART X

ADDITIONAL INFORMATION REQUIRED BY THE TAKEOVER CODE

1. Composition of the Concert Party

The composition of the Concert Party and a brief biography of each of the members of the Concert Party is set out below.

The Concert Party is comprised of Bacanora, its directors (being Mark Hohnen, Peter Secker, Eileen Carr, James Strauss, Dr Andres Antonius, Junichi Tomono, Xiaoshen Wang and Graeme Purdy) and its company secretary, Cherif Rifaat (who is also Chief Financial Officer and a director of Erris), all of whom can be contacted at 4 More London Riverside, London, SE1 2AU.

Bacanora Lithium plc

Bacanora is an AIM-quoted lithium development and exploration company with assets in Mexico and Germany. It is focused on building, in collaboration with its major shareholder and offtake partner, Ganfeng Lithium (the world's largest lithium metals producer), a 35,000 tonne per annum open pit lithium carbonate operation at its flagship asset, the Sonora Lithium Project in Mexico. Details of Bacanora's financial and trading prospects can be found in the Financial Review section (pages 12 to 13) of its Interim Report for the six months ended 30 June 2020. Further details regarding Bacanora's financial information can be found in paragraph 3 below.

Mark Hohnen – *Executive Director / Chairman of Bacanora*

Mr. Hohnen has experience in the Japanese, Chinese and Korean markets, all of which play a significant role in the production of lithium ion batteries and the development of electric vehicle technology. Mr. Hohnen has been involved in the mineral resource sector since the late 1970s. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He has held a number of directorships in both public and private companies, including Anglo Pacific Resources Plc. Mr. Hohnen was also a director of Kalahari Minerals and Extract Resources, having successfully negotiated the sale of both companies to Taurus (CGN). Mr Hohnen is currently a director of Pensana Rare Earths Plc, the ASX and LSE listed rare earth metals explorer. He also served as Non-Executive Chairman of BOSS Resources Ltd and director of Salt Lake Potash Limited.

Peter Secker – *Chief Executive Officer, Executive Director of Bacanora*

Mr. Secker is a mining engineer with over 35 years' experience in the resources industry. During his career he has built and operated a number of mines and metallurgical processing facilities in Africa, Australia, China and Canada. His operating and project experience spans a number of commodities, including titanium, copper, iron ore, gold and lithium. For the past fifteen years Peter has been Chief Executive of a number of publicly listed companies in Canada, UK and Australia.

Eileen Carr – *Non-Executive Director of Bacanora*

Ms Carr has been a key member of teams behind the development of a number of successful mining operations across the world, including the Freda Rebecca gold mine in Zimbabwe, the Ayanfuri gold mine in Ghana, the Kalsaka gold mine in Burkina Faso and the Angovia gold mine in Ivory Coast. She has served as Finance Director/ CFO for both private and public companies starting with Cluff Resources in 1993. She has since gone on to hold several executive directorships in the resource sector, including CFO at both AIM traded Monterrico Metals plc and Alexander Mining plc, and Director at European Goldfields Inc. Ms Carr has also held a number of non-executive directorships and currently sits on the Board and the Audit Committee of Sylvania Platinum Limited. Her first non-executive role was for Banro Corp in 1998 and more recently she was a non-executive director for Talvivaara Mining Co, the Finnish nickel company, and Goldstar Resources NL, an ASX listed gold company. Ms Carr is a Fellow of the Chartered Association of Certified Accountants, holds an MSc in Management from London University and is a SLOAN fellow of London Business School.

James Strauss – *Non-Executive Director of Bacanora*

Mr. Strauss has 30 years' experience within the stockbroking and mining finance sector. He is Founder and Director of Digbee Ltd, a data, research and ESG Reporting platform specifically focused on the mining industry. He is also Director of mining finance boutique, Strauss Partners Ltd, based in London, UK. He was Managing Director at BMO Capital Markets from 2007 to 2009. He has raised in excess of $1bn for projects spanning the globe in both energy and mineral world on behalf of leading institutions in UK, Europe, North America and Australia. Mr. Strauss is an independent director of Altius Minerals and Gold Standard Ventures and serves on the Advisory Panel for Mines & Money.

Dr Andres Antonius – *Non-Executive Director of Bacanora*

Dr. Andres Antonius is a Mexican national who has held positions in the Government of Mexico as well as in the private sector and academia. Dr. Antonius previously served as Undersecretary for Energy Policy and prior to that was a staff member at the Agriculture Secretariat. Dr. Antonius is currently CEO of Plan B, a provider of strategic advice to a range of clients. Prior to founding Plan B, he was the President of the Consulting Services Group at Kroll, a world leader in risk management, business intelligence, and investigations. Dr. Antonius has also held the position of Director of Strategic Planning at the Instituto Tecnológico Autónomo de México ('ITAM') and has taught economic theory, game theory, and crisis management at both the ITAM and the Universidad Iberoamericana. He received a B.A., Masters and PhD degree in Economics from Harvard University.

Junichi Tomono – *Non-Executive Director of Bacanora*

Mr. Tomono has over 23 years' experience with Hanwa, during which time he has worked in the metals, chemicals, alloys, scrap metals and mining divisions. Mr. Tomono has a special focus on the battery chemicals sector including lithium. As head of the newly formed Primary Metal department and as a director of two of the companies Hanwa has invested in, Mr. Tomono has played a key role in Hanwa adopting a more global focus in response to the rapid growth in the lithium battery sector.

Wang Xiaoshen – *Non-Executive Director of Bacanora*

Mr. Wang Xiaoshen is the Vice President of Ganfeng and the vice-chairman of its board of directors. Mr. Wang Xiaoshen is primarily responsible for the marketing, investment and overseas business of Ganfeng and has over 25 years of experience in sales and marketing of lithium products. He is a director of Ganfeng Lithium Limited International, Mariana Lithium, RIM and Lithium Americas. Mr Wang obtained a bachelor's degree in industrial engineering management from North China University of Technology in the People's Republic of China in 1990 and an EMBA from the China Europe International Business School in the People's Republic of China in 2002.

Graeme Purdy – *Non-Executive Director of Bacanora*

Mr. Graeme Purdy has over 25 years' experience in the resources and battery industries and is Chief Executive Officer of AIM-listed Ilika Plc (ticker: IKA), a solid-state lithium battery technology developer. Since joining Ilika in 2004, Graeme has led two successful rounds of venture funding before floating the company on AIM in 2010. Earlier in his career, Graeme worked with Shell, the global energy group, focusing on the design, construction and commissioning of large process engineering projects in remote locations, including Latin America.

Graeme holds a Master's degree in Chemical Engineering from Cambridge and an MBA from INSEAD business school in France. Graeme is a Chartered Engineer and a Sainsbury Management Fellow.

Cherif Rifaat – *Company Secretary of Bacanora and Chief Financial Officer of Erris*

Mr Rifaat's biographical details can be found in Part I of this document.

2. The Concert Party's intentions

The Concert Party's long-term commercial justification for the transaction is that Bacanora has been considering for some time how best to progress the Zinnwald Lithium Project, including a sale of its share

in the Project to another party or a spin out into another public or private company. The Concert Party believes that Erris will be able to raise funding to progress the Project and Bacanora will be able to focus on its flagship Sonora lithium project in Mexico.

The Concert Party has confirmed that it has no intention to make any changes in relation to:

- the future business of the Company, including its intentions for any research and development functions of the Company;
- the continued employment of the employees and management of the Company and of its subsidiaries, including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management;
- the strategic plans for the Company, and their likely repercussions on employment and on the locations of the Company's places of business, including on the location of the Company's headquarters and headquarters functions;
- employer contributions into the Company's pension scheme (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members, and the admission of new members;
- any redeployment of the fixed assets of the Company; and
- the maintenance of any existing trading facilities for the relevant securities of the Company.

The Independent Directors believe that the Proposals are in the best interests of all Shareholders and that the Zinnwald Lithium Project represents an excellent opportunity to create value for Shareholders, particularly as the Project is at an advanced stage when compared to the Company's existing assets. The Independent Directors note the Concert Party's intentions above and do not believe that there will be any effect on the Company's business, employment or places of business.

3. Parties acting in concert with Erris

Erris is acting in concert with its directors, being Jeremy Martin, Anton du Plessis, Cherif Rifaat and Graham Brown.

4. Financial Information

The following financial information on the Company is incorporated by reference into this document in accordance with Rule 24.15 of the Takeover Code and is available on the Company's website at: https://www.errisresources.com/ as set out below.

The following financial information on Bacanora is incorporated by reference into this document in accordance with Rule 24.15 of the Takeover Code and is available on the Company's website at: https://www.errisresources.com/ as set out below.

The Company will provide, without charge, to each person to whom a copy of this document has been delivered, upon the oral or written request of such person, a hard copy of the documents below incorporated by reference herein. The Company will also provide, without charge, to each person to whom a copy of this document has been sent in electronic form or by way of a website notification, upon the oral or written request of such person, a hard copy of this document. Written or telephone requests for such documents should be directed to Cherif Rifaat of Erris Resources plc C/O Whitley Stimpson Limited, 29-31 Castle Street, High Wycombe, Bucks, England, HP13 6RU or by telephone on +44 (0) 20 7236 1177. A hard copy of any document incorporated into this document by reference will not be sent to such persons unless requested.

Except as set out below, no other portion of these documents is incorporated by reference into this document.

Erris

No	*Information incorporated by reference*	*Source of information*
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, the amount absorbed by dividends and earnings and dividends per share for Erris for the years ended 31 December 2018 and 31 December 2019 and for the six months ended 30 June 2020	**Annual Report 2018,** group statement of comprehensive income (p25) and dividend information (p12) **Annual Report 2019,** group statement of comprehensive income (p29) and dividend information (p15) **Interim results for the six months ended 30 June 2020,** group statement of comprehensive income (p8) and dividend information (p6)
2.	A statement of the assets and liabilities shown in the audited accounts for Erris as at 31 December 2018, 31 December 2019 and 30 June 2020	**Annual Report 2018,** group statement of financial position (p26) **Annual Report 2019,** group statement of financial position (p30) **Interim results for the six months ended 30 June 2020,** group statement of financial position (p9)
3.	A cash flow statement as provided in the audited accounts for Erris for the years ended 31 December 2018 and 31 December 2019 and for the six months ended 30 June 2020	**Annual Report 2018**, group statement of cash flows (p30) **Annual Report 2019**, group statement of cash flows (p34) **Interim results for the six months ended 30 June 2020**, group statement of cash flows (p11)
4.	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.	**Annual Report 2018**, notes to the financial statements (p32 – p37) **Annual Report 2019**, notes to the financial statements (p36 – p42) **Interim results for the six months ended 30 June 2020**, (p12 – p13)

Bacanora

No	*Information incorporated by reference*	*Source of information*
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, the amount absorbed by dividends and earnings and dividends per share for Bacanora for the years ended 30 June 2018 and 30 June 2019 and for the six months ended 31 December 2019 and 30 June 2020.	**Annual Report 2018**, consolidated statement of compressive income (p46) **Annual Report 2019**, consolidated statement of compressive income (p55) **Annual report for the six month period ended 31 December 2019**, consolidated statement of compressive income (p59) **Interim results for the six months ended 30 June 2020,** consolidated statement of compressive income (p17)

No	*Information incorporated by reference*	*Source of information*
2.	A statement of the assets and liabilities shown in the audited accounts for Bacanora as at 30 June 2018, 30 June 2019, 31 December 2019 and 30 June 2020.	**Annual Report 2018**, consolidated statement of financial position (p44) **Annual Report 2019**, consolidated statement of financial position (p53) **Annual report for the six month period ended 31 December 2019**, consolidated statement of financial position (p58) **Interim results for the six months ended 30 June 2020**, consolidated statement of financial position (p16)
3.	A cash flow statement as provided in the audited accounts for Bacanora for the years ended 30 June 2018 and 30 June 2019 and for the six months ended 31 December 2019 and 30 June 2020.	**Annual Report 2018**, consolidated statement of cash flows (p48) **Annual Report 2019**, consolidated statement of cash flows (p57) **Annual report for the six month period ended 31 December 2019**, consolidated statement of cash flows (p61) **Interim results for the six months ended 30 June 2020**, consolidated statement of cash flows (p19)
4.	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.	**Annual Report 2018**, notes to the financial statements (p50 – p58) **Annual Report 2019**, notes to the financial statements (p59 – p69) **Annual report for the six month period ended 31 December 2019**, notes to the financial statements (p63 – p73) **Interim results for the six months ended 30 June 2020**, (p21 – p22)

5. Relationships, arrangements and understandings

Relationships with Directors

No relationship (personal, financial or commercial), arrangements or understandings exist between any member of the Concert Party or any person acting in concert with them and any Director (or any person who is, or is presumed to be, acting in concert with any such Director). As stated above, Cherif Rifaat is company secretary of Bacanora and Chief Financial Officer and a director of Erris. Accordingly, he is a member of the Concert Party.

The Concert Party has not entered into, or reached an advanced stage of discussions on proposals to enter into, any form of incentivisation arrangements with members of the Company's management.

Relationships with Shareholders

No relationship (personal, financial or commercial), arrangements or understandings exist between any member of the Concert Party or any person acting in concert with them and any Shareholder (or any person who is, or is presumed to be, acting in concert with any such Shareholder). Cherif Rifaat is a member of the Concert Party and is also a Shareholder. Accordingly, he will be excluded from voting on the Whitewash Resolution.

Relationships with Rule 3 adviser

No relationship (personal, financial or commercial), arrangements or understandings exist between any member of the Concert Party or any person acting in concert with them and Allenby Capital, acting as adviser to the Company under Rule 3 of the Takeover Code (or any person who is, or is presumed to be, acting in concert with Allenby Capital).

6. Interests and Dealings

Definitions

For the purposes of this document:

(a) references to persons "acting in concert" comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:

  (i) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);

  (ii) a company with any of its directors (together with their close relatives and related trusts);

  (iii) a company with any of its pension funds and the pension funds of any company covered in (i);

  (iv) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;

(b) an "arrangement" includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing;

(c) a "connected adviser" means an organisation which is advising the offeror or the offeree company;

(d) "connected person" means in relation to any person a person whose interest in shares is one in which the first mentioned person is also taken to be interested pursuant to Part 2 of the Act;

(e) "control" means a holding, or aggregate holdings, of shares in the capital of a company carrying 30 per cent. or more of the voting rights of such company, irrespective of whether the holding or holdings give de facto control;

(f) "dealing or dealt" include:

  (i) acquiring or disposing of Relevant Securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to Relevant Securities or general control of Relevant securities;

  (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option in respect of any Relevant Securities;

  (iii) subscribing or agreeing to subscribe for Relevant Securities (whether in respect of new or existing securities);

  (iv) exercising or converting any Relevant Securities carrying conversion or subscription rights;

  (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to Relevant Securities;

  (vi) entering into, terminating or varying the terms of any agreement to purchase or sell Relevant Securities; and

(vii) any other action resulting, or which may result, in an increase or decrease in the number of Relevant Securities in which a person is interested or in respect of which he has a short position;

(g) "derivative" includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying securities;

(h) "disclosure date" means 7 October 2020, being the latest practicable date prior to the publication of this document;

(i) "disclosure period" means the period of 12 months ending on the disclosure date;

(j) an "exempt fund manager" means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Code;

(k) an "exempt principal trader" means a person who is recognised by the Panel as an exempt principal trader for the purposes of the Code;

(l) being "interested" in Relevant Securities includes where a person (otherwise than through a short position):

(i) owns Relevant Securities; or

(ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to Relevant Securities or has general control over them; or

(iii) by virtue of an agreement to purchase, option or derivative, has the right or option to acquire Relevant Securities or to call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

(iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

(m) "Relevant Securities" means securities which comprise equity share capital (or derivatives referenced thereto) and securities convertible into rights to subscribe for and options (including traded options) in respect of any such securities; and

(n) "short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

6.1 Save as disclosed in paragraphs 9.5.1 and 9.5.2 of Part XII, no members of the Concert Party nor any person acting in concert with the Concert Party have any interests in or a right to subscribe for Ordinary Shares. No Concert Party members nor any person acting in concert with the Concert Party have dealt in or borrowed or lent Ordinary Shares or held short positions during the Disclosure Period.

6.2 There is no agreement, arrangement or understanding (including any compensation arrangement) that exists between the Concert Party and any of the Directors, recent directors of the Company, Shareholders, recent Shareholders, Allenby Capital, or any person interested or recently interested in Ordinary Shares, having any connection with or dependence upon the Proposals.

6.3 Bacanora will receive the Consideration Shares. At the date of this document, Ganfeng Lithium Ltd and M&G plc hold 25.83 per cent. and 19.90 per cent. of the issued share capital of Bacanora, respectively. In the event that Bacanora were to distribute the Consideration Shares to its shareholders and the holdings of Ganfeng Lithium Ltd and M&G plc remain as they are currently, Ganfeng Lithium Ltd and M&G plc would hold 11.41 and 8.79 per cent. of the voting rights of the Company, assuming no further issues of Ordinary Shares.

6.4 At the disclosure date:

(a) save as disclosed in paragraph 9.5.1 of Part XII, none of the Directors (including any members of their respective immediate families, related trusts or connected persons) had any interest in or a

right to subscribe for, or has any short positions in relation to any relevant securities of the Company;

(b) save as disclosed in paragraphs 9.5.1 and 9.5.2 of Part XII, no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of the Company;

(c) none of the Directors (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company nor the Company had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold;

(d) Cherif Rifaat, a member of the Concert Party, holds 200 ordinary shares in Bacanora, also a member of the Concert Party. Neither the Company nor any of the Independent Directors (including any members of their respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to any ordinary shares in Bacanora nor had they dealt in any ordinary shares in Bacanora during the disclosure period.

7. Middle Market Quotations

The following table shows the closing middle market quotations of the Existing Ordinary Shares for the first business day in each of the six months immediately prior to the date of this document and on 29 September 2020 (being the latest practicable date prior to publication of this document):

Date	*Price per Ordinary Share*
1 April 2020	2.8p
1 May 2020	4.9p
1 June 2020	4.7p
1 July 2020	6.1p
3 August 2020	5.9p
1 September 2020	6.75p
29 September 2020	6.13p*

*price per Ordinary Share at suspension of trading

PART XI

TAXATION

1. UNITED KINGDOM TAXATION

1.1. *General*

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident and domiciled in the UK and are holding shares as an investment. They do not address the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. Further, the position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice (which may be subject to change). It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares traded on AIM are generally treated as unquoted for these purposes.

Shareholders should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and may alter the benefits of investment in the Company.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

The information in these paragraphs is intended as a general summary of the UK tax position (without aiming for completeness) and should not be construed as constituting advice.

1.2. *Taxation of dividends*

No tax is required to be withheld from dividend payments made by the Company.

Individuals

An individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant financial year does not exceed £2,000 (the "Tax Free Dividend Allowance") will not pay any income tax on such dividend.

Based on current law at the date of this Admission Document, an individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant tax year does exceed £2,000 will be taxed as follows:

(a) the individual Shareholders will not pay income tax on the first £2,000 of dividend income in any tax year;

(b) to the extent that the individual's Total Income (as defined below) exceeds the personal allowance but does not exceed the basic rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 7.5 per cent.;

(c) to the extent that the individual's Total Income (as defined below) exceeds the basic rate band but does not exceed the higher rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 32.5 per cent.;

(d) to the extent that the individual's Total Income (as defined below) falls within the additional rate band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 38.1 per cent.;

(e) "**Total Income**" means the total of the individual's dividend income and other taxable income for a tax year; and

(f) "**Excess Dividend**" means the total of that individual's dividend income in that tax year less £2,000.

For the year 2020/2021 in England and Wales, the basic rate band is the first £37,500 of income in excess of any personal allowance, the higher rate band is income between £37,501 and £150,000 in excess of

any available personal allowance and the additional rate band applies to income in excess of £150,000 (these bands differ slightly in Scotland).

Where an individual's taxable income exceeds £100,000, their personal allowance is abated by £1 for every £2 of income such that individuals with income in excess of £125,000 will have no personal allowance.

Trustees of interest in possession trusts and representatives of deceased persons receiving dividends from shares are also liable to account for income tax at a rate of 38.1 per cent., unless the dividends are mandated directly to beneficiaries, in which case only the beneficiaries need to account for the income. In either case, the beneficiaries will be taxable at the rates detailed above. Trustees and personal representatives do not qualify for the dividend allowance available to individuals.

Companies

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are "ordinary share capital" for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that generally fall within an exempt class.

Persons who are not resident in the UK should consult their own tax advisers on what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

1.3. ***Taxation of chargeable gains***

For the purpose of UK tax on chargeable gains, the acquisition of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Ordinary Shares will usually constitute the allowable cost of a Shareholder's holding.

If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances and subject to any available exemptions and reliefs.

A UK tax resident individual Shareholder who disposes (or is deemed to dispose) of all or any of their Ordinary Shares may be liable to capital gains tax in relation to the disposal proceeds (or deemed disposal proceeds) at rates up to 20 per cent., subject to the deduction from the disposal proceeds (or deemed disposal proceeds) of the relevant Ordinary Shares' allowable cost and incidental costs of acquisition and disposal, and subject to any available exemptions and reliefs. In addition, an individual UK Shareholder who ceases to be tax resident in the UK for a period of less than five complete years and who during that period of temporary non-residence disposes of the Ordinary Shares held prior to such period may, under anti avoidance legislation, be liable to capital gains tax on his or her return to the UK.

Shareholders who are not resident in the UK (or are temporarily non-resident – see above) and do not carry on a trade, profession or vocation through a branch or agency in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

A UK tax resident corporate Shareholder disposing of its Ordinary Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate currently being 19 per cent.).

In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Ordinary Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of Ordinary Shares by corporate Shareholders subject to certain conditions being met.

1.4. ***Inheritance tax***

Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax.

Investors who are concerned with the potential UK inheritance tax implications of their Ordinary Shares should consult their own tax adviser.

1.5. ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

No stamp duty or SDRT will generally be payable on the issue of the Placing Shares.

SDRT should not arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(1) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(2) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, SDRT may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

1.6. ***Enterprise Investment Scheme ("EIS")***

The Company completed its IPO in December 2017 at which a total of 16,000,000 new shares were issued raising a total value of £4,000,000. In September 2018, the Company received confirmation from HM Revenue & Customs ("HMRC") of its status as a "qualifying company" for the purposes of the EIS and that the conditions set out in Part 5 of the Income Tax Act 2007 had been satisfied (save for the conditions in Chapter 2 of Part 5 that relate to the individual circumstances of investors). The Company subsequently issued EIS certificates to 65 individual Shareholders that had subscribed for a total of 3,743,000 shares in the IPO at a combined value of £935,750.

These issued certificates only related to the qualifying status of the Company and its Ordinary Shares at that time (December 2017) and does not guarantee that any particular individual Shareholder will qualify for relief under EIS in respect of an acquisition of Placing Shares. The conditions for EIS relief are complex and depend not only on the qualifying status of the Company, but also on the circumstances of individual investors.

The Company continues to carry out the activities under which it received this original EIS status but cannot guarantee or undertake to conduct its business following Admission, in a way to ensure that the Company will continue to meet the requirements for EIS in Part 5 of the Income Tax Act 2007. Whilst the Directors are therefore of the view that EIS status continues to be met for the Company as a whole, the planned use of funds derived from the Placing Shares may not wholly meet the conditions regarding the use of EIS funds raised. Accordingly, the Placing is not explicitly targeted as an EIS investment opportunity.

However, following completion of the Placing, the Directors will consider the level of funds raised and identify the value of funds that will be deployed on EIS qualifying expenditure in the subsequent two years to identify the value of investments that may qualify for EIS relief. To the extent that relief is available, the Directors will contact potentially qualifying investors, with those Shareholders who were previously issued EIS certificates, as set out at the beginning of this paragraph 1.6, or other Shareholders who have committed to further subscriptions likely to receive priority.

PART XII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1 The Existing Directors and the Proposed Director, whose names appear on page 4, and the Company accept individual and collective responsibility for the information contained in this document, including expressions of opinion, (other than information concerning the Concert Party and its intentions for which the Concert Party takes sole responsibility). To the best of the knowledge of the Existing Directors, Proposed Director and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

1.2 Each member of the Concert Party, whose names are set out in paragraph 1 of Part X of this document, accepts responsibility for the information contained in this document (including any expression of opinion) relating to the Concert Party. To the best of the knowledge and belief of each member of the Concert Party (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

2.1 The Company was incorporated in England and Wales on 21 June 2017 under the Act as 'Erris Resources (Exploration) plc' with company number 10829496. The Company changed its name to 'Erris Resources plc' on 1 December 2017.

2.2 On 19 December 2017 the Company obtained a certificate pursuant to sections 761 and 762 of the Act entitling it to trade and do business. The liability of the members of the Company is limited.

2.3 The Company is domiciled in the UK.

2.4 The registered office of the Company is c/o Whitley Stimpson, 29-31 Castle Street, High Wycombe, Buckinghamshire HP13 6RU and the Company's telephone number is +44 (0) 20 7236 1177. The Company's head office is at The Clubhouse, 8 St James's Square, London, SW1Y 4JU.

2.5 The Company's accounting reference date is 31 December.

2.6 The Company's auditors are PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London, E14 4HD and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

2.7 The principal legislation under which the Company now operates and under which the Ordinary Shares have been created, is the Act and regulations made thereunder. The Company operates in conformity with its constitution.

2.8 The Company's website address, at which the information required by the AIM Rules can be found is, is www.errisresources.com. With effect from Admission, the Company's website will be changed to www.zinnwaldlithium.com.

3. SHARE CAPITAL HISTORY

3.1 On incorporation of the Company, the Company issued 1 ordinary share of £0.01, equating to an issued share capital of 1 ordinary share of £0.01.

3.2 On 1 December 2017, the Company issued 14,909,429 ordinary shares of £0.01 each, equating to an issued share capital of 14,909,430 ordinary shares of £0.01 each.

3.3 On 5 December 2017, the Company issued 160,000 ordinary shares of £0.01 each, equating to an issued share capital of 15,069,430 ordinary shares of £0.01 each.

3.4 On 21 December 2017, the Company issued 16,000,000 ordinary shares of £0.01 each, equating to an issued share capital of 31,069,430 ordinary shares of £0.01 each.

3.5 On 11 May 2020, the Company issued 7,767,357 ordinary shares of £0.01 each, equating to an issued share capital of 38,836,787 of £0.01 each.

4. ENLARGED GROUP STRUCTURE

As at the date of Admission and following completion of the Acquisition, the Company will own the issued share capital of the following directly and indirectly owned subsidiaries forming the Enlarged Group:

Subsidiary	*Jurisdiction*	*% of issued share capital held*
Deutsche Lithium GmbH	Germany	50
Erris Resources (Exploration) Limited	England and Wales	100
Erris Zinc Limited	Republic of Ireland	100
Tulivuori Exploration Oy*	Finland	100

**currently in liquidation.*

5. SHARE CAPITAL OF THE COMPANY

5.1 The following table shows the issued and fully paid Ordinary Shares of the Company as at the date of this document:

Number	*Amount paid up*
38,836,787	£388,367.87

5.2 Assuming that the Placing is fully subscribed, the issued and fully paid Ordinary Shares of the Company immediately following Admission is expected to be as shown in the following table and Existing shareholders of the Company will suffer a dilution of 81.0 per cent. as a result of the Placing and the Acquisition:

Number	*Amount paid up*
204,455,957	£2,044,599.57

5.3 Save as disclosed in this document, as at the date of this document, the Company will have no short, medium or long term indebtedness.

5.4 Save as disclosed in paragraphs 9.5 and 10 of this Part XII and elsewhere in this document, as at the date of this document and immediately following Admission, no person will hold options over any Ordinary Shares or other securities in the capital of the Company.

5.5 The Resolutions proposed at the General Meeting will, *inter alia*, if passed:

5.5.1 authorise the Directors, conditional on Admission, for the purposes of section 551 of the Act to allot relevant securities of the Company as follows:

5.5.1.1 up to an aggregate nominal amount of £906,191.70 in connection with the Consideration Shares;

5.5.1.2 up to an aggregate nominal amount of £750,000 in respect of the Placing; and

5.5.1.3 other than pursuant to the sub-paragraphs above, up to 97.82 per cent. of the Enlarged Ordinary Share Capital following Admission,

with such authorisation expiring at the earlier of the Company's next annual general meeting and 31 January 2022 (unless previously renewed, varied or revoked by the Company in a general meeting); and

5.5.2 authorise the Directors, subject to the passing of the Resolutions summarised in paragraph 5.5.1 of this Part XII to allot equity securities of the Company:

5.5.3 pursuant to the authorities set out in paragraphs 5.5.1.1 and 5.5.1.2; and

5.5.4 in relation to 97.82 per cent. of the Enlarged Ordinary Shares Capital following Admission pursuant to the authority set out in paragraph 5.5.1.3,

in each case, if the statutory pre-emption rights set out at section 561(1) of the Act did not apply to those allotments with such authorisation expiring at the earlier of the Company's next annual general meeting and 31 January 2022 (unless previously renewed, varied or revoked by the Company in a general meeting).

5.6 Save as disclosed in this document:

5.6.1 no share or loan capital of the Company has been issued or is proposed to be issued;

5.6.2 no person has any preferential subscription rights for any shares of the Company; and

5.6.3 no share or loan capital of the Company is unconditionally to be put under option.

5.7 Save in the ordinary course of business, no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

5.8 All Ordinary Shares in issue at the date of this document are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of shares in any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Ordinary Shares are to be held in certificated form, share certificates will be sent to the respective Shareholders by first-class post.

5.9 Pursuant to section 630 of the Act and the provisions of the Articles, the rights attaching to the Ordinary Shares may be amended or varied following the passing of a special resolution of the shareholders. The provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the Act.

5.10 The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash otherwise by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Act) apply to the issue of Ordinary Shares except to the extent that such provisions have been disapplied as referred to in paragraph 5.5 above.

5.11 The Consideration Shares and the Placing Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared thereafter, made or paid on the ordinary share capital of the Company. The Consideration Shares, the Placing Shares and all other Ordinary Shares in issue have the right to receive notice of and to attend and vote at all general meetings of the Company.

5.12 Whilst disclosure of shareholdings is not a requirement of the Articles, Rule 17 of the AIM Rules makes provisions regarding notification of certain shareholders and holdings of financial instruments. Where a person holds three per cent. or more of the voting rights in any class of AIM security, then the person has an obligation to make a notification to the FCA and the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage figure above three per cent. The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

5.13 The currency of the issue is pounds sterling.

5.14 Save in relation to the dividend proposed by the Resolution 3 to effect the Divestment, no dividends have been paid on the Ordinary Shares since the date of its incorporation.

5.15 As at 7 October 2020, being the last practicable date prior to the date of this document, the Company held no treasury shares and nor have any Ordinary Shares been issued other than fully paid.

6. SUMMARY OF THE ARTICLES

The Articles, which were adopted on incorporation of the Company, contain provisions (among others) to the following effect:

6.1 Voting rights

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every Shareholder present in person, by proxy (regardless of the number of members for whom he is a proxy) or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every Shareholder present in person, by proxy, or by a duly authorised corporate representative shall have one vote for every Ordinary Share of which he is the holder.

The duly authorised representative of a corporate Shareholder may exercise the same powers on behalf of that corporation as it could exercise as if it were an individual Shareholder.

A Shareholder is not entitled to vote unless all calls or other sums due from him have been paid.

Unless the Board determines otherwise, a Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice (or, where the shares represent at least 0.25 per cent. of their class, 14 days)), is served with a disenfranchisement notice. Such disentitlement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

6.2 General meetings

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings at least 14 clear days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting or general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting; (iv) any intention to propose a resolution as a special resolution; and (v) that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member. All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director may attend and speak at any general meeting.

Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

6.3 Dividends and other distributions

Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class (calculated exclusive of treasury shares) after there has been a failure to comply with any notice under section 793 of the Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 6.8 below.

6.4 **Return of capital**

On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Act and the Insolvency Act 1986 (as amended), divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

6.5 **Transfer of shares**

The Articles provide for shares to be held in a system for holding shares in uncertificated form (for example CREST), such shares being referred to as "Participating Securities". The Ordinary Shares are freely transferable, save as set out in this paragraph 6.5.

In the case of shares represented by a certificate ("Certificated Shares"), the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee, and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may refuse to register a transfer unless:

6.5.1 in the case of a Certificated Share, the instrument of transfer, duly stamped (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

6.5.2 in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and

6.5.3 in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the CREST Regulations allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 6.8 below) unless the Shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

6.5.4 a transfer in connection with a *bona fide* sale of the beneficial interest in any shares to any person who is unconnected with the Shareholder and with any other person appearing to be interested in the share;

6.5.5 a transfer pursuant to the acceptance of an offer made to all the Shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or

6.5.6 a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

Transfer restrictions under the Act

The Company may, under the Act, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can order directing, among other things, that any transfer of shares which are the subject of the statutory notice is void.

6.6 **Variation of rights**

Subject to the Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

6.7 **Share capital and changes in capital**

Subject to and in accordance with the provisions of the Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued with such rights or such restrictions as the Company shall from time to time determine by ordinary resolution.

Subject to the provisions of the Articles and the Act, the power of the Company to offer, allot and issue any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital, in accordance with the Act. The resolution may determine that, as between holders of shares resulting from a sub-division any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

Subject to the Act and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its own shares of any class (including any redeemable shares). The Company may only purchase Ordinary Shares out of distributable reserves or the proceeds of a new issue of shares made for the purpose of funding the repurchase.

Subject to the Act, the Directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a relevant system without a certificate.

The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.

6.8 **Disclosure of interests in shares**

Section 793 of the Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a Shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "disenfranchisement notice"). The disenfranchisement notice will state that the identified shares no longer give the Shareholder any right to attend or vote at a Shareholders' meeting or to exercise any other right in relation to Shareholders' meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Act.

6.9 **Non-UK Shareholders**

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

6.10 **Untraced Shareholders**

Subject to various notice requirements, the Company may sell any of a Shareholder's shares in the Company if, during a period of 12 years, at least three dividends (either interim or final) on such shares have become payable and no cheque or warrant or other method of payment for amounts payable in respect of such shares sent and payable in a manner authorised by the Articles has been cashed or effected and no communication has been received by the Company from the member or person concerned.

6.11 **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company, so as to secure (so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the greater of £10,000,000 or a sum equal to 2.5 times the aggregate of the nominal capital of the Company being paid-up or credited as paid up and the amounts standing to the credit of the consolidated reserves of the Company.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the Shareholders.

6.12 **Directors**

Subject to the Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;
- any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or Shareholder or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- any arrangement for the benefit of employees of the Company (and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons including but without being limited to a retirement benefits scheme and an employees' share plan) which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration (by way of salary, commission, participation in profits or otherwise) as any committee authorised by the Board may determine and either in addition to or in lieu of his remuneration as Director. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company or his duties

as Director, including the attendance of any spouse or civil partner where such spouse or civil partner accompanies a Director for the purpose of advancing the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependents of any such directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Act. Subject to sections 205(2) to (4) of the Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than two in number but shall not be more than 8.

6.13 **Redemption**

The Ordinary Shares are not redeemable.

6.14 **Electronic communication**

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

6.15 **Allotment of shares and pre-emption rights**

Subject to the Act and in accordance with section 551 of the Act, the Directors shall be generally and unconditionally authorised to exercise for each prescribed period, all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant special resolution passed pursuant to section 561 of the Act, authorising such allotment.

Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the Directors shall be required to issue Ordinary Shares on a pre-emptive basis unless authority is sought from the Shareholders via a special resolution in accordance with the Act.

7. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE ORDINARY SHARES

Other than as provided by the City Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares or the Company.

Mandatory bids

The City Code applies to the Company. Under Rule 9 of the City Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying

30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) interests in shares carrying not less than 30 per cent. but who does not hold more than 50 per cent. of such voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company.

"Interests in shares" is defined broadly in the City Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

"Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are presumed under the City Code to be acting in concert with each other unless the contrary is established.

Squeeze-out rules

Under the Act, if a "takeover offer" (as defined in section 974 of the Act) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which such offer relates, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to the outstanding members informing them that it will compulsorily acquire their shares and, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration for the outstanding shares to the Company which would hold the consideration on trust for the relevant members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out rules

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the shares and not less than 90 per cent. of the voting rights carried by the shares in the Company, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three-months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his or her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

The Company has not received, at any point between 1 January 2019 and 7 October 2020 (inclusive) being the last practicable date prior to the date of this document, a "takeover offer" (as defined in section 974 of the Act) from any party, whether a third party or otherwise.

8. INTERESTS OF MAJOR SHAREHOLDERS

8.1 Major shareholders

Insofar as was known to the Company as at 7 October 2020 (being the latest practicable date prior to the publication of this document), each of the persons set out in the table below will, following Admission, be directly or indirectly interested in 3 per cent. or more of the issued Ordinary Share capital of the Company. Details of Directors' interests in the capital of the Company are set out in paragraph 9.5.

Shareholder	*No. of Ordinary Shares as at date of this document*	*Percentage of issued Ordinary Share capital as date of this document (%)*	*Number of Ordinary Shares on Admission*	*Percentage of Enlarged Share Capital (%)*
David Hall	6,827,000	17.6	6,827,000	3.34
Osisko	5,876,000	15.1	5,876,000	2.87
Richard Thomas	2,131,932	5.49	2,131,932	1.04
Graham & Christine Donaldson	2,000,000	5.1	2,000,000	0.98
Bacanora	–	–	90,619,170	44.32
Henry Maxey	–	–	30,000,000	14.67

8.2 Other disclosures relating to Shareholders

8.2.1 Other than as described in paragraph 8.1 of this Part XII and paragraph 19 of Part I, the Company is not aware of any persons who, following Admission, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

8.2.2 As of Admission the Ordinary Shares will be the only class of share capital of the Company, all Shareholders will have equal voting rights and none of the Shareholders will have different voting rights.

9. DIRECTORS

9.1 Directorships and partnerships of the Directors outside the Group

Details of those companies and partnerships outside the Group of which the Existing Directors and Proposed Director are currently directors or partners, or have been directors or partners at any time during the five years prior to the date of this document, are as follows:

Name	*Current*	*Past*
Anton du Plessis	Pathfar Limited Wendwind Limited	-
Jeremy Martin	Rail Tec Limited Horizonte Minerals plc Horizonte Exploration Limited	Azure Minerals Limited (dissolved) Sahara Mines Limited (dissolved) Medgold Resources Corp Medgold Resource Limited Northern Minerals Limited Galicia Copper plc
Cherif Rifaat	Sonora Lithium Ltd Bacanora Treasury Limited Mineramex Limited OCR Consulting Ltd Dardania Capital Limited 93 Belgrave Road Freehold Limited Battery Finance (Jersey) Limited	Bacanora Minerals (London) Limited Ezdan International Asset Management Ltd Ezdan International Residential Ltd ARO TTI SG Limited Hipzone Global Holdings Ltd

Graham Brown	North Stawell Minerals Limited Stanley Dock (All Suite) Regeneration LLP G&V Brown Limited	Prescience Film Partners 2.1 LLP Prescience Film Partners 2.2 LLP (dissolved) (dissolved) Claremont Film Distribution, LLP (dissolved) Omni Films LLP (dissolved) Omni Films 2 LLP (dissolved) The Invicta Film Partnership No.8, LLP Mundoro Capital Inc
Peter Secker	Deutsche Lithium Gmbh Bacanora Finco Limited Bacanora Treasury Limited Bacanora Lithium plc Bancora Minerals Ltd Sonora Lithium Ltd Mineramex Ltd	Aquila Resources Inc

9.2 **Conflicts of Interest**

Save in relation to Cherif Rifaat (an Existing Director) and Peter Secker (a Proposed Director), both of whom are also directors of entities ultimately beneficially owned by Bacanora and, in the case of Cherif Rifaat, the company secretary of Bacanora and in the case of Peter Antony Secker, a director of Bacanora. Such interests have, in each case been reviewed and approved by the Existing Directors (other than Cherif Rifaat), there are no actual or potential conflicts of interests between the duties of the Directors and private interests and/or other duties that they may also have.

9.3 **Confirmations by the Directors**

9.3.1 Subject to the qualifications set out in paragraph 9.4 of this Part XII, no Director:

9.3.1.1 has any unspent convictions in relation to indictable offences; or

9.3.1.2 has been bankrupt or entered into an individual voluntary arrangement;

9.3.1.3 was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

9.3.1.4 has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

9.3.1.5 has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership;

9.3.1.6 has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

9.3.2 There are no family relationships between any of the Directors.

9.3.3 There are no outstanding loans or guarantees granted or provided by any member of the Group for the benefit of any of the Directors.

9.4 **Qualification to the Directors' confirmations**

9.4.1 Peter Secker was a director of RB Energy Inc. (formerly Canada Lithium Corp.) which filed for an Initial Order to commence proceedings under the Companies' Creditors Arrangement Act from the Quebec Superior Court in October 2014, following which a receiver was appointed in May 2015. A class action against Canada Lithium Corp., its directors and certain officers was settled in November 2016.

9.5 **Interests in the share capital of the Company of the Directors following Admission**

9.5.1 The Directors immediately prior to Admission will hold the following interests in the capital of the Company (not including the Options granted under the Share Option Plan):

	Interests immediately prior to Admission		*Interests following Admission*	
Director	*Number of Ordinary Shares*	*Percentage of Existing Ordinary Shares (%)*	*Number of Ordinary Shares*	*Percentage of Enlarged Ordinary Share Capital (%)*
Anton du Plessis	Nil	Nil	Nil	Nil
Cherif Rifaat	120,000	0.31%	120,000	0.06
Jeremy Martin	27,000	0.07%	27,000	0.01
Graham Brown	Nil	Nil	Nil	Nil
Peter Secker (Proposed Director)	Nil	Nil	Nil	Nil

9.5.2 As at the date of this document, the Directors currently hold the following Options under the Share Option Plan, all of which are fully vested and expire on 31 December 2022:

Director	*No. of Ordinary Shares under Option*	*Exercise price*
Cherif Rifaat	800,000	£0.10
Jeremy Martin	150,000	£0.08
Jeremy Martin	100,000	£0.10
Graham Brown	100,000	£0.10

9.5.3 In addition, it is proposed that each of Jeremy Martin and Graham Brown be issued with additional Options conditional on Admission, as further described at paragraph 9.9 of this Part XII.

9.5.4 Furthermore, Jeremy Taylor-Firth, a former non-executive Director who resigned on 30 September 2020, holds 100,000 Options with an exercise price of £0.10 per Option. These Options have vested and remain unexercised. Jeremy Taylor-Firth has been deemed to be a good leaver under the Share Option Plan and his Options will remain exercisable until 31 December 2022.

9.5.5 In addition, it is anticipated that the Directors will in the future be awarded further share based incentives via their participation in the New Share Incentive Schemes to be adopted at Admission as determined by the Remuneration Committee, further details of which are set out in paragraph 13 of Part I.

9.5.6 Any Ordinary Shares acquired by the Directors following exercise of such Options shall be covered by the lock-in arrangements provided for in the Placing Agreement set out in paragraph 17 of this Part XII.

9.5.7 Save as set out in this Part XII, none of the Board nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any Shares or Options or securities convertible into, Shares of the Company or any of its subsidiary undertakings.

9.6 **Transactions with Directors**

9.6.1 Save as set out in this Part XII, none of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business which was effected by any member of the Group or any of its subsidiary undertakings during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

9.6.2 Save as set out in this Part XII, none of the Directors has or had a beneficial interest in any contract to which any member of the Group or any of its subsidiary undertakings was a party during the current or immediately preceding financial year.

9.7 **Directors' titles and dates of appointment**

The dates of appointment of the Directors are set out below together with their proposed titles with effect from Admission:

Director	*Date of appointment*	*Title/function*
Jeremy John Martin	21 June 2017	Non-executive Chairman
Anton du Plessis	12 November 2018	Chief Executive Officer
Osman Cherif Rifaat	13 December 2017	Chief Financial Officer
Graham Maxwell Brown	13 December 2017	Non-executive Director
Peter Antony Secker	With effect from Admission	Non-executive Director

9.8 **Executive Directors' service contracts, remuneration and emoluments**

9.8.1 ***Anton du Plessis (Chief Executive Officer)***

The Company and Anton du Plessis have entered into a service agreement dated 8 October 2020, (the "**CEO Agreement**") which is conditional on Admission. Mr du Plessis' working hours shall be 9:00 a.m. – 5:00 p.m., Monday to Friday. Mr du Plessis will not receive additional remuneration for any additional hours necessary for the proper performance of his duties. The CEO Agreement may be terminated by either party serving at least six months' written notice. The CEO Agreement contains provisions for the Company to terminate the CEO Agreement immediately and without any notice following the payment in lieu of notice to Mr du Plessis.

The basic annual salary payable to Mr du Plessis is £200,000 per annum with a provision that this base salary shall increase to £240,000 per annum on successful completion of Erris gaining control of 100 per cent. of Deutsche Lithium and Erris' market capitalisation doubling from that at Admission.

The Company will contribute ten per cent. of Mr du Plessis' annual salary into the Company pension scheme. Mr du Plessis is also entitled to participate in the Company's New Share Incentive Schemes and the Company may pay Mr du Plessis a cash bonus if the Company's projects are in production and generating positive operational cash flows. Any bonus award and the value of any such award is at the sole discretion of the Remuneration Committee.

In addition, Mr du Plessis is entitled to 30 days' holiday entitlement each calendar year and remuneration of all expenses reasonably incurred in the course of his duties for the Company.

The service agreement contains restrictive covenants for a period of six months following the termination of Mr du Plessis' employment (however so this occurs).

The Company will maintain an appropriate level of indemnity insurance for Mr du Plessis' benefit indemnifying him against any liabilities he may potentially incur against third parties as a result of his office as a Director of the Company.

With effect from the date of Admission, the CEO Agreement supersedes the letter of appointment between the Company and Mr du Plessis dated 1 March 2020.

9.8.2 ***Cherif Rifaat (Chief Financial Officer)***

The Company and Cherif Rifaat have entered into a service agreement dated 8 October 2020, (the "**CFO Agreement**") which is conditional on Admission. Mr Rifaat's working hours shall be equivalent to a minimum of 50 per cent. of his overall working time.

The CFO Agreement may be terminated by either party serving at least six months' written notice. The CFO Agreement contains provisions for the Company to terminate the CFO Agreement immediately and without any notice following the payment in lieu of notice to Mr Rifaat.

The basic annual salary payable to Mr Rifaat is £100,000 per annum to be reviewed annually by the Remuneration Committee (without any obligation to increase the same).

The Company will contribute ten per cent. of Mr Rifaat's annual salary into the Company pension scheme. Mr Rifaat is also entitled to participate in the Company's New Share Incentive Schemes and the Company may pay Mr Rifaat a cash bonus if the Company's projects are in production and generating positive operational cash flows. Any bonus award and the value of any such award is at the sole discretion of the Remuneration Committee.

In addition, Mr Rifaat is entitled to 15 days' holiday entitlement each calendar year and remuneration of all expenses reasonably incurred in the course of his duties for the Company.

The service agreement contains restrictive covenants for a period of six months following the termination of Mr Rifaat's employment (however so this occurs).

The Company will maintain an appropriate level of indemnity insurance for Mr Rifaat's benefit indemnifying him against any liabilities he may potentially incur against third parties as a result of his office as a Director of the Company.

With effect from the date of Admission, the CFO Agreement supersedes the service agreement entered into between the Company and Mr Rifaat on 13 December 2017.

9.9 **Non-Executive Directors' letters of appointment and fees**

Jeremy Martin and Graham Brown currently act as non-executive Directors pursuant to letters of appointment dated 13 December 2017. With effect from 8 October 2020, Anton du Plessis agreed to act as Chief Executive Officer and Jeremy Martin became the non executive Chairman. Details of Mr du Plessis's new service agreement are set out at paragraph 9.8.1 above and this service agreement will replace his current letter of appointment as Non Executive Director dated 1 March 2020. Each of Jeremy Martin and Graham Brown have entered into new letters of appointment dated 8 October 2020 conditional on Admission and, with effect from Admission, will substitute the letters of appointment dated 13 December 2017.

It is further proposed that Peter Secker will be appointed as a non-executive Director with effect from Admission pursuant to a letter of appointment dated 8 October 2020.

The letters of appointment provide that:

- Peter Secker will be paid a nominal fee of £1 per annum;
- Graham Brown will be paid a fee of £30,000 per annum;
- Jeremy Martin, as the non-executive chairman, will receive a fee of £50,000 per annum; and
- each non-executive Director would be required to spend at least two working days a month on non-executive directorial duties.

In addition, each of Jeremy Martin and Graham Brown will be issued an additional 100,000 Options with an exercise price of £0.05. Such Options will be issued conditional on Admission and lapse on 31 December 2022.

Each non-executive Director will be entitled to be reimbursed for all reasonable expenses incurred by him in the course of his duties to the Company and has the benefit of indemnity insurance maintained by the Group on his behalf indemnifying him against liabilities he may potentially incur to third parties as a result of his office as a Director.

The appointment of each of the non-executive Directors is terminable by either the non-executive Director or the Company on three months' notice, save that Jeremy Martin's appointment is terminable by either party on six months' notice. All fees described above are subject to annual review.

9.10 **Previous arrangements for the Existing Directors**

The Existing Directors and the Proposed Director, as noted in paragraphs 9.8 and 9.9 have each entered into new service agreements and letters of appointment (as applicable) which take effect on Admission.

Cherif Rifaat's service agreement dated 13 December 2017 (which will be superseded on Admission by that set out at paragraph 9.8.2) contains the following key terms:

- salary of £120,000 per annum subject to annual review, initially *pro-rata* to 50 per cent.;
- bonus of up to 30 per cent. of salary at the discretion of the Remuneration Committee;
- 800,000 Options;
- participation in the Share Option Plan that is appropriate and responsible;
- reimbursement of all reasonable expenses incurred by him in the course of his duties to the Company;
- the benefit of indemnity insurance maintained by the Group on his behalf indemnifying him against liabilities he may potentially incur to third parties as a result of his office as a Director; and
- terminable by him or the Company on three months' notice.

Jeremy Martin and Graham Brown's letters of appointment each dated 13 December 2017 (which will be superseded on Admission by those letters of appointment set out at paragraph 9.9) contain the following key terms:

- fee of £24,000 per annum (and, in the case of Jeremy Martin, the non-executive chairman, £36,000) to cover at least two working days a month on directorial duties;
- 100,000 Options;
- participation in the Share Option Plan that is appropriate and responsible;
- reimbursement of all reasonable expenses incurred by him in the course of his duties to the Company;
- the benefit of indemnity insurance maintained by the Group on his behalf indemnifying him against liabilities he may potentially incur to third parties as a result of his office as a Director;
- terminable by him or the Company on three months' notice; and
- provision that they may be separately hired to act as a technical consultant to the Company.

On 1 March 2020 Anton du Plessis entered into a letter of appointment with the Company in relation to his appointment as non-executive Director of the Company. These arrangements will be superseded on Admission by the service agreement referred to at paragraph 9.8.1. Mr du Plessis's existing letter of appointment contains the same provisions as noted above in this paragraph 9.10 in relation to Mr Martin and Mr Brown's letters of appointment, save that Mr du Plessis was not granted any Options.

10. EMPLOYEE INCENTIVE SCHEMES

10.1 As at the date of this document, (in addition to the Options granted to certain Directors as referred to in paragraphs 9.5.2 and 9.9 of this Part XII) the following have Options pursuant to the Share Option Plan:

Name	*No. of Ordinary Shares under Option*	*Exercise price*
Originally issued from 2017 onwards (Good Leaver Status)		
Emer Blackwell	300,000	£0.10
Aiden Lavelle	500,000	£0.10
Originally issued prior to 2017		
David Hall	150,000	£0.08
Fred Daley	150,000	£0.08
Aiden Lavelle	500,000	£0.08
Emer Blackwell	300,000	£0.10

10.2 The above Options, together with those issued to the Directors referred to at paragraph 9.5 of this Part XII have all vested and are exercisable at any time by the holder thereof. Furthermore, the completion of the Proposals will constitute a vesting event under the rules of the Share Option Plan. It is expected that all Options (including those issued, and to be issued, to the Directors) will vest but remain unexercised prior to, on and immediately following Admission.

10.3 Pursuant to the completion of the Proposals, Aiden Lavelle, Emer Blackwell and David Hall will cease to be eligible to participate in the Share Option Plan as, following the completion of the Divestment, they will no longer be employees or consultants of the Enlarged Group, and, prima facie, their Options will lapse within 90 days of Admission. The Company proposes to exercise its discretion under the terms of the Share Option Plan in relation to those Options originally issued by the Company to Aiden Lavelle and Emer Blackwell in 2017 and deem them to be 'good leavers' on completion of the Divestment and, therefore, those Options will remain valid and exercisable until 31 December 2022, as further set out at paragraph 10.1 above. The other Options issued to Aiden Lavelle and Emer Blackwell and the Options issued to David Hall, being those which were originally issued to Option holders prior to 2017 will lapse within 90 days of Admission. The Options issued to Fred Daley will remain valid and exercisable until 31 December 2022.

10.4 As at the date of this document, the Options in issue under the Share Option Plan would constitute, if exercised, an entitlement to Ordinary Shares representing approximately 7.50 per cent. of the fully diluted share capital of the Company. Immediately following Admission, such Options, including those to be issued on Admission to Jeremy Martin and Graham Brown (as further described at paragraph 9.9 of this Part XII), would constitute, if exercised, an entitlement to Ordinary Shares representing approximately 1.61 per cent. of the fully diluted Enlarged Ordinary Share Capital.

10.5 The New Share Incentive Schemes, once adopted, shall be used at the discretion of the Remuneration Committee to incentivise (and will be made available to) the Company's key current and future employees, further details of which are set out at paragraph 13 of Part I.

11. RELATED PARTY TRANSACTIONS

Save as set out elsewhere in this document, the following arrangements which have been entered into during the period covered by the historical financial information in Part VIII and up to the date of this document constitute related party transactions:

11.1 the executive service contracts with Anton du Plessis and Cherif Rifaat, further details of which are set out in paragraph 9.8 of this Part XII; and

11.2 the non-executive letters of appointment with each of Jeremy Martin, Graham Brown and Peter Secker, further details of which are set out in paragraph 9.9 of this Part XII.

12. MATERIAL CONTRACTS AND ARRANGEMENTS

12.1 The Company

Set out below is a summary of (i) each material contract (other than contracts entered into in the ordinary course of business) to which the Company or any member of the Group is a party which has been entered into within the two years immediately preceding the date of this document; and (ii) any other contract (other than contracts entered into in the ordinary course of business) entered into by any member of the Group which contains obligations or entitlements which are or may be material to the Group as at the date of this document:

12.1.1 *Acquisition Agreement*

The Company has entered into a conditional share purchase agreement dated 8 October 2020 with Bacanora, which provides that, upon the satisfaction of certain conditions, including Admission and the passing of the Resolutions, the Company will acquire the Sale Share from Bacanora, comprising 50 per cent. of the issued share capital of Deutsche Lithium. In addition, the Company will also acquire the Bacanora Cash from Bacanora, with €935,000 of such monies to be held as per the terms of the Account Charge, details of which are set out in paragraph 12.1.3 below, following completion of the Acquisition and be used to satisfy the Company's obligations owed to Deutsche Lithium pursuant to the terms of the Deutsche Lithium JV Agreement.

The consideration payable by the Company to Bacanora comprises the Consideration Shares to be issued by the Company on Admission, credited as fully paid, together with the grant of a royalty fee to Bacanora pursuant to the terms of the Bacanora Royalty Agreement, as further described at paragraph 12.1.5 of this Part XII. The Acquisition Agreement contains customary warranties given by Bacanora and the Company in respect of the business and operations of Deutsche Lithium and the Group respectively.

The Acquisition Agreement provides that any liability owed by Bacanora and the Company in relation to any claims thereunder is subject to customary limitations as to quantum and time.

12.1.2 *Deed of Indemnity*

Pursuant to the terms of the Acquisition Agreement, the Company will grant on completion of the Acquisition an indemnity in favour of Bacanora ("Deed of Indemnity") pursuant to which the Company undertakes to Bacanora to, *inter alia*, apply the Bacanora Cash in accordance with the further ongoing funding requirements set out in the Deutsche Lithium JV Agreement, together with all other obligations under the Deutsche Lithium JV Agreement owed to SolarWorld AG and Deutsche Lithium thereunder.

As further described at paragraph 12.1.4 of this Part XII, the Company will adhere to the terms of the Deutsche Lithium JV Agreement in substitution for Bacanora with effect from the completion of the Acquisition.

€935,000 of the Bacanora Cash will be held, from completion of the Acquisition, in a bank account of the Company to which Bacanora has a charge over as security for the Company's performance under the Deed of Indemnity. Further details of this charge are set out at paragraph 12.1.3 of this Part XII.

The Deed of Indemnity requires the Company to inform Bacanora upon receipt of any demand received by Deutsche Lithium for further funding made in accordance with the terms of the Deutsche Lithium JV Agreement.

12.1.3 *Account Charge*

Pursuant to the terms of the Acquisition Agreement, the Company and Bacanora will enter into on completion of the Acquisition a charge over account dated 8 October 2020 ("Account Charge") pursuant to which the Company has granted a charge over the bank account of the Company in which it will hold €935,000 of the Bacanora Cash from completion of the Acquisition. The Account Charge has been granted as security for the Company's performance of its obligations under the Deed of Indemnity, as further described at paragraph 12.1.2 of this Part XII.

12.1.4 ***Deed of adherence to Deutsche Lithium JV Agreement***

On completion of the Acquisition, the Company and others will enter into a deed of adherence to the Deutsche Lithium JV Agreement which provides that the Company will agree to be bound by the terms of the Deutsche Lithium JV Agreement in its capacity as holder of the Sale Share.

The Deutsche Lithium JV Agreement sets out the rights and obligations of Deutsche Lithium's shareholders. It restricts shareholders in relation to (i) establishing a competing business whilst they remain a shareholder of Deutsche Lithium and 12 months thereafter, (ii) transferring their shares and/or (iii) granting encumbrances over their shares. The shareholders also agree to abide by deadlock provisions in the instances of any disputes as to how Deutsche Lithium is operated and managed.

In addition, the Deutsche Lithium JV Agreement provides that each shareholder of Deutsche Lithium will be entitled to (i) receive a business plan (including a cash flow statement, monthly projected profit and loss, an operating budget, a management report and a financial report), (ii) access to Deutsche Lithium's books and records, monthly management accounts, the audited accounts and other information. Furthermore, each shareholder has the right to appoint an appointee to the management board and advisory board of Deutsche Lithium.

Furthermore, each shareholder has pre-emption rights and rights of first refusal in relation to any proposed transfer or disposal of the other shareholder's share in Deutsche Lithium. As a result, SolarWorld AG cannot transfer its share in Deutsche Lithium without first offering it to the Company (and vice versa). In the event that the Company subsequently acquires the remaining share in Deutsche Lithium from SolarWorld AG, as envisaged, then the Deutsche Lithium JV Agreement will terminate.

Under the terms of the second supplement agreement to the Deutsche Lithium JV Agreement, Bacanora was obliged to provide further additional funding in the amount of €1,350,000. As at the date of this document, the amount outstanding under this agreement is €935,000, which forms part of the Bacanora Cash. The Company will acquire the Bacanora Cash pursuant to the terms of the Acquisition Agreement (as further described at paragraph 12.1.1 of this Part XII), €935,000 of which will be used for the purpose of providing the balance of such funding. Under the terms of the deed of adherence to the Deutsche Lithium JV Agreement the Company has undertaken to provide further funding of €650,000 to Deutsche Lithium for the purposes of paying for third party consulting work in the preparation of a lithium hydroxide (LiOH) NI-43101 compliant technical report and additional detailed capital expenditure design work. This further funding is to be provided in monthly instalments from October 2020 to January 2022.

The Deutsche Lithium JV Agreement is governed by German law.

12.1.5 ***Bacanora Royalty Agreement***

The Company and Bacanora will enter into on completion of the Acquisition a royalty agreement which provides, conditional on, *inter alia*, completion of the Acquisition, that the Company agrees to pay Bacanora a royalty of 2 per cent. of the net profit received by the Company pursuant to its 50 per cent. shareholding in Deutsche Lithium and earned in relation to the sale of lithium products or minerals by Deutsche Lithium's projects on the Zinnwald and Falkenhain licence areas. The royalty fee shall be paid in Euros and paid by Deutsche Lithium half yearly. The agreement is for an initial term of 40 years and shall automatically extend for additional 20 year terms until mining and processing operations cease at Deutsche Lithium's projects at the Zinnwald and Falkenhain licence areas.

The Company has undertaken to Bacanora to abide by certain obligations in relation to Deutsche Lithium's projects at the Zinnwald and Falkenhain licence areas such as complying with applicable laws and ensure that these projects are operated in accordance with the underlying licences and concessions granted to Deutsche Lithium.

The Company shall have the right, but not the obligation, to extinguish at any time its right to pay a royalty fee to Bacanora prior to the expiry of the term by paying a one-off payment of €2,000,000.

12.1.6 ***Erris Gold Transfer Agreement***

On 30 September 2020, the Company and Erris Gold Resources entered into an agreement pursuant to which the Company agreed to pay cash of €400,000 and procure the transfer of the Loch Tay Gold Project's business and assets (which includes three employees, the consultancy arrangements with David Hall and the novation of the Loch Tay Option Agreement). The Company will also procure the transfer of the five permits in Norway and a consultancy agreement relating to a permit application in France. The consideration for the payment of cash and transfer of assets is the issue by Erris Gold Resources of 38,836,787 ordinary shares of £0.01 each to the Company.

The shares in Erris Gold Resources held by the Company will be transferred to the Company's Shareholders pursuant to the dividend in specie proposed by Resolution 3 in order to effect the Divestment.

12.1.7 ***Loch Tay Option Agreement***

On 9 December 2019 Erris Resources UK entered into a farm-in and joint venture agreement with Greenore Gold plc ("Loch Tay Option Agreement") in relation to the Loch Tay Gold Project, as further described at paragraph 4 of Part I.

The rights and obligations of Erris Resources UK under this agreement were novated to Erris Gold Resources pursuant to a novation agreement entered into between Erris Resources UK, Greenore Gold plc and Erris Gold Resources on 27 August 2020. The novation of the Loch Tay Option Agreement was a conditional deliverable to the terms of the Erris Gold Resources transfer agreement (as further described in paragraph 12.1.6 of this Part XII) in order for the Company to effect the Divestment.

12.1.8 ***Osisko Royalty Agreement 1***

Erris Resources UK entered into Osisko Royalty Agreement 1 with Osisko on 16 September 2016 pursuant to which it granted a royalty to Osisko for a 1 per cent. net smelter return on the sale or disposition of all minerals provided from the Abbeytown Project. The royalty is based on published spot prices in relation to minerals delivered for processing and actual amounts received where raw ore or concentrates are sold. Osisko shall be entitled to elect to receive the royalty on precious metals in kind rather than cash. This royalty was granted to Osisko in consideration of Osisko's payment of C$500,000 to Erris Resources UK. The royalty is perpetual and as such the agreement (and obligation on Erris Resources UK to pay the royalty) shall continue indefinitely.

The Osisko Royalty Agreement 1 does not apply to the Zinnwald Lithium Project nor the operations of Deutsche Lithium.

Osisko Royalty Agreement 1 is governed by the laws of Canada.

12.1.9 ***Osisko Royalty Agreement 2***

Erris Resources UK entered into Osisko Royalty Agreement 2 with Osisko on 16 September 2016 pursuant to which it granted a royalty to Osisko for a 1 per cent. net smelter return on the sale or disposition of all minerals provided from the Swedish properties (originally including Käringberget, Klippen, Nottjärn and Vaikijaur but, as at the date of this document, only Brännberg) licensed by Erris Resources UK. The royalty also extends to any other mining rights Erris Resources UK acquires or holds (or from time to time comes to acquire or hold) in Sweden and so applies to all exploration permits currently held in Sweden by Erris Resources UK. The royalty is based on published spot prices in relation to minerals delivered for processing and actual amounts received where raw ore or concentrates are sold. Osisko shall be entitled to elect to receive the royalty on precious metals in kind rather than cash. This royalty was granted

to Osisko in consideration of Osisko's payment of C$250,000 to Erris Resources UK. The royalty is perpetual and as such the agreement (and obligation on Erris Resources UK to pay the royalty) shall continue indefinitely.

The Osisko Royalty Agreement 2 does not apply to the Zinnwald Lithium Project nor the operations of Deutsche Lithium.

Osisko Royalty Agreement 2 is governed by the laws of Canada.

12.1.10 ***Grundträsk Acquisition Agreement***

Erris Resources UK entered into an acquisition agreement with Beowulf on 13 October 2016. Pursuant to this agreement, Erris Resources UK purchased exploration rights for the areas known as Grundsträsk nr 6 and Grundträsk nr 7 (together with all information relating thereto) from Beowulf. The consideration was US$200,000 payable subject to confirmation by Erris Resources UK of a JORC indicated resource of 100,000 troy ounces of gold, together with a further amount of $2 per troy ounce of indicated resource subject to confirmation by Erris Resources UK of a JORC indicated resource of at least 1 million troy ounces. The payments can, at the sole discretion of Beowulf, be made in Ordinary Shares if, at the time, the Company is listed on a recognised exchange. Pursuant to this agreement, Erris Resources UK is obliged to grant to Beowulf a royalty pursuant to which it is paid 1 per cent. of the net smelting revenue generated by Erris Resources UK on any gold produced from the property. This royalty shall continue indefinitely unless Erris Resources UK "buys out" the royalty by payment of US$2,000,000 to Beowulf.

12.1.11 ***Placing Agreement and Relationship Agreement***

Details of the Placing Agreement and Relationship Agreement are set out in paragraphs 17 and 18 below.

12.2 **Deutsche Lithium**

Deutsche Lithium is not party to (i) any material contract (other than contracts entered into in the ordinary course of business) which have been entered into within the two years immediately preceding the date of this document; and (ii) any other contract (other than contracts entered into in the ordinary course of business) which contain obligations or entitlements which are or may be material to Deutsche Lithium as at the date of this document.

Each material contract referred to in this paragraph 12 is governed by the laws of England and Wales unless stated otherwise.

13. SIGNIFICANT CHANGE

13.1 Save as disclosed in paragraph 8 of Part I, there has been no significant change in the trading or financial position of the Company since 30 June 2020, being the date as at which the financial information contained in "*Part VIII Historical Financial Information on the Company*" has been prepared.

13.2 Save as disclosed paragraph 8 of Part I, there has been no significant change in the trading or financial position of Deutsche Lithium since 30 June 2020, being the date as at which the financial information contained in "*Part VII - Historical Financial Information on Deutsche Lithium*" has been prepared.

14. WORKING CAPITAL STATEMENT

In the opinion of the Directors, having made due and careful enquiry, and in the opinion of the Company, taking into account the net proceeds of the Placing, the working capital is sufficient for the Enlarged Group's present requirements that is for at least the 12 months from the date of this document.

15. LITIGATION AND DISPUTES

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Enlarged Group.

16. LOCK-IN ARRANGEMENTS

In accordance with Rule 7 of the AIM Rules the Locked-in Persons, save for those Locked-in Persons who are Directors, have entered into lock-in arrangements dated 8 October 2020 representing in aggregate 120,619,170 Ordinary Shares constituting 59.00 per cent. of the Enlarged Ordinary Share Capital, pursuant to which each of those Locked-in Persons have undertaken to Allenby Capital and TPI that they shall not, except in certain specified circumstances set out below and subject always to compliance with AIM Rule 7, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares ("Interest") held by them at the date of Admission (or rights arising from any such shares or other securities or attached to any such shares) (together "Restricted Shares") prior to the first anniversary of Admission ("Lock In Period") without the prior consent of Allenby Capital and TPI.

The circumstances in which such Locked-in Persons can deal in their Restricted Shares during the Lock In Period without the prior consent of Allenby Capital and TPI comprise, subject to compliance with AIM Rule 7:

- pursuant to acceptance of an offer to acquire all the shares in the Company made on the same terms in relation to all shares to which the offer relates; or
- in relation to any disposal, compromise or arrangement pursuant to an order of a court including, without limitation, a scheme of arrangement pursuant to Part 26 of the Act.

The Lock-in Arrangements relating to the Directors are contained in the Placing Agreement (as further described at paragraph 17 of this Part XII) and are in the same form as the lock-in arrangements described above, save that the orderly market provisions apply to the Directors for a further 12 month period following the expiry of the Lock-in Period.

17. PLACING AGREEMENT

On 8 October 2020, the Company entered into the Placing Agreement with Allenby Capital and TPI.

TPI has agreed to act as agent for the Company to use all reasonable endeavours to procure placees for the Placing Shares at the Placing Price. The Placing Agreement is conditional, *inter alia*, on Admission taking place not later than 29 October 2020 (or such later date as TPI, Allenby Capital and the Company may agree, but in any event no later than 30 November 2020).

Under the Placing Agreement:

i. the Company has agreed to pay TPI:
   - a commission of 6 per cent. of the gross aggregate value of the Placing Shares at the Placing Price in respect of placees introduced by TPI;
   - a commission of 0.5 per cent. of the gross aggregate value of the Placing Shares at the Placing Price in respect of placees administered by TPI; and
   - a corporate finance fee of £10,000 (plus applicable value added tax).

ii. the Company has agreed to pay Allenby Capital a corporate finance fee of £190,000 (plus any applicable value added tax);

iii. the Company has agreed to pay all other costs and expenses of the Placing and the related arrangements together with value added tax on such costs; and

iv. the Company and the Directors have given certain warranties to Allenby Capital and TPI as to the accuracy of the information in this document and as to other matters relating to the Group and its business, the terms of the Acquisition and the Company has granted an indemnity to Allenby Capital and TPI in respect of certain liabilities arising out of or in connection with the Placing.

    Furthermore, the Directors, as Locked-in Persons, have agreed with Allenby Capital and TPI in the Placing Agreement to the same lock-in arrangements as further described at paragraph 16 of this Part XII save that the Directors have also agreed to abide by additional orderly market restrictions for a period of 12 months after the expiry of the Lock In Period pursuant to which the Directors agree to ensure that any dealing in their Ordinary Shares during the period between the first anniversary and second anniversary of Admission is effected, where possible to do so, via TPI in order to maintain an orderly market.

The Placing Agreement may be terminated by Allenby Capital and TPI if certain customary circumstances occur prior to Admission such as, *inter alia*, a material breach of the warranties referred to above and, in addition, if there is a force majeure prior to Admission (including, without limitation a material worsening or deterioration of the ongoing global COVID-19 pandemic).

18. RELATIONSHIP AGREEMENT

On completion of the Acquisition, the Company, Allenby Capital and Bacanora will enter into the Relationship Agreement. Following the completion of the Acquisition, Bacanora will be a substantial shareholder of the Company for the purposes of the AIM Rules and, accordingly, Bacanora agrees to not use its voting rights as a Shareholder to unduly influence the Company or its Board or affect its independence and will ensure that transactions entered into with the Company are on an arms' length basis and independently considered by the Company.

Furthermore, the Relationship Agreement provides that for so long as Bacanora is interested in Ordinary Shares carrying a minimum of 45 per cent. of the Company's voting share capital, Bacanora shall be entitled to appoint two directors to the board of the Company provided that such individuals have experience in the industries in which the Company operates. At Admission, Peter Secker will be Bacanora's only appointed director. In the event that Bacanora holds more than 20 per cent. but less than 45 per cent. of the Company's voting share capital, it shall be entitled to appoint one director to the board of the Company. Any such director(s) appointed by Bacanora must have experience in the industries in which the Group operates.

Except in relation to the right to appoint one director in the event that Bacanora holds more than 20 per cent. of the Company's voting capital, the Relationship Agreement shall terminate and cease to have effect in the event that Bacanora, together with its associated persons, holds less than 25 per cent. of the Company's voting capital.

19. PROPERTY

19.1 At the date of this document, the Group has the following leasehold property interests:

Tenant	*Landlord*	*Property*	*Rent*	*Lease term*
Erris Ireland	Aidan Carty, Shane Carty and Tara Carty	Yard at Ballisodare, County Sligo, Ireland	€1,750.00 per month	Initial 12 months from 1 February 2020
Erris Gold Resources	Joseph Mongan Building Contractors Limited	House at Newport Road, Westport, County Mayo, Ireland	€750.00 per month	4 years and 11 months from 1 February 2018 to 1 November 2022

19.2 At Admission and following completion of the Acquisition and the Divestment, the Enlarged Group will have the following leasehold property interests:

Tenant	*Landlord*	*Property*	*Rent*	*Lease term(s)*
Erris Ireland	Aidan Carty, Shane Carty and Tara Carty	Yard at Ballisodare, County Sligo, Ireland	€1,750.00 per month	Initial 12 months from 1 February 2020
Deutsche Lithium	Fino Industrie Service GmbH	Four leases in relation to storage room and storage spaces in Zuger Strasse 23 and Erzstrasse11, Brand-Erbisdorf, Germany.	€1,734.00 per month (in aggregate)	Terms are either indefinite or automatically extend by one month or year unless terminated in advance

Tenant	*Landlord*	*Property*	*Rent*	*Lease term(s)*
Deutsche Lithium	GIZEF GmbH Zentrum für Innovation und Unternehmertum	Office space in Am St. Niclas Schacht 13, Freiberg	€1,130.00 per month	Terminate on 29 February 2021 with an option to extend

20. EMPLOYEES

20.1 At the date of this document, the Group has five employees located in the UK and Ireland.

20.2 At Admission and following completion of the Acquisition, the Enlarged Group will have eight employees, being the two executive Directors (located in the UK) and the Deutsche Lithium team located in Germany.

21. CONSENTS

21.1 Allenby Capital has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

21.2 TPI has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

21.3 PKF Littlejohn LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountant's report and the references thereto in the form and context in which they appear.

21.4 G.E.O.S. Ingenieurgesellschaft mbH has given and not withdrawn its written consent to the inclusion of its name, and its report in Part V of this document, each in the form and in the context in which they are included, and has authorised the contents of its report for the purposes of Schedule 2 of the AIM Rules for Companies.

21.5 Addison Mining Services Ltd has given and not withdrawn its written consent to the inclusion of its name, and its report in Part VI of this document, each in the form and in the context in which they are included, and has authorised the contents of its report for the purposes of Schedule 2 of the AIM Rules for Companies.

22. EXPENSES OF THE PLACING, THE ACQUISITION AND ADMISSION

22.1 The total costs and expenses of, and incidental to, the Placing, the Acquisition and Admission (including placing commissions, the application fees, printer's fees, advisers' fees, professional fees and expenses, the costs of printing and distribution of documents) to be borne by the Company are estimated to be approximately £0.71 million.

22.2 The net proceeds of the Placing, after deducting the fees and expenses referred to in paragraph 22.1 above, are approximately £3.04 million.

23. GENERAL

23.1 PKF Littlejohn LLP has been appointed as the auditors of the Company and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

23.2 The financial information contained in this document which relates to the Company does not constitute full statutory accounts as referred to in section 434(3) of the Act.

23.3 There are no arrangements under which future dividends are waived or agreed to be waived.

23.4 The Ordinary Shares will only be traded on AIM.

23.5 This document has not been approved by the FCA.

23.6 Save as disclosed in Part VIII of this document, no person (except for fees payable to the professional advisers whose names are set out on pages 4 and 5 of this document and payments to trade suppliers), has received any fees, securities or other benefit to a value of £10,000.00 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

23.7 Directors' and officers' liability insurance has been effected by the Company in respect of each of the Directors for an aggregate sum of £3,000,000.00.

23.8 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

23.9 No dividends have been declared by the Company in respect of the financial years covered by the report in Part VIII of this document.

23.10 Where information has been sourced from a third party, this information has been accurately reproduced so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. DOCUMENTS PUBLISHED ON WEBSITE

Copies of the following documents will be made available at the website address of the Company at www.errisresources.com from the date of publication of this document up to the date of the General Meeting:

24.1 the articles of association of the Company;

24.2 the articles of association of Bacanora;

24.3 the consent letter from Allenby Capital referred to in paragraph 21.1 above;

24.4 the Irrevocable Undertakings as referred to in paragraph 23 of Part I;

24.5 the financial statements of the Company and Bacanora, details of which are set out in paragraph 3 of Part X;

24.6 each of the material contracts set out in paragraphs 12.1.1 – 12.1.6 above;

24.7 the Lock-in Arrangements as set out in paragraph 16 above;

24.8 the Placing Agreement as set out in paragraph 17 above; and

24.9 the Relationship Agreement as set out in paragraph 18 above.

25. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be published in electronic form and will be available on the Company's website at www.errisresources.com (and following Admission, at www.zinnwaldlithium.com) subject to certain access restrictions applicable.

Dated: 8 October 2020

ERRIS RESOURCES PLC

(Incorporated and registered in England and Wales with registered number 10829496)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting (the "**GM**") of Erris Resources plc (the "**Company**") will be held at The Clubhouse, 8 St James's Square, London SW1Y 4JU on 26 October 2020 at 10.00 a.m. for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 (inclusive) of which will be proposed as ordinary resolutions and numbers 7 to 9 (inclusive) as special resolutions:

Ordinary Resolutions

1. That, subject to and conditional upon the passing of resolutions 2 to 4 (inclusive) and 7, the waiver granted by the UK Panel on Takeovers and Mergers of the obligation on the Concert Party (as defined in the admission document published by the Company and dated October 2020 of which this notice forms part, hereinafter referred to as the **"Admission Document"**) to make a general offer under Rule 9 of the City Code on Takeovers and Mergers, as a result of the issue of ordinary shares in the capital of the Company, whether:

   1.1 pursuant to the Acquisition (as such term is defined in the Admission Document); and/or

   1.2 pursuant to any exercise of the Options (as such term is defined in the Admission Document) held by Osman Cherif Rifaat,

   be and is hereby approved.

2. That, subject to and conditional upon the passing of resolutions 1 and 3 to 4 (inclusive) and 7, the proposed acquisition by the Company of 50 per cent. of the issued share capital of Deutsche Lithium GmbH, which comprises a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies (being the Acquisition (as such term is defined in the Admission Document), on the terms and subject to the conditions of the sale and purchase agreement dated 8 October 2020), as more particularly described in the Admission Document, be and is hereby approved with such revisions and amendments (including as to price) of a non-material nature as may be approved by the directors of the Company (the **"Directors"**) or any duly authorised committee thereof, and that all acts, agreements, arrangements and indemnities which the Directors or any such committee consider necessary or desirable for the purpose of or in connection with the Acquisition be and are hereby approved.

3. That, subject to and conditional upon the passing of resolutions 1 to 2 (inclusive), 4 and 7, in order to effect the Divestment (as such term is defined in the Admission Document) the Directors propose to declare a special dividend of €0.0126 on the ordinary shares of £0.01 to be satisfied by the transfer of the entire issued share capital of Erris Gold Resources Limited.

   This dividend will be paid on 29 October 2020 to the holders of ordinary shares at 6.00 p.m. on 27 October 2020 (or such later time or date as the Directors may determine) ("**Record Date**").

4. That, subject to and conditional upon the passing of resolutions 1 to 3 (inclusive) and 7 and in accordance with section 551 of the Companies Act 2006 (and so that expressions used in this resolution shall, unless the context requires otherwise, bear the same meanings as in the said section 551), the Directors of the Company be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of:

   4.1 £906,191.70 in relation to the issue of the Consideration Shares (as such term is defined in the Admission Document); and

   4.2 £750,000 in relation to the issue of the Placing Shares (as such term is defined in the Admission Document),

to such persons and at such times and on such terms as they think proper, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the earlier of the Company's annual general meeting to be held in 2021 and 31 January 2022, save that the Company be and is hereby authorised, before such expiry, to make any offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of such period and the Directors of the Company may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution 4.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Companies Act 2006 but without prejudice to any allotment of shares in the Company or the granting of Rights already made or agreed to be made pursuant to such authorities.

5. That, subject to and conditional upon the passing of resolution 8 and in accordance with section 551 of the Companies Act 2006 (and so that expressions used in this resolution shall, unless the context requires otherwise, bear the same meanings as in the said section 551), the Directors of the Company be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Additional Rights**") up to a maximum aggregate nominal amount of £2,000,000.00 representing shares equal to 97.82 per cent. of the Enlarged Ordinary Share Capital (as such term is defined in the Admission Document) to such persons and at such times and on such terms as they think proper, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the earlier of the Company's annual general meeting to be held in 2021 and 31 January 2022, save that the Company be and is hereby authorised, before such expiry, to make any offer or agreement which would or might require shares to be allotted or Additional Rights to be granted after the expiry of such period and the Directors of the Company may allot shares or grant Additional Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution 5.

   This authority is in addition to the authority conferred by resolution 4.

6. That, the adoption by the Company of the 'Short-term Restricted Unit Scheme' ("**RSU Scheme**") and 'Long-term Performance Share Unit Scheme' ("**PSU Scheme**" and together with the RSU Scheme, the "**New Share Incentive Schemes**" or the "**Schemes**"), summaries of which are detailed in this resolution, be and hereby are approved. The Company's New Share Incentive Schemes will be the primary incentive schemes for the Company going forward. The New Share Incentive Schemes will remain effective for a period of ten years from the date of approval.

   The purpose of these Schemes is to assist the Company in attracting and retaining individuals with experience and exceptional skill, to allow selected executives, key employees and directors of the Company to participate in the long term success of the Company and to promote a greater alignment of interests between the participants designated under these Schemes and the shareholders of the Company

   Key features of both Schemes include:

   Grants of awards may be made to eligible persons, who are defined as Directors, senior executives and employees of the Company or its subsidiaries or as otherwise determined by the Remuneration Committee (the "**Committee**").

   The potential maximum number of Ordinary Shares that could eventually be granted under the New Share Incentive Schemes, based on performance, shall not exceed 10 per cent. of the number of Ordinary Shares in issue at the date of grant of each award, when calculated in combination with any previously unvested or unexercised awards.

   Malus (of any unvested awards) and clawback (of any vested but unexercised awards) may be applied during employment or for 2 years post-termination of employment in the event of the option holder's gross misconduct, material financial misstatement, error in calculation of outcomes or in any other circumstance that the Committee considers appropriate.

All unexercised awards shall lapse three months after termination of employment except in the cases of:

- death in service when options may be exercisable for a limited period following the employee's death;
- redundancy or ill-health when options may be exercised for a limited period following termination;
- retirement in circumstances where the Remuneration Committee exercises its discretion to permit options to be exercised for a limited period following termination; and
- in any other circumstance as the Committee may determine in its absolute discretion.

In the event of a change of control of the Company, the Board or Committee in their sole discretion, allow unvested Awards to vest early or unexercised RSUs or PSUs to be exercised early. In the event of any reorganisation of the Company's share capital, the Board or Committee in their sole discretion, may allow an adjustment to be made to the number and/or nominal value of shares under option.

Prior to the delivery of any RSUs, PSUs or Ordinary Shares under these Schemes, the Company shall deduct or withhold all applicable withholding taxes due under these schemes, namely Income Tax and Employee's NICs.

Key features of the RSU Scheme:

Awards granted under the RSU Scheme will be subject to annual performance criteria set by the Remuneration Committee each financial year, relating to each eligible employee's performance against personal, financial, strategic and 'Environmental, Social, and Corporate Governance' ("**ESG**") metrics.

Each eligible person will be set a (i) minimum performance threshold which must be satisfied in order to trigger any issuance of RSUs to them ("**Threshold**"). In addition, a base target ("**Target**") and maximum amount ("**Maximum**") will also be set.

The first performance period will run with an effective date from 1st October 2020 until 31st December 2021 ("**RSU Initial Performance Period**"), with subsequent performance periods running annually from 1 January 2022 onwards.

The Company will calculate any awards under the RSU Scheme based on a percentage of base salary as recommended by the Committee at the start of each performance period. The number of RSUs issued will be based on the share price of the Company on expiry of the Performance Period On the expiry of the RSU Initial Performance Period, RSUs will be issued as follows:

- performance below Threshold - no RSUs issued
- performance equal to Threshold - RSUs issued to 20 per cent. of salary
- performance equal to Target - RSUs issued to 40 per cent. of salary
- performance equal to Maximum - RSUs issued to 60 per cent. of salary

Any RSUs issued under the Scheme will have a further two year vesting period. On the vesting date, the RSUs will convert into cash or ordinary shares at the discretion of the Company.

Key features of the PSU Scheme:

Awards granted under the PSU Scheme will be subject to three year performance criteria set by the Remuneration Committee each financial year, relating to objective corporate metrics as follows:

- 'Relative Total Shareholder Return ("**RTSR**")' against the peer group; and
- a significant corporate strategic goal set by the Company. During the PSU Initial Performance Period, this goal shall be the Company securing the acquisition of the 50 per cent. of Deutsche Lithium currently owned by SolarWorld AG.

Performance criteria shall be assessed 50:50 between the two corporate metrics. The assessment relating to RTSR shall be calculated as Maximum being in the Top Quartile, Target being in the Top half and Threshold being in the 3rd Quartile. The assessment relating to the corporate goal shall generally

be binary Yes or No, but with the Board or Committee having sole discretion to assess partial achievement.

The peer group for the 'Relative Total Shareholder Return' metric comprises all of the listed Lithium companies that meet the criteria of most or all of being European focussed or listed, pre-production and either hard or soft rock in nature. Bacanora Lithium (AIM:BCN), European Metals Holdings (AIM: EMH), Savannah Resources (AIM:SAV), Kodal Minerals (AIM:KOD), Infinity Lithium (ASX:INF), Vulcan Energy Resources (ASX:VUL), European Lithium (ASX:EUR), and Critical Elements (TSX:CRE).

The first performance period following Admission will have an effective date from 1 October 2020 to 31 December 2023 (the "**PSU Initial Performance Period**") with subsequent three year performance periods starting from 1 January 2022.

The Company will calculate any awards under the PSU Scheme based a percentage of base salary as recommended by the Remuneration Committee at the start of each performance period and the share price at the start of the period. On the expiry of the PSU Initial Performance Period, PSUs will be issued as follows:

- performance below Threshold - no PSUs issued
- performance equal to Threshold - PSUs issued to 25 per cent. of salary
- performance equal to Target - PSUs issued to 50 per cent. of salary
- performance equal to Maximum - PSUs issued to 100 per cent. of salary

PSUs issued under the Scheme at the end of each three year performance period will have a further two year vesting period. On the vesting date, the options will be exercisable into ordinary shares with the timing at the sole discretion of the recipient.

Special Resolutions

7. That, subject to and conditional upon the passing of resolutions 1 to 4 (inclusive) and in accordance with section 570 of the Companies Act 2006, the Directors of the Company be and are given the general power to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 4 above or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:

   7.1 the allotment of the Consideration Shares up to an aggregate nominal amount of £906,191.70; and

   7.2 the allotment of the Placing Shares up to an aggregate nominal amount of £750,000;

   The power granted by this resolution 7 will expire at the earlier of the Company's annual general meeting to be held in 2021 and 31 January 2022 (unless renewed, varied or revoked by the Company in general meeting prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution 7 has expired.

   This resolution 7 revokes and replaces all unexercised powers previously granted to the Directors of the Company to allot equity securities as if section 561(1) of the Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

8. That, subject to and conditional upon the passing of resolution 5 and in accordance with section 570 of the Companies Act 2006, the Directors of the Company be and are given the general power to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 5 above or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:

8.1 the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and

8.2 the allotment (otherwise than pursuant to paragraph 8.1 of this resolution 8) of equity securities up to an aggregate nominal amount of £2,000,000, representing equity securities equal to 97.82 per cent. of the Enlarged Ordinary Share Capital (as such term is defined in the Admission Document).

The power granted by this resolution 8 will expire at the earlier of the Company's annual general meeting to be held in 2021 and 31 January 2022 (unless renewed, varied or revoked by the Company in general meeting prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution 8 has expired.

This authority is in addition to the authority conferred by resolution 7.

9. That, the name of the Company be changed to **'Zinnwald Lithium plc'**.

Dated: 8 October 2020

By order of the Board:

Cherif Rifaat
Company Secretary

Reg Office c/o Whitley Stimpson Limited, 29-31 Castle Street, High Wycombe, Bucks, HP13 6RU

Notes to the Notice of the GM

Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members at:

   (a) 10.00 a.m. on 22 October 2020; or

   (b) if this meeting is adjourned, at 10.00 a.m. on the day immediately prior to the date of the adjourned meeting,

   shall be entitled to vote at the meeting. Based on current measures implemented by the Government in the United Kingdom, **attendance at the meeting will be limited to two persons and shareholders may not attend in person**. Shareholders wishing to vote on any matters of business are strongly urged to do so through the completion of a form of proxy. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Website giving information regarding the meeting

2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at the Company's website www.errisresources.com.

Appointment of proxies

3. If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy enclosed with the Notice.

4. Unless Government guidance changes before the date of the meeting, there will only be two physical attendees at the meeting. Accordingly, shareholders are encouraged to appoint the "Chairman of the Meeting" as their proxy rather than another person who will not be permitted to attend the meeting. You may appoint either of the two attendees as your proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint the second attendee (not the chairman) and give your instructions directly to them.

5. Shareholders can appoint a proxy and give proxy instructions by returning the enclosed Form of Proxy by post (see note 7) or, if a CREST member, by using the CREST electric proxy appointment service (see note 11).

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting (including, without limitation, any resolution to adjourn the meeting or any resolution to amend a resolution proposed at the meeting).

Appointment of proxy by post or email

7. The notes to the Form of Proxy explain how to direct your proxy to vote on each resolution or withhold their vote.

   To appoint a proxy using the Form of Proxy, the form must be:

   (a) completed and signed;

   (b) sent or delivered by post or by hand to Share Registrars Limited at the address below; and

   (c) received by Share Registrars Limited no later than 10.00 a.m. on 22 October 2020.

8. In the case of a shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the Company.

9. Any power of attorney, letter of representation or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power of attorney, letter of representation or authority) must be included with the Form of Proxy in order for the proxy appointment to be valid.

10. If you have not received a Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, Tel: 01252 821390

Appointment of proxies electronically through CREST

11. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual on the Euroclear website at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (Crest ID 7RA36) by no later than 10.00 a.m. on 22 October 2020 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections.

Appointment of proxy by joint members

14. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

15. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded.

16. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited (for details of which, see note 10).

17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

18. A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited.

19. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

20. In either case, the revocation notice must be received no later than 10.00 a.m. on 22 October 2020.

21. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Corporate representatives

22. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

23. As at 7 October 2020 (being the latest practicable date prior to publication of this Notice), the Company's issued share capital comprised 38,836,787 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 7 October 2020 (being the latest practicable date prior to publication of this Notice) is 38,836,787.

    The website referred to in note 2 will include information on the number of shares and voting rights.

Questions at the meeting

24. As shareholders will not be able to attend the meeting, appropriate questions should be emailed to info@errisresources.com before 22 October 2020 and responses will be posted on the Company's website on the morning of the GM.

Communication

25. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

    (a) email to info@errisresources.com; or

    (b) a letter addressed to the Company's registered office.

26. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

UK City Code on Takeovers and Mergers

27. As required by the UK City Code on Takeovers and Mergers, resolution 1 will be taken on a poll vote of Independent Shareholders (as defined in the Admission Document), who will be entitled to one vote for each ordinary share in the capital of the Company held at the relevant time and date specified in note 1 above. Members of the Concert Party (as such term is defined in the Admission Document) will not vote on the resolution.

Poll Vote

28. Given that, pursuant to note 1, in light of the current measures implemented by the Government in the United Kingdom, shareholders will not be entitled to attend the GM in person, it is proposed that each resolution will be proposed by the chairman to be put to a poll vote. As noted in note 27 above, resolution 1 will be taken on a poll vote by the Independent Shareholders (as defined in the Admission Document) only. All other resolutions will be taken on a poll vote and each shareholder (including the members of the Concert Party (as such term is defined in the Admission Document)) will be entitled to one vote for each ordinary share in the capital of the Company held at the relevant time and date specified in note 1 above.