

ESSEX MINERALS INC.

Vancouver, British Columbia

ESSEX OPTIONS MT TURNER COPPER-MOLYBDENUM PROJECT TO ASX-LISTED FIRST AU LIMITED

January 13, 2022 – Vancouver, British Columbia, Canada. – Essex Minerals Inc. (the “Company”) (TSX-V: ESX) (OTCQB: ESXFM) (FRA: EWX1) is pleased to announce that has entered into binding terms with First Au Limited (ASX:FAU) (“FAU”), a company listed on the Australian Stock Exchange, for an arm’s length option, earn-in and acquisition of the Mt Turner project in north Queensland, Australia, where preliminary exploration by the Company has outlined a very large copper-molybdenum (with gold and silver) porphyry target.

Highlights

- Upon execution of a formal agreement once certain conditions are met, FAU shall pay Essex an Option Fee comprising 5,000,000 fully paid ordinary FAU shares and 5,000,000 two-year share purchase options exercisable at AUD\$0.03 per option and within 220 days fund a minimum AUD\$500,000 on exploration of the Mt Turner Project, including a detailed induced polarization program over the main Mt Turner mineralized anomaly. Payment of the Option Fee is conditional on 60 days due diligence by FAU, completion by Essex of its share purchase of KNX Resources Limited, signing of a formal agreement, and TSX Approval (if required).
- Subject to completing the minimum expenditure during the Option period and their willingness to proceed, FAU shall pay Essex a further 10,000,000 fully paid ordinary FAU shares and then shall have the right to earn a 51% interest in the Mt Turner project by spending a further AUD\$2,000,000 on exploration over two-years from exercise date of the Option.
- At completion of the earn-in, FAU shall then have the right to acquire the remaining 49% interest in Mt Turner by issuing to Essex either 49% of the equity in a special purpose vehicle formed to hold the Mt Turner project, or that number of shares in FAU equivalent to an independent valuation of the 49%.
- Essex shall retain a 1.5% net smelter return royalty over the project, which FAU can acquire for the payment of AUD\$3,000,000 cash.
- FAU considers Mt Turner a strategic acquisition that complements the Australian explorer’s existing copper prospects of Dogwood in Victoria and Mabel Creek in South Australia.

Essex Minerals President and CEO Paul Loudon: said: “Copper is expected to play a critical role in the electrification of the global economy and the transition to green energy. An independent report by Goldman Sachs last year indicated the worldwide demand for copper for transitioning to green energy alone will increase from under 1Mt in 2020 to approximately 5.4Mt by 2030 (16% of total global copper demand).

“We are very pleased that our initial exploration has demonstrated the potential for the discovery of a large copper-molybdenum (with silver and gold) deposit at Mt Turner and resulted in favourable option, earn-in and acquisition terms with FAU.

“Having incubated the project with initial exploration expenditure, Essex is now leveraging its position in the project by joint venturing the next round of exploration expenditure then monetizing the project with a spin out or sale.

“This project incubation then spinout, particularly where we can retain a royalty and a right to provide stream or project finance, is fundamental to the Company’s business growth model.”

On October 26, 2021, the Company reported as follows:

Summary Geology and Mineralization of the Mt Turner Project

The Mount Turner Property lies in the western portion of the Georgetown Inlier, which constitutes the bulk of the proclaimed Etheridge Goldfield. It consists of variably metamorphosed and deformed sedimentary and volcanic rocks of Palaeo- to Mesoproterozoic age, intruded by Mesoproterozoic granites.

The Proterozoic rocks have been intruded by Siluro-Devonian age granitic rocks during a period of subduction and underplating that is thought to have occurred during the Tabberabberan cycle of the Tasman Orogen (ca 430-380 Ma).

The Georgetown Inlier subsequently experienced a period of felsic intrusion and accompanied sub-aerial volcanism during the Carboniferous to Permian period (ca 350-230 Ma) associated with extension and rifting that developed during the Hunter-Bowen cycle of the Tasman Orogeny. This magmatism is termed the Kennedy Association, which consists of widespread and voluminous extrusive and intrusive igneous rocks, producing a number of large volcanic subsidence structures. This magmatic event was responsible for the 5 million-ounce Kidston gold deposit located some 70 kilometres to the SE of Mt Turner.

The Permo-Carboniferous Mt Turner intrusive complex, which is centred within the property, consists of multiple phases of rhyolite to micro-granodiorite dykes, stocks and associated breccias, hosted by Meso-Proterozoic Mount Turner Granite and metasediments of the Palaeo-Proterozoic Lane Creek Formation. The overlying subaerial volcanics are postulated to have preserved the porphyry-style mineralisation.

The property was initially examined during the 1975 field season by geologists of the Australian Government's Bureau of Mineral Resources (now Geoscience Australia) and the Geological Survey of Queensland after discovery of extensive hydrothermal alteration around Mt Turner.

The subsequent report (Baker & Horton, 1982) described the intrusive complex as a porphyry copper-molybdenum system with zoned polymetallic mineralisation. The report was based on 11 widespread, shallow vertical drill holes, <100 metres in depth and four diamond holes, only one of which was located near the intrusive centre. None of the drill holes were assayed in their entirety.

A portion of Mt Turner was held by Kidston Gold Mines ("KGM") in 1994-1998 and assessed for gold only, then held by Mega Uranium in 2006-2007 and explored for uranium. No follow-up exploration has been undertaken on the porphyry copper-molybdenum potential identified in the 1970s until the ground was staked in 2019 by KNX Resources Limited ("KNX") and subsequently joint ventured to Essex in 2020.

Essex and KNX each own 50% of the Mt Turner property. On September 22, 2021, Essex announced that it had agreed to acquire all the issued and outstanding shares in KNX in exchange for the issuance of 5,000,000 ordinary shares and 5,000,000 two-year share purchase warrants in Essex to the shareholders of KNX. The purchase is subject to the approval of the TSX Venture Exchange. On completion of the acquisition, Essex will own 100% of Mt Turner.

Exploration results to date by Essex-KNX Joint Venture

The ESX-KNX Mt Turner Property comprises two granted exploration permits totaling approximately 100 sq km.

Soil sampling in a 100m x 100m grid by KGM (2,336 minus 80 mesh and 2,462 BCL samples) and Essex (719 samples) has outlined a 4km x 4km soil anomaly which shows classic Cu-Mo zonation – copper in soil flanking a molybdenum core (See Figure 1). This area is sufficient to contain a very large (+500Mt) deposit.

An aeromagnetic survey (100m flight lines) flown by Mega Uranium in 2006-7 shows a curvilinear NW trending magnetic low corresponding to magnetite destruction alteration, with complex magnetite highs in the centre, which is the classic copper porphyry around a molybdenum rich core signature (See Figure 2). The features in the magnetics are coincident with the copper and molybdenum soil anomalies.

Gold-silver and base metal soil anomalies occurs on the periphery of the copper-molybdenum core zone associated with breccia bodies at Balaclava Hill, immediately to the north west of Mt Turner, in major faults such as the 14 km Drummer Hill Fault, and in association with historically mined, high-grade Ag-Pb-Zn veins. The peripheral breccias and Drummer Fault remain excellent targets for gold mineralization.

Rock samples collected during detailed mapping by Essex field team demonstrate the property has been subjected to multi-phase intrusive events which provides the potential for multi-stage mineralization episodes, therefore potential for higher grades.

One Queensland Government drill hole (NS4) to 295m in 1977 drilled peripheral to the porphyry target ended in near ore grade mineralization – 0.187% Cu, 0.075% Mo.

Re-logging of the core from this hole by Essex has shown multi-lithological intrusive clasts in breccia at depth which also suggest a poly-phasal intrusive history.

The re-logging has also demonstrated early widespread potassic alteration then an overprinting phyllic event (sericite) then a late stage second potassic event associated with multi-stage vein mineralization. This pattern of alternation conforms to the classic model for multi-stage mineralization. The later stage second potassic event towards the end of the hole also suggests that the hole ended above the main mineralization target zone.

The next phase of exploration will involve detailed ground geophysics to define the targets ahead of an initial drilling program.

About Essex

Essex Minerals is an exploration and development company focused on mineral exploration and mine development and finance opportunities where it can adopt an option earn-in and joint venture model. The company identifies geological teams that have already expended the time and capital to assemble top quality, advanced projects, with a particular emphasis on gold projects in Tier 1 jurisdictions, where the Company can earn an interest by funding exploration. Management's time is shared across several different projects, as the geological teams already in place at the project level manage the approved exploration and development programs. This strategy has the potential to accelerate the growth in shareholder value for Essex by earning an interest in a range of projects of merit in a much shorter time frame than otherwise would be possible.

Qualified Person

All of the scientific and technical information contained in this news release has been reviewed and/or prepared by Mr Lee K. Spencer, BSc (Hons), MSc, MAusIMM, a “Qualified Person” within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects.

ISSUED ON BEHALF OF ESSEX MINERALS INC.

Paul Loudon
President & CEO

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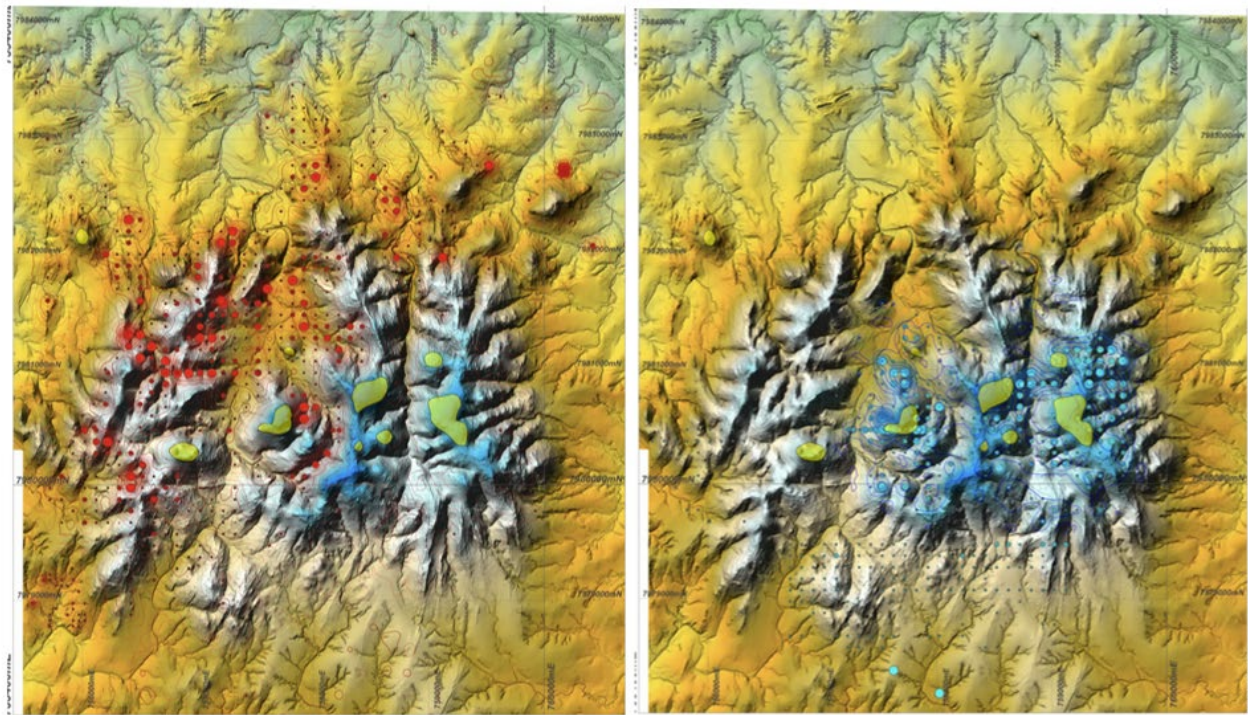
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Mt Turner – Cu in soil anomaly

Mt Turner – Mo in soil anomaly

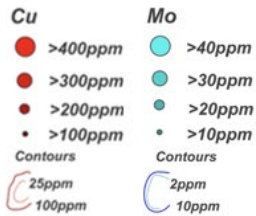


Figure 1

MAGNETICS - RTP
Residual nano tesla

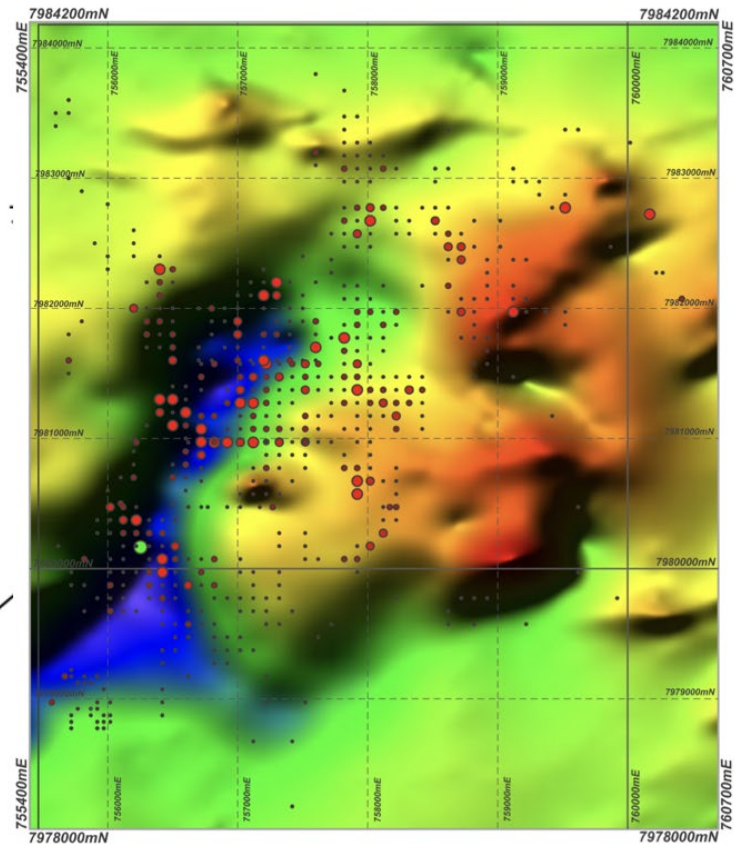
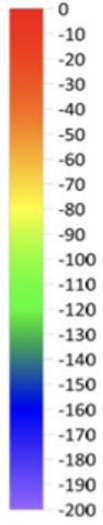


Figure 2

Mt Turner – Cu anomaly overlaying aeromagnetics