LITHIUM CONSOLIDATION, STRONGLY SUPPORTED $3M PLACEMENT AND STRATEGIC TECHNOLOGY DEMERGER

S3N to restructure to focus on lithium and critical minerals exploration and re-brand as Premier1 Lithium, while privatising its minerals software and AI technology business

Highlights

- SensOre board decides on strategic division of its exploration and technology assets by privatising its technology assets.
- SensOre Limited to propose rebranding as Premier1 Lithium Limited, emphasising its lithium and critical minerals exploration, pending shareholder consent.
- The Company has entered an agreement with joint-venture partner Deutsche Rohstoff AG for the acquisition of the 70% interest in lithium assets that SensOre did not already own via a scrip deal.
- The agreement coincides with a well-supported $3m placement to sophisticated and institutional investors to fund Premier1 Lithium and drilling of the Abbotts North lithium project, which has assays up to 1.25% Li_2O (see below), as well as the wider lithium portfolio.
- The new technology company will operate as an independent, unlisted entity with new venture capital as discussions progress with a number of parties.
- The expectation is that once regulatory and shareholder approvals are in place, the in-specie distribution of shares in the technology company will be followed by the share issues to DR and placement investors.
- Current shareholders are entitled to the in-specie distribution of shares in the technology company and will retain their interest in the listed company to be renamed Premier1 Lithium.
- Premier1 Lithium will retain certain usage rights to the technology which has been instrumental in identifying our existing projects.

Abbotts North 100% SensOre Owned: 70% acquired by SensOre Scrip

SensOre Ltd ('SensOre' or the 'Company)' is pleased to announce the acquisition of the 70% interest in Exploration Ventures AI Pty Ltd ('EVAI') it previously did not own, which includes the highly prospective Abbotts North lithium project .

The acquisition of the 70% interest in EVAI from its joint venture partner Deutsche Rohstoff AG is for 34.3 million shares in SensOre. Should the acquisition and the $3m share issue outlined below (together the 'Lithium Transactions') be approved by SensOre shareholders, Deutsche Rohstoff will hold 19.9% of SensOre. The acquisition includes three tranches of options. Series 1 consists of 6m options exercisable at $0.075; series 2 consists of 8m options exercisable at $0.088; and Series 3 consists of 12m options exercisable at $0.100. All tranches have an expiry of 3 years from the grant date.

Deutsche Rohstoff AG's VP Geology, Ms Anja Ehser, will join the board as a non-executive director subject to shareholder approval.

Strongly supported $3m Placement to Institutional and Sophisticated Investors

SensOre is also pleased to announce that it has received binding commitments for $3m from new and existing institutional and sophisticated investors for the future exploration focused company in a placement Lead by PAC Partners Securities Pty Ltd (Pac Partners). Should the placement be approved by shareholders, new shareholders will own 34%. The funds will be used to advance early drilling on Abbotts North and the Company's portfolio of lithium assets including Montague, Yalgoo and Gecko North.

PAC Partners acted as Lead Manager and Bookrunner to the placement ("Lead Manager"). The Lead Manager is entitled to receive 7.5m options exercisable at 10.5c with a three year expiry (subject to shareholder approval at the General Meeting); and 6% fee (plus GST where applicable) payable on the gross proceeds raised under the Placement.

Strategic Changes – SensOre to Change Name to Premier1 Lithium

SensOre will demerge its technology assets ('Demerger Transaction'). The acquisition of EVAI and placement above are contingent on the technology demerger taking place. Subject to shareholder approval, SensOre has committed to the demerger of the technology assets by 31 January. SensOre has attracted significant interest from a number of strategic investors in the technology company.

As a consequence of the acquisition and demerger, SensOre intends to rebrand as Premier1 Lithium.

Further, the board has resolved to reduce the number of directors to three (3), a number more appropriate for the new strategic direction. As a result, Mr Robert Peck AM, Mr Adrian Manger, Mr Anthony O'Sullivan and Mr Robert Rowe have indicated they intend to submit their resignations.

Conditions Precedent

The Lithium Transactions and the Demerger Transaction are directly or indirectly conditional on the following:

(a) Shareholder approval of the demerger of the technology assets via in-specie distribution and capital reduction; the issue of shares to Deutsche Rohstoff AG for 70% of EVAI; and the issue of the placement shares;

(b) SensOre receiving binding commitments for at least $3m under the placement;

(c) Regulatory and ASX approvals; and

(d) Completion of the Demerger.

If any of the conditions precedent are not satisfied, the Lithium Transactions and the Demerger Transaction may not be able to proceed on the current timeframe. In the event that shareholders do not approve of the transaction, or third parties do not extend the timeframes in the agreements (in the event that time extensions are required), the Lithium Transactions and the Demerger Transaction will not proceed.

ASX and Regulatory Approvals

SensOre will seek advice from ASX on the application of relevant Listing Rules and S3N's listing at the ASX post-demerger will be subject to receiving relevant confirmations from ASX.

SensOre is pleased to advise that it has received a waiver to Listing Rule 7.24A that allows escrowed shareholders to participate in the in-specie distribution subject to the condition that the shares distributed in-specie are subject to the same escrow period expiring on 11 February 2024.

General Meeting of SensOre Shareholders

SensOre will issue a notice of meeting to procure the shareholder approvals necessary to give effect to these transactions. The meeting is anticipated to be held on or about 17 January 2024. A Notice of Meeting will be dispatched to shareholders by 19 December 2023 being more than 28 days prior to the GM date.

Technology Business

Minerals technology has largely been the domain of unlisted companies with access to venture capital funding. Unfortunately, SensOre has been unable to gain traction from institutional and retail investors on the ASX to match the depth of capital and interest from the largely US based technology market. The demerger provides an opportunity to rectify this issue and unlock value for shareholders. Further details of the demerger process will be made available in the Notice of Meeting and provided to shareholders.

The company is directing itself towards being a "data as a service company" with attaching AI/ML and geoscientific software tools. We believe the business has global appeal and the intention, once separated, is to seek venture funding to expand the data cube and the data as a service business globally. The cash generated from existing operations along with further venture funding will assist greatly with the future development of the technology business over the coming years.

The technology business will retain the SensOre name as it has become an accepted industry brand.

The business currently has two arms. The Intrepid arm is a geophysical solutions and software developer and sells software to users as well as processing and data modelling and target selection services. An overview of its products and services can be found at https://www.intrepid-geophysics.com/products/

The SensOre arm has developed very large data or hyper cubes, capturing massive volume of Australian geoscience data which can be accessed through the company's cloud platform. Additional volumes of geoscience data across Australia and globally are constantly being acquired and ingested into the rapidly expanding, scalable data hyper cubes. Aligned with this is a range of Machine Learning and Artificial Intelligence, (AI/ML) tools that can be applied to geoscience data.

More comprehensive information on this can be found at https://sensore.com/technology/

SensOre currently provides a range of consulting services around data, prospect generation and targeting to a wide variety of clients and we propose to continue these services. On a pro-forma basis the technology business is generating positive cash flow. See June Quarterly report. https://sensore.com/wp-content/uploads/2023/07/20230731-Quarterly-Activities-Report-to-30-June-2023.pdf Technology multiples are typically 5 times revenue and have historically been higher.

Lithium Exploration

SensOre together with Deutsche Rohstoff AG ('DR') has founded EVAI as a 70/30 joint venture with the purpose of applying SensOre's data cube and machine learning technology to the exploration of lithium pegmatite deposits in Western Australia. After the Lithium Transactions, the joint venture equity will then be held 100% within the rebranded Permier1 Lithium which will focus on the exploration of its lithium portfolio.

The most advanced project is Abbotts North where several pegmatite dykes have been discovered following the application of SensOre's proprietary AI/ML approach and initial confirmation mapping and sampling. EVAI secured an option to acquire 100% of the Abbotts North project from a private company for $75,000, with a further $200,000 payment deferred till 2025.

The pegmatite dykes have Potassium / Rubidium ratios less than 10 indicating a highly fractionated, fertile field. Outcropping pegmatites in the vicinity of the anomalous area are on average 2-3 metres wide, up to 350m long and returned up to 1.25% Li_2O in surface rock chip samples. The pegmatites can be traced under cover to the East over an area of 1.5km within the main Buttamiah Prospect.

Previously announced rock chip assays include:

- 23ANR008 1.25% Li2O or 5,800ppm Li, 397ppm Cs, 138ppm Ta2O5
- 23ANR013 0.88% Li2O or 4,070ppm Li, 224ppm Cs, 107ppm Ta2O5
- 23ANR015 0.87% Li2O or 4,050ppm Li, 512ppm Cs, 390ppm Ta2O5

The company's ASX releases on this exploration work can be found at: https://sensore.com/investor-centre/asx-announcements/

A maiden drill program is planned early in the new year to test the main pegmatite dykes.

In addition to the work at Abbotts North, more extensive surface exploration work is planned at the greater Yalgoo, Montague and Gecko North lithium projects to develop the pipeline of projects and drill targets going forward.

The company will also continue to pursue new opportunities using the successful technology methodology used to identify the existing projects and plans to extend the search beyond Western Australia.

This announcement was approved and authorised for release by the Board of Directors of SensOre Ltd.

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About SensOre

SensOre aims to become the top performing minerals targeting company in the world through the deployment of AI and machine learning (ML) technologies, specifically its Discriminant Predictive Targeting® (DPT®) workflow. SensOre collects all available geological information in a terrane and places it in a multidimensional hypercube or data cube. SensOre's big data approach allows DPT predictive analytics to accurately predict known endowment and generate targets for further discovery.

The SensOre Group has built a tenement portfolio of highly prospective, wholly-owned and joint ventured technology metals tenement packages located in Western Australia. As the capacity of SensOre's AI technologies expand to new terranes and a broader range of commodities, the Company anticipates that new targets will be identified and acquired in Australia and internationally.

SensOre's DPT technology has been developed over many years and involves the application of new computer assisted statistical approaches and ML techniques across the workflow of mineral exploration. The workflow includes data acquisition, data processing, ML training, ML prediction and analysis through DPT. SensOre has acquired numerous data sets and used these to generate mineral system targets. Targets have been analysed and vetted by SensOre's experienced exploration geoscientists. Publicly available data in the form of geophysics, surface geochemical, drilling and geological layers and derivatives have been compiled into a massive data cube covering much of Western Australia. SensOre believes that the combination of big data and ML techniques will provide the next generation of exploration discovery.

Competent person's statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Robert Rowe, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and is a Registered Professional Geoscientist in the field of Mineral Exploration with the Australian Institute of Geoscientists. Mr Rowe is a full-time employee and the Chief Operating Officer of SensOre. Mr Rowe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*. Mr Rowe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward-looking statements

This announcement contains or may contain certain 'forward-looking statements' and comments about future events, including in relation to SensOre's business, plans and strategies and expected trends in the industry in which SensOre currently operates. Forward-looking statements involve inherent risks, assumptions and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are based on SensOre's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. A number of important factors could cause SensOre's actual results to differ materially from the plans, objectives, expectations, estimates, targets and intentions expressed in such forward-looking statements, and many of these factors are beyond SensOre's control. Forward-looking statements may prove to be incorrect, and circumstances may change, and the contents of this announcement may become outdated as a result. SensOre does not give any assurance that the assumptions will prove to be correct. Readers should note that any past performance is given for illustrative purposes only and should not be relied on as (and is not) an indication of the Company's views on its future financial performance or condition. Past performance of the Company cannot be relied on as an indicator of (and provides no guidance as to) future performance including future share price performance. Except as required by law or regulation, SensOre undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Nothing in this announcement should be construed as either an offer to sell or a solicitation to buy or sell SensOre securities.