

ASX ANNOUNCEMENT | 4 July 2023

ASKARI EXPANDS STRATEGIC FOOTPRINT AT FLAGSHIP UIS LITHIUM PROJECT



HIGHLIGHTS

- Binding agreement executed to acquire 100% interest in EPL 7626, covering an area of 68.2km² directly along strike of the Uis Tin Mine (owned by Andrada Mining Limited)
- Acquisition increases Askari's strategic footprint across the Uis pegmatite belt to ~380km²
- Expanded Uis Lithium Project situated in an area containing known high-grade lithium, tantalum, tin and rubidium mineralisation
- Initial field work at EPL 7626 will comprise of project-wide detailed mapping and sampling ahead of planned drilling phases
- Askari continues to technically assess and evaluate other complementary acquisitions surrounding the Uis Lithium Project

Askari Metals Limited (ASX: AS2) ("Askari" or "Company") is pleased to announce it has executed a Share Sale Agreement (**Agreement**) with the shareholders of AstralL Dynamix Mining Investment CC, an entity registered in Namibia, Africa (**AstralL Dynamix**), in relation to the acquisition of 100% of the issued capital of AstralL Dynamix (**AstralL DMI Shares**), the 100% owner of Exclusive Prospecting Licence (EPL) 7626 in Namibia's prospective Uis pegmatite belt.

Commenting on the strategic expansion of the Uis Lithium Project, Executive Director, Mr Gino D'Anna, stated:

"This strategic expansion highlights the Company's focus to continue expanding our exposure to the battery metals sector. EPL 7626 complements our position in the Uis pegmatite belt and expands our holdings to more than 380km² in a region that can only be described as the best real-estate in Namibian Lithium.

To acquire an additional highly prospective exploration licence within 2.5km from an operating mine sharing the same geology and mineralised pegmatites is remarkable, and something the Company is very proud of achieving.

The Company recently conducted an initial site visit to EPL 7626 and inspected several mapped pegmatites, with several of them already opened up exposing the quartz core and the target mineralised zone. Planning for a project-wide detailed mapping and sampling campaign is currently underway to commence once the mapping team has completed its work at EPL 8535.



The Uis Lithium Project not only boasts exceptional lithium, tantalum, tin and rubidium mineralisation but is located less than 230km from the deep-water port of Walvis Bay. Infrastructure in this region is readily accessible with a well-maintained network of roads direct to site as well as access to power and water.

We continue to maintain an aggressive exploration strategy, having completed three phases of RC drilling and planning is now underway for the first-ever diamond drilling campaign at the Uis Lithium Project.

We are excited about the future and look forward to keeping our shareholders informed as we continue to progress.”

Uis Pegmatite Belt, Namibia

EPL 7626 lies along strike of the Company’s Uis Lithium Project (EPL 7345 and EPL 8535) and Andrada Mining Limited’s (LSE. ATM) Uis Tin Mine, which hosts a JORC (2012) Mineral Resource of 81Mt @ 0.73% Li₂O and 0.15% Sn.

Refer to polaris.brighterir.com/public/andrada_mining/news/rns/story/x4g8q3x.

EPL 7626 covers an area of 68.2km² and represents a significant expansion of the Company’s Uis Lithium Project, which now covers a combined area of 380km² within the Erongo Region of west-central Namibia.

The Uis Lithium Project lies less than 5km from the township of Uis and less than 2.5km from the operating Uis Tin Mine. Swakopmund, the capital city of the Erongo Region and Namibia’s fourth largest settlement, is located approximately 165km due south of the Uis Lithium Project while the Namibian capital city of Windhoek is located approximately 270km south-east of the Uis Lithium Project.

The map below (Figure 1) provides an overview of the location of the Uis Lithium Project relative to the infrastructure servicing the region.

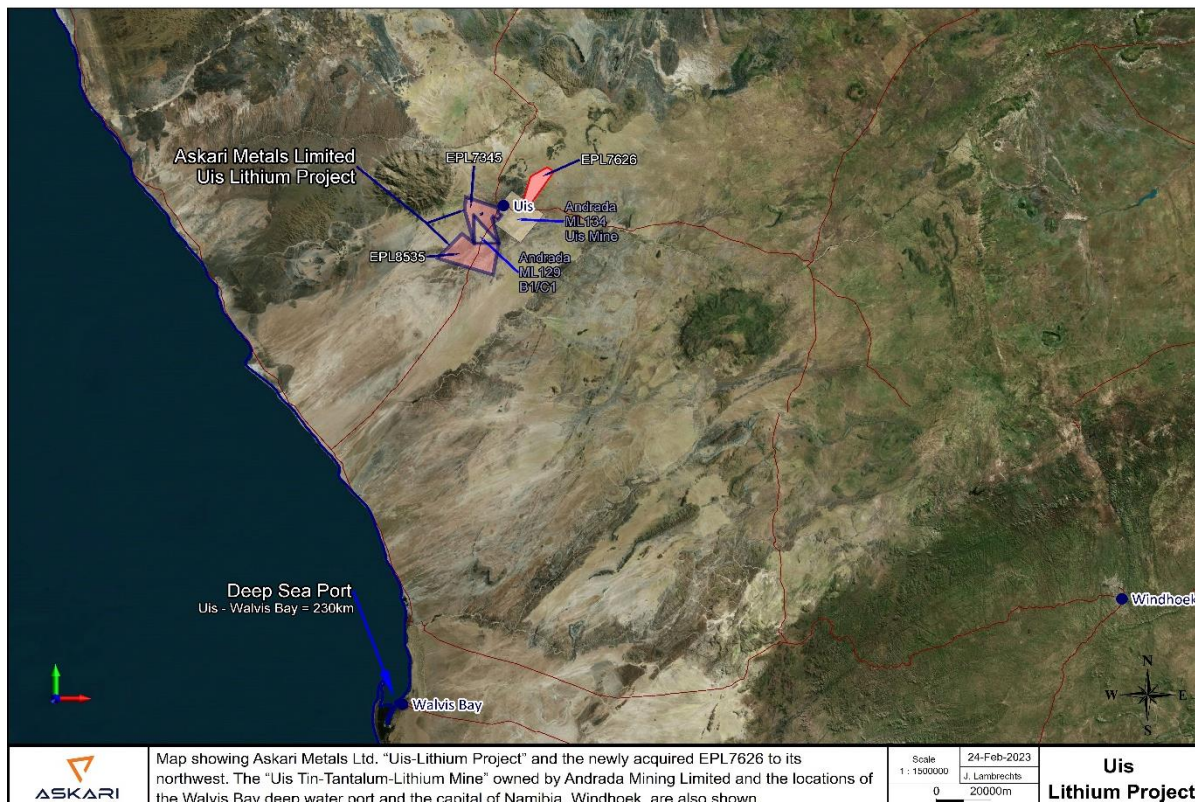


Figure 1: Location map of the Uis Lithium Project and the recently acquired EPL 7626.

Pursuant to the terms of the Agreement, the Company has agreed to acquire 100% of the Astral DMI Shares from the shareholders of Astral Dynamix, a company incorporated under the laws of Namibia, which wholly owns EPL 7626.

The terms of the acquisition are summarised in Appendix A. The issue of the upfront share consideration will be made using the Company's existing ASX LR 7.1 placement capacity.

However, the deferred consideration shares will be issued, subject to the performance criteria being satisfied, only upon the receipt of prior shareholder approval.

Acquisition of EPL 7626

The acquisition of EPL 7626 complements the Company's strategic footprint in the Uis pegmatite belt and allows Askari to develop a multi-stream exploration approach as we aim to develop the Uis Lithium Project into a tier-1 battery metals project.

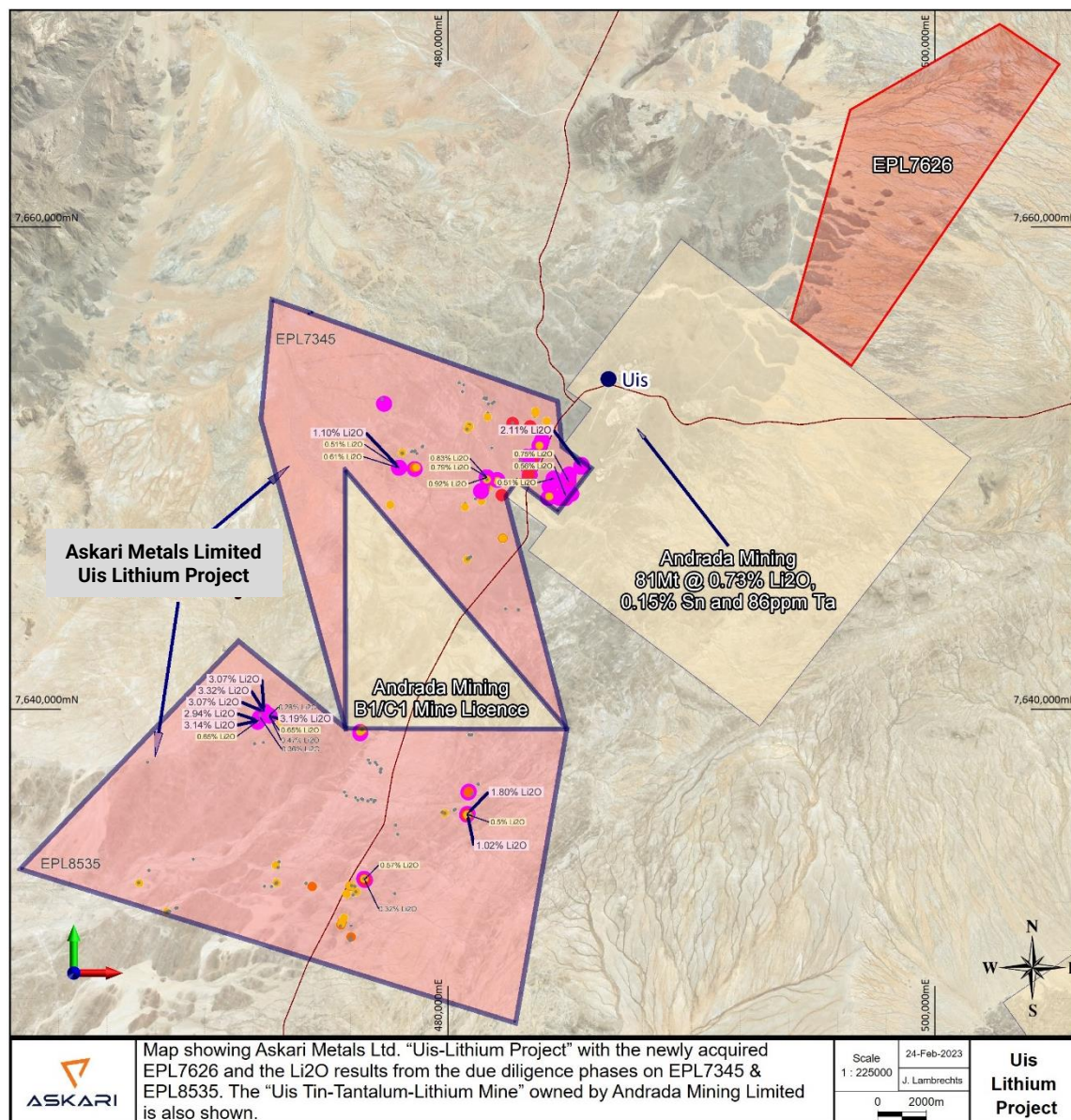


Figure 2: Project level location map of the Uis Lithium Project and the recently acquired EPL 7626 along strike of the Uis Tin Mine owned by Andrada Mining

The strategic location of EPL 7626 relative to the Uis Tin Mine and the B1/C1 Mining Licence, both owned by Andrada Mining, as well as EPL 7345 and EPL 8535, owned by Askari, is shown in Figure 2 (above). The proximity of the Uis Lithium Project (EPL 7345, EPL 8535 and EPL 7626) relative to Andrada Mining's licences, and the infrastructure associated with the mine, is clearly visible and highlights Askari's Uis Lithium Project hosts the same pegmatite geology and mineralisation.

The Company recently completed a discrete field exploration campaign as part of an initial review of the prospectivity of EPL 7626, comprising a site visit and a limited sampling campaign to provide a high-level overview of the project area.

During this campaign, the Company collected few samples and visited a limited number of pegmatites and historic tin and semi-precious stone mine workings. The pegmatites visited were identified as high priority based on their location within the same strike direction as the pegmatites being drilled and mined at Andrada Mining's nearby Uis Tin Mine. This high-level review of the exploration potential of EPL 7626 has provided the Company with the confidence required to proceed with the acquisition.

The Company is currently awaiting receipt of the assay results from the samples collected which are expected to be received in the next 4-6 weeks.

Initial site reconnaissance exploration has demonstrated the prospectivity of the licence area, with a number of mapped pegmatites identified. The Company is now preparing for a project-wide detailed mapping and sampling campaign to commence as soon as practicable.

Future Work and Planned Exploration

The Company is planning to mobilise a field crew to EPL 7626 to complete a project-wide detailed mapping and sampling campaign, which will commence once the mapping team has completed its work at EPL 8535. The field crew will also complete some follow-up mapping and sampling at the north-west portion of EPL 7345.

The Company anticipates several streams of exploration will be conducted across the Uis Lithium Project, including maiden diamond drilling at EPL 7345, follow-on RC drilling planned at EPL 8535 and detailed mapping across the newly acquired EPL 7626.

In addition to the upcoming sampling and mapping campaign, Askari is preparing for a maiden diamond drilling campaign at EPL 7345, with a diamond drilling rig being mobilised to site during late-June 2023.

Initial diamond drilling will focus on the significant ~112m wide lithium-mineralised pegmatite in the south-east of the project area (EPL 7345) and additional RC drilling is also planned for EPL 8535.

Refer to ASX announcement dated 5 June 2023.

Strategic Acquisitions

The Company continues to review and evaluate strategic acquisitions within the Uis Pegmatite Belt along strike of the Company's flagship Uis Lithium Project and the Uis Tin Mine owned by Andrada Mining Ltd (LSE: ATM). The Company has completed due diligence investigations on several projects and is currently in discussions with a number of parties.

The Company will continue to keep shareholders up to date as the strategic acquisitions progress further.



The Uis and Nainais-Kohero swarm of pegmatites represent the fillings of en-echelon tension fractures that formed as a result of regional shearing.

These pegmatites can be described as pervasively altered or extensively albitised, with only relics of the original potassium feldspars left after their widespread replacement by albite.

They are remarkably similar in composition, except for the varying intensity of pneumatolytic effects and the introduction or concentration of trace elements during the final stages of crystallisation, resulting in complex pegmatite mineralogies.

These pegmatites are found within schistose and quartzose rocks of the Khomas Subgroup, a division of the Swakop Group, which have been subjected to intense tectonic deformation and regional metamorphism.

Detailed geological mapping suggests the Uis swarm of pegmatites consist of over 200 individual pegmatite bodies. Shearing resulted in spaces being opened within the Khomas Subgroup which were subsequently intruded by pegmatite or quartz veins.

Within the Nainais pegmatites high tin values are found in smaller altered mica-rich pegmatites near the pegmatite edges.

The pegmatite mineralisation composition changes with distance from the granitic contacts with a mineral crystallisation sequence, which indicates garnet and schorl occurring closest to the granitic contacts, cassiterite and lithium-tourmaline occurring further away therefrom, and the tantalite being associated with lithium-tourmaline and quartz blows.

This announcement is authorised for release by the executive board

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FOR FURTHER INFORMATION PLEASE CONTACT

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ABOUT ASKARI METALS

Askari Metals was incorporated for the primary purpose of acquiring, exploring and developing a portfolio of high-grade battery (Li + Cu) and precious (Au + Ag) metal projects across Namibia, Western Australia, Northern Territory and New South Wales. The Company has assembled an attractive portfolio of lithium, copper, gold and copper-gold exploration/mineral resource development projects in Western Australia, Northern Territory, New South Wales and Namibia.

For more information please visit: www.askarimetals.com

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements concerning Askari Metals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of Askari Metals Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Johan Lambrechts, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Lambrechts is a full-time employee of Askari Metals Limited, who 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. Lambrechts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Appendix A: Summary of Material Terms of Binding Acquisition Agreement

A summary of the material terms of the Binding Acquisition Agreement is set out below:

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| 1. | ACQUISITION | <p>The Purchaser agrees to acquire, and the Vendors each agree to sell, 100% of the fully paid ordinary shares in the capital of AstralL DMI held by the Shareholders (representing 100% of the issued capital) (AstralL DMI Shares), free from encumbrances and otherwise on the terms and conditions set out in this Agreement.</p> <p>By execution of this Agreement each Vendor waives all rights of pre-emption or other rights over any of the AstralL DMI Shares conferred either by the constitution of AstralL DMI or by any other agreement relating to AstralL DMI or to the AstralL DMI Shares or other securities in AstralL DMI.</p> |
| 2. | CONSIDERATION | <p>Subject to the terms and conditions of this Agreement, in consideration for the acquisition of the AstralL DMI Shares by the Purchaser, the Purchaser agrees to pay consideration as stated below. This consideration is due and payable within 5 business days from the date of Completion. The Vendor acknowledges and agrees that the consideration represents fair and reasonable consideration for the transfer of ownership of the AstralL DMI Shares to the Purchaser.</p> <p>A. upfront cash consideration of A\$275,000 (excluding tax) within 5 business days of fulfilment of the Conditions (set out in clause 6 below) (Upfront Cash Consideration).</p> <p>B. the issue of A\$100,000 worth of fully paid ordinary shares in AS2 (Initial Share Consideration) within 5 business days of fulfilment of the Conditions, at a deemed issue price equal to the 10-day VWAP of the securities of AS2 up to and including the day on which AS2 announces fulfilment of the Conditions.</p> <p>Any applicable taxes to be charged on the Upfront Cash Consideration and the Initial Shares will be charged separately and will be settled in cash by the Purchaser upon receipt of a valid invoice.</p> <p>Escrow conditions that apply to the Initial Shares are as follows:</p> <ul style="list-style-type: none"> I. 70% of the Initial Shares will be subject to a 12 month voluntary escrow; II. 15% of the Initial Shares will be subject to a 6 month voluntary escrow; and III. 15% of the Initial Shares will be subject to a 3 month voluntary escrow. |
| 3. | RC DRILLING PROGRAM PERFORMANCE BONUS ON EPL 7626 | <p>Subject to the Purchaser obtaining shareholder approval at a meeting of its shareholders, the Purchaser agrees to issue the Vendor (or its nominee) A\$300,000 worth of fully paid ordinary shares in AS2 (M1 Shares) at a deemed issue price equal to the 10-day VWAP of the securities of AS2 up until the day upon which the Purchaser completes a minimum 2,000m RC drilling program at the Project where the RC drilling program intersects a minimum Li₂O percent per metre interval of 10 percent Li₂O/metre across not less than ten (10) individual drill holes anywhere over the Project.</p> <p>Any applicable taxes to be charged on the M1 Shares will be charged separately and will be settled in cash by the Purchaser upon receipt of a valid invoice.</p> <p>Escrow conditions that apply to the M1 Shares are as follows:</p> <ul style="list-style-type: none"> I. 70% of the M1 Shares will be subject to a 12 month voluntary escrow; II. 15% of the M1 Shares will be subject to a 6 month voluntary escrow; and III. 15% of the M1 Shares will be subject to a 3 month voluntary escrow. |



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| <p>4.</p> | <p>JORC (2012) MINERAL RESOURCE ESTIMATE ON EPL 7626</p> | <p>Subject to the Purchaser obtaining shareholder approval at a meeting of its shareholders, the Purchaser agrees to issue the Vendor (or its nominee) A\$400,000 worth of fully paid ordinary shares in AS2 (M2 Shares) at a deemed issue price equal to the 10-day VWAP of the securities of AS2 up until the day upon which the Purchaser signs off on a JORC (2012) (or NI 43-101) compliant resource of greater than 5,000,000 tonnes @ 1.0% Li₂O.</p> <p>Any applicable taxes to be charged on the M2 Shares will be charged separately and will be settled in cash by the Purchaser upon receipt of a valid invoice.</p> <p>Escrow conditions that apply to the M2 Shares are as follows:</p> <ul style="list-style-type: none"> I. 70% of the M2 Shares will be subject to a 12 month voluntary escrow; II. 15% of the M2 Shares will be subject to a 6 month voluntary escrow; and III. 15% of the M2 Shares will be subject to a 3 month voluntary escrow. |
| <p>5.</p> | <p>CONDITIONS PRECEDENT</p> | <p>Settlement is conditional upon the satisfaction (or waiver) of the following Conditions Precedent:</p> <ul style="list-style-type: none"> a. completion of financial, legal and technical due diligence by the Purchaser on AstralL DMI and the Tenement, to the absolute satisfaction of the Purchaser within 30 days of the Execution Date (defined below); b. resignation of all existing directors and officers of AstralL DMI; c. appointment of new directors and officers as nominated by the Purchaser to the board of AstralL DMI; d. change in company type of AstralL DMI from a CC to a (Pty) Ltd; e. change of name of AstralL DMI to a name nominated by the Purchaser; and f. the Purchaser obtaining all necessary shareholder and regulatory approvals (including the Purchaser obtaining shareholder approval for the issue of the Consideration Shares, if required) necessary to lawfully complete the matters set out in this Agreement, <p>(together, the Conditions Precedent).</p> <p>The Conditions Precedent are for the benefit of the Purchaser and may only be waived by the Purchaser.</p> |

The agreement otherwise contains terms that are standard for this type of agreement and acquisition.

