



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 12 January 2022

A8G to acquire a 90% interest in a substantial lithium exploration package within the Northern Arunta LCT pegmatite province

Highlights

- A8G to double its landholding in the Northern Arunta LCT pegmatite province through agreement with ASX-listed Prodigy Gold to acquire a 90% interest in a large package of highly prospective tenements
- Exploration on these granted licences to commence immediately following completion of the transaction, leveraging existing target generation work conducted by the CSIRO and the Company
- A8G is positioning itself to be a dominant player in the exploration and development of lithium projects in the Central Northern Territory

A8G's Managing Director, Dr Qingtao Zeng said:

"We are growing a dominant tenement position in the exciting Arunta pegmatite province which is prospective for LCT pegmatites and associated lithium-bearing mineralogy. Through this acquisition, A8G's landholding will increase to more than 1,500km² which places the Company as one of the largest holders in the region, with great access to infrastructure, including railway access to Darwin port.

"We have been very active at our 100% owned Mt Peake lithium project. Exploration to date has been based on a conceptual model, in-house remote sensing interpretation partnering with CSIRO, identifying surface mineralisation through detailed field mapping and defining drilling targets for testing. We look forward to being able to apply our experience and expertise across the joint-venture project area, with the aim of discovering more lithium mineralisation to support our development goals."



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Australasian Metals Limited (**ASX: A8G, Australasian** or the **Company**) is pleased to advise that the Company has signed a binding Sale and Purchase Agreement (**SPA**) with Prodigy Gold NL (ASX:PRX, **Prodigy Gold**) to acquire a 90% joint-venture interest in 5 tenements covering ~880 km² in the northern Arunta pegmatite province, Northern Territory (Burrow Creek lithium project).

Tenure	Grant	Expiry	Blocks	Area (km ²)	Land Tenure type	Land Tenure
EL 30507	08/06/2021	07/06/2023	4	12.78	Privately Owned	NT Portion (000) Parcel 3375
EL 28515	3/10/2011	2/10/2023	9	28.79	Privately Owned	NT Portion (000) Parcel 3375
EL 29724	17/05/2013	16/05/2023	49	156.53	Privately Owned	NT Portion (000) Parcel 3375
EL 29725	17/05/2013	16/05/2023	72	229.95	Privately Owned	NT Portion (000) Parcel 3375
EL 30470	31/07/2015	30/07/2023	116	450.95	Privately Owned	NT Portion (000) Parcel 3375 & 2286

The location of the tenements is presented in **Figure 1**. They are located roughly 100 kms to the northeast of the Company's Mt Peake Lithium project (ELA32830). Importantly, the tenements are situated on privately-owned land, with good road and railway access. There are historical Ta-Sn mineral occurrence records across several tenements, and pegmatite rocks have been mapped, with regional geological mapping by previous explorers and government geologists (Bagas and Haines, 1990, Frater 2005, Donnellan 2013, Scrimgeour, 2013, **Figure 2**).



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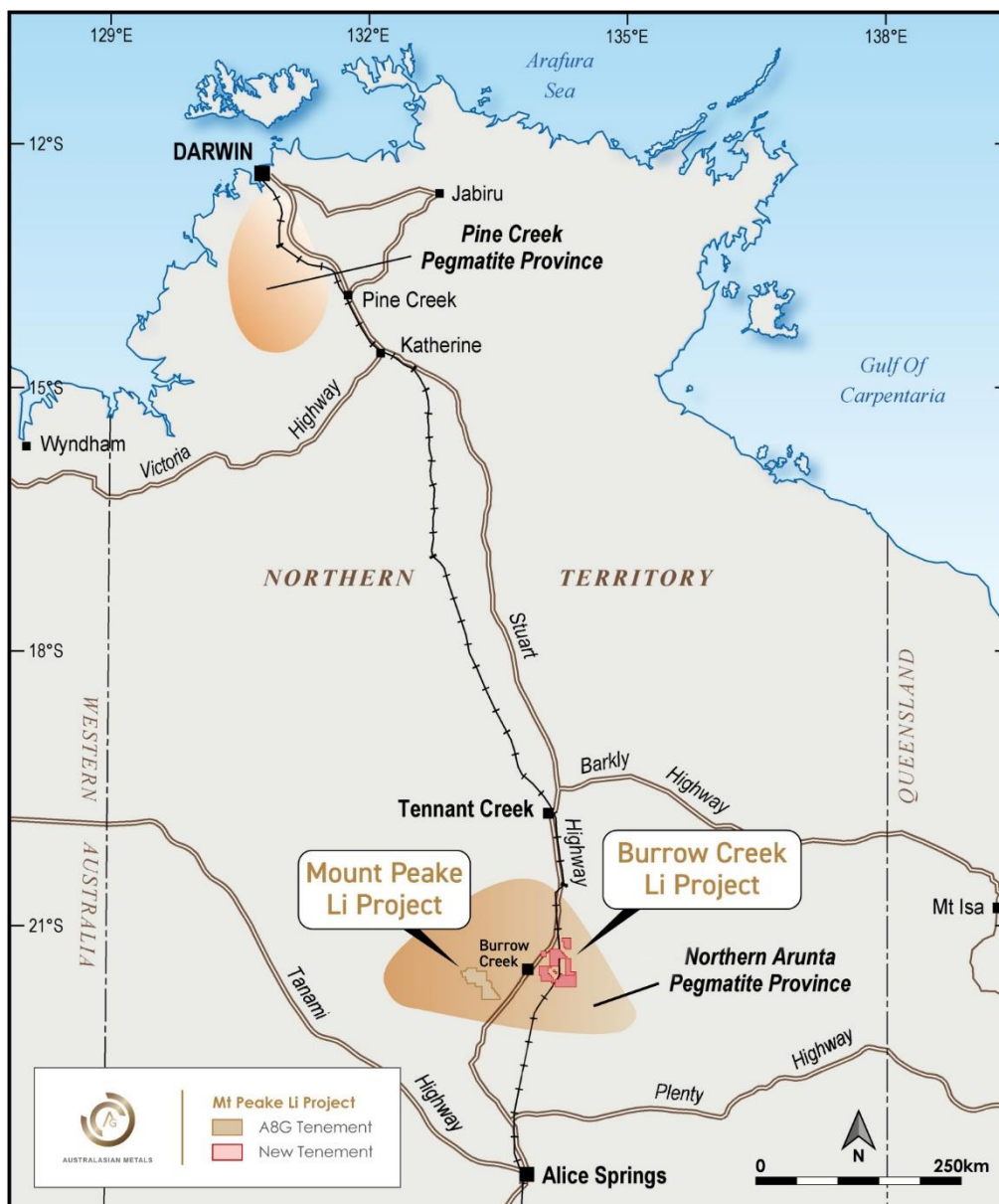


Figure 1: Location of the newly acquired tenements, the Burrow Creek Li project

REGIONAL GEOLOGY

The known tin-tantalum and lithium pegmatite fields in the Northern Territory (NT) are on the exposed western and southwestern margins of the Pine Creek Orogen and northern margin of the Arunta Region. Their location along craton margins is typical of Proterozoic terranes; the granitic hosts are typically late- or post-tectonic and are associated with pre-existing



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granite contacts along deep regional faults. The most important producing area is the Bynoe pegmatite field in the Litchfield pegmatite belt of northern NT. Other producing areas in the Northern Territory include the Shoobridge field in the southwest of the Pine Creek Orogen, and the Barrow Creek and Anningie/Napperby fields in the northern Arunta.

The Arunta Region, including the Prodigy Gold tenements, is a large portion of a multi-deformed and variably metamorphosed terrane along the southern margin of the North Australian Craton (NAC) with variable deformation, episodes of multiple magmatic activity and metamorphic overprint. Magmatic activity in the Palaeoproterozoic was extensive and in some areas, repetitive. Both syn- and post-magmatic activity resulted in pulses of felsic and mafic magmatism that extended over long periods. During various periods in the Palaeoproterozoic, emplacement of deep seated granite, multiple deformation, volcanism and sedimentation commonly occurred in different areas of the Arunta Region.

The Lander Rock beds, Bullion Schist, Ooradidgee Group and Killi Killi Formation were deformed and metamorphosed during the Stafford-Murchison Event (1810–1790 Ma). This is a period of extensive granite magmatism in the central to southern NAP, with emplacement of the syn-tectonic Murchison Suite (Ooralangie and Bean Tree granites, and parts of the Barrow Creek and Ali-Curung granite complexes) and equivalents (Boothby Orthogneiss, Harveston Granite, Anmatjira Orthogneiss, and Stafford and Esther granites). The 'S'-type Barrow Creek Granite Complex and Esther Granite are considered to the source of the Barrow Creek and Anningie/Napperby pegmatite fields.

The mineralised pegmatites in the region typically form as linear swarms and range in size from a few metres long and less than a metre wide up to hundreds of metres long and tens of metres wide. Their shape is typically tabular or pod-like and their orientation is steep to sub-horizontal. Although the pegmatites are commonly parallel to the regional fabric, in detail, they transgress both bedding and foliation. Structural evidence suggests that the pegmatites are late- to post-tectonic, with emplacement being relatively passive. A highly variable and frequently non-penetrative brittle-ductile style of deformation is evident, with zones of well-



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developed brittle-ductile deformation commonly bounding windows of undeformed or mildly deformed pegmatite.

The bulk mineralogy of surface pegmatites is typically quartz, muscovite, kaolinite, cassiterite, tantalite and columbite. Most of the pegmatites display some degree of zoning; in most this consists of a narrow border zone, of fine-grained quartz and muscovite, adjacent to a wall zone, which consists of comb-textured quartz and muscovite oriented perpendicular to the wall of the pegmatite. The wall zone passes into a feldspar-dominant intermediate zone. A core zone of massive quartz may be present in larger bodies, although rarely as a symmetrical central core. Narrow, steeply dipping zones of greisen and veins bearing cassiterite and tantalite are a common feature of mineralised pegmatites. Tourmaline and garnets are relatively rare in the pegmatites, but tourmaline is very common in the country rock at the pegmatite contact. Tourmaline saturation at the contact is interpreted as being due to the escape of volatiles from the pegmatite walls. Geochemical analyses indicate that boron and fluorine are typically removed from pegmatite and are dispersed in country rock adjacent to the contact.

Local Geology

All the tenements lie along the northern margin of the Aileron Province that forms part of the Arunta Region, a poly-deformed and metamorphosed basement terrain along the southern margin of the North Australian Craton. These tenements are near the contact of the Aileron Province with the Wiso and Georgina Basins. The rocks of the Aileron Province are composed of variably metamorphosed clastic sediments, meta volcanic rocks, calc-silicate rocks, dolerites, mafic rocks and granites.

The Aileron Province is unconformably overlain by the Ngalia, Amadeus, Murraba, Georgina and Eromanga Basins with a largely faulted relationship with the Warumpi Province (formerly Southern Arunta Province) and Irindina Province and a transitional relationship with the Granite-Tanami Orogen.

The Granite-Tanami Orogen hosts a variety of commodities including metamorphosed VMS and carbonate replacement Pb-Zn-Cu, iron-oxide Cu-Au, orogenic Au, W(-Mo), Sn, mafic-



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hosted Ni-Cu, vermiculite, hydrothermal U, and apatite- and pegmatite-hosted REE-U(-P) making it a significant exploration target for base metals, Ni-Cu, uranium, mafic-hosted vanadiferous magnetite, REE and orogenic gold.

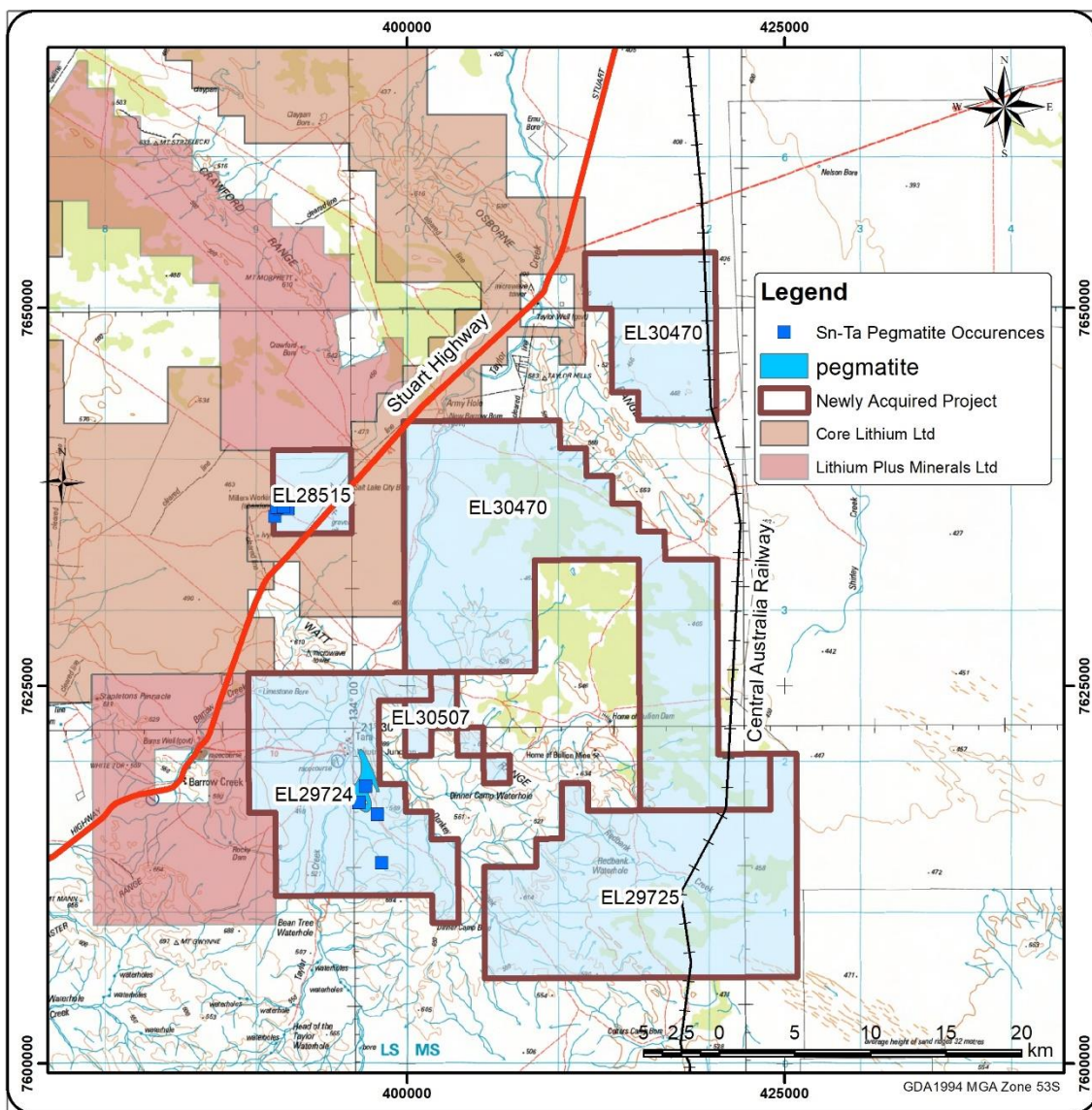


Figure 2: Layout of the newly acquired tenements. The package shares a boundary with Core Lithium Limited and another lithium explorer (Lithium Plus Minerals Ltd). Pegmatite is mapped with 1:250K geological map and Sn-Ta pegmatite occurrences have been reported. Their packages have great access to Stuart Highway and Central Australia Railway



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The tenements are interpreted to include blocks of sedimentary rocks; mainly Lower Hatches Group and Flynn Subgroup sandstones and the Arumbera Sandstone, sandstones, limestones and siltstones; blocks of metamorphosed Lander Rock beds composed of greywackes, siltstones, shales, schists and gneiss; intruded by granites. Balfour (1978) states that in 1944 some 0.1t of tantalite concentrate was extracted from a pegmatite in the surface and eluvials located 2 miles south of Neutral Junction station. Coarse grained muscovite flakes are arranged perpendicular to the vein wall.

Access

Access to the majority of the project area from Barrow Creek is via the Stuart Highway to the north and then using the Ali Curung to Jarra Jarra track. Newmont constructed an access track from the Jarra Jarra to the Waldron's Hill prospect In 2007. In 2008 Newmont constructed a series of north-south access tracks off the Waldron's Hill track to allow better access to the region. Reliable fair-weather access to most of the individual sites is via a series of established pastoral and historical exploration gravel tracks.

Key acquisition terms

Australasian and Prodigy Gold have entered into a binding SPA, whereby Australasian will acquire a 90% interest in the Burrow Creek lithium project from Prodigy for \$150,000 cash consideration. Additionally, Prodigy Gold's 10% interest will be free-carried until completion of a pre-feasibility study (**PFS**) with an NPV exceeding \$100 million. Following completion of the PFS, Prodigy Gold will have the ability to elect to convert their 10% interest into a 1% net smelter royalty over the project, or pro-rata fund their interest in the project.

Completion of the acquisition is expected to occur in the coming weeks.

The SPA contains warranties that are typical for an agreement of this nature.



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This announcement is approved for release by the Board of Directors

ENDS

For Further Information

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Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Dr Qingtao Zeng, Managing Director of Australasian Metals Limited. Dr Zeng is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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". Dr Zeng consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Dr Zeng is a shareholder of Australasian Metals Limited.

Australasian confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Australasian confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

References

- Balfour IS, 1978. Extracts from reports by the Administrator and Director of Mines, Kurundi Goldfield, 1915-1969. Northern Territory Geological Survey, Technical Report GS1978-019
- Bagas PW & Haines 1990. Barrow Creek, Northern Territory (First Edition). 1: 250 000 geological map series, SF53-6. Northern Territory Geological Survey, Darwin.
- Frater KM, 2005. Tin-tantalum pegmatite mineralisation of the Northern Territory. Northern Territory Geological Survey, Report 16
- Scrimgeour IR, 2013. Chapter 12: Aileron Province. In: Ahmad M and Munson TJ (compilers), 2013. Geology and mineral resources of the Northern Territory. Northern Territory Geological Survey, Special Publication 5.
- Donnellan N, 2008. Mount Peake and Lander River, Northern Territory. 1:250 000 geological map series explanatory notes, SF 53-05, SF 53-01. Northern Territory Geological Survey, Darwin.



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Section 1: Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none">Australasian Metals (A8G or Company) has not yet undertaken any exploration activities at the Burrow Creek Li project. The primary information sources regarding the previous exploration activities are Prodigy Gold Limited (PRX) and Northern Territory Strike online platform https://strike.nt.gov.au/wss.html
<i>Drilling techniques</i>	<ul style="list-style-type: none">NA. No Drilling Reported in this announcement
<i>Drill sample recovery</i>	<ul style="list-style-type: none">NA. No Drilling Reported in this announcement
<i>Logging</i>	<ul style="list-style-type: none">NA. No Drilling Reported in this announcement
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Location of data points</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Sample security</i>	<ul style="list-style-type: none">NA. No sampling reported.
<i>Audits or reviews</i>	<ul style="list-style-type: none">There has been no review of the sampling techniques and data.



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Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> The Burrow Creek lithium project currently comprises 5 exploration licence in application covering over 878 km². The Company will acquire 90% under the Sales and Purchase Agreement with Prodigy Gold Limited. Additionally, Prodigy Gold's 10% interest will be free-carried until completion of a pre-feasibility study (PFS) with an NPV exceeding \$100 million. Following completion of the PFS, Prodigy Gold will have the ability to elect to convert their 10% interest into a 1% net smelter royalty over the project, or pro-rata fund their interest in the project There is an aboriginal restriction area in the very northeast boundary of EL30470, where is not the exploration interests of the Company. There are no national parks over the license area. The Company has checked with UTM Global, the tenement management company showing that these 5 tenements are in good standing with no known impediments.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Limited exploration work for lithium in the newly acquired tenements. Several mineral occurrences were recorded for Sn, Ta and Mica
<i>Geology</i>	<ul style="list-style-type: none"> The project areas are interpreted to include blocks of sedimentary rocks; mainly Lower Hatches Group and Flynn Subgroup sandstones and the Arumbera Sandstone, sandstones, limestones and siltstones; blocks of metamorphosed Lander Rock beds composed of greywackes, siltstones, shales, schists and gneiss; intruded by granites. This area has historical tin production and limited Morden exploration has been conducted in this area for lithium. There are a series of intrusives including granite, pegmatite and aplite.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> NA. No drilling reported
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> NA. No drilling reported
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> NA. No drilling reported
<i>Diagrams</i>	<ul style="list-style-type: none"> Please refer to Figures in body of text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> This announcement focus on tenement acquisition and historical exploration work will be summarized when the Company conducts more investigation
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Not in this announcement
<i>Further work</i>	<ul style="list-style-type: none"> Field work programmes will include further mapping and rock chips sampling aiming at defining drilling target in the future