

**ASX Release**  
**20 October 2022**



## **Askari Signs Strategic Agreement with Shanghai-Listed Lithium Heavy Weight to Develop Australian Lithium Assets**

**\* Lithium Strategic Partnership Agreement signed in relation to the development of the Australian-based lithium projects – Barrow Creek (NT) and Eastern Pilbara Lithium (WA) \***

**\*\* Strategic partnership creates a pathway for the rapid development of the Barrow Creek and Eastern Pilbara Lithium assets positioned for the Chinese markets \*\***

**\*\*\* Lithium Strategic Partnership Agreement will enable Askari Metals to closely investigate down-stream lithium processing opportunities and provide the Company with access to capital for future development \*\*\***

**\*\*\*\* Zhejiang Kanglongda will be offered a preferred offtake position in relation to commercial production from the Australian lithium assets \*\*\*\***

**\*\*\*\*\* Zhejiang Kanglongda is listed on the Shanghai Stock Exchange (SHA:603665) with a market capitalisation of US\$988 million \*\*\*\*\***

**\*\*\*\*\* In July 2022, Zhejiang Kanglongda acquired a further 17.7% stake in a Chinese lithium producer for 212 million yuan (US\$30 million) boosting its ownership to 51% \*\*\*\*\***

### Highlights:

- Askari Metals has signed a Lithium Strategic Partnership Agreement (Lithium Partnership) with Zhejiang Kanglongda Special Protection Technology Co., Ltd (Zhejiang Kanglongda)
  - Lithium Partnership will create a pathway for the rapid development of its Australian Lithium Assets comprised of Barrow Creek in the NT and the portfolio of Eastern Pilbara Lithium Projects (WA) comprising the Yarrie project, the Talga East project and the Myrnas Hill project
  - Zhejiang Kanglongda will be provided with a preferred offtake position in relation to commercial production from the Company's Australian lithium projects
  - Pursuant to the Lithium Partnership, Zhejiang Kanglongda will assist the Company with lithium chemical downstream processing techniques and opportunities as well as provide access to capital for future development
- Zhejiang Kanglongda is listed on the Shanghai Stock Exchange (SHA: 603665) with a market capitalisation of ~US\$988 million
  - In July 2022, Zhejiang Kanglongda completed the acquisition of a further 17.7% interest in a local Chinese lithium chemicals producer (Jiangxi Tiancheng Lithium Industry) (Tiancheng Lithium) for US\$30 million, bringing its total ownership to 51%
    - Tiancheng Lithium extracts lithium sulfate solution
- This is a landmark agreement for the Company supporting the aggressive exploration mandate of the Company and its continued exposure to the lithium sector
- Field exploration is due to commence at the recently acquired Myrnas Hill Lithium Project



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Board of Directors and Senior Management  
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Executive Director - Mr Gino D'Anna  
Technical Director - Lithium - Mr Chris Evans  
Company Secretary / CFO - Mr Paul Fromson  
VP Exploration and Geology - Mr Johan Lambrechts  
Exploration Manager - Mr Tsogo Amartavian

Projects

Yarrie Lithium Project (Li)	100% owned
Myrnas Hill Lithium Project (Li)	100% owned
Talga East Lithium Project (Li)	100% owned
Barrow Creek Lithium Project (Li)	100% owned
Red Peak REE Project (REE)	100% owned
Springdale Copper-Gold Project (Cu/Au)	100% owned
Horry Copper Project (Cu)	100% owned
Callawa Copper Project (Cu)	100% owned
Burracoppin Gold Project (Au)	100% owned
Mt Maguire Gold & Base Metal Project (Au)	100% owned

Askari Metals Limited [ASX: AS2] (“Askari Metals” or “Company”), an Australian based exploration company with a portfolio of battery metals (Li +Cu) and precious metals (Au + Ag) projects across Western Australia, Northern Territory and New South Wales, is pleased to announce that the Company has signed a non-binding Lithium Strategic Partnership Agreement (Lithium Partnership) with Zhejiang Kanglongda Special Protection Technology Co., Ltd (Zhejiang Kanglongda).

The Lithium Partnership agreement relates to the Company’s Australian-based lithium assets including the Barrow Creek Lithium Project located in the Northern Territory as well as the portfolio of Eastern Pilbara lithium assets, namely the Yarrie Lithium Project, the Talga East Lithium Project and the Myrnas Hill Lithium Project.

Zhejiang Kanglongda is principally engaged in research and development, design, manufacture and sales of protective gloves and is listed on the Shanghai Stock Exchange (SHA: 603665) with a market capitalisation of approximately US\$988 million. In July 2022 Zhejiang Kanglongda completed the acquisition of a further 17.7% interest in a local Chinese lithium chemicals producer (Jiangxi Tiancheng Lithium Industry) (Tiancheng Lithium) for US\$30 million, bringing its total equity ownership to 51%. Tiancheng Lithium extracts lithium sulfate solution.

The Lithium Partnership will assist the Company with the rapid development of its Australian Lithium Assets. Pursuant to the Lithium Partnership, Zhejiang Kanglongda will be provided with a preferred offtake position in relation to commercial production from the Company’s Australian lithium projects.

In addition, Zhejiang Kanglongda will assist the Company with lithium chemical downstream processing techniques and opportunities as well as provide access to capital for future development.

Commenting on Lithium Partnership Agreement, Executive Director, Mr Gino D’Anna, stated:

*“The lithium partnership agreement with Zhejiang Kanglongda signifies a landmark agreement for the Company and validates the potential of our lithium projects within the Northern Territory and the Eastern Pilbara region. Our aggressive exploration mandate has enabled us to delineate areas of high-priority and we are rapidly planning the re-commencement of field activities at our lithium exploration projects, including the recently acquired Myrnas Hill Lithium Project. Pursuant to the agreement, we will work closely with Zhejiang Kanglongda in the development of lithium downstream products and importantly Zhejiang Kanglongda will provide us with access to key markets within China and provide Askari with access to capital for future development.*

*Zhejiang Kanglongda will also be provided with a preferred offtake position at market prices. We believe that Zhejiang Kanglongda is a tier-1 partner for our Company and we are very pleased to have the opportunity to work alongside them in the development of our Australian lithium assets.*

*In addition, the Company is investigating commercialisation strategies for its copper and gold projects within Australia including a spin-out, which will facilitate the Company’s continued concentration on the battery metals sector, and specifically lithium.*

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

**ENDS**

\*\* This announcement is authorised by the executive board on behalf of the Company \*\*

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### About Askari Metals Limited

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 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 and New South Wales.

For more information please visit: [www.askarimetals.com](http://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.

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## Appendix A: Summary of Lithium Strategic Partnership Agreement

A summary of the material terms of the Lithium Strategic Partnership Agreement is set out below:

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### 1. STRATEGIC PARTNERSHIP

#### 1.1 Deliverables from Zhejiang Kanglongda

Zhejiang Kanglongda will:

- (a) provide assistance and oversight to Askari Metals in downstream processing design to produce a lithium concentrate product that meets the requirements of Zhejiang Kanglongda as well as the broader lithium concentrate end-user market;
- (b) provide assistance to Askari Metals to produce a lithium carbonate product using the lithium concentrate from any of its current or future Australian-based lithium projects;
- (c) provide assistance to Askari Metals to produce a lithium hydroxide for use in Li-ion battery applications using the lithium concentrate from any of its current or future Australian-based lithium projects;
- (d) provide Askari Metals with access to the lithium concentrate end-user markets in China;
- (e) provide expertise and knowledge to Askari Metals with respect to lithium concentrate production in Western Australia and/or Northern Territory;
- (f) provide assistance to Askari Metals with funding the commercial development of any of the current or future Australian-based lithium projects owned by Askari Metals, including the construction and commissioning of a mine on any of the current or future Australian-based lithium projects.

#### 1.2 Deliverables from Askari Metals

In return for Zhejiang Kanglongda providing the assistance set out in clause 1.1, Askari Metals will provide Zhejiang Kanglongda with a preferred offtake position once Askari Metals commences production on any of the current or future Australian-based lithium projects.

Over the duration of the MOU, Askari Metals will provide Zhejiang Kanglongda with mini-bulk samples of lithium concentrate and raw feed from on any of the current or future Australian-based lithium projects in order to allow Zhejiang Kanglongda the ability to investigate the product specifications and improve the processing technology and the purity of the lithium concentrate.

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### 2. TERM AND TERMINATION

- (a) The rights and obligations of the parties under this MOU shall automatically cease and this MOU shall be terminated twenty-four months from the date on which the last of the parties executes this MOU, unless extended by mutual agreement amongst the parties.
- (b) Either party may terminate this MOU at any time prior to the date set out in clause 2(a), with immediate effect, by written notice to the other party.

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