

Askari Metals strengthens its position in the eastern Pilbara region of WA with the acquisition of the Hillside Lithium Project

**** Hillside is located in the Tambourah Lithium District along strike and adjacent to Trigg Hill and East Curlew which is being explored by Eastern Resources (ASX. EFE) ****

***** Exploration by EFE has identified extensive pegmatites which have been drill tested by EFE and can clearly be followed along strike into the Hillside Lithium Project *****

****** Hillside is located less than 4 km NE of Riversgold Ltd (ASX. RGL) Tambourah Project and Trek Metals Limited (ASX. TKM) Tambourah North Project where spodumene has recently been discovered in drilling and rock sampling ******

Highlights:

- Askari Metals has expanded its eastern Pilbara lithium portfolio through the acquisition of the Hillside Lithium Project covering an area of approximately 65km² located in the Pilbara region of Western Australia, which is highly prospective for Lithium-Tin-Tantalum (Li-Sn-Ta) mineralisation
 - Hillside Lithium Project is located along strike and adjacent to the Trigg Hill and East Curlew lithium projects which are being actively explored by Eastern Resources Limited (ASX. EFE)
 - Drilling has been ongoing at the Trigg Hill lithium project and EFE has reported significant thick intervals of pegmatites up to 65m *[refer to EFE announcement dated 4 October 2022]*
 - Rock-chip assays by EFE at Trigg Hill have confirmed extensive lithium-caesium-tantalum (LCT) pegmatites, with results up to 2.28% Li₂O, 1,552ppm Cs₂O, and 514ppm Ta₂O₅ from the Curlew East pegmatite swarm *[refer to EFE announcement dated 8 July 2022]*
 - Exploration undertaken by EFE at Trigg Hill and East Curlew has highlighted swarms of LCT-type pegmatites that can be clearly followed along strike into the Hillside Lithium Project
 - Hillside Lithium Project is located less than 4km NE of the Tambourah Project which is being actively explored by Riversgold Ltd (ASX. RGL) and the Tambourah North Project which is being actively explored by Trek Metals Limited (ASX. TKM)
 - Spodumene and Lepidolite have both been intersected in drilling by RGL *[refer to RGL announcement dated 3 November 2022]*
 - Trek Minerals recently announced assay results for multiple spodumene-bearing pegmatite dykes containing high-grade lithium including 3.07% Li₂O (TKL0045); 2.69% Li₂O (TKL0042); 2.36% Li₂O (TKL0095); 2.28% Li₂O (TKL0044); and 2.11% Li₂O (TKL0083) *[refer to TKM announcement dated 7 November 2022]*



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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
Barrow Creek Lithium Project (Li)	100% owned
Myrnas Hill Lithium Project (Li)	100% owned
Talga East Lithium Project (Li)	100% owned
Hillside 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

- **Exploration potential of the Hillside Lithium Project is significant** - the Hillside Lithium Project is under-explored for lithium and has never been drill tested, highlighting a significant opportunity to make a greenfields lithium discovery
 - **Recent regional exploration success in close proximity to the Hillside Lithium Project including at the Tambourah Lithium Project (Riversgold Ltd), the Tambourah North Lithium Project (Trek Metals Limited) and the Trigg Hill and East Curlew Lithium Projects (Eastern Resources Limited)**
- The greater Tambourah area is currently a hive of activity for Lithium-Caesium-Tantalum pegmatite exploration, with four other exploration companies – Riversgold (ASX: RGL), Infinity Mining (ASX: IMI), Trek Metals (ASX: TKM) and Minrex (ASX: MRR) – all presenting evidence of lithium mineralisation within the large pegmatite swarms at Tambourah
- Initial exploration will include a comprehensive data review and a planned soil sampling and rock sampling program to define the outcropping pegmatites which remain untested by exploration with no lithium-focused drilling completed
- Askari Metals is positioning itself to be a prominent landholder in the Pilbara region with a plan to becoming an emerging lithium explorer with high-quality assets – **existing Lithium Strategic Partnership Agreement Zhejiang Kanglongda will fast track the exploration and development of the Company's Australian lithium assets**
 - Currently in discussions to strengthen the relationship between the Company and Zhejiang Kanglongda beyond the currently executed strategic partnership agreement
- Askari Metals is well funded to achieve its exploration objectives

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 entered into a binding Share Sale Agreement to acquire 100% of the issued capital of Greenstone Lithium Limited (Greenstone). The acquisition of Greenstone enables the Company to acquire 100% of the Hillside Lithium Project, comprised of E45/5966 (*granted*) and E45/6224 (*application*), located in the highly prospective eastern Pilbara region of Western Australia. The Hillside Lithium Project is considered highly prospective for Lithium-Tin-Tantalum (Li + Sn + Ta) mineralisation.

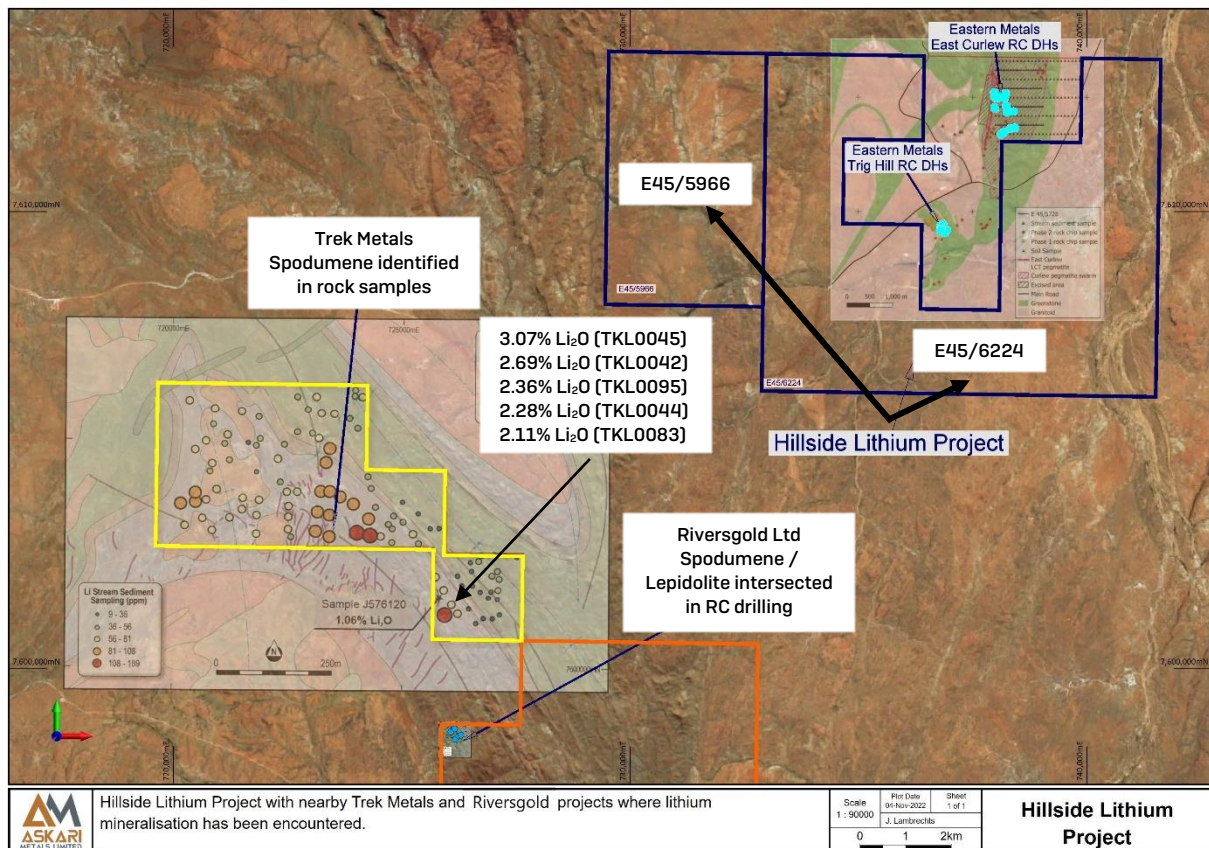
Commenting on the acquisition of the Hillside Lithium Project, Executive Director, Mr Gino D'Anna stated:

"The Hillside Lithium Project completes the Company's aggressive acquisition strategy in the eastern Pilbara region of Western Australia. We believe that the exploration potential of this project is significant and this is highlighted by the recent exploration success at the Tambourah Lithium Project owned by Riversgold Limited and the Tambourah North Lithium Project owned by Trek Metals Limited. This area is seeing a lot of dedicated lithium exploration and is a hive of activity. We are pleased that we can now be a part of that as well."

The Hillside Lithium Project is also located adjacent to and along strike of the Trigg Hill and East Curlew lithium projects owned by Eastern Resources Limited. Recent exploration conducted by EFE in this area has highlighted significant LCT-type pegmatite swarms that can be clearly traced into our Hillside project. Strategically the Hillside project is perfectly located and is highly complementary to our existing eastern Pilbara lithium assets."

Our strategic lithium partnership with Zhejiang Kanglongda means that we are well positioned to leverage our success in this area. We look forward to commencing our planned exploration program at the Hillside project as soon as possible."

Figure 1 highlights the strategic location of the Hillside Lithium Project which is located adjacent to and along strike of the Trigg Hill and East Curlew Lithium Projects (Eastern Resources). Also shown on the map is the location of the Tambourah Lithium Project (Riversgold) and the Tambourah North Lithium Project (Trek Metals).



There are two types of pegmatites in the group. The first shows cassiterite, monazite and tautauzenite, as sub-parallel swarms less than 0.5 metres wide dykes. The second are albite pegmatites, zoned with quartz cores, and containing beryl, formantite, lepidolite, muscovite, spodumene, yttrotantalite, and zinnwaldite.

The figure below outlines the geology of the Hillside Lithium Project.

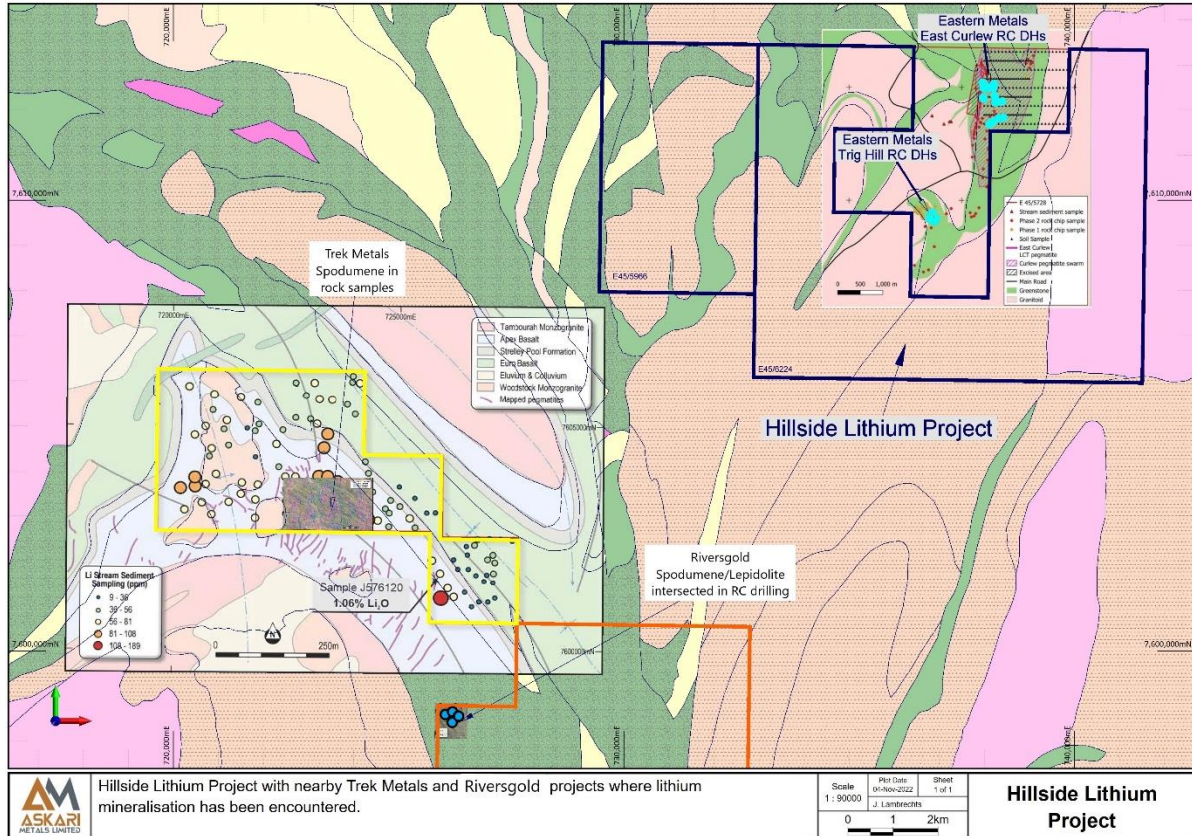


Figure 2: Geology map of the Hillside Lithium Project. Also shown are the Tambourah Lithium Project (Riversgold), the Tambourah North Lithium Project (Trek Metals) and the Trigg Hill and East Curlew Lithium Projects (Eastern Resources)

Exploration Potential

The exploration potential of the Hillside Lithium Project is significant given the recent exploration success in the area. Geological targeting has identified several areas of high-priority exploration zones which will be followed up in the field. There are hundreds of pegmatite outcrops within the greenstones within the Hillside Lithium Project greenstone area. Whilst many of these are interpreted to be small to medium in size, there is significant potential for larger LCT pegmatite bodies to be identified particularly in areas of folded or faulted greenstones such as those that have been identified by Eastern Resources at the Trigg Hill Lithium Project, next door to the Hillside Lithium Project.

The pegmatites have potential for tantalum, REE, lithium and tin. The larger zoned LCT pegmatites will be more prospective for the presence of spodumene whilst lepidolite can occur in narrow dykes. Radiometric surveys (U) can also be used to locate larger tantalum pegmatites within greenstone hosts and some indications of subsurface pegmatites have already been located.

Exploration completed in the adjacent area at Trigg Hill and East Curlew by Eastern Resources Limited (EFE) has highlighted significant LCT-type pegmatite swarms that can be clearly traced on the Hillside Lithium Project, refer to Figure 3, below.

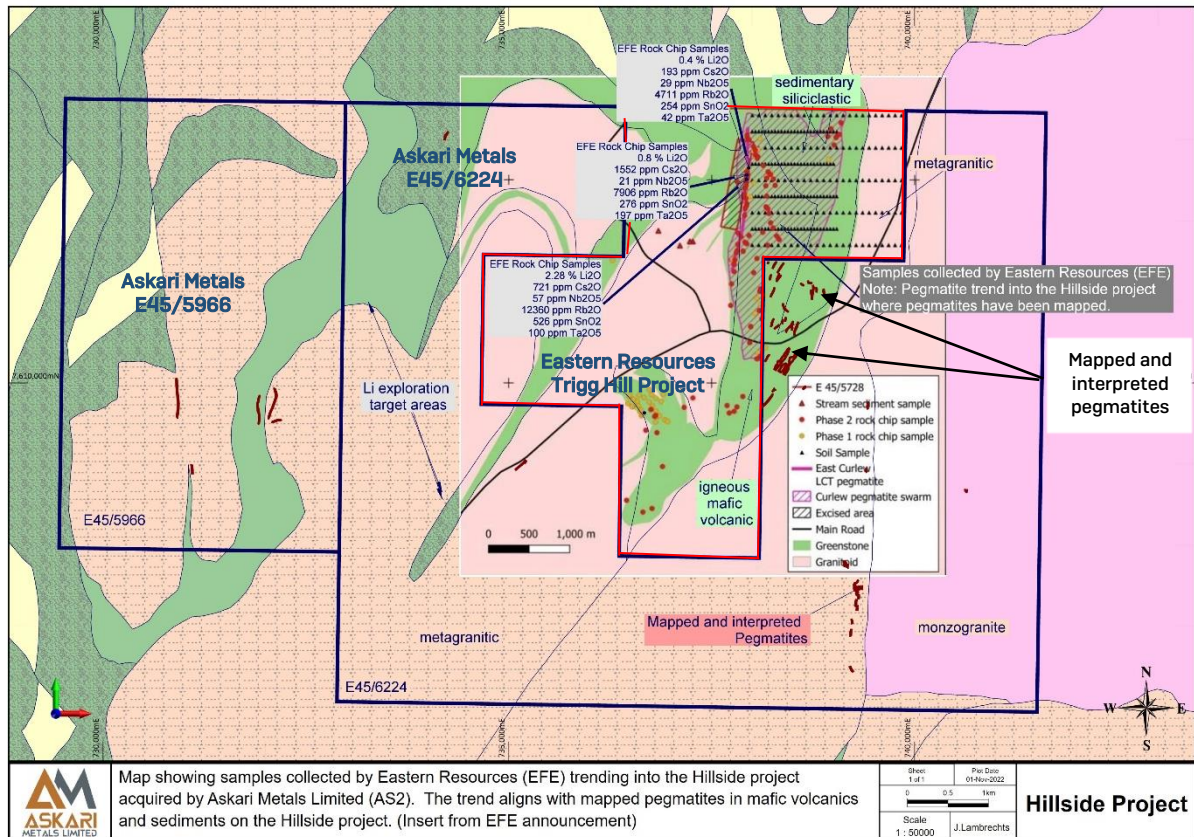


Figure 3: Map showing the exploration completed at the Trigg Hill and East Curlew Lithium Projects (Eastern Resources). The mapped pegmatites are clearly traced onto the Greenstone units of the Hillside Lithium Project, where Askari Metals has conducted initial due diligence mapping

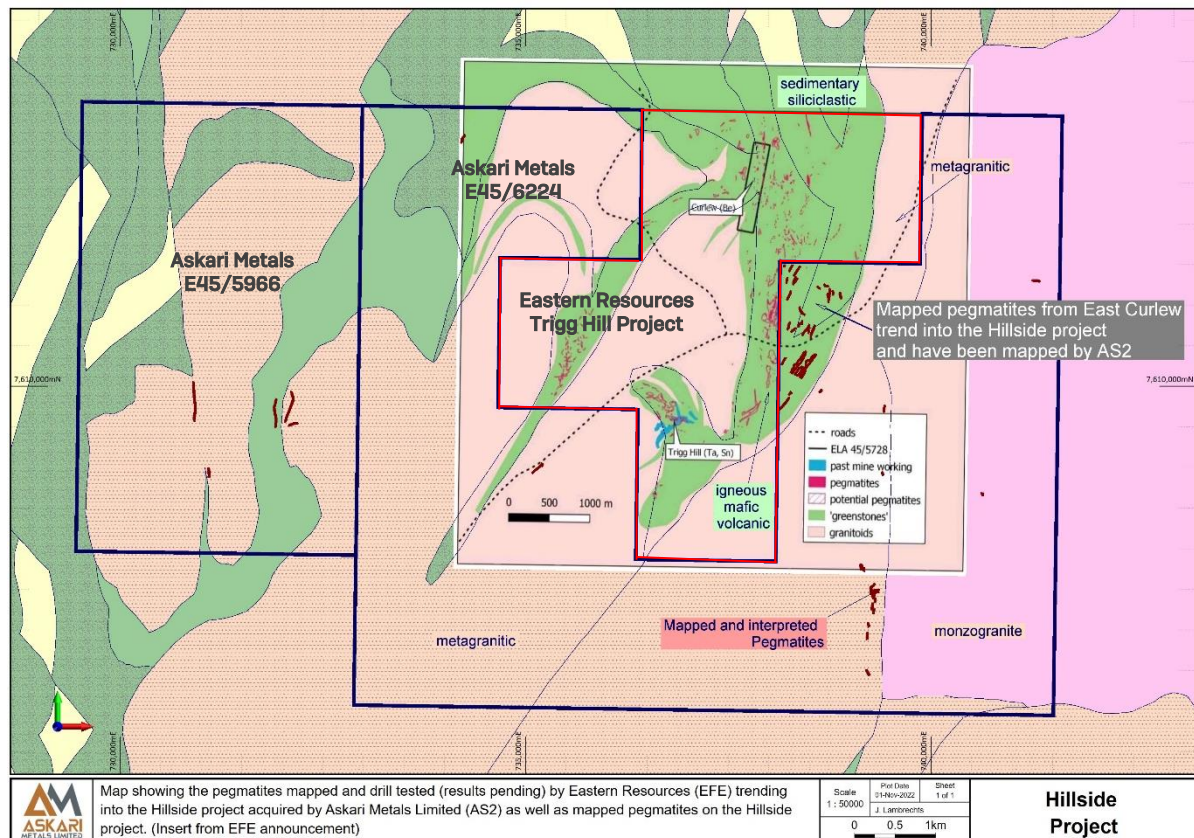


Figure 4: Map showing the mapped pegmatites at the Trigg Hill and East Curlew Lithium Projects (Eastern Resources) which are clearly traced onto the Greenstone units of the Hillside Lithium Project, where Askari Metals has conducted initial due diligence mapping

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

The geological “Goldilocks Zone” was also utilised as an exploration targeting method for the Hillside Lithium Project which has identified zones of priority exploration areas which would be followed up in future field visits. The zones correlate with the Greenstone units at the Hillside Lithium Project and concentrate in areas that are adjacent to and along strike of Trigg Hill and East Curlew as well as on the western side of the tenements that comprise the Hillside Lithium Project, as shown in Figure 5.

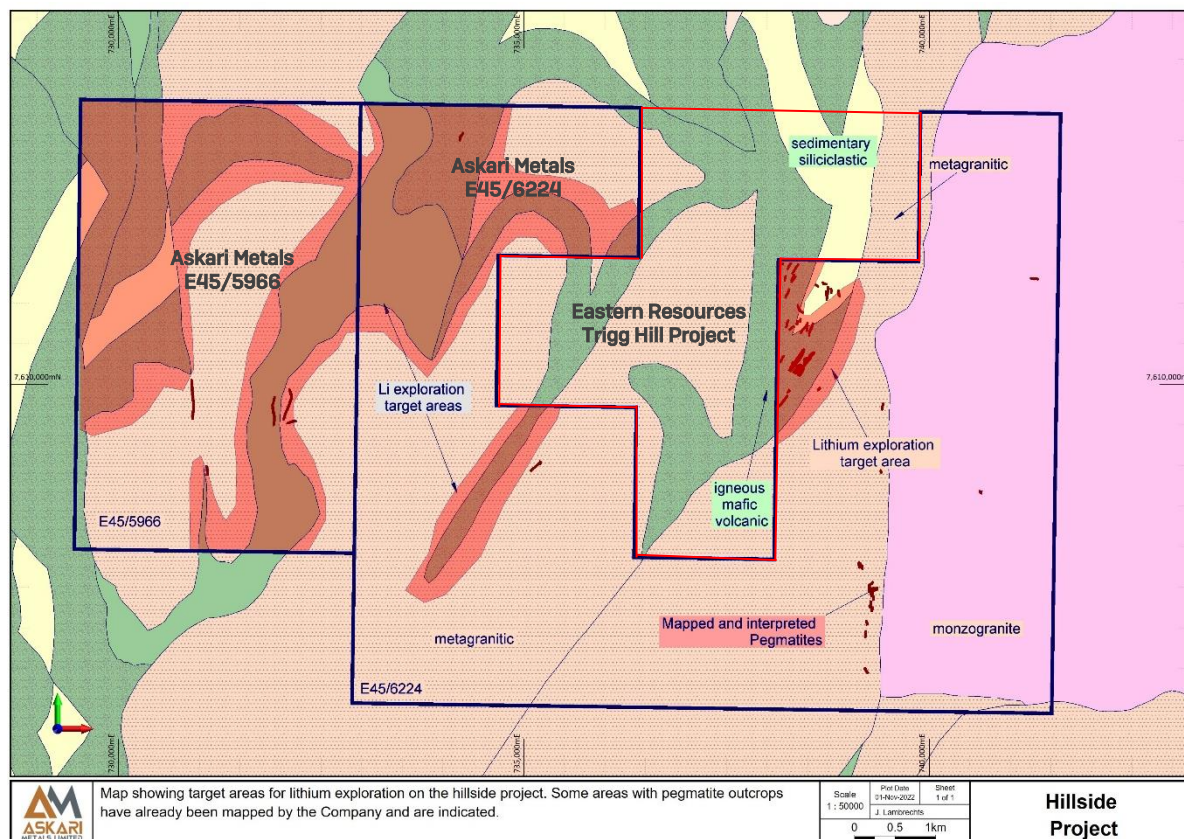


Figure 5: Map showing target areas for lithium-focused exploration at the Hillside Lithium Project. Areas with significant pegmatite outcrop have already been delineated by the Company during a mapping campaign completed during the due diligence site visit

Due Diligence Field Exploration Campaign

As part of the due diligence evaluation of the Hillside Lithium Project, the Company mobilised a team of geologists to the field to map the pegmatite exposures across the project area focusing specifically on the Greenstone lithologies. The Company mapped numerous LCT-type pegmatite swarms across the project area, as shown in Figure 3 and 4 above.

As part of the initial exploration at the Hillside project, the Company plans on mobilising its team into the field to conduct further mapping of the pegmatites closest to the Trigg Hill and East Curlew project areas (Eastern Resources, EFE) as well as collect rock samples of the outcrops and build a surface mineralisation model.

Follow on exploration will be dependent on the results of the initial field work, but will likely include an initial round of shallow Aircore and RC drilling. The targets at the Hillside project are clearly visible based on the exploration work that has been conducted by EFE at the neighbouring Trigg Hill and East Curlew project areas.

The Phase I exploration campaign consisting of rock sampling and mapping will be conducted shortly.

A photograph of a pegmatite mapped at the Hillside project during the due diligence site visit is illustrated below:



Figure 6: Photograph of a mapped pegmatite at the Hillside Lithium Project

Large lithium deposits in spodumene bearing pegmatites are a product of leucocratic late-stage granites in the east Pilbara terrain. Lithium bearing pegmatites have been found largely within mafic sequences in contact with granitic intrusives at Pilgangoora, Wodgina and Mt Francisco in the eastern Pilbara.

From the exploration work completed in the Tambourah district around the Hillside Lithium Project by Trek Metals, Riversgold and Eastern Resources as well as the recent mapping completed by the Company, there is strong potential for lithium bearing deposits to occur within the Hillside exploration licence area. The project is considered early stage but can be accelerated quite rapidly through desktop initial targeting and aerial reinterpretation of

geophysics/hyperspectral mapping and ground exploration activities. No exploration drilling into hard rock has ever been carried out anywhere within the Project area.

Planned Exploration

A data review aimed at informing exploration planning activities for the area will commence shortly. Initial review identified the potential for rock and soil geochemical surveys in certain areas, as well as the use of Sentinel satellite imagery to delineate target indicator minerals.

Field based activities are planned to commence upon completion of the review.

ENDS

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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

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 Person 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 consultant to 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 Transaction Terms

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 Greenstone held by the Shareholders (representing 100% of the issued capital) (Greenstone 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 Greenstone Shares conferred either by the constitution of Greenstone or by any other agreement relating to Greenstone or to the Greenstone Shares or other securities in Greenstone.</p>
2.	CONSIDERATION	<p>Subject to the terms and conditions of this Agreement, the consideration payable to the Vendors (or their nominees) for the Acquisition is:</p> <p>(a) upfront cash consideration of A\$100,000 within 7 business days of completion as defined pursuant to the binding agreement;</p> <p>(b) A\$150,000 worth of fully paid ordinary shares in AS2 (Shares) at a deemed issue price equal to the 10-day volume weighted average price of the Purchaser's shares as traded on the Australian Securities Exchange (ASX) (VWAP) up to and including the day on which AS2 announces that all conditions pursuant to the binding agreement have been satisfied, within 7 business days of completion as defined pursuant to the binding agreement (Initial Share Consideration);</p> <p>(c) issue the Vendors the following deferred consideration (Milestone Consideration):</p> <p>(i) Upon the granting of Exploration Licence (EL) 45/6224, AS2 will:</p> <p>(I) pay the Vendors (or its nominee) additional cash consideration of A\$100,000 within 7 business days of the granting of EL 45/6224; and</p> <p>(II) issue the Vendors (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 to and including the day on which EL 45/6224 is granted, to be issued within 7 business days of the grant of EL 45/6224. The M1 Shares will be issued within 7 business days of the satisfaction of Milestone One, at a deemed issue price equal to the 10-day VWAP up to and including the day on which the relevant announcement is made to ASX by the Purchaser;</p> <p>[M1 Consideration Shares]</p> <p>(ii) AS2 agrees to issue the Vendors (or its nominee) A\$500,000 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 upon completion of an RC drilling program at the Project where the RC drilling program intersects a mineralised interval of not less than 10m @ 1% Li₂O across not less than ten (10) individual drill holes. The M2 Shares will be issued within 7 business days of the satisfaction of Milestone Two, at a deemed issue price equal to the 10-day VWAP up to and including the day on which the relevant announcement is made to ASX by the Purchaser;</p> <p>[M2 Consideration Shares]</p> <p>(iii) AS2 agrees to issue the Vendors (or its nominee) A\$1,000,000 worth of fully paid ordinary shares in AS2 (M3 Shares) at a deemed issue price equal to the 10-day</p>

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

		<p>VWAP of the securities of AS2 upon achievement of a JORC [2012] [or NI 43-101] compliant resource of >5,000,000 tonnes @ 1.0% Li₂O. The M3 Shares will be issued within 7 business days of the satisfaction of Milestone Three, at a deemed issue price equal to the 10-day VWAP up to and including the day on which the relevant announcement is made to ASX by the Purchaser. [M3 Consideration Shares]</p> <p>(d) [together, the Milestone Consideration]; and with effect on and from Settlement, to grant the Vendors a royalty of 1.0% of the net smelter return on all minerals produced from the Licence by the Purchaser (Royalty), which shall otherwise be granted on customary [AMPLA] terms.</p> <p>The Vendors acknowledge that:</p> <ol style="list-style-type: none"> I. 100% of the Initial Share Consideration will be subject to a 12-month voluntary escrow period from their date of issue; II. 100% of the M1 Consideration Shares will be subject to a 12-month voluntary escrow period from their date of issue; III. 100% of the M2 Consideration Shares will be subject to a 12-month voluntary escrow period from their date of issue; and IV. 100% of the M3 Consideration Shares will be subject to a 12-month voluntary escrow period from their date of issue. <p>The Vendors agree to execute and deliver (or procure the execution and delivery of) any such escrow deed as required by the Purchaser.</p>
3.	CONDITIONS PRECEDENT	<p>Settlement is conditional upon the satisfaction [or waiver] of the following Conditions Precedent:</p> <ol style="list-style-type: none"> (a) completion of financial, legal and technical due diligence by the Purchaser on Greenstone and the Tenements, to the absolute satisfaction of the Purchaser within 60 days of the Execution Date [defined below]; (b) ASX confirming that Listing Rules 11.1.2 and 11.1.3 do not apply to the Acquisition; (c) 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; and (d) the Purchaser obtaining all third party approvals and consents 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> <p>If the Conditions Precedent are not satisfied [or waived by the Party entitled to the benefit of such Condition Precedent, as the case may be] on or before 5.00pm (WST) on 31 January 2023 [or such other date agreed by the Parties in writing], or become incapable of being satisfied and are not waived [End Date] any Party may terminate this Agreement by notice in writing to the other Parties, in which case, the agreement constituted by this Agreement will be at end and the Parties will be released from their obligations under this Agreement [other than in respect of any breaches that occurred prior to termination].</p> <p>The Parties will use their commercial best efforts to ensure that the Conditions Precedent are satisfied before the End Date.</p>

The agreement otherwise contains standard provisions for this type of transaction.