

ASX ANNOUNCEMENT | 4 April 2023

ASKARI METALS EXECUTES BINDING AGREEMENT TO ACQUIRE REMAINING 10% INTEREST IN EPL 7345 UIS LITHIUM PROJECT, NAMIBIA



HIGHLIGHTS

- **Askari has executed a binding agreement to acquire the remaining 10% interest in EPL 7345 covering an area of approximately 114 km² forming part of the Uis Lithium Project, located in Namibia**
 - o **exploration RC drilling at EPL 7345 continues with significant pegmatites intersected**
 - o **project wide detailed mapping and sampling at EPL 7345 nearing completion with numerous thick outcropping pegmatites identified**
 - o **new drill targets identified during the project wide detailed mapping and sampling program will be tested in future exploration RC drilling campaigns**
- **Acquisition of the initial 90% interest in EPL 7345 from LexRox Exploration Services (Pty) Ltd is expected to be completed shortly**
- **Askari continues to technically assess and evaluate other complementary projects surrounding the Uis Lithium Project for acquisition**
- **Drilling continues at EPL 8535**

Askari Metals Limited (ASX: AS2) (“Askari” or “Company”) is pleased to announce that the Company has entered into a binding agreement with Jenny Eliane van der Walt to acquire the remaining 10% interest in EPL 7345 covering an area of approximately 114 km² forming part of the Uis Lithium Project, located in Namibia.

The acquisition of the remaining 10% interest in EPL 7345 enables the Company to consolidate its interest in EPL 7345 without any minority shareholders and is an important strategic decision for the Company.

Pursuant to the binding agreement between the Company and Jenny Eliane van der Walt, the Company will acquire the remaining 10% interest in Kokerboom Mineral Processing Pty Ltd. The terms of the acquisition between the Company and Jenny Eliane van der Walt are set out in Appendix A.



As announced to Shareholders on 25 October 2022, the Company entered into a binding agreement with LexRox Exploration Services (Pty) Ltd to acquire an initial 90% interest in EPL 7345 via the acquisition of 90% of the issued capital of Kokerboom Mineral Processing Pty Ltd.

The binding agreement between the Company and Jenny Eliane van der Walt means that the Company will now own a 100% interest in EPL 7345, via its 100% ownership of Kokerboom Mineral Processing Pty Ltd.

Pursuant to the terms of the binding Agreement between the Company and LexRox Exploration Services (Pty) Ltd and between the Company and Jenny Eliane van der Walt, the Company has incorporated a local Namibian subsidiary (wholly owned) which will own a 100% interest in Kokerboom Mineral Processing Pty Ltd.

Kokerboom Mineral Processing Pty Ltd is the 100% owner of EPL 7345.

Exploration RC drilling is continuing at EPL 7345 with a number of significant pegmatites intersected. The previously announced project wide detailed mapping and sampling campaign being conducted by Earthlab Technical (refer to ASX announcement dated 2 February 2023) is nearing completion with the team to be mobilised to EPL 8535 in the coming weeks.

A number of new thick outcropping pegmatite targets have been identified by the field mapping team which will be drill tested in future RC exploration programs to be completed at EPL 7345.

Commenting on the acquisition of the remaining 10% interest in EPL 7345, Executive Director Mr Gino D'Anna stated:

"The acquisition of the remaining 10% interest in EPL 7345 is an important strategic decision for Askari Metals. Our strategy is well defined as we continue to consolidate significant exploration projects along the Uis Pegmatite Belt and systematically explore these areas adding value to our projects with tangible results. As a Company we are continuing to technically evaluate a number of other project areas along the Uis Pegmatite Belt to further consolidate the region and expand our strategic landholding. We see incredible upside and opportunity in Namibia. Askari is leading the lithium charge out of Namibia."

This announcement is authorised for release by the executive board

- ENDS -



FOR FURTHER INFORMATION PLEASE CONTACT**ABOUT ASKARI METALS****INVESTORS****Gino D'Anna**

EXECUTIVE DIRECTOR

M. +61 400 408 878**E.** gino@askarimetals.com**MEDIA****Josh Lewis**

SENIOR MEDIA COUNSEL

M. +61 412 577 266**E.** josh@spokecorporate.com**Johan Lambrechts**

VICE PRESIDENT – EXPLORATION & GEOLOGY

M. +61 431 477 145**E.** johan@askarimetals.com

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:

1.	ACQUISITION	The Purchaser (or its nominee) agrees to acquire, and the Vendor agrees to sell, the Assets on the terms and conditions set out in this Agreement (Acquisition).
2.	CONSIDERATION	<p>Subject to clause 3, in consideration for the Acquisition, the Purchaser agrees:</p> <ul style="list-style-type: none"> (a) to pay the Vendor (or its nominee) \$10,000 in cash within 5 business days of the execution of this Agreement; (b) to issue the Vendor (or its nominee) \$105,000 worth of fully paid ordinary shares in the capital of the Company (Shares) within 7 business days of settlement of the Acquisition (Settlement), at a deemed issue price equal to A\$0.376 per Share (Initial Shares); (c) issue the Vendor the following deferred consideration (Milestone Consideration): <ul style="list-style-type: none"> (i) \$45,000 worth of Shares (Milestone One Shares), subject to the completion of a reverse circulation (RC) drilling program(s) at the Licence of not less than 4,000m, where at least ten (10) RC drill holes intersects a mineralised interval containing a minimum lithium-oxide (Li₂O) grade of 10 percent (Li₂O equivalent)/ metre across not less than ten (10) individual drill holes anywhere over the Licence within 12 months of execution of this Agreement (Milestone One). For example, if +0.5% Li₂O eq. over 20m is attained across at least ten (10) individual drill holes anywhere over the Licence, Milestone Two is satisfied. The Milestone Two 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 prior to the day on which the results of the relevant successful RC drilling program are announced to ASX by the Purchaser; and (ii) \$75,000 worth of Shares (Milestone Two Shares), subject to the Purchaser announcing to ASX a JORC (2012) compliant resource of >5,000,000 tonnes @ 1.0% Li₂O on the Licence within 24 months of execution of this Agreement (Milestone Two Resource). The Milestone Two 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 prior to the day on which the relevant resource is announced to ASX by the Purchaser, <p style="text-align: center;">(together, the Milestone Consideration); and</p> (d) with effect on and from Settlement, to grant the Vendor a royalty of 0.15% of the net smelter return on all minerals produced from the Licence by the Purchaser or its successors in title (Royalty), which shall otherwise be granted on customary (AMPLA) terms. <p>The Vendor acknowledges that:</p> <ul style="list-style-type: none"> (a) 50% of the Initial Shares will be subject to a 6-month voluntary escrow period from their date of issue; (b) 25% of the Initial Shares will be subject to a 3-month voluntary escrow period from their date of issue; and (c) 25% of the Initial Shares will not be subject to any escrow from their date of issue.



		<p>The Vendor agrees to execute and deliver (or procure the execution and delivery of) any such escrow deed as required by the Purchaser.</p> <p>In the event that Milestone One is not achieved, but the Purchaser continues with exploration and declares a Milestone Two Resource, 100% of the Milestone One Shares will be issued to the Vendor upon the issue of Milestone Two Shares on the same terms as they would have been issued pursuant to 2(c)(i).</p>
3.	CONDITIONS PRECEDENT	<p>Completion of the Acquisition is conditional upon the Parties obtaining all necessary shareholder and/or regulatory approvals required to allow the parties to lawfully complete the matters set out in this Agreement (the Condition).</p> <p>Each Party must use its reasonable endeavours to satisfy the Condition.</p>
4.	WAIVER OF CONDITIONS	<p>The Conditions must be satisfied within 3 months of execution of this Agreement.</p> <p>If Conditions have not been satisfied or waived by 5:00pm (WST) on the dates specified above, or such other date agreed by the Parties, a Party may terminate this Agreement by notice in writing to the other Parties.</p>

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

