

ASX ANNOUNCEMENT | 20 December 2023

ASKARI EXECUTES FUNDING PACKAGE TO CONTINUE RAPID EXPLORATION AT UIS LITHIUM PROJECT, NAMIBIA



HIGHLIGHTS

- Redeemable (non-convertible) Note investment of \$500,000 to be applied towards the rapid trenching and channel sampling program at the Uis Lithium Project, Namibia
- Trenching completed at the OP, PS, DP and K9 pegmatite targets with channel sampling ongoing
- Major OP target has been trenched, mapped and sampled across more than 3km of strike with an average width of 15m on surface
- K9 pegmatite target exhibits an abundance of spodumene mineralisation and has been mapped for in excess of 2km along strike with no previous exploration completed
- Targeting the resumption of drilling at the Uis Lithium Project in Q1 of 2024 focused on the major targets identified in the extensive lithium mineralised "corridor of interest"
- Further exploration activities planned for previously identified high-priority targets across EPL 8535

Askari Metals Limited (ASX: AS2) ("Askari Metals" or "Company") is pleased to announce that the Company has entered into a Redeemable (non-convertible) Note Deed (**Note**) with SBC Global Investment Fund. The Note provides the Company with an investment of \$500,000 which will be applied to the ongoing rapid trenching and channel sampling exploration campaign at the Uis Lithium Project, Namibia.

Commenting on the execution of the Note, Executive Director, Mr Gino D'Anna, stated:

"We are pleased to have secured additional non-dilutive funding which will allow the Company to continue with its rapid exploration at the Uis Lithium Project, Namibia. Our exploration activities on site have successfully identified major lithium mineralised pegmatite targets, including our OP target which has been trenched, mapped and sampled across a strike length of more than 3km with an average width of 15m on surface."



The Note, which is unsecured, means that the Company is able to deliver exploration results from our ongoing exploration campaign at the Uis project providing optionality over future funding decisions at a time when the Company's equity is more appropriately valued.

We look forward to providing shareholders and investors with regular exploration updates from the site activities at the Uis project. We are targeting the resumption of drilling in Q1 of 2024 with a clear focus on the major discoveries made at the OP, PS, K9 and DP pegmatite targets, which are all high-confidence drill targets where minimal previous exploration has been undertaken. Our K9 pegmatite target is littered with spodumene lithium mineralisation.

We would also like to thank our shareholders for their continued support in 2023 which has been a critical year for the Company as we build a "best-in-class" lithium exploration team in Africa."

Redeemable Note Agreement

The Company has entered into a Redeemable (non-convertible) Note Agreement with SBC Global Investment Fund, with a summary of the key terms outlined below:

Initial Investment Amount: \$500,000.

Face Value of Notes: Each Note will have a face value of \$1.

Fixed Repayment Date: 31 August 2024.

Fixed Repayment Amount: \$600,000.

Establishment Fee: 100,000 shares which cannot be dealt with by SBC Global Investment Fund for 90 days from the date of issue.

Options Coverage: 1,500,000 unlisted options each with an exercise price of 28 cents and a term of 3 years from the date of issue.

Security: The Notes are unsecured.

Early Repayment: The Fixed Repayment Amount can be repaid at any time by the Company between Settlement and the Fixed Repayment Date.

Transferability: The Notes are not able to be transferred without the consent of the Company.

Future Capital Raisings: During the term of the Redeemable Note, the Company is freely able to raise further capital via debt, equity or a combination thereof, provided that it does not do so by way of an equity arrangement with a variable price, or by way of similar arrangements.

Events of Default: Customary for a transaction of this nature.

Governing Law: The terms of the Notes will be governed by the laws of Western Australia.

The execution of the Note is a core component of the Company's funding strategy as it allows the Company to deliver exploration results from our ongoing exploration campaign at the Uis project providing optionality over future funding decisions at a time when the Company's equity is more appropriately valued.



The Company was advised by Sanlam Private Wealth Pty Ltd (**Sanlam**) as part of the Note transaction. Fees payable to Sanlam include a 6.0% brokerage fee, a corporate administration fee of \$3,000 and the issue of 1,200,000 unlisted options each with an exercise price of 30 cents and an expiry of 3 years from the date of issue.

Phase One Trenching Campaign

The Phase One exploration trenching program will systematically test the high priority OP, PS, DP and K9 pegmatite targets on EPL 7345 at the Uis Lithium Project. These pegmatites are all located within the previously defined “corridor of interest” and display typical characteristics of fertile LCT pegmatites including a high degree of fractionation and zonation, as well as key lithium accessory minerals including sugary and cleavelandite varieties of albite, colored tourmaline and green mica.

A total of 137 trenches have been created across the OP, PS, DP and K9 pegmatite targets, totaling more than 4,200m. The OP, DP, PS and K9 targets have all been tested on a 40m spacing. Three of the four high priority pegmatite targets have been insufficiently sampled previously, while the K9 pegmatite target has never been sampled.

Detailed mapping and 1m channel sampling of the trenches is expected to provide critical information of the surface extent and mineralisation potential of the pegmatites. This information will form the basis for follow up infill trenching and future RC and Diamond drill testing.

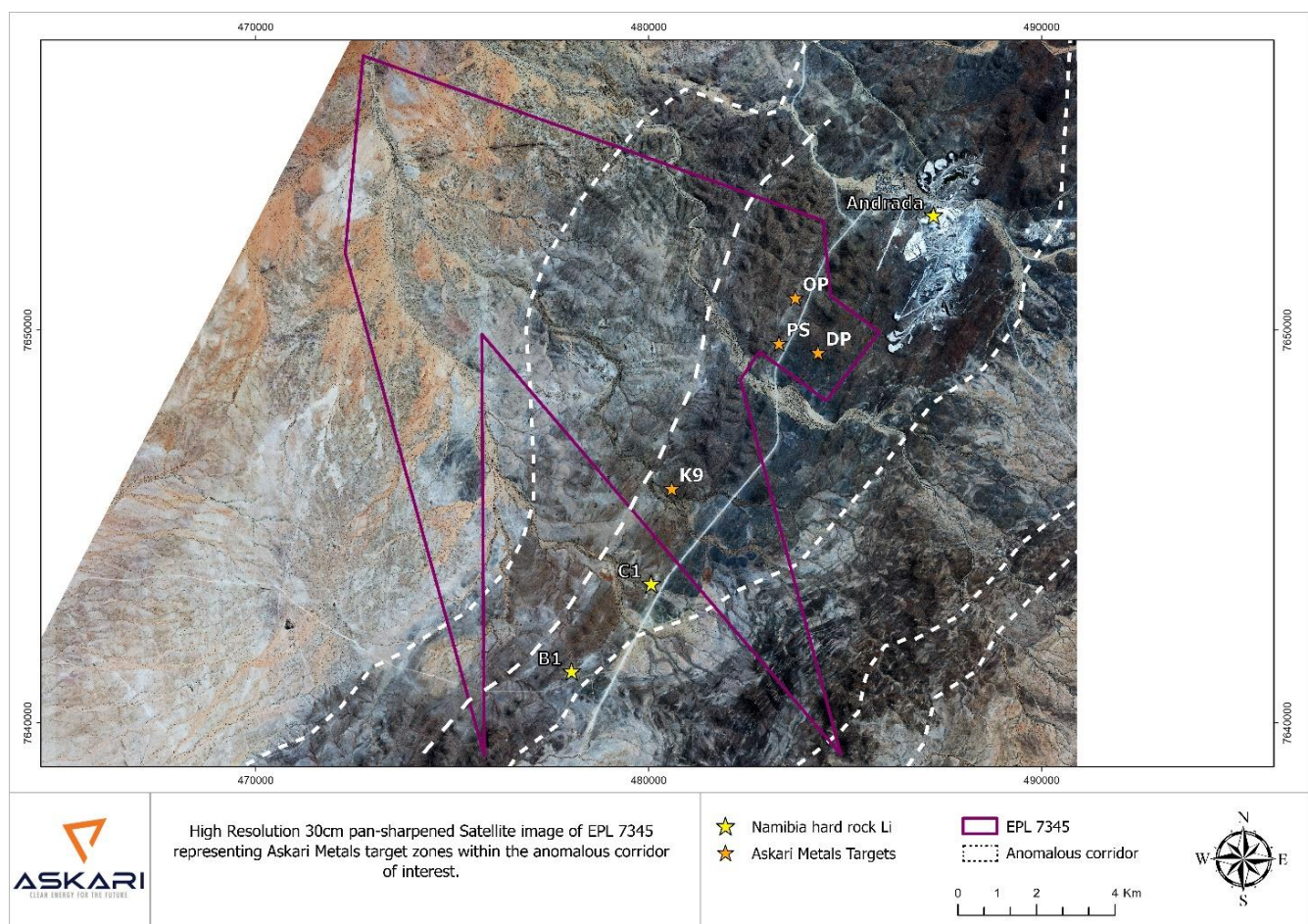


Figure 1: Map showing the interpreted corridor of interest on EPL 7345 along with pegmatite targets to be trenched in the Phase 1 Trenching programme

In addition to the Phase I exploration trenching campaign, a stream sediment orientation program has recently been completed on EPL 7345 and a closely spaced soil sampling orientation campaign is about to commence.

Results from these two orientation programs will drive the design of the main stream sediment and soil sampling campaigns expected to target the “corridor of interest” along EPL 7345 and EPL 8535.

This announcement is authorised for release by the Board of Askari Metals Limited.

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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.

CAUTIONARY STATEMENT

Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Clifford Fitzhenry, a Competent Person who is a Registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP) as well as a Member of the Geological Society of South Africa (GSSA) and a Member of the Society of Economic Geologists (SEG).

Mr. Fitzhenry is the Chief Project and Exploration Manager (Africa) for 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. Fitzhenry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

