

ASX ANNOUNCEMENT | 4 May 2023

# ASKARI SUCCESSFULLY PROGRESSES STRATEGIC INVESTMENT WITH TIER-1 GLOBAL LITHIUM BATTERY MATERIALS SUPPLIER



## HIGHLIGHTS

- Important milestone achieved in satisfying conditions precedent pursuant to a binding Strategic Investment Agreement (Agreement) with Huayou International Resources (Huayou)
- Zhejiang Huayou Cobalt Co., Ltd, the ultimate holding company of Huayou is a tier-1 global lithium battery and cobalt materials supplier listed on the Shanghai Stock Exchange (China) with market cap of approximately A\$18 billion
- Pursuant to the Agreement, Huayou will subscribe for 4,500,000 shares at an issue price of \$0.55 per share for a total investment of ~A\$2.5 million
- Huayou to receive one free attaching AS20 listed option for every three shares subscribed
- Funds raised will accelerate continued exploration at the Uis Lithium Project, Namibia

Askari Metals Limited (**ASX: AS2**) ("**Askari**" or "**Company**") is pleased to announce that the Company has satisfied the conditions precedent pursuant to the binding Subscription Agreement ("**Agreement**") executed with Huayou International Resources (Hong Kong) Limited ("**Huayou**"), a wholly owned subsidiary of Zhejiang Huayou Cobalt Co., Ltd, for the strategic investment by Huayou in the Company of approximately \$2.5 million.

As announced by the Company on 22 March 2023 and 23 March 2023, the Company will issue, upon completion, to Huayou 4,500,000 fully paid ordinary shares in the capital of the Company at an issue price of A\$0.55 per share and 1,500,000 free attaching AS20 listed options with an exercise price of 25 cents and an expiry date of 31 October 2024 ("**Strategic Investment**").

Settlement of the Strategic Investment is expected to occur in the coming days.

The ordinary shares to be issued to Huayou as part of the Strategic Investment are subject to a 12-month voluntary escrow period pursuant to a binding restriction agreement to be executed with the Company upon completion. The free attaching options issued to Huayou as part of the Strategic Investment will be freely tradeable by Huayou following the Company lodging a cleansing statement in respect of the Strategic Investment.



Under the Agreement, Huayou will have the opportunity to participate in future equity issues by the Company. Huayou intends to grow its equity position in the Company to 9.9% and maintain its equity stake by participating in future security issues by the Company. At the stage Huayou holds a 9.9% equity stake in the Company, it will have the option to appoint a nominee to the board of Askari. Other material terms of the Strategic Investment are set out in the Company's ASX announcement dated 22 March 2023.

Huayou will also support the Company in areas of mutual strategic interest, including providing technical input and guidance for continued exploration, development and mine construction as well as downstream lithium processing.

### **Commenting on the satisfaction of the conditions precedent pursuant to the Huayou Strategic Investment, Executive Director Mr Gino D'Anna stated:**

*"In conjunction with overseeing the Company's aggressive exploration drilling program in Namibia at the Uis Lithium Project, we have diligently proceeded with the necessary steps to enable completion of the Strategic Investment with Huayou.*

*The satisfaction of the conditions precedent mark the final step for the Company before settlement can occur, which is expected to take place in the coming days.*

*The name Huayou is synonymous with the cobalt and lithium sector not only in China, but globally, and we look forward to welcoming Huayou to the register.*

*We continue to see tremendous upside in our Uis Lithium Project and we look forward to sharing the latest drilling results with our shareholders in the coming days."*

### **ABOUT ZHEJIANG HUAYOU COBALT CO., LTD**

Huayou is a leading manufacturer of new energy battery materials in China, listed on the Shanghai Stock Exchange with a current market capitalisation of around A\$18 billion. Huayou operates four major business segments, including the development and refining of battery metal resources (nickel, cobalt, lithium), production of precursors and ternary cathode materials, and recycling of battery materials.

Huayou has rich experience in mine construction and operation with a well-established team of professionals, including two copper and cobalt projects in the DRC with an annual production of 100kt cathode copper and 10kt cobalt. Additionally, Huayou has invested in three nickel and cobalt projects in Indonesia, with an expected annual production of 225kt of nickel and 23kt of cobalt contained in products by 2024. In April 2022, Huayou acquired the Arcadia lithium project for US\$422 million. The designed annual processing capacity of the project is 4.5 million tons of ore, and the first batch of product was successfully produced on March 20, 2023.

**This announcement is authorised for release by the executive board**

**- ENDS -**



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

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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](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.

**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.

