



ASX ANNOUNCEMENT | FOR PERIOD ENDING 31 MARCH 2023

QUARTERLY REPORT

QUARTER HIGHLIGHTS

UIS LITHIUM PROJECT

- Aggressive RC drilling exploration campaign continues with Phase I underway at EPL 8535 and Phase II underway at EPL 7345 – drilling focused on wide lithium enriched pegmatites identified during previous phases of exploration
 - Assay results from Phase I RC drilling campaign at EPL 7345 due shortly
- High-grade lithium, tin and tantalum results from Phase I reconnaissance sampling in EPL 8535
- Geological mapping program commenced in EPL 7345 with work in EPL 8535 to follow
- Zhejiang Huayou Cobalt Co., Ltd executes binding strategic investment agreement with Askari to accelerate exploration
- Askari completes acquisition of initial 80% interest in EPL 8535
- Askari completes acquisition of initial 90% interest in EPL 7345 and executes binding agreement to acquire the remaining 10% interest in EPL 7345

AUSTRALIAN LITHIUM AND RARE EARTH PORTFOLIO

- Rock sampling reveals Rare Earth Element potential at Barrow Creek project located in the Central Arunta Pegmatite Province of the Northern Territory
- Total Rare Earth Oxide (TREO) results of up to 4,553 ppm
- Work continues with key stakeholders to obtain clearance to grant key licences at the Yarrie Lithium Project
- Soil sampling continues at the Myrnas Hill Gold and Lithium Project, located in the eastern Pilbara region of Western Australia
- Askari to commence a detailed soil auger sampling program at the Red Peak Rare Earth Project, located in the Meekatharra region of Western Australia
- Askari to commence a field reconnaissance sampling and mapping program at the recently acquired and granted Hillside Lithium Project, located in the highly revered Tambourah region of Western Australia

HIGH-GRADE GOLD AND BASE METAL ASSETS

- Inaugural RC Drilling Program at Horry Project delivers high-grade copper and gold results
- Multiple mineralised lodes identified and confirmed at the Horry Horse and Mt Dockrell prospects
- Askari to commence a detailed soil auger sampling program at the Callawa Copper and Base Metal Project, located in the Pilbara region of Western Australia
- Work due to commence at the Mt Maguire Gold and Base Metal Project to comprise of reconnaissance sampling and field exploration

OPERATIONAL ACTIVITIES

Askari Metals Limited (ASX: AS2) ("Askari Metals" or "Company") is pleased to provide an update on its operational performance for the quarter ended 31 March 2023.

UIS LITHIUM PROJECT

The Uis Lithium Project comprises both EPL 7345 and EPL 8535 and covers an area of 308.12km² in a highly mineralised, spodumene rich pegmatite belt with a history of prior production and exploration success.

The project holds exceptional potential, as identified by due diligence sample results and a high number of pegmatites exposed at the surface, ranging from a few meters in width to more than 50m wide. Many of the pegmatites have been mined historically for tin and semi-precious stones, and altered spodumene and lepidolite are visible within the workings and mined rock around the workings.

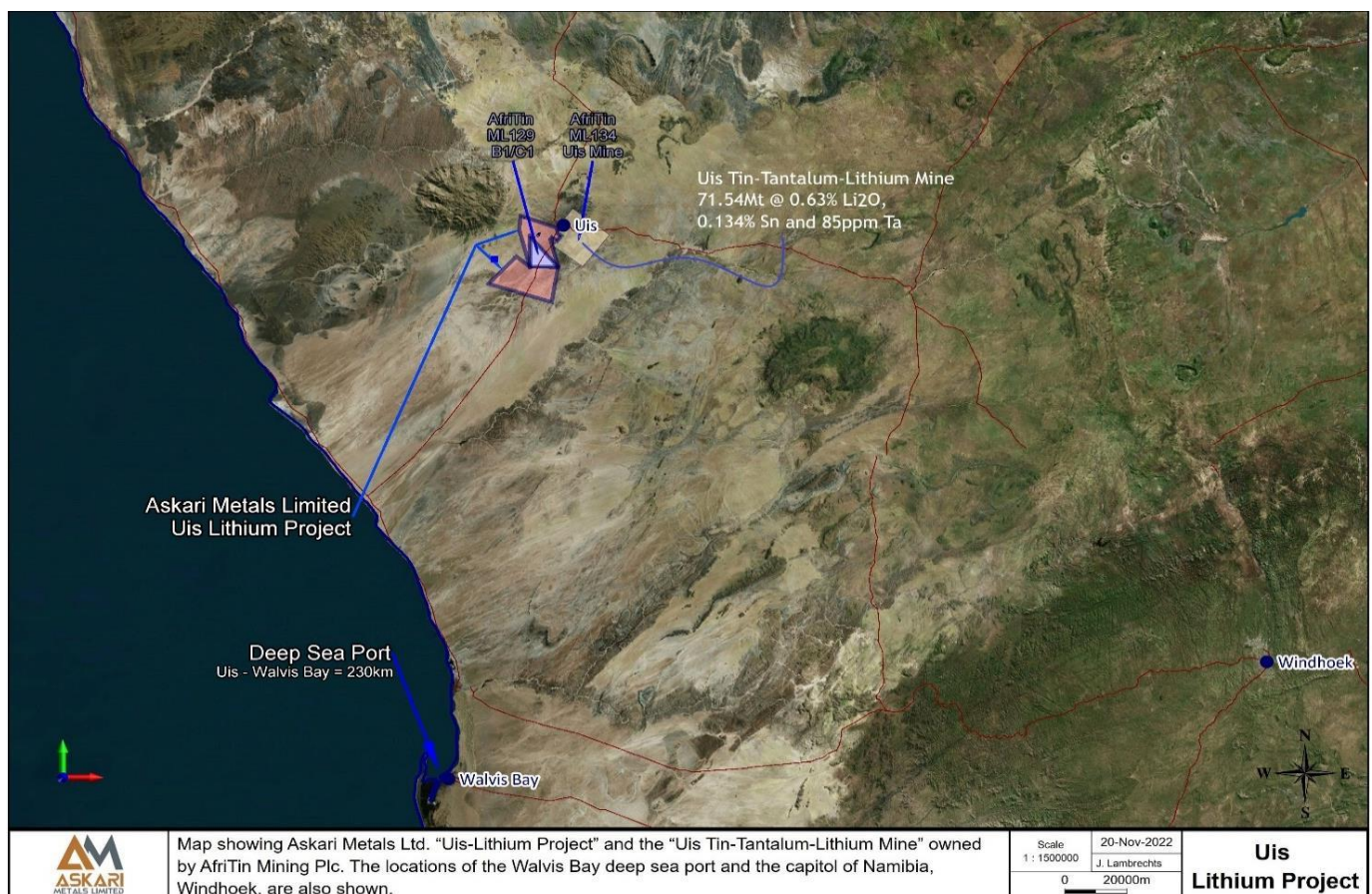


Figure 1: Location of the Uis Lithium Project (EPL 7345 and EPL 8535). Also shown is infrastructure servicing the region and the deep-water port at Walvis Bay, located approximately 230km away by a well-maintained network of roads to site.

EXPLORATION UPDATE

During the quarter, Askari commenced RC drilling campaigns across both licences that make up the Uis Lithium Project.

The Phase I RC drilling program in EPL 8535 commenced in February, as announced in the [ASX release](#) on 15 February 2023.

The Phase I campaign is aimed at testing several high-grade lithium targets identified through prior due diligence work completed by the Company, as well as several largescale pegmatite targets identified during additional field activities (see Figure 2).

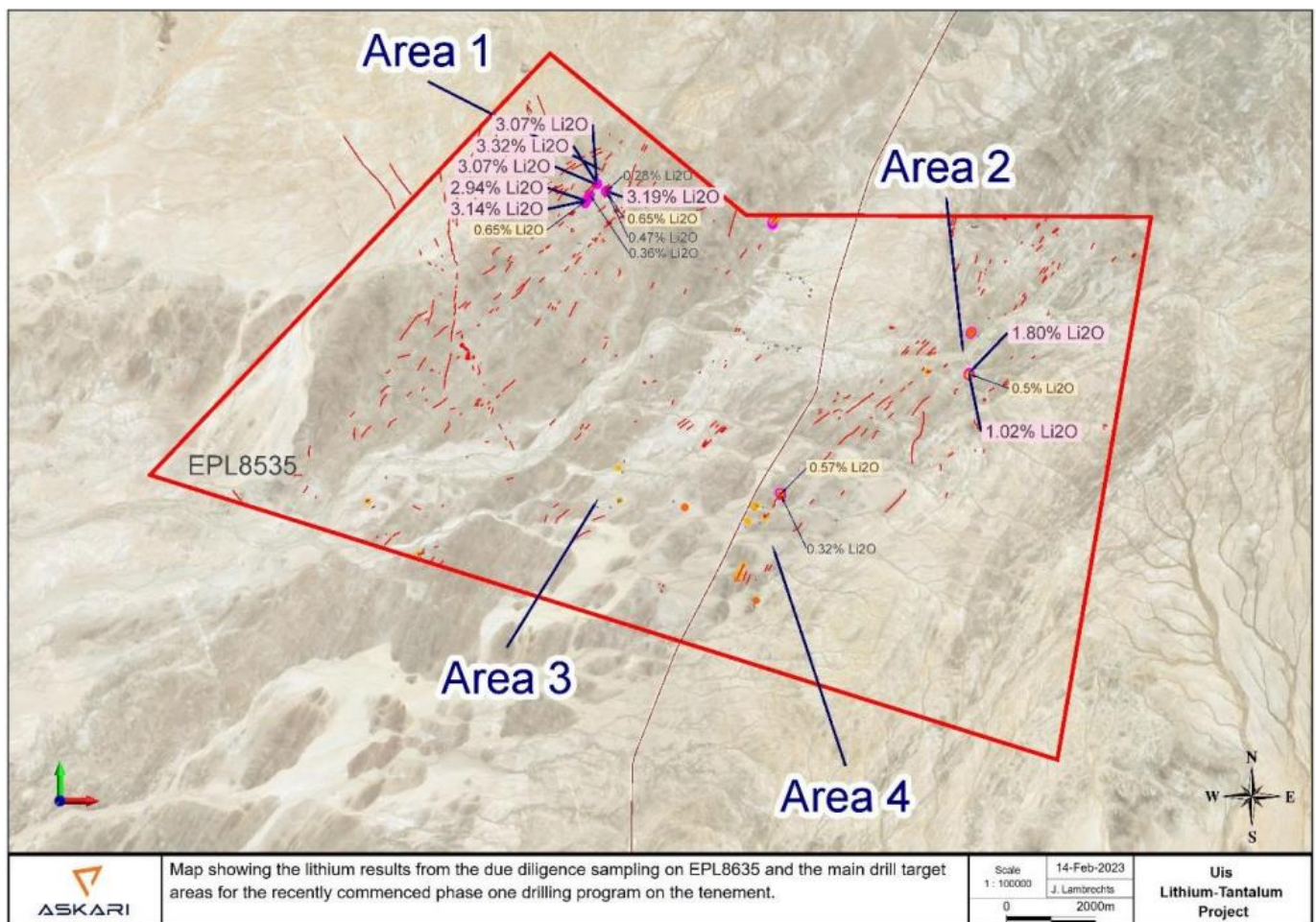


Figure 2: Main drill target areas within EPL 8535.

The campaign continued throughout the remainder of the quarter, with numerous thick pegmatites being intersected and the Company anticipates providing an update on the campaign in the second quarter.

During the quarter, Askari also commenced its Phase II RC drilling campaign in EPL 7345, as announced in the [ASX release](#) on 7 March 2023.

The second phase of drilling in EPL 7345 is targeting previously untested pegmatites mapped and identified by geologists in the field and reported to have visible lithium mineralisation at the surface (see Figure 3).

The Phase II campaign will produce at least 4,000m of chips, samples and data and follows on from the first round of drilling in the EPL 7345 licence area, which was completed in December 2022.

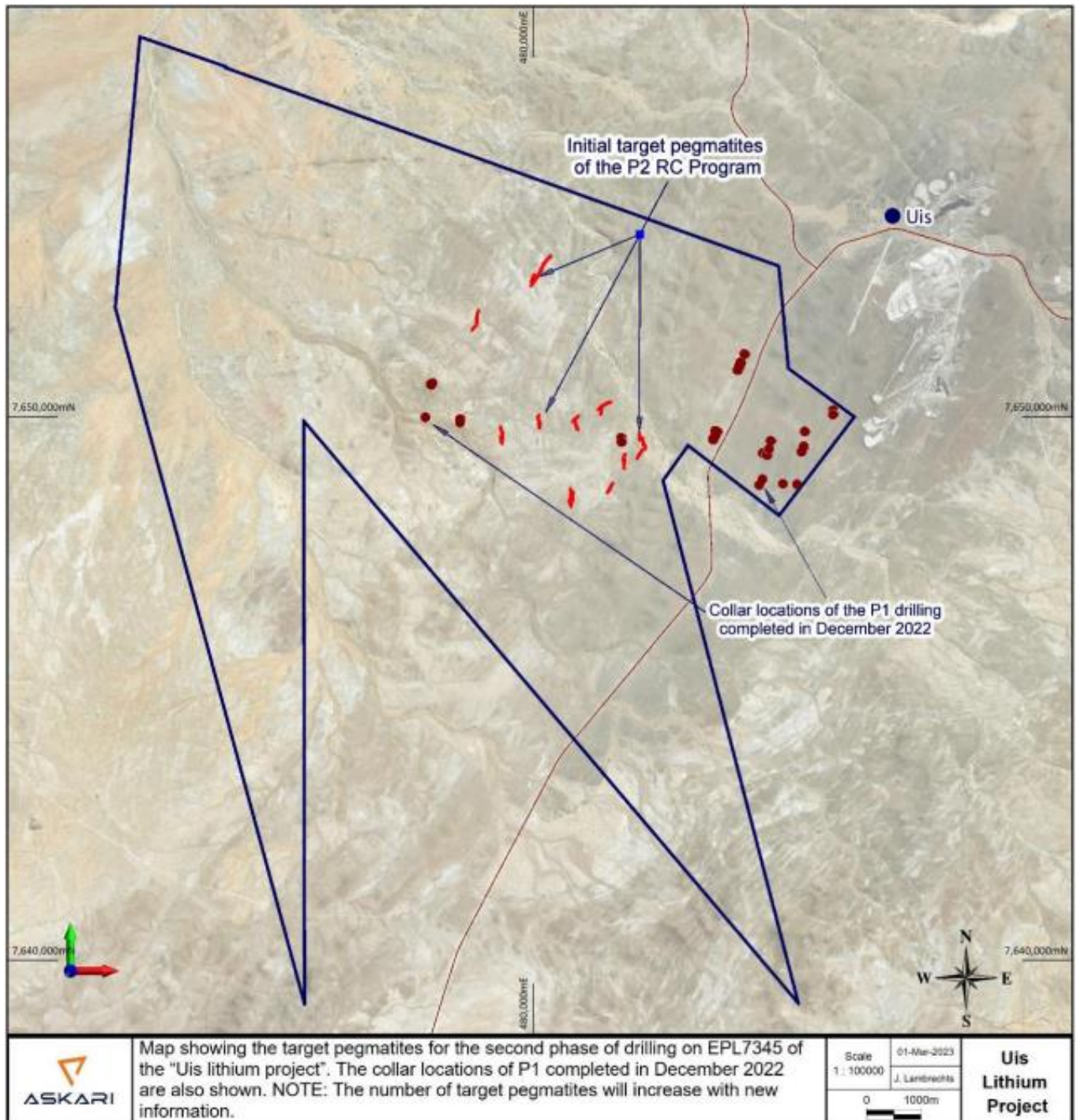


Figure 3: Map showing the initial target pegmatites of the Phase II RC drilling campaign in EPL 7345.

Assay results from the Phase I RC drilling campaign at EPL 7345 remain outstanding as at the end of the quarter, but are expected to be received shortly.

The Company looks forward to updating its shareholders on the results of the Phase I drilling at EPL 7345 once all results have been received and analysed.

Askari also commenced a project-wide geological mapping and sampling program at the Uis Lithium Project, as announced in the [ASX release](#) on 2 February 2022, starting in EPL 7345.

The program has been designed to map, geologically interpret, classify and sample every pegmatite outcrop within the project area.

The program, which is being completed by Earthlab Technical, has already identified several thick outcropping pegmatite targets in EPL 7345 that will be tested in future RC exploration programs.

As of the end of the March quarter, the mapping and sampling campaign in EPL 7345 was nearing completion, with the Earthlab team to carry out similar work in EPL 8535 during the second quarter of 2023.

In February 2023, Askari announced results from due diligence samples collected during the acquisition of EPL 8535, which uncovered high-grade lithium, tin and tantalum samples.

The Phase 1 reconnaissance sampling campaign yielded five results greater than 3% Li₂O and eight results greater than 1% Li₂O. Excellent results were also returned for tin mineralisation, with one sample assaying 3.2% SnO₂ and 10 samples producing results greater than 1,875ppm Sn (0.24% SnO₂).

Tantalum results were highly positive, with 42 samples returning results greater than 100ppm Ta and two samples with results greater than 1,000ppm Ta. There were also indications of very strong rubidium, with results up to 7,980ppm Rb.

Full results from samples collected during the due diligence phase were announced in the [ASX release](#) on 6 February 2023.

STRATEGIC INVESTMENT AGREEMENT WITH HUAYOU COBALT

Askari entered into a binding subscription agreement with tier-1 global lithium battery and cobalt materials supplier Zhejiang Huayou Cobalt Co., Ltd (Huayou) in relation to a strategic investment by Huayou of approximately A\$2.5 million, as announced in the [ASX release](#) on 22 March 2023.

Subject to certain conditions being met, Huayou will subscribe for 4,500,000 fully paid ordinary shares in the capital of the Company at an issue price of A\$0.55 per share. Huayou will also receive a free attaching AS20 listed option on a 1-for-3 basis.

Askari has been progressing with the satisfaction of the conditions precedent pursuant to the subscription agreement with the completion of the acquisition of an initial 80% interest in EPL 8535, as announced in the [ASX release](#) on 30 March 2023.

Subsequent to quarter end, the Company completed its acquisition of an initial 90% interest in EPL 7345, as announced in the [ASX release](#) on 11 April 2023, with the acquisition of the remaining 10% interest in the permit anticipated to close soon.

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.

Huayou will also support Askari in areas of mutual strategic interest with respect to the Company's Namibian assets, including providing technical input and guidance on design parameters of the Company's exploration campaigns and downstream lithium processing techniques.

In addition to the strategic investment from Huayou, Askari also completed an additional equity capital raise of approximately \$3.25 million through an institutional placement with select Australian and international institutional investors. The institutional placement was led by Canaccord Genuity (Australia) with support from major shareholders and key investors, including Peak Asset Management.

Completion of the strategic investment with Huayou is expected shortly and will result in the Company successfully raising approximately \$5.725 million through the combined strategic investment and institutional placement.

The funds will be used to accelerate the continued exploration of the Uis Lithium Project, as well as drive exploration across the Company's wider asset portfolio.

AUSTRALIAN LITHIUM AND RARE EARTH ASSETS

During the quarter, Askari announced the results from a field reconnaissance program at its 100% owned Barrow Creek Lithium Project in the Central Northern Territory's Arunta Pegmatite Province.

Results from the south-central field program identified existing prospectivity for Rare Earth Element (REE) potential with Total Rare Earth Oxide (TREO) results of up to 4,553ppm, as announced in the [ASX release](#) on 25 January 2023.

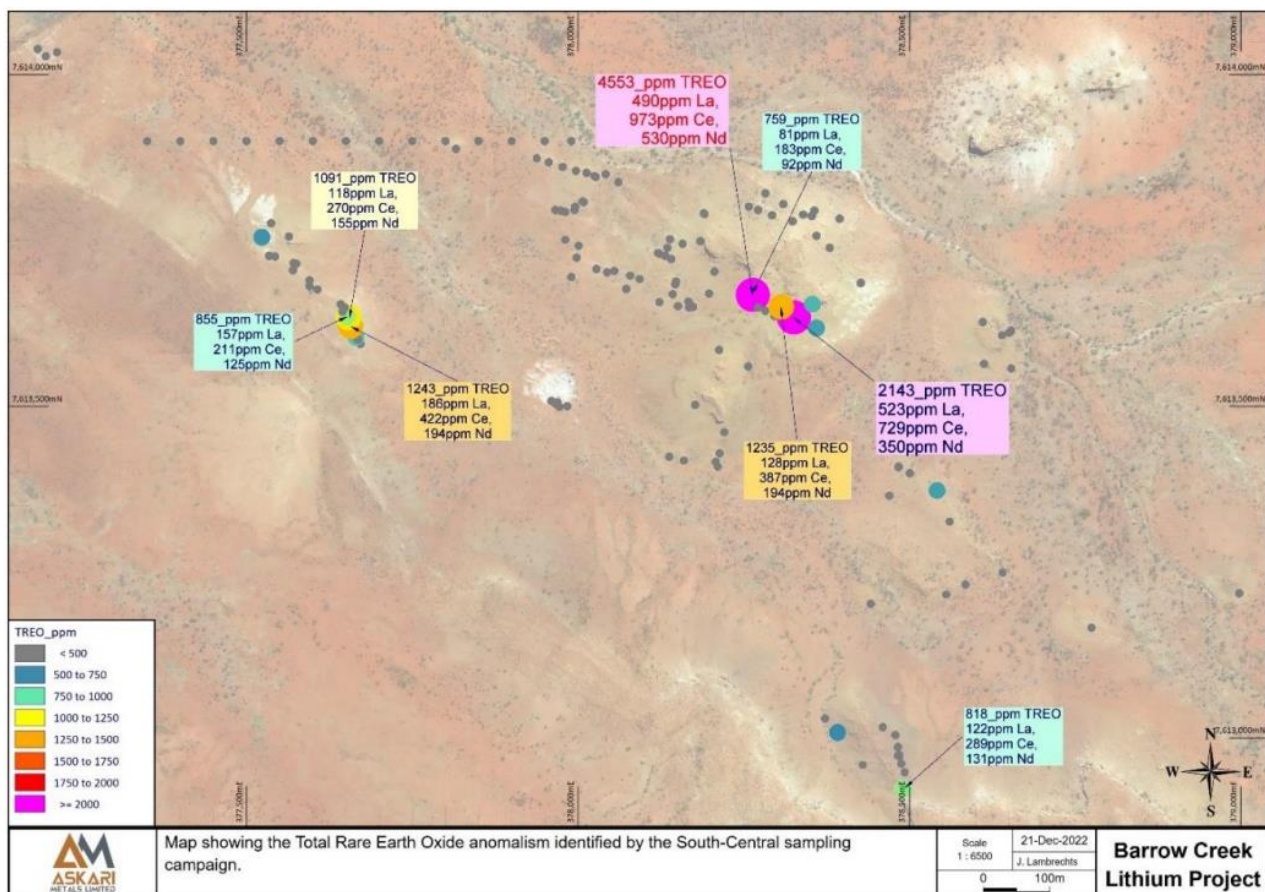


Figure 4: Map showing the TREO anomaly identified by the South-Central sampling campaign at Barrow Creek.

The anomalous REE (TREO) sample results obtained from the south-central field program are clustered around two large granite outcrops (see Figure 4).

Other samples with elevated results above 500ppm TREO were also found farther afield, signifying the potential for enlarging the REE mineralised footprint through follow-up phases of work.

The REE specific field reconnaissance program at the Barrow Creek Project was completed before the end of the quarter, as announced in the [ASX release](#) on 28 March 2023, and will help inform future work phases at the Project.

COPPER AND GOLD ASSETS

During the quarter, Askari announced results of its inaugural RC drilling program at its 100%-owned Horry Copper and Gold Project in Western Australia's Kimberly region.

The roughly 2,100m drilling campaign was designed to test copper mineralisation at the Horry Horse prospect and gold mineralisation at the Mt Dockrell prospect.

As announced in the [ASX release](#) on 17 January 2023, the inaugural drill campaign intersected high-grade gold and copper mineralisation, with multiple targets identified for the next phase of drilling.

The drill results identified several intervals greater than 1% Cu and 1g/t gold, and also indicated several sub-parallel mineralised lodes at both the Horry Horse and Mt Dockrell prospects.

High-grade copper results from the Horry Horse prospect, include:

- 4m @ 1.8% Cu from 24m in HRRC22001 including 2m @ 3.6% Cu & 0.2g/t Au from 26m
- 3m @ 1.0% Cu from 18m in HRRC22003 including 1m @ 2.8% Cu & 0.2g/t Au from 19m

High-grade gold results from the Mt Dockrell prospect, include:

- 2m @ 5.5g/t Au from 10m in HRRC22027
- 2m @ 1.3g/t Au from 12m in HRRC22025

The Company is in the process of reviewing all the data from the drilling campaign, with the aim of designing additional phases of drilling for execution in 2023.

CORPORATE

- As at 31 March 2023, the Company had ~\$3.0 in cash and cash equivalents with no debt
- General meeting of shareholders was held virtually on 20 February 2023 at 11:00 am (WST) approving the acquisition of 90% of EPL 7345 from LexRox Exploration, 80% EPL 8535 from the shareholders of Earth Dimensions Consulting (Pty) Ltd and 100% of the fully paid issued capital of Greenstone Lithium Pty Ltd
- The Company continues to evaluate additional complementary opportunities particularly in the battery metals space within Australia and globally

APPENDIX 5B CASHFLOW COMMENTARY

In Payments to related parties of the entity and their associates (refer to 6.1), the \$70,000 payment refers to the payment of non-executive fees and director consulting fees.

Cash outflows from operating activities for the quarter were \$770,000. Cash outflows from investing activities for the quarter were \$297,000. Cash inflows from financing activities for the quarter were \$3,082,000.

Cash and cash equivalents as at 31 March 2023 were ~\$3,000,000.

The Company looks forward to providing shareholders with further updates as planned exploration at the projects continues.

FINANCE AND USE OF FUNDS

Pursuant to ASX listing rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in in section 6.6 of the Company's Prospectus.

ACTIVITY DESCRIPTION: PROSPECT PROJECTS	FUNDS ALLOCATED UNDER PROSPECTUS (OVER 2 YEARS)	ACTUAL LISTING TO 31 MARCH 2023
Exploration Expenditure – Burracoppin Project	\$1,100,000	\$1,120,477
Exploration Expenditure – Mt Maguire Project	\$750,000	\$181,335
Exploration Expenditure – Horry Project	\$650,000	\$639,900
Exploration Expenditure – Springdale Project	\$200,000	\$158,766
Exploration Expenditure – Callawa Project	\$200,000	\$138,503
TOTAL	\$2,900,000	\$2,238,981

ACTIVITY DESCRIPTION: NON-PROSPECTUS PROJECTS	ACTUAL LISTING TO 31 MARCH 2023
Talga East Lithium Project	\$62,764
Mt Deverell Project	\$23,178
Red Peak REE Project	\$139,185
Barrow Creek Lithium Project	\$166,189
Yarrie Lithium Project	\$225,812
Myrnas Hill Lithium Project	\$81,895
Hillside Lithium Project	\$10,000
Uis Lithium Project	\$772,575
TOTAL	\$1,481,598

This announcement is authorised for release by the executive board

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FOR FURTHER INFORMATION PLEASE CONTACT

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DISCLAIMER

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 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.

ASX COMPLIANCE

Information contained within this announcement has been prepared based on reliance on ASX announcements as noted in the table below:

11 April 2023	Askari Completes Acquisition of Initial 90% Interest EPL7345
30 March 2023	AS2 Completes Acquisition of Initial 80% interest in EPL8535
28 March 2023	Barrow Creek REE Exploration Program Completed
22 March 2023	Huayou Cobalt to make Strategic Investment in Askari Metals
07 March 2023	Phase II RC Drilling Underway at EPL 7345
15 February 2023	Phase I RC Drilling Underway at EPL 8535 - Uis Li Project
06 February 2023	High Grade Lithium, Tin and Tantalum Results at EPL 8535
02 February 2023	Project-Wide Detailed Exploration Underway at Uis Li Project
25 January 2023	Barrow Creek Exploration Highlights High-Grade REE Potential
17 January 2023	RC Drilling Program at Horry Delivers High-Grade Results

TENEMENT SUMMARY

TENEMENT ID	TYPE	STATUS	HOLDER	AREA (km ²)	AS2 INTEREST
E70/5049	Exploration	Active	First Western Gold Pty Ltd	17.6	100%
E45/5842	Exploration	Active	Springdale Gold Pty Ltd	167	100%
EL9217	Exploration	Active	Springdale Gold Pty Ltd	217	100%
E47/4170	Exploration	Pending	First Western Gold Pty Ltd	9 BL	100%
E52/3718	Exploration	Active	First Western Gold Pty Ltd	2 BL	100%
E52/3719	Exploration	Active	First Western Gold Pty Ltd	2 BL	100%
E80/5313	Exploration	Active	First Western Gold Pty Ltd	3.25	100%
E52/4010	Exploration	Active	First Western Gold Pty Ltd	101 BL	100%
E52/4025	Exploration	Active	First Western Gold Pty Ltd	142 BL	100%
E45/6117	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6118	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6119	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6120	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6121	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6122	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6123	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6124	Exploration	Pending	First Western Gold Pty Ltd		100%
E45/6125	Exploration	Pending	First Western Gold Pty Ltd		100%
EL 32804	Exploration	Active	Consolidate Lithium Trading Pty Ltd	278	Under Option
E45/4907	Exploration	Active	First Western Gold Pty Ltd	35 BL	100%
E45/5982	Exploration	Active	First Western Gold Pty Ltd	5 BL	100%
EPL 7345	Exploration	Active	Kokerboom Mineral Processing (Pty) Ltd	108km ²	90%
EPL 8535	Exploration	Active	Earth Dimensions Consulting (Pty) Ltd	200km ²	80%