



ASX ANNOUNCEMENT | FOR PERIOD ENDING 31 DECEMBER 2022

HALF YEAR FINANCIAL REPORT

ASKARI METALS LIMITED
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CORPORATE INFORMATION

Directors & Officers

Mr. Robert Downey	Non-Executive Chairman
Mr. Gino D'Anna	Executive Director
Mr Chris Evans	Non-Executive Director (Technical – Lithium)

Company Secretary

Mr Paul Fromson (CFO and Company Secretary)

Registered Office

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Perth WA 6000

Principal Place of Business

Ground Floor
22 Prowse Street
West Perth WA 6005

Auditors

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Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth

Australian Company Number

ACN 646 034 460

Australian Business Number

ABN 39 646 034 460

Website

www.askarimetals.com

Solicitors

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Domicile and Country of Incorporation

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AS2

ASKARI METALS LIMITED
DIRECTORS' REPORT
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

The directors present their report, together with the consolidated financial statements, on Askari Metals Limited (the "Company", "Askari" or "parent entity") and the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Askari Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Askari Metals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. Gino D'Anna
Mr. Robert Downey
Mr. Chris Evans
Mr. Brendan Cummins (resigned 01 September 2022)
Mr. David Greenwood (resigned 01 September 2022)

Company Secretary

Paul Fromson – CFO and Company Secretary

Principal activities

The principal activity of the Group during the financial year was exploration for lithium, copper and gold.

Financial results

The financial results of the Group are:

	31 Dec 22	30 June 22
	\$	\$
Cash and cash equivalents	982,585	4,352,794
Net assets	4,414,961	6,890,656
Net loss after tax	(3,464,660)	(2,253,389)

The Company will seek to raise further funds through an equity placement to continue the exploration and development of its portfolio of exploration assets in Namibia and Australia.

HALF YEAR HIGHLIGHTS

ASKARI ACQUIRES NAMIBIAN LITHIUM PROJECT

- Two binding heads of agreement signed (EPL 7345 and EPL 8535) during the half year ended 31 December 2022 to acquire tenures covering a combined 308.12km² in a prime pegmatite mineral field containing known high-grade lithium, tantalum, tin and rubidium mineralisation
- Inaugural 3,000m RC exploration drilling campaign (EPL 7345) completed targeting high-grade spodumene hosted lithium mineralisation identified at surface – part of an overall 10,000m drilling campaign
- Phase II RC drilling at EPL 7345 currently underway for a targeted 4,000m campaign
- Exploration RC drilling campaign of ~4,000m has commenced on EPL 8535 – part of an additional 10,000m drilling campaign
- Major field exploration campaign underway at EPL 7345 and EPL 8535 mapping and sampling pegmatites across the entire project area
- Additional project opportunities being evaluated for acquisition

AUSTRALIAN LITHIUM PORTFOLIO EXPANSION

- Askari expands Eastern Pilbara lithium portfolio with acquisition of the Talga East and Hillside Lithium Projects in Western Australia
- Lithium Strategic Partnership Agreement signed with Zhejiang Kanglongda creating a pathway for rapid development of the Company's Australian lithium portfolio
- Exploration progressing with an extensive soil auger drilling campaign underway at Myrnas Hill Lithium Project in WA's Eastern Pilbara region – up to 750 samples will be collected
- Access Deeds and Pastoralist Agreements progressing at the Yarrie Lithium Project advancing the granting of the project – exploration to commence as soon as granted and permits received consisting of soil auger and shallow Aircore drilling
- Exploration planning underway for the recently acquired Hillside Lithium Project

HIGH-GRADE GOLD AND BASE METAL ASSETS

- RC drilling at Burracoppin Gold Project in Western Australia confirms mineralisation at Benbur, Easter Gift, Benbur East and Lone Tree prospects
- High-resolution drone magnetic survey at Callawa Copper Project, in Western Australia, delivers high-grade copper results

HIGH-GRADE COPPER ASSETS

- Maiden RC drilling program completed at the Horry project focused on the Horry Horse prospect where high-grade copper mineralisation, up to 8.5% Cu, has been identified and mapped over a strike length exceeding 600m. A number of holes were also completed in the gold prospects around Leo, Mt Dockrell and Western Lead

OPERATIONAL ACTIVITIES

ASKARI ENTERS NAMIBIAN LITHIUM PLAY

Askari signed a binding Heads of Agreement (HoA) with LexRox Exploration Services (Pty) Ltd (LexRox) to acquire a 90% interest in the advanced Uis Lithium-Tantalum-Tin Project (EPL 7345) located near the town of Uis in Namibia, Africa, as announced in the [ASX release](#) on 25 October 2022.

The Company further expanded its footprint near the town of Uis with the signing of a binding HoA with Earth Dimensions Consulting (Pty) Ltd to acquire an 80% interest in EPL 8535, as announced in the [ASX release](#) on 5 December 2022.

EPL 8535 covers an area of 194.59km² and is located directly along strike of the initial acreage acquired from LexRox, as well as the Andrada Mining Ltd (formerly AfriTin Mining plc) operating Uis Mine and B1/C1 Mining Licence.

At half year end, Askari's Uis Lithium Project covered a combined 308.12km² in a prime pegmatite mineral field containing known high-grade lithium, tantalum, tin and rubidium mineralisation.

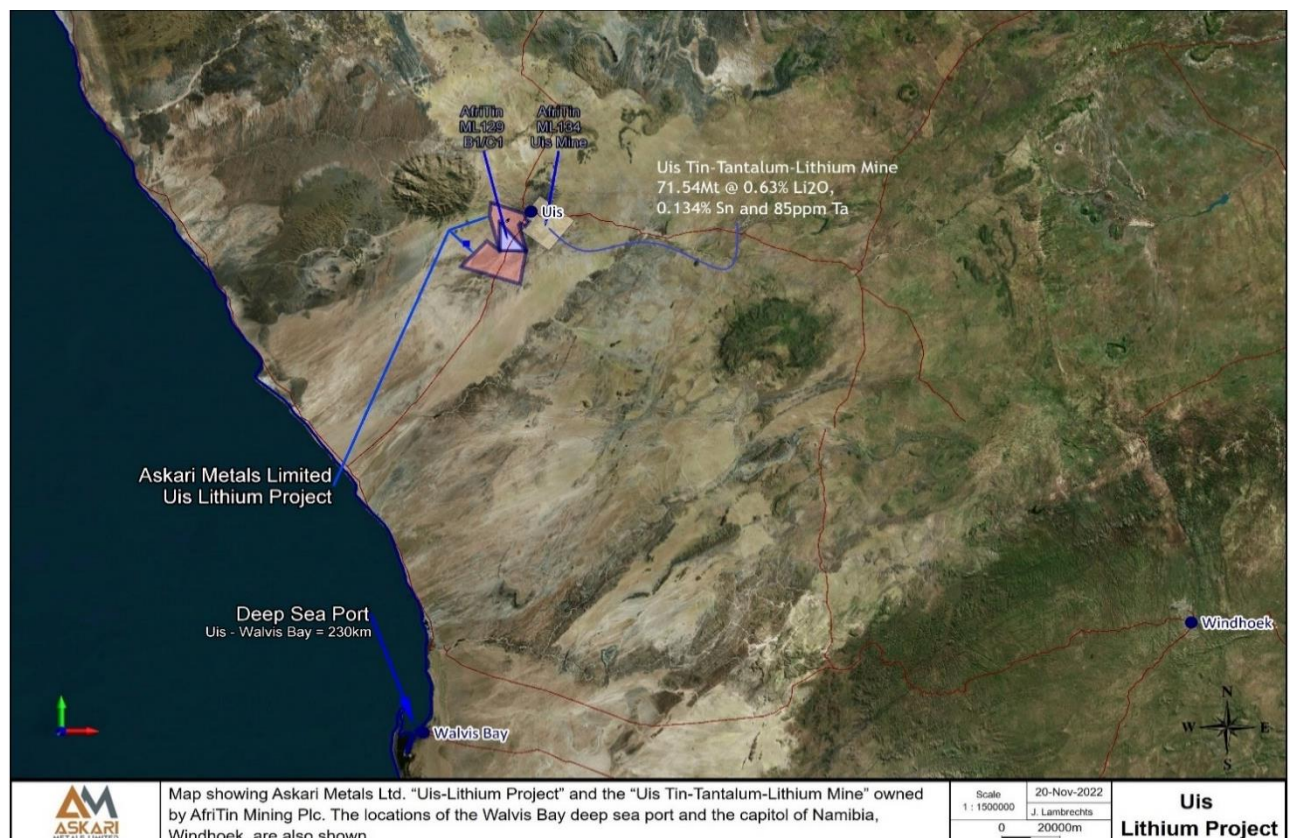


Figure 1: Location of the Uis Lithium Project (EPL 7345 and EPL 8535). Also shown is infrastructure servicing the region and the deep-water port at Walvis Bay, located approximately 230km away by a well-maintained network of roads to site

ASKARI METALS LIMITED
DIRECTORS' REPORT
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

An initial phase of reconnaissance exploration over EPL 7345 demonstrated the high-grade nature of lithium–caesium–tantalum (LCT) type pegmatites, with high-grade lithium identified in numerous pegmatites at surface, as announced in the [ASX release](#) on 16 November 2022.

A total of 196 rock chip samples were collected during the due diligence phase of the EPL 7345 acquisition, with sample results validating and supporting field observations by returning several high-grade lithium, tin, tantalum and rubidium results.

High-grade results received from surface samples collected by the Company in September/October 2022 include:

- 2.1% Li₂O as well as 1.1% Li₂O, 0.92% Li₂O, 0.83% Li₂O and 0.79% Li₂O
- 1.3% Sn as well as 0.76% Sn and 0.71% Sn
- 658 ppm Ta as well as 498 ppm Ta, 432 ppm Ta, 377 ppm Ta and 345 ppm Ta
- 4,214 ppm Rb as well as 3,110 ppm Rb and 2,990 ppm Rb

High-grade pegmatite samples were also collected from surface in EPL 8535 as part of an initial field evaluation program in October 2022.

Assay results included:

- Lithium rock chip samples with assay results up to 3.2% Li₂O; along with 1.8% Li₂O; 1.0% Li₂O; and 0.7% Li₂O from surface
- Tantalum rock chip samples with assay results up to 663ppm Ta
- Rubidium rock chip samples with assay results up to 1,640ppm Rb

These results were obtained from just seven samples (refer Table 1), with a field sampling campaign continuing over the quarter as part of due diligence investigations.

Sample No.	Easting	Northing	Li (ppm)	Li ₂ O (%)	Sn (ppm)	Ta (ppm)	Rb (ppm)
U4797	480813	7635657	8,340	1.8	184	62.1	155.5
U4798	480813	7635657	4,760	1.0	295	38.8	212
U4799	480813	7635657	2,320	0.5	4,990	78.4	108
U4677	472294	7639661	2,300	0.5	440	163.5	1,525
U4678	472294	7639661	1,660	0.4	399	19.1	1,155
U4679	472224	7639542	3,040	0.7	1,245	111.5	836
B2563	472666	7639745	14,800	3.2	474	663	1,640

Table 1: Significant multi-element assay results from October 2022 discrete field sampling and mapping campaign

PHASE I: DRILLING PROGRAM AT UIS LITHIUM PROJECT (EPL 7345)

In November 2022, Askari kicked off its maiden RC exploration drilling campaign at the Uis Project, targeting high-grade spodumene hosted lithium mineralisation identified at surface in EPL 7345, as announced in the [ASX release](#) on 21 November 2022.

Results from the first phase RC drilling campaign (EPL 7345) were still outstanding as at the end of the half year expected to be received during late March 2023 as announced in the [ASX release](#) on 15 December 2022,

with a total of 3,017m drilled across 59 drill holes. Visible lithium mineralisation, as well as tantalum and tin mineralisation, was intersected in the targeted pegmatites.

The majority of drilling was focused on the Uis Mine View prospect, where previously collected samples returned results including 3.1% Li_2O , 2.11% Li_2O , 0.75% Li_2O , 0.56% Li_2O and 0.51% Li_2O as well as 1.30% Sn and 0.44% Sn, along with 432 ppm Ta and 325 ppm Ta.

Drilling also targeted an area near the center of the tenement, where previous rock samples returned results including 1.1% Li_2O , 0.61% Li_2O and 0.51% Li_2O as well as 658 ppm Ta, 498 ppm Ta, 377 ppm Ta and 335 ppm Ta.

A third area was targeted where reconnaissance sampling identified results including 0.92% Li_2O and 0.83% Li_2O as well as 345 ppm Ta as well as 0.71% Sn and 0.76% Sn.

Refer to Figure 2 for a plan view of the Uis Project indicating the locations targeted in the first phase of the RC drilling campaign.

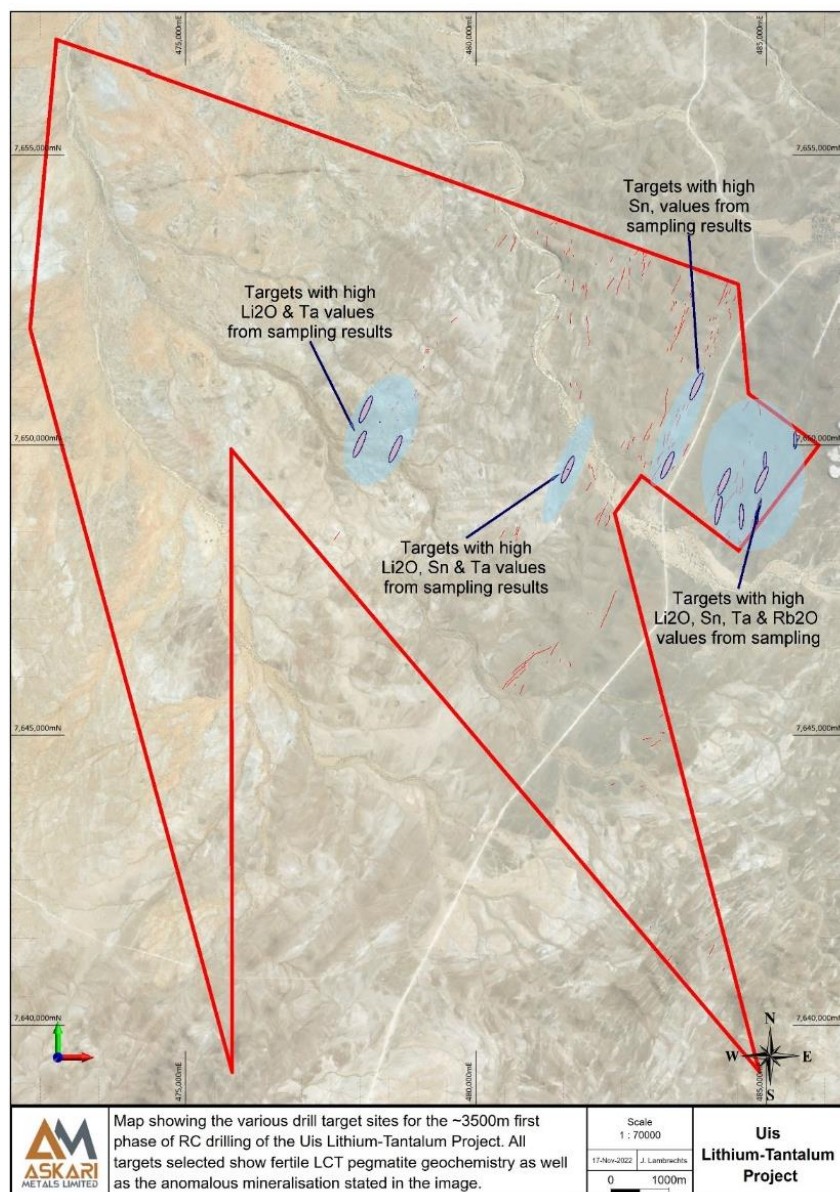


Figure 2: Plan view of the Uis Lithium Project with the first phase of drilling indicated by blue circles at various target areas that will be drill tested during the first phase of exploration

This was the first phase in a planned 10,000m RC drilling program and will help focus subsequent drilling activity.

PHASE II: DRILLING PROGRAM AT UIS LITHIUM PROJECT (EPL 7345)

The Phase II RC drilling program commenced on 28 February 2023, and is set to continue for approximately two months, producing at least 4,000 m of chips, samples and data from the project. This Phase II program aims to test previously untested pegmatites mapped and identified by geologists in the field and which are reported to have visible lithium mineralisation at the surface.

EPL 7345 is being geologically mapped and sampled by Earthlab Tech, a South African geological consultancy, which has identified a large number of pegmatites on the project. These pegmatites have been geologically scrutinised, and several occurrences of spodumene and other lithium-bearing minerals have been identified in the field in outcrop. The mapped pegmatites and the geological description of their physical and geochemical characteristics form part of the targeting process for the drilling programs. Approximately 25% of the project area has been mapped to date, and many more targets are expected to be generated by the time the mapping program is completed.

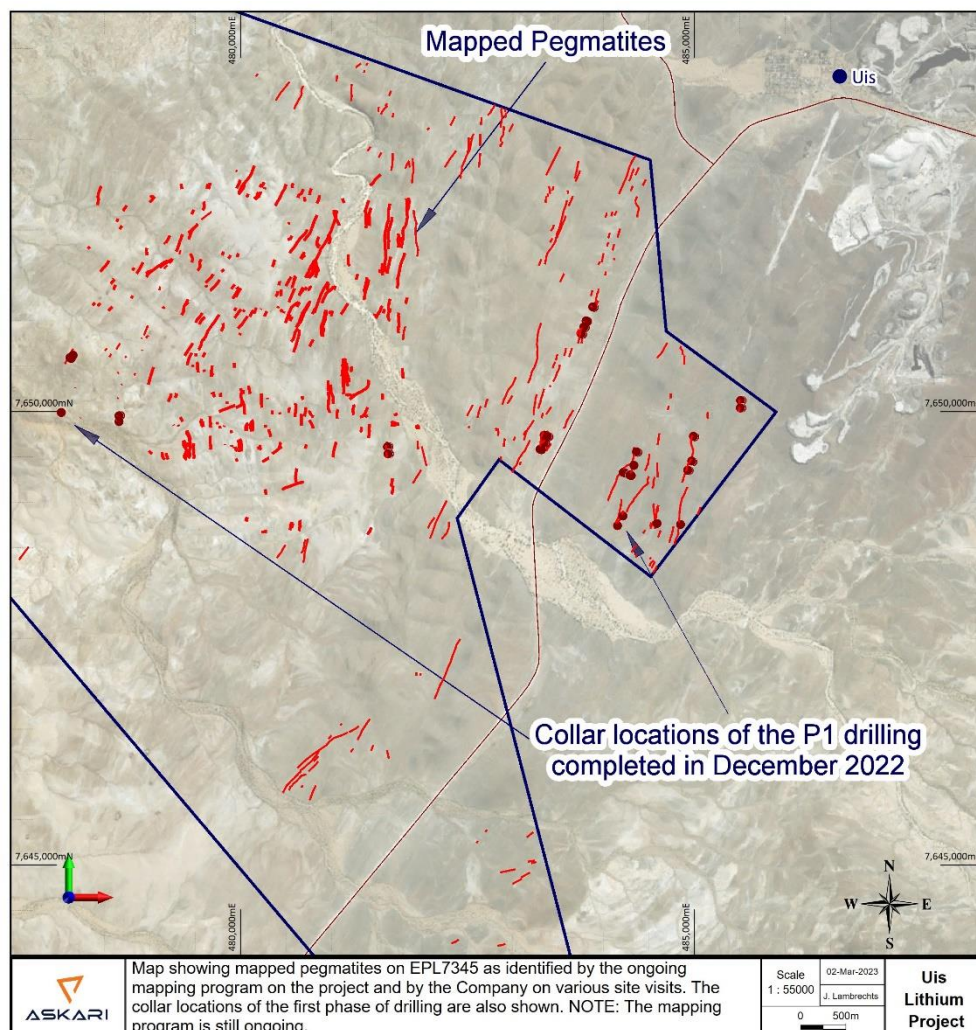


Figure 3: Mapped pegmatites on EPL 7345 identified by the ongoing mapping and sampling campaign together with the Phase I collar locations from the December 2022 drilling

The first four drill holes of the second phase of drilling have been completed on EPL 7345 at the time of this announcement. Figure 4 below depicts the initial target pegmatites in red, but more will be added as the mapping program progresses. The Company expects this program to include at least 4,000m of drilling, and we are also eagerly awaiting the results of the first phase of drilling completed in December 2022.

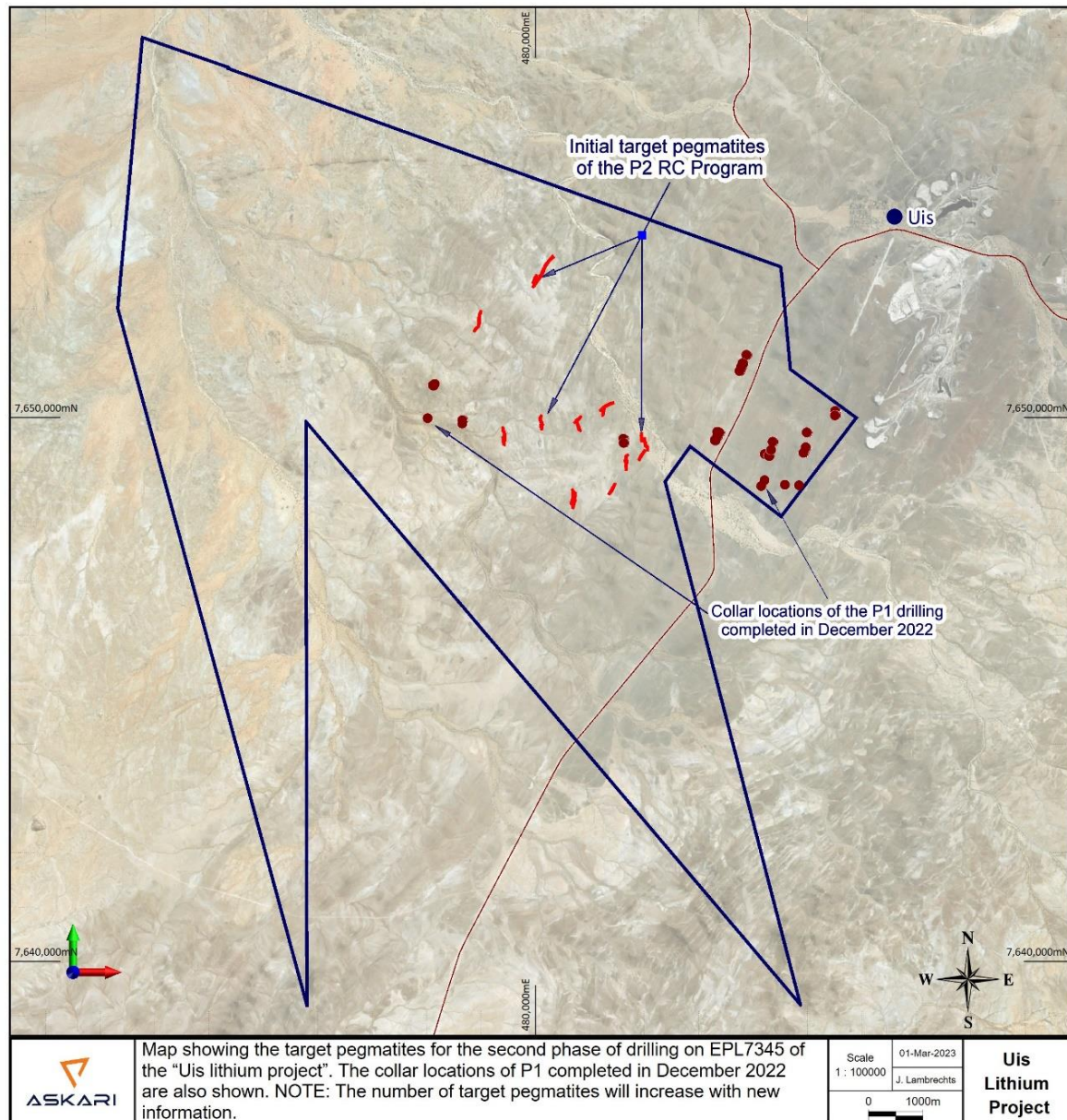


Figure 4: Map showing the initial target pegmatites of the second phase of drilling on EPL 7345



Figure 5: Drill rig in action on EPL 7345

PHASE I: DRILLING PROGRAM AT UIS LITHIUM PROJECT (EPL 8535)

The RC drilling program commenced on 12 February 2023. The project holds exceptional potential, as identified by the due diligence sample results and the very 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 the mined rock around the workings.

This first phase of drilling on EPL 8535 aims to test several high-grade lithium targets identified by the due diligence work completed by the company. Additional field activities have also identified several large-scale pegmatite targets that will be drill tested during this phase. Some of these new targets include pegmatites over 50m wide.

Figure 6 below shows one of these wide pegmatite bodies that will be drill tested during this phase.

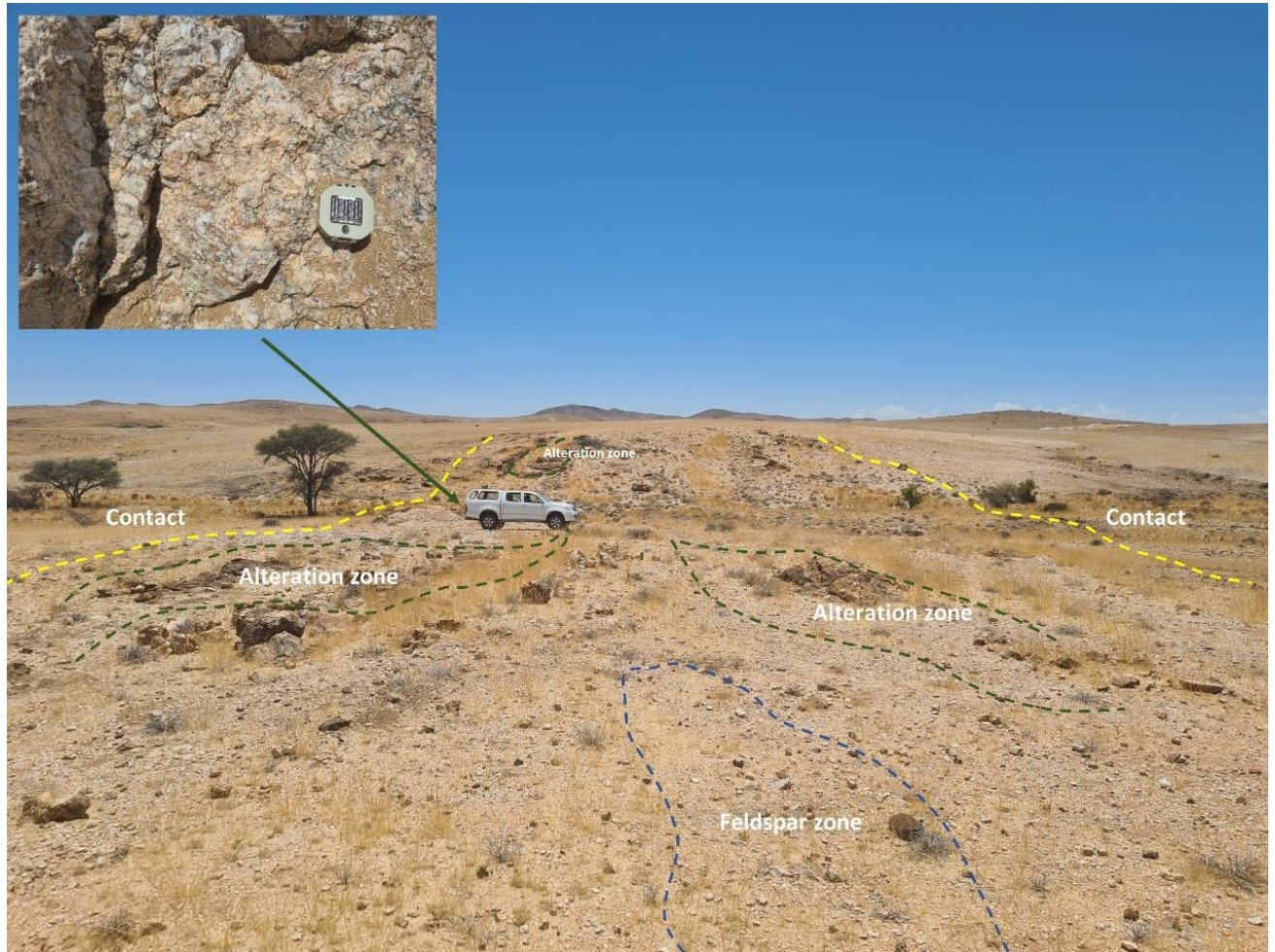


Figure 6: Large pegmatite to be tested by the inaugural drilling phase on EPL 8535

The first drill holes have been completed and targeted the high-grade lithium zone identified by the due diligence work, (Area 1 shown within Figure 8, below). The Company is also excited to test the larger pegmatite bodies identified in Areas 2, 3 and 4.



Figure 7: RC drill rig in operation at Area 1 within EPL 8535

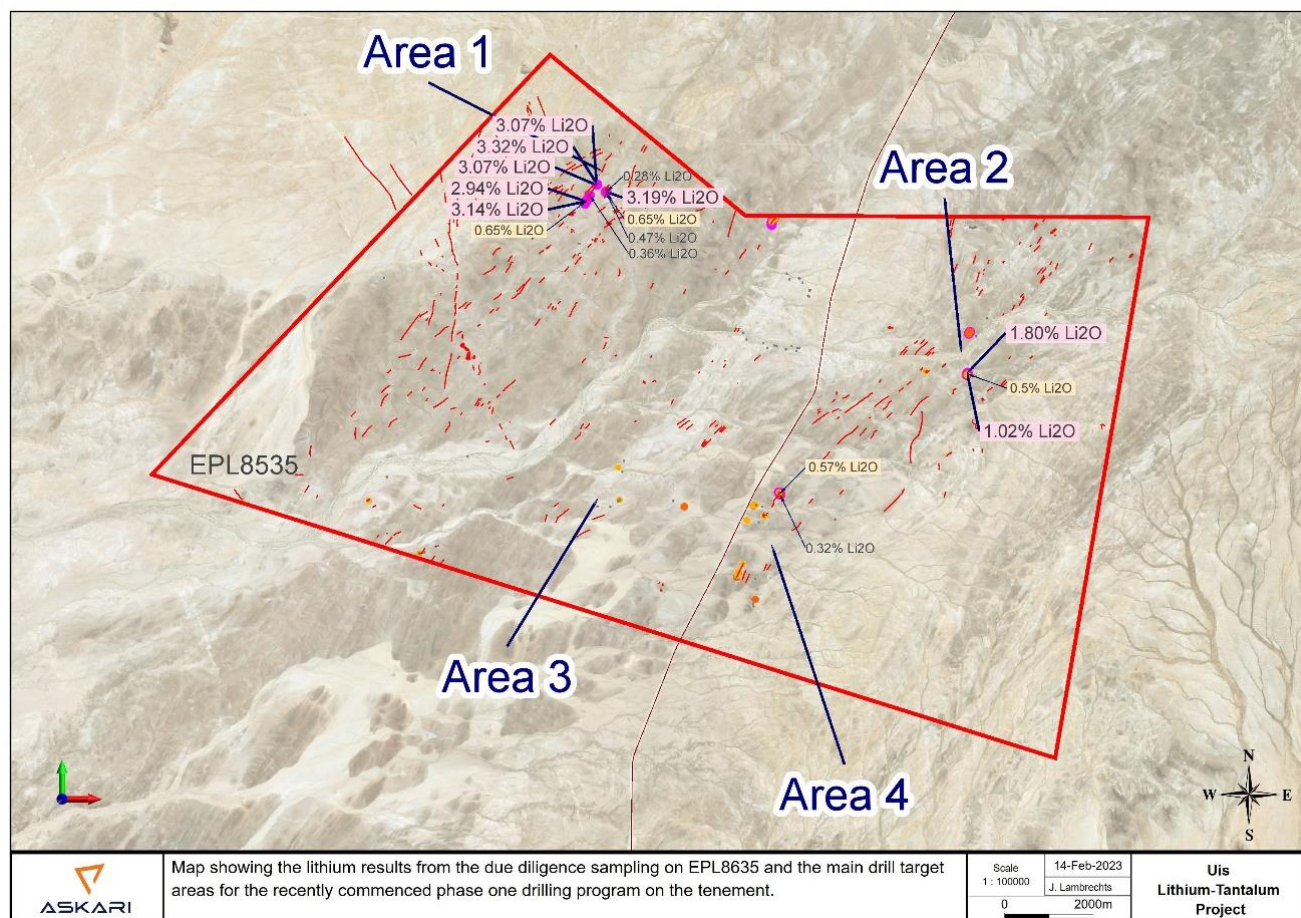


Figure 8: Main drill target areas within EPL 8535 which may be added to as the program continues

AUSTRALIAN LITHIUM ASSETS

During the half year, Askari expanded its Eastern Pilbara lithium portfolio in Western Australia through a binding acquisition agreement with Mining Equities Pty Ltd to acquire 100% of the Talga East Lithium Project (E45/5982), as announced in the ASX release on 4 October 2022.

A binding Share Sale Agreement was also signed to acquire 100% of the issued capital of Greenstone Lithium, as announced in the ASX release on 11 November 2022, giving the Company a 100% share in the Hillside Lithium Project.

The Talga East Lithium Project is considered highly prospective for Lithium-Tin-Tantalum (Li + Sn + Ta) mineralisation and lies less than 20km north of the Global Lithium Resources Ltd Archer Deposit, which hosts a JORC (2012) resource of 18.0Mt @ 1.0% Li₂O.

It is situated to the south of Askari's existing Yarrie Lithium Project and within the Company's interpretation of the "Goldilocks Zone" for Lithium exploration (see Figure 9).

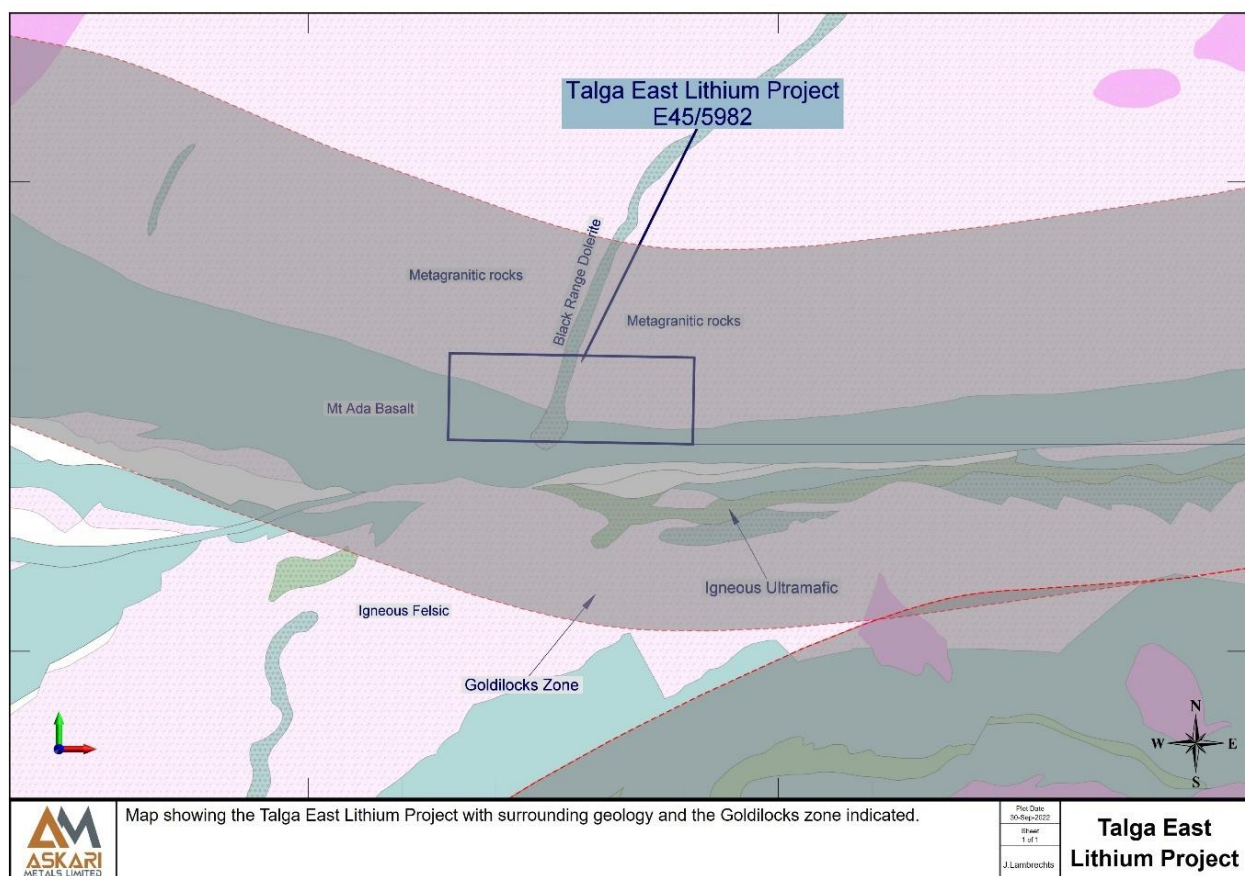


Figure 9: Map of the Talga East Project with geology and "Goldilocks Zone" overlay

The Hillside Lithium Project is also considered highly prospective for Li + Sn + Ta mineralisation and lies in the Tambourah Lithium District, adjacent and along strike of the Trigg Hill and East Curlew Lithium projects.

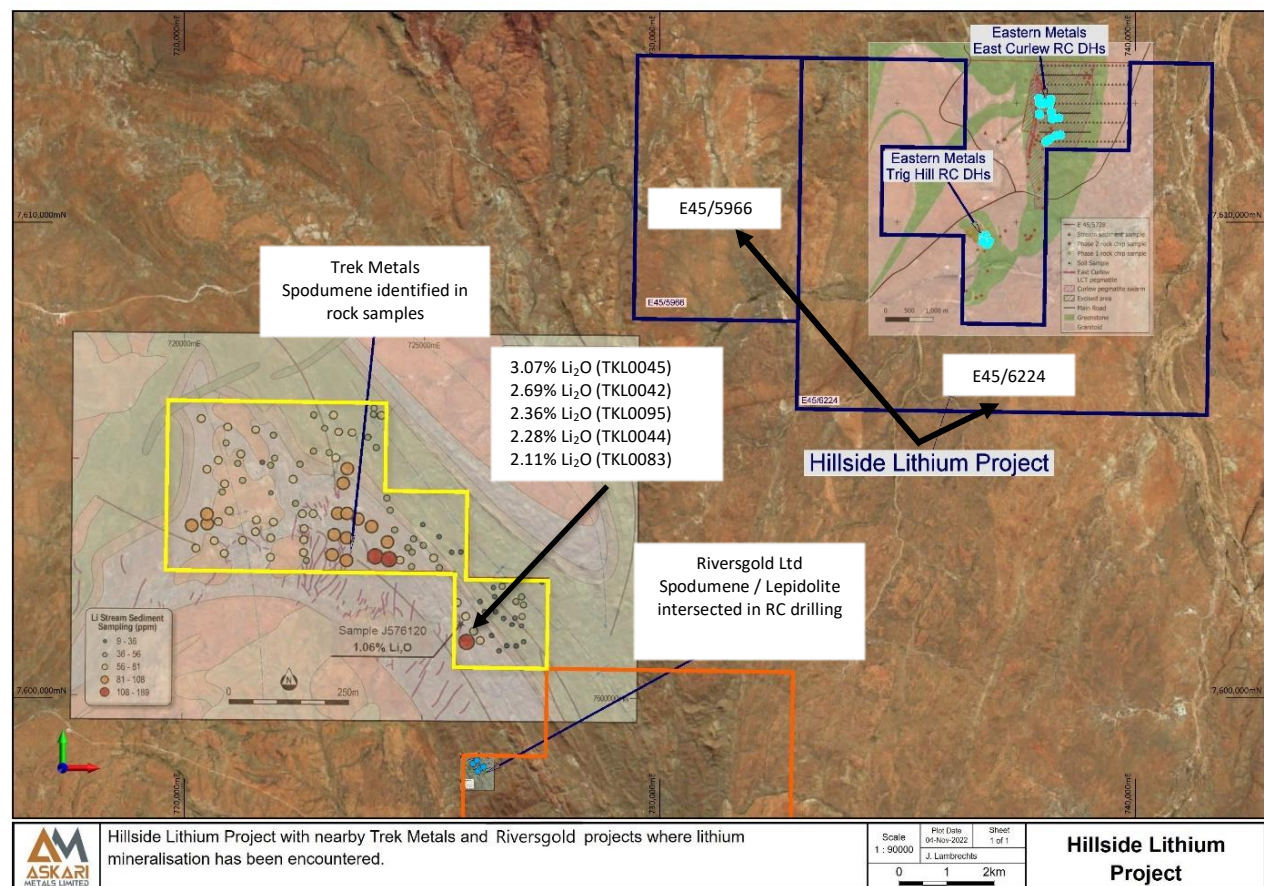


Figure 10: Location map of the Hillside Lithium Project, eastern Pilbara region of Western Australia. Also shown are Trek Metals, Riversgold and Eastern Resources

During the quarter, Askari also signed a Lithium Strategic Partnership Agreement with Shanghai-listed Zhejiang Kanglongda Special Protection Technology Co., Ltd (Zhejiang Kanglongda).

As announced in the [ASX release](#) on 20 October 2022, the partnership will create a pathway for the rapid development of Askari's Australian lithium assets, which include Barrow Creek in the Northern Territory and the Yarrie, Talga East, Hillside and Myrnas Hill projects in WA's East Pilbara region.

Under the Partnership Agreement, Zhejiang Kanglongda will assist Askari with lithium chemical downstream processing techniques and opportunities and provide access to capital for future development.

In return, Zhejiang Kanglongda will be provided with preferred offtake position from the Company's Australian lithium projects.

Askari continued to progress its exploration program at its Australian lithium assets during the quarter, including an extensive soil auger drilling and reconnaissance campaign at its 100% owned Myrnas Hill Lithium Project (E45/4907) in the East Pilbara region.

The soil auger drilling program will provide the Company with additional high-priority targets for future exploration campaigns, consisting of possible RC and Aircore drilling, as outlined in the [ASX release](#) on 8 November 2022.

GOLD AND BASE METAL ASSETS

During the half year, Askari received the assay results for the second and third batch of samples from its Phase III RC exploration drilling campaign at the Burracoppin Gold Project in Western Australia.

As announced in the [ASX release](#) on 6 October 2022, assay results from the second batch of samples from the Phase III drilling indicate mineralisation at the Benbur prospect continues down dip and to the north.

Of note, the ABRC041 hole intersected several zones of mineralisation, including:

- 6m @ 2.37 g/t Au from 31m downhole in ABRC041, including
 - 1m @ 9.54 g/t Au from 31m
 - 2m @ 1.17g/t Au from 34m
 - 1m @ 1.17 g/t Au from 145m
- 5m @ 1.85 g/t Au from 151m
- 2m @ 3.46g/t Au from 155m
- 1m @ 5.66g/t Au from 155m

The final tranche of assay results from the Phase III RC drilling, as announced in the [ASX release](#) on 18 October 2022, intersected high-grade gold mineralisation at the Easter Gift prospect at depth, with results including:

- 3m @ 17.41 g/t Au from 73m downhole in ABRC069, including
 - 1m @ 45.50 g/t Au from 73m
 - 1m @ 2.18 g/t Au from 74m
 - 1m @ 4.54 g/t Au from 75m

Mineralisation was also confirmed at the Benbur East and Lone Tree prospects, where strike extensions were tested.

Figure 11 depicts the Phase III RC drilling around Easter Gift and Lone Tree.

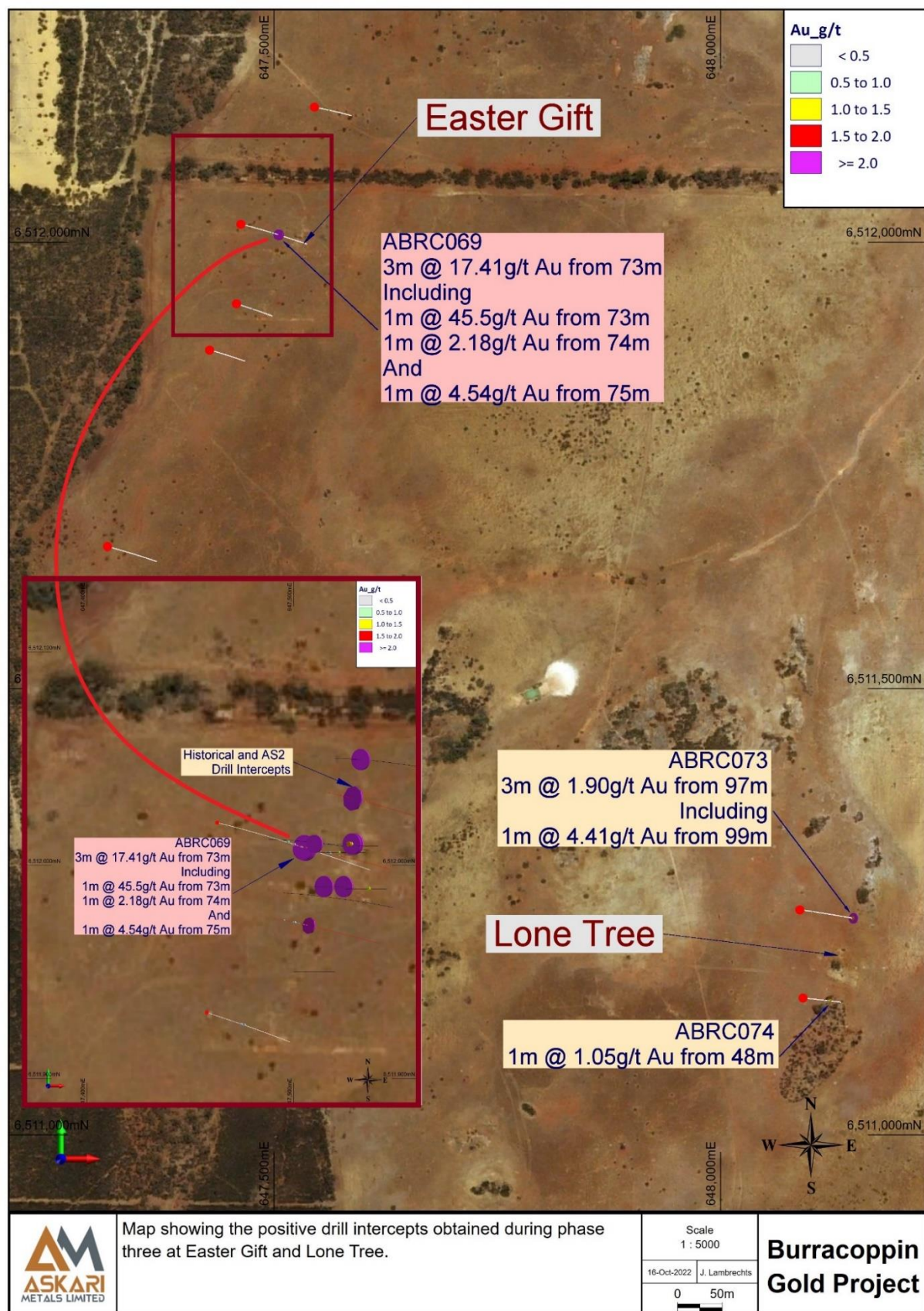


Figure 11: Map showing the drilling reported in tranche three around Easter Gift and Lone Tree

During the half year, Askari completed its maiden field reconnaissance program at the Springdale Project located on the Lachlan Fold Belt in New South Wales.

The results revealed exceptional high-grade gold mineralisation from samples collected in situ and from historical mullock piles, as revealed in the [ASX release](#) on 13 October 2022.

Base metal mineralisation in the form of copper, lead-zinc anomalism and elevated cobalt and rare earth anomalism was also identified in some samples.

The Company also completed a high-resolution drone magnetic survey during the quarter at its Callawa Copper Project in Western Australia, as announced in the [ASX release](#) on 11 October 2022.

Initial mapping and sampling program completed by the Company delivered high-grade copper results, including:

- 6.78% Cu, 4.35% Cu, 2.02% Cu and 1.85% Cu, respectively.

Further data review completed by the Company identified Nickel, Cobalt, and Chromium anomalism, including values of:

- 1610ppm Ni, 119ppm Co and 1760ppm Cr
- 1570ppm Ni, 106ppm Co and 1620ppm Cr
- 1320ppm Ni, 84ppm Co and 11820ppm Cr
- 1160ppm Ni, 80ppm Co and 1200ppm Cr

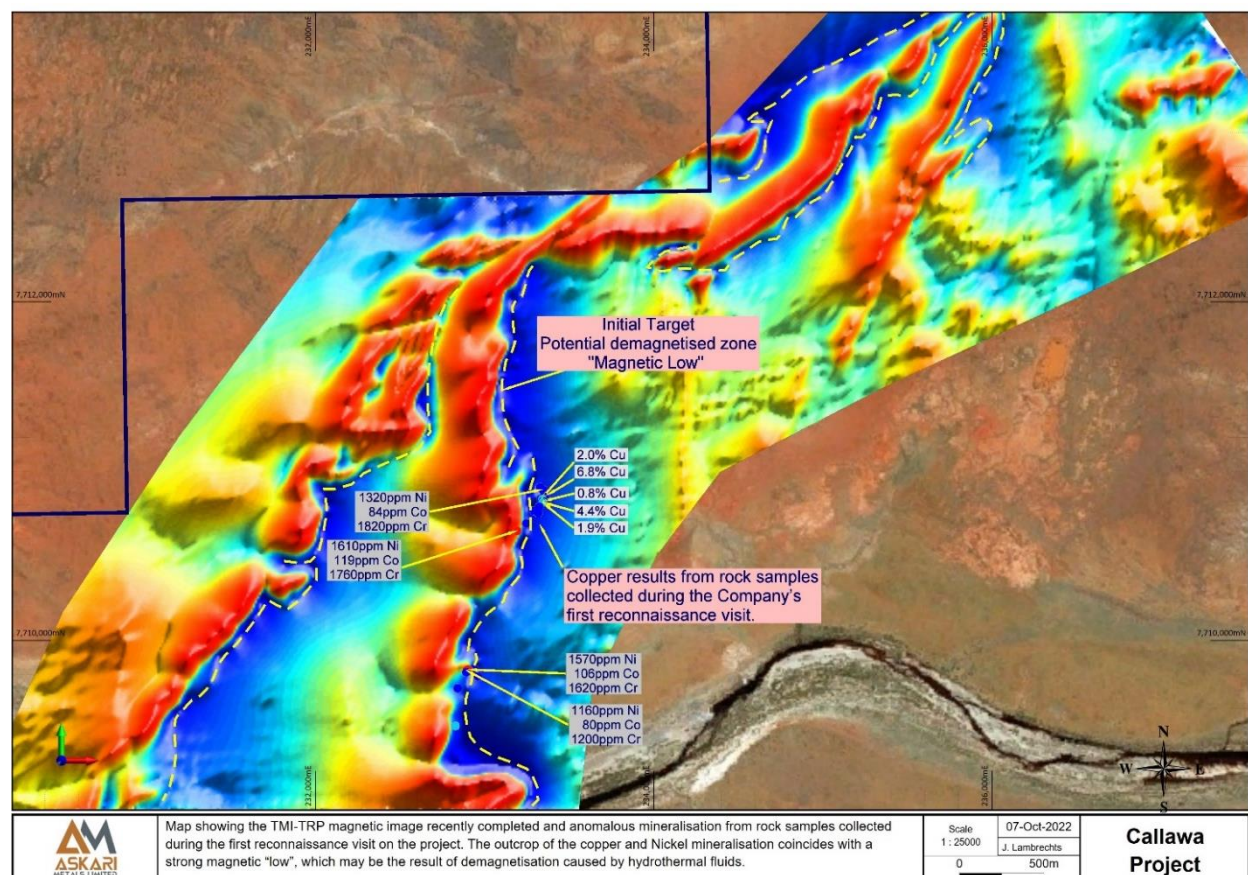


Figure 12: Plan view of the high-definition magnetic survey completed on the Callawa project

COPPER ASSETS

During the half year, the Company completed a maiden drilling program at the Horry Copper Project, located in the Kimberley region of Western Australia.

The drilling campaign's main target was the copper and gold mineralisation at the Horry Horse prospect, where the bulk of the ~2,100m program was focused. The mineralisation at Horry Horse outcrops over more than 400m and has been validated by several rock samples with results including 8.5% Cu and 3.77% Cu.

Refer to ASX announcement dated 12 January 2022.

The results of the drilling program identified several intervals greater than 1% Cu and 1 g/t gold, and also indicated several sub-parallel mineralised lodes at both the Horry Horse and Mt Dockrell prospects. The results are considered very positive and culminates in new and additional targets being identified on the Horry Project for future follow-up exploration activities.

The RC drilling program was designed to test the copper mineralisation at the Horry Horse prospect and the gold mineralisation at the Mt Dockrell prospect.

The copper mineralisation at the Horry Horse prospect manifests as outcropping malachite mineralisation within a shear hosted in metamorphosed intermediate sediments. The drill design here aimed to test the 400m long line of exposed malachite mineralisation visible in a shear zone at surface. The design also tested the extension of the mineralisation at depth beyond where the visible mineralisation outcrops.

The host of the gold mineralisation at the Mt Dockrell prospect is not clear, but an area of increased gold anomalism was identified by way of soil sampling and gold loaming conducted by the Company in the months leading up to the drilling program. The drill design at the Mt Dockrell prospect was aimed to identify potential mineralised hosts since the mineralisation seems to be "blind" on surface. Six holes were drilled in three lines to test the mineralisation in the Mt Dockrell prospect area.

COPPER MINERALISATION AT HORRY HORSE PROSPECT

Twenty-three holes totalling 1,710m were drilled in seven lines over more than 400 meters to test the outcropping malachite mineralisation at the Horry Horse prospect.

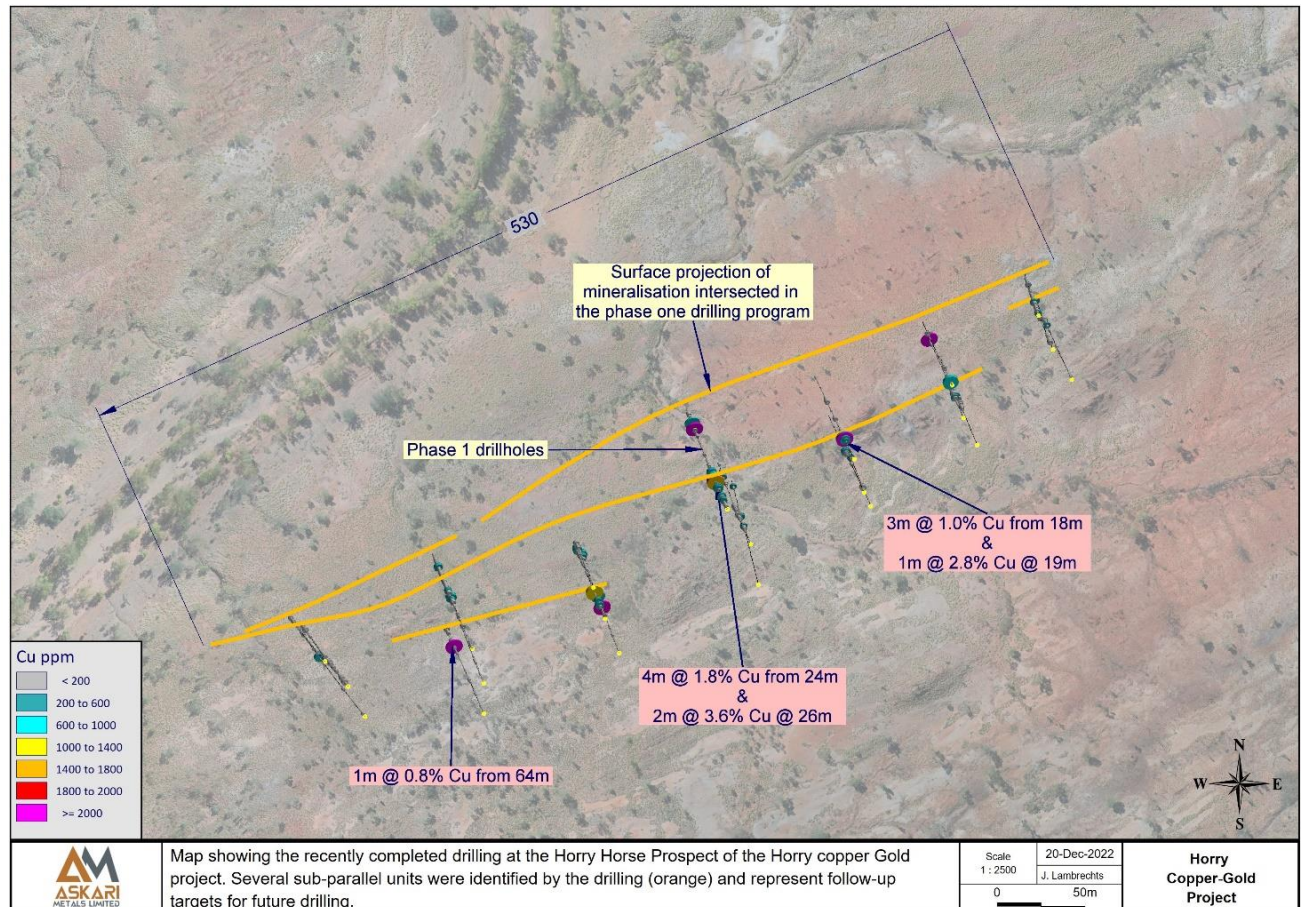


Figure 13: Map of the recently completed inaugural phase of drilling at the Horry Horse prospect of the Horry Copper and Gold Project

Three to four holes were drilled below each other on each line to identify the dip of the mineralisation, while the various lines were designed to give an indication of the mineralised strike. The drilling identified that the mineralised structure is dipping at 70-75 degrees to the south, and also that there is more than one such sub-parallel unit striking to the northeast. Some of the deeper holes intersected the northern-most zone of mineralisation, but additional drilling will be required to test this unit along strike and down dip.

Three holes intersected very promising results including 4m @ 1.8% Cu from 24m in HRRC22001 which includes 2m @ 3.6% Cu & 0.2g/t Au from 26m. A further intersection of 3m @ 1.0% Cu from 18m was drilled in HRRC22003, including 1m @ 2.8% Cu & 0.2g/t Au from 19m. Hole HRRC22016 also intersected 1m @ 0.8% Cu from 64 meters. Table 1 tabulates the best intersections from the Horry Horse prospect.

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Table 1: Table of the best intercepts at teh Horry Horse prospect.

Hole_ID	From	To	Interval	Au_ppm	Ag_ppm	As_ppm	Cu_ppm	Mo_ppm
HRRC22001	24	26	2	0.0	0.7	82.8	1,120	1.3
HRRC22001	26	28	2	0.2	8.6	176.0	35,700	1.1
HRRC22003	18	19	1	0.0	0.2	118.0	320	2.8
HRRC22003	19	20	1	0.2	15.0	296.0	27,600	1.4
HRRC22003	20	21	1	0.0	0.4	45.8	768	0.6
HRRC22016	64	65	1	0.0	4.0	69.6	8,000	4.3
HRRC22002	55	56	1	0.6	0.2	1600.0	146	0.9
HRRC22002	56	57	1	0.2	0.2	1330.0	116	1.1
HRRC22010	71	72	1	0.1	3.3	176.0	4,200	0.8

GOLD MINERALISATION AT MT DOCKRELL PROSPECT

Six holes for 388 meters was drilled in three lines at the Mt Dockrell prospect aimed at identifying the host of the gold mineralisation which is not evident at the surface.

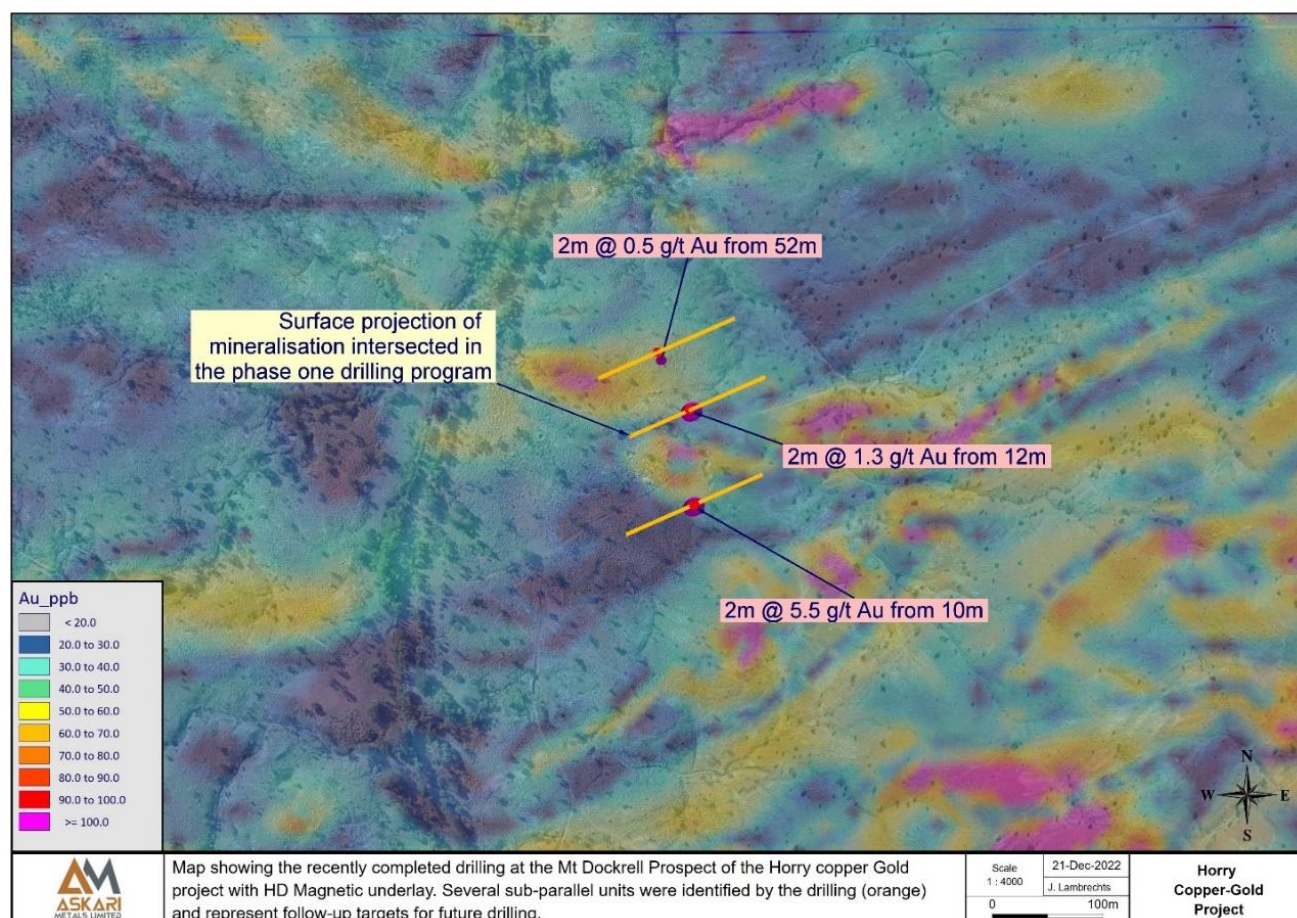


Figure 14: Map of the drilling completed at the Mt Dockrell prospect of the Horry Copper and Gold Project

The intercepts identified a southerly dip of about 70-75 degrees, but the strike is not yet clear. Initial interpretation of the intercepts here in conjunction with high definition magnetic data gathered earlier in 2022, is that the strike is to the northeast, but additional drilling programs will be considered to further test the mineralisation here at Mt Dockrell.

A summary of the anomalous results from the Mt Dockrell prospect is included in Table 2 below.

Table 2: Summary table of results from the Mt Dockrell prospect

Hole_ID	From	To	Interval	Au_ppm	Ag_ppm	As_ppm	Cu_ppm	Mo_ppm
HRRC22027	10	12	2	5.5	0.5	357.0	74	0.5
HRRC22025	12	14	2	1.3	0.1	124.0	100	0.8
HRRC22024	50	52	2	0.5	0.1	11.6	40	0.2

RARE EARTH ELEMENTS ASSETS

During a field program in January 2022, the Askari Metals team collected several rock samples which were primarily analysed for Lithium (Li) mineralisation from outcropping pegmatites across the project area. These samples were also evaluated for REE mineralisation and some of the results are highly encouraging, justifying further on-the-ground exploration activities. The sampling also demonstrated elevated results for Tantalum (Ta), Rubidium (Rb) and Niobium (Nb).

The TREO values greater than 200 ppm TREO are tabulated in Table 1 below.

Figure 15 depicts the TREO results of the WAMEX and AS2 datasets over the Red Peak Project.

SampleID	La_ppm	Ce_ppm	Pr_ppm	Nd_ppm	La2O3	Ce2O3	Pr2O3	Nd2O3	TREO
AS202527	173	284	30.3	103	202.89	332.65	35.46	120.14	720.54
AS201996	121	153	18.7	58	141.91	179.21	21.88	67.65	442.75
AS201989	94.6	152	20.3	70.1	110.95	178.04	23.76	81.76	431.79
AS202666	76.1	142	19	66.3	89.25	166.32	22.24	77.33	402.04
AS202659	87.2	154	16.3	47.5	102.27	180.38	19.08	55.40	392.64
AS201819	66.6	116	13.4	49.5	78.11	135.87	15.68	57.74	382.18
AS202512	82.9	137	14	46.8	97.23	160.47	16.38	54.59	356.63
AS201994	79.8	144	13.6	41.1	93.59	168.67	15.92	47.94	349.75
AS201801	52.4	80.6	11.4	47	61.45	94.41	13.34	54.82	320.38
AS202660	55.2	111	12.4	43.3	64.74	130.01	14.51	50.51	296.29
AS202000	62.4	99.1	12.1	40	73.18	116.08	14.16	46.66	278.98
AS202525	49.7	82.5	9.6	35.4	58.29	96.63	11.23	41.29	226.26
AS202549	41.7	87.9	7.85	26.6	48.91	102.96	9.19	31.03	210.22

Table 3: Summary table of the results for samples collected by Askari Metals in January 2022

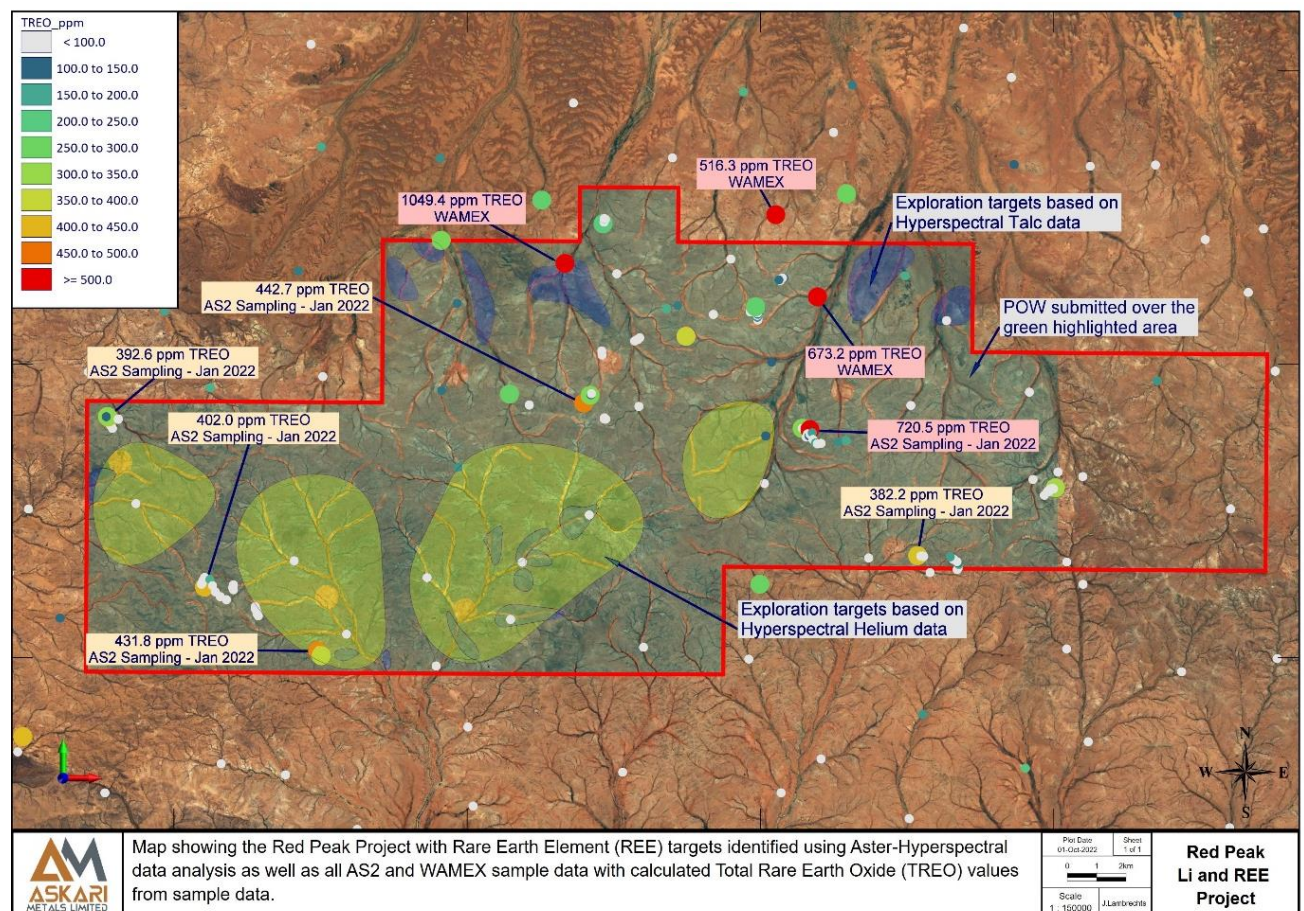


Figure 15: Figure depicting the results summarised in Table 1

The Red Peak project is considered poorly explored and highly prospective for lithium mineralisation as well as Rare Earth Elements, base metals and uranium. Notably, several pegmatites are already identified on 1:100,000 scale geological maps. However, only limited historical exploration has occurred and focused on either gold or base metals (Pb / Zn). Extensive pegmatite outcrop exists across the project area with at least eleven pegmatites mapped across the project, exhibiting strike lengths in excess of 3km and widths of between 150m and 200m. These are significant pegmatites that warrant further investigation, given the fertility of the geological setting.

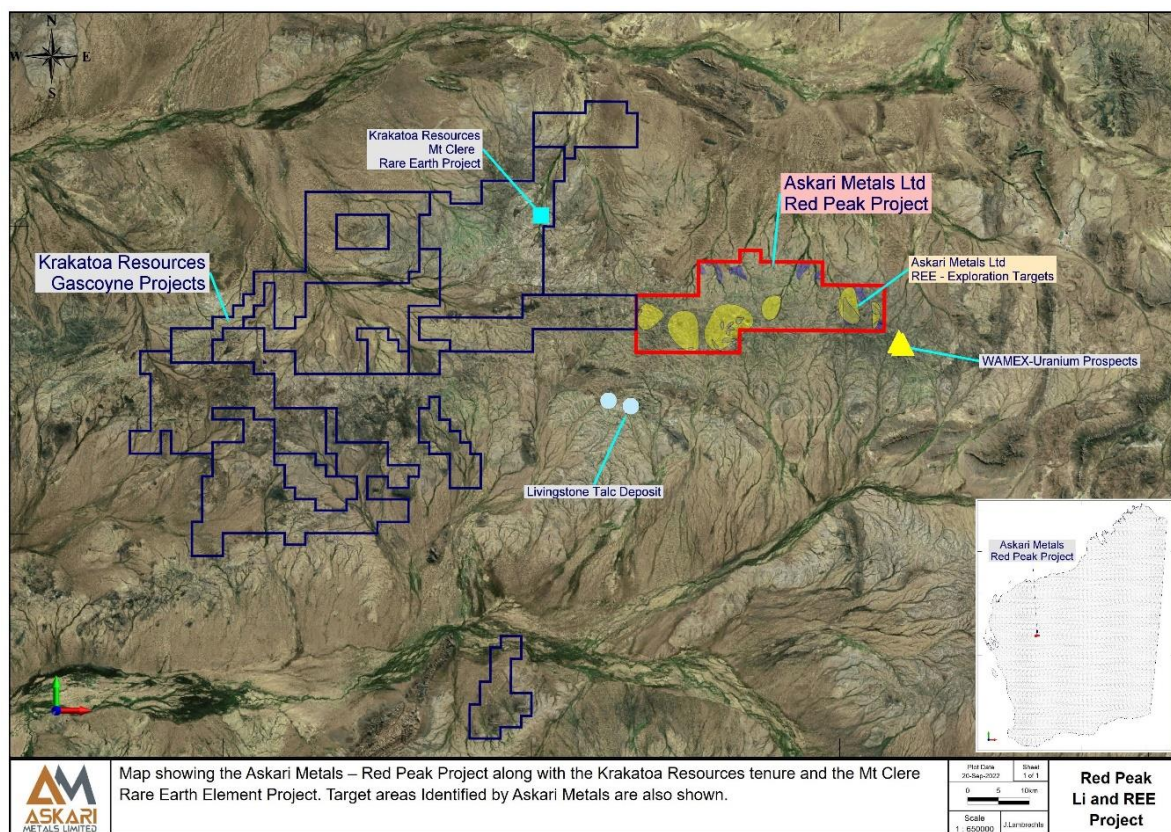


Figure 16: Satellite image showing the location of the Red Peak project along with the Krakatoa Resources tenure and Mt Clere REE project to the west of Red Peak

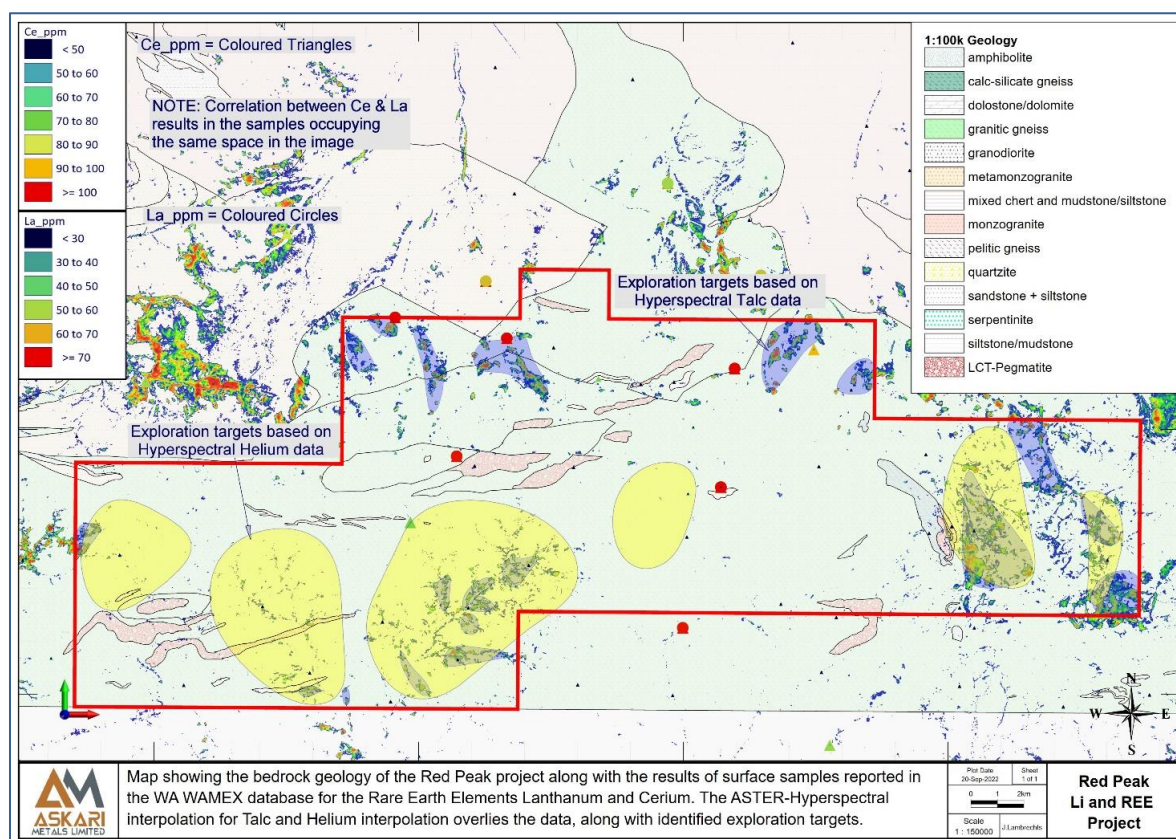


Figure 17: Temperature scale map of the Target image produced by the multivariate statistical classifier on the Red Peak Pegmatite Project (red tenement boundary outline)

Significant changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the half-year ended 31 December 2022.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2021.

Caution Regarding Forward-Looking Information

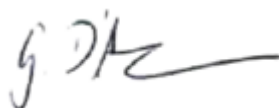
This document contains forward-looking statements concerning Askari Metals. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and 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 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 and has sufficient experience relevant to the style of mineralisation, type of deposit 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.

On behalf of the directors



Gino D'Anna
Director
15 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Askari Metals Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15th March 2023


D I Buckley
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

ASKARI METALS LIMITED
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022**

	Notes	31 Dec 2022	31 Dec 2021
		\$	\$
Revenue			
Other revenue		12,851	-
		12,851	-
Expenses			
Administration expenses		(976,194)	(576,137)
Employee expense		(6,782)	(77,563)
Share-based payments		(861,938)	(48,806)
Depreciation expense		(43,961)	(13,056)
Finance expense		(3,669)	(1,175)
Exploration and evaluation expense		(1,584,967)	(190,095)
Exploration costs written-off		-	(80,595)
Loss from continuing operations before income tax	6	(3,464,661)	(987,427)
Income tax expense		-	-
Loss from continuing operations after income tax		(3,464,661)	(987,427)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:		-	-
Total other comprehensive loss for the period		(3,464,661)	(987,427)
 Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted loss (cents per share)		(6.51)	(0.02)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 Dec 2022 \$	30 June 22 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	982,585	4,352,794
Trade and other receivables	8	404,295	300,106
Total Current Assets		1,386,880	4,652,900
Non-Current Assets			
Exploration and evaluation expenditure	9	3,276,118	2,326,716
Property, plant and equipment		166,745	178,076
Right of use assets		74,388	92,984
Security deposits		22,340	23,200
Total Non-Current Assets		3,539,591	2,620,976
TOTAL ASSETS		4,926,471	7,273,876
LIABILITIES			
Current Liabilities			
Trade and other payables	10	435,522	250,406
Provisions		-	39,830
Lease liabilities		36,393	34,792
Total Current Liabilities		471,915	325,028
Non-Current Liabilities			
Lease liabilities		39,595	58,192
Total Non-Current Liabilities		39,595	58,192
TOTAL LIABILITIES		511,510	383,220
NET ASSETS		4,414,961	6,890,656
EQUITY			
Share capital	11	10,152,289	9,103,920
Reserves	12	351,259	410,662
Carried forward losses		(6,088,587)	(2,623,926)
TOTAL EQUITY		4,414,961	6,890,656

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

	Share Capital	Option/ Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	9,103,920	410,662	(2,623,926)	6,890,656
Loss for half year			(3,464,661)	(3,464,661)
Total comprehensive loss for the half year	9,103,920	410,662	(6,088,587)	3,425,995
Transactions with owners in their capacity as owners:				
Issue of shares to acquire projects	125,000	-	-	125,000
Performance rights converted to shares	921,342	-	-	921,342
Value of performance rights converted		(921,342)	-	(921,342)
Accelerate vesting of performance rights		861,939	-	861,939
Options exercised and converted to shares	2,027	-	-	2,027
At 31 December 2022	10,152,289	351,259	(6,088,587)	4,414,961

	Share Capital	Option/ Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	6,162,618	249,359	(370,537)	6,041,440
Loss for year	-	-	(987,427)	(987,427)
Total comprehensive loss for the year	6,162,618	249,359	(1,357,964)	5,054,013
Transactions with owners in their capacity as owners:				
Issue of sign-on options to employee	-	18,669	-	18,669
Issue of performance rights to employee	-	8,483	-	8,483
Share issued to contractor	120,000	-	-	120,000
Issue of loyalty options	-	16,798	-	16,798
Issue of shortfall options	-	2,220	-	2,220
Options issued to lead manager	-	68,177	-	68,177
Issue of sign-on options to director	-	21,953	-	21,953
Expense for issuance of options and shares	(344)	(75,410)	-	(75,754)
As at 31 December 2021	6,282,274	310,249	(1,357,964)	5,234,599

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

	31 Dec 22	31 Dec 21
	\$	\$
Cash flows from operating activities		
Payment to suppliers and employees (including GST)	(2,537,317)	(1,192,854)
Interest paid on insurance finance	-	(1,175)
Net cash outflows from operating activities	(2,537,317)	(1,194,029)
Cash flows from investing activities		
Security deposit	-	(13,200)
Purchase of property, plant and equipment	(25,950)	(139,450)
Payments for exploration and evaluation expenditure	(808,448)	(551,022)
Payments for tenement applications	-	(172,934)
Sale of fixed assets	18,480	-
Net cash outflows from investing activities	(815,918)	(876,606)
Cash flows from financing activities		
Payment for capital raising expenses	-	(344)
Proceeds from issue of options	-	19,738
Proceeds from exercise of options	3,378	-
Payment for issue of options costs	-	(7,233)
Lease payments	(26,640)	-
Payment of insurance finance	-	(20,264)
Interest income	6,288	-
Net cash outflows from financing activities	(16,974)	(8,103)
Net decrease in cash and cash equivalents	(3,370,209)	(2,078,738)
Cash and cash equivalents at beginning of financial period	4,352,794	5,802,892
Cash and cash equivalents at the end of the financial period	982,585	3,724,154

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 1: REPORTING ENTITY

Askari Metals Limited (the “Company” or “Askari”) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited (“ASX”). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory at the beginning of the half-year financial report.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies and methods of computation adopted are consistent with those of the previous financial year, unless otherwise stated.

NOTE 3: GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements. Notwithstanding the fact that the Group incurred a loss of \$3,464,661 (31 December 2021: \$987,427) and a net cash outflow of \$3,370,209 (31 December 2021: \$2,078,738) for the period, and had working capital of \$914,965 as at 31 December 2022 (30 June 2021:\$4,327,872), the Directors are of the opinion that the Group is a going concern for the following reasons:

- The Group will continue to exercise appropriate cash management and monitoring of operating cashflows according to exploration success;
- Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Group's cash management strategy; and
- The cashflow forecasts prepared by management for the twelve months from the date of approval of the financial statements indicated further capital raisings will be required during the period. The Company is currently in advanced discussions regarding a capital raise which management expect to be completed and announced to the market in the near future.

Given the strong support of shareholders and the prospectivity of the Group's current projects, the Directors are confident that any future capital raisings will be successful. Should the Company be unable to obtain sufficient future funding, there is a material uncertainty which may cast significant doubt as to whether the Group will be able to continue as a going concern.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 4: NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. No material impact was noted on application of new or amended accounting standards and interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not considered to have a material impact on the entity.

NOTE 5: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Company operates in 2 geographical areas, Australia and Namibia, in the mineral exploration sector. The breakdown of assets by geographical location is as follows:

	31 Dec 22	30 June 22
	\$	\$
Current Assets		
Australia	1,386,880	4,652,900
Namibia	-	-
	<u>1,386,880</u>	<u>4,652,900</u>
Non-Current Assets		
Australia	3,539,591	2,620,976
Namibia	-	-
	<u>3,539,591</u>	<u>2,620,976</u>
	31 Dec 22	31 Dec 21
	\$	\$
Current Liabilities		
Australia	113,179	325,028
Namibia	358,736	-
	<u>471,915</u>	<u>325,028</u>
Non-Current Liabilities		
Australia	39,595	58,192
Namibia	-	-
	<u>39,595</u>	<u>58,192</u>
	31 Dec 22	31 Dec 21
	\$	\$
Profit and Loss after tax		
Australia	(2,101,601)	(987,427)
Namibia	(1,363,059)	-
	<u>(3,464,660)</u>	<u>(987,427)</u>

The Company owns tenements in the geographical locations of Australia. Other than this the group's assets comprise cash and minor receivables or prepayments.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 6: EXPENSES

	31 Dec 22	30 June 22
	\$	\$
Depreciation expense		
Depreciation – Property, plant & equipment	25,364	35,106
Depreciation – Right-of-use asset	18,597	17,488
Total depreciation expense	43,961	52,594
Finance expense		
Finance Interest – Loan	-	1,329
Finance Interest – Lease for right-of-use asset	3,669	6,318
Total finance expense	3,669	7,647
Share-based payment expense		
Employee share-based payment expense	-	85,527
Key management share-based payment expense	861,938	69,053
Other share-based payment expense	-	4,086
Total share-based payment expense	861,938	158,666

NOTE 7: CASH AND CASH EQUIVALENTS

	31 Dec 22	30 June 22
	\$	\$
Cash at bank and in hand	982,585	4,352,794
Total cash and cash equivalents	982,585	4,352,794

NOTE 8: TRADE AND OTHER RECEIVABLES

	31 Dec 22	30 June 22
	\$	\$
Accounts receivable	303,847	142,495
Prepayments	-	57,163
Prepayments (Rent for tenement applications)*	100,448	100,448
Total trade and other receivables	404,295	300,106

*Refundable if application is not successful.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2022	30 June 22
	\$	\$
Exploration and evaluation expenditure	3,276,118	2,326,716
	3,276,118	2,326,716
Reconciliation:		
Opening balance	2,326,716	763,531
Acquisition costs and exploration expenditure for exploration assets	729,402	1,529,343
Purchase of tenement Myrnas Hill	220,000	-
Purchase of tenement Talga East	-	137,500
Exploration costs written-off	-	(103,658)
Closing balance	3,276,118	2,326,716

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and rights to tenure are current.

NOTE 10: TRADE AND OTHER PAYABLES

	31 Dec 22	30 June 22
	\$	\$
Trade and other payables	419,522	133,456
Accrued expenses	16,000	63,480
Employee benefits	-	53,470
	435,522	250,406

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 11: ISSUED CAPITAL

	31 Dec 22		30 June 22	
	\$	Number of shares	\$	Number of shares
Issued capital	11,053,635	56,279,122	10,005,266	52,133,237
Cost of shares issued	(901,346)	-	(901,346)	-
Fully paid ordinary shares	10,152,289	56,279,122	9,103,920	52,133,237

Movements in Ordinary Shares

Half-year ended 31 December 2022			
Date	Details	\$	Number of shares
	Balance at 1 July 2022	9,103,920	52,133,237
31/08/22	Shares issued to acquire project	125,000	277,778
19/09/22	Exercise of options	714	2,857
26/09/22	Conversion of Class A,C,H,L&M performance rights	921,342	3,860,000
03/10/22	Exercise of options	1,313	5,250
31/12/22	Balance at end of period	10,152,289	56,279,122

Year ended 30 June 2022			
Date	Details	\$	Number of shares
	Balance 01 July 2021	6,162,618	42,521,000
18/10/21	Shares issued to contractor	120,000	545,454
31/01/21	Issue of capital raising shares	2,600,000	7,428,571
22/03/22	Conversion of Class D performance rights	29,614	200,000
23/03/22	Shares issued for Barrow Creek tenement	100,000	269,542
04/05/22	Conversion of Class F performance rights	29,326	200,000
23/05/22	Shares issued to acquire project	75,000	123,967
	Exercise of options	211,176	844,703
	Cost of shares issued	(223,814)	-
30/06/22	Balance at year end	9,103,920	52,133,237

Capital risk management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 11 ISSUED CAPITAL (CONTINUED)

In order to maintain or adjust the capital structure, the Consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

NOTE 12: RESERVES

	31 Dec 22		30 June 22	
	\$	Number of options	\$	Number of options
Option reserve	351,258	16,522,755	351,258	16,530,862
Performance rights reserve	-	5,030,000	59,404	8,890,000
Total reserves	351,258	21,552,755	410,662	25,420,862

Performance rights reserve

The reserve is used to recognise increments and decrements in performance rights issued, forfeited or converted.

Option reserve

The reserve is used to recognise increments and decrements in options issued, forfeited or converted, either through premiums paid for options, or share based payments.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 13: SHARE-BASED PAYMENTS

Performance rights on issue

All performance rights on issue relate to share-based payments to directors, employees and consultants for services provided. No new performance rights were issued during the period. Performance right classes A,C,H,L and M vested during the period and \$921,342 was transferred to share capital.

Half-year ended 31 December 2022

Class	Grant date	Balance at 01 Jul 2022	Issued during the 6 months	Exercised during the year	Cancelled or Expired during the year	Balance at 31 Dec 2022
		Number	Number	Number	Number	Number
Class A	20 Nov 2020	1,700,000	-	1,700,000	-	-
Class B	20 Nov 2020	1,700,000	-	-	-	1,700,000
Class C	06 Sep 2021	200,000	-	200,000	-	-
Class E	06 Sep 2021	200,000	-	-	-	200,000
Class G	06 Sep 2021	200,000	-	-	-	200,000
Class A	22 Dec 2021	200,000	-	200,000	-	-
Class B	22 Dec 2021	200,000	-	-	-	200,000
Class H	09 May 2022	100,000	-	100,000	-	-
Class I	09 May 2022	910,000	-	-	-	910,000
Class J	09 May 2022	910,000	-	-	-	910,000
Class K	09 May 2022	910,000	-	-	-	910,000
Class L	09 May 2022	910,000	-	910,000	-	-
Class M	09 May 2022	750,000	-	750,000	-	-
Total		8,890,000	-	3,860,000	-	5,030,000

The Performance Rights have the following milestones attached to them:

Class A: the Class A Performance Rights will convert into Shares (on a 1:1 basis) upon:

- the Company announcing no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springfield Copper-Gold Project, the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or
- the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where "Copper Projects" is defined as the Horry Copper Project and the Callawa Copper Project).

in each case in accordance with the JORC Code and as verified by an independent competent person under the JORC Code (Class A Milestone), with the Class A Performance Rights expiring on the date that is two (2) years from the date of Admission, being 7 July 2021, if the Class A Milestone is not achieved.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Class B: the Class B Performance Rights will convert into Shares (on a 1:1 basis) upon:

the Company announcing a JORC (2012) compliant Mineral Resource of gold, as verified by an independent competent person under the JORC Code, of at least 50,000 ounces at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) (Class B Milestone), with the Class B Performance Rights expiring on the date that is three (3) years from the date of Admission, being 7 July 2021, if the Class B Milestone is not achieved.

The Class C,D,E,F and G Performance Rights were issued on 6 September 2021 and have the following milestones attached to them:

Class C: the Class C Performance Rights will convert into an equivalent number of Shares upon the Company announcing:

- (i) no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or
- (ii) the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where "Copper Projects" is defined as the Horry Copper Project and the Callawa Copper Project),

with the Class C Performance Rights expiring on the date that is two (2) years from the date of Admission, being 7 July 2021, if the Class C Milestone is not achieved.

Class E: the Class E Performance Rights will convert into an equivalent number of Shares upon the Company announcing a JORC (2012) compliant Mineral Resource of gold at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) with an inground value of no less than \$50,000,000 (Class E Milestone), with the Class E Performance Rights expiring on the date that is three (3) years from the date of Admission, being 7 July 2021, if the Class E Milestone is not achieved.

Class G: the Class G Performance Rights will convert into an equivalent number of Shares upon the Company achieving delivery of a positive NPV (8% post-tax discount rate) of over A\$65m as determined by a Scoping Study on any of its current or future projects within the next 5 years from the date of the Company being admitted to the Official List of ASX, being 7 July 2021.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

- Class H:** the Class H Performance Rights will convert into an equivalent number of Shares upon the Company achieving a 20 day Volume Weighted Average Price (VWAP) of its securities as traded on the ASX of not less than 50 cents per share. This hurdle must be achieved by 14 February 2024.
- Class I:** the Class I Performance Rights will convert into an equivalent number of Shares upon achievement of the Company collecting not less than 15 rock samples (Cumulative) from any of its lithium projects defined as either Red Peak Lithium Project, the Yarrie Lithium Project, or the Barrow Creek Lithium Project, that exhibit the mineralogical composition of an LCT pegmatite with geochemistry results of not less than 180PPm Li, 50pp Cs, 15ppm Ra and 700pm Rb. This hurdle must be achieved within 2 years from the date of grant of the Performance Right.
- Class J:** the Class J Performance Rights will convert into an equivalent number of Shares upon achievement by the Company, of completion of an RC Drilling program at any of its lithium projects defined as either Red Peak Lithium Project, the Yarrie Lithium Project, or the Barrow Creek Lithium Project. Where the RC drilling program intersects a mineralised interval of not less than 5M @1% Li₂O across not less than three (3) individual drill holes. This hurdle must be achieved within 3 years from the date of grant of the Performance Right.
- Class K:** the Class K Performance Rights will convert into an equivalent number of Shares upon achievement by the Company of a JORC (or N143-101) compliant resource of >1,500,000 tonnes @>0.8% Li₂O at any of its lithium projects defined as either Red Peak Lithium Project, the Yarrie Lithium Project, or the Barrow Creek Lithium Project. This hurdle must be achieved within 3 years from the date of grant of the Performance Right.
- Class L:** the Class L Performance Rights will convert into an equivalent number of Shares upon achievement by the Company of a market capitalisation of not less than \$30 million. This hurdle must be achieved within 2 years from the date of grant of the Performance Right.
- Class M:** the Class M Performance Rights will convert into an equivalent number of Shares upon achievement by the Company of a 20-day VWAP shareprice >\$0.60 within 3 years from the date of grant of the Performance Right.

Valuation of Performance Rights issued

All Performance Rights except are non-market performance based. The Company did an assessment for each non-market performance based milestone and concluded, as all the projects were still at the greenfields/early exploration stage, there was insufficient data and understanding of mineralisation to make a determination that it was likely that the Performance Rights milestones could be achieved. Consequently no value has been assigned to them at this time. The Company will reassess this position every 6 months, in line with statutory reporting requirements and in accordance with AASB 2 – Share Based Payments.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Options on issue

Half-year ended 31 December 2022

No new options were issued during the period. All options on issue relate to share-based payments to directors or employees, brokers and consultants for services provided. All options have fully vested. The following options are on issue at 31 December 2022:

Grant Date	Expiry Date	Exercise Price	Balance at 01 Jul 2022	Issued during the 6 months	Exercised during the 6 months	Cancelled or Expired during the 6 months	Balance at 31 Dec 2022
			Number	Number	Number	Number	Number
25 Jun 2021	25 Jun 2024	\$0.25	2,500,000	-	-	-	2,500,000
25 Jun 2021	25 Jun 2023	\$0.25	281,250	-	-	-	281,250
6 Sep 2021	5 Sep 2023	\$0.25	80,000	-	-	-	80,000
10 Nov 2021	31 Oct 2024	\$0.25	13,019,612	-	8,107	-	13,011,505
22 Dec 2021	21 Dec 2023	\$0.27	300,000	-	-	-	300,000
01 Feb 2022	31 Oct 2024	\$0.25	350,000	-	-	-	350,000
			16,530,862	-	8,107	-	16,522,755

Weighted average remaining contracted life of options (Years)	1.20 Years
Weighted average exercise price	\$0.25

Type of Options:	2021 Options issued to broker in connection with capital raising	2021 Options issued to acquire project	2022 Options issued to employee sign-on	2022 Options issued to director sign-on
Number of options unexpired/unexercised	2,500,000	281,250	80,000	300,000
Exercise price \$	0.25	0.25	0.25	0.27
Share price at date granted/contract date	0.20	0.20	0.20	0.175
Risk free rate	0.1%	0.1%	0.01%	0.47%
Volatility factor	80%	80%	100%	100%
Number of years to expiry	2	1	1	1
Fair value per option	0.092	0.073	0.093	0.0732
Valuation	228,780	20,579	7,468	21,953

Valuations of listed options issued

There were 13,361,505 listed options as at 31 December 2022 of which 987,815 were issued for services provided. The listed options were valued based on closing price on the measurement date.

ASKARI METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Type of Options:	Options issued to Lead manager (Nov 2021)	Options issued to Lead manager (Jan 2022)
Number of options issued	629,708	350,000
Exercise price \$	0.25	0.25
Market value of option \$	0.049	0.135
Valuation	30,856	47,250

NOTE 14: FAIR VALUE

The fair value of financial assets and financial liabilities measured on a non-recurring fair value basis approximates their carrying amount at balance date.

NOTE 15: CONTINGENT LIABILITIES

Royalty

A 1% Net Smelter Royalty is payable on the tenements acquired via the acquisition of all the issued capital of First Western Gold Pty Ltd.

Contingent Consideration

Springdale Project

Under the terms of the agreement to acquire the Springdale Gold project a Performance Bonus of 450,000 fully paid shares is payable upon the achievement of a JORC (2012) resource of at least 100,000 ounces of gold.

Purchase of Northern Territory tenement EL32804

Through its exclusivity deal with Consolidated Lithium Trading Pty Ltd, the Company has a 12 month option to purchase 100% interest in Northern Territory tenement EL32804 (Barrow Creek Lithium Project) by paying Consolidated Lithium Trading Pty Ltd or its nominee a total of \$1,000,000 in either cash or shares, with a minimum payable in cash of 30%. This option term of 12 months can be extended in 12 month intervals on up to 2 occasions for a payment of \$50,000 and \$80,000 respectively.

NOTE 16: COMMITMENTS

Exploration expenditure commitments

Minimum expenditure requirements on the company's mineral tenements are as follows:

Due 1-3 years	Due 4-5 years	Due 5-6 years	Due 8+ years
435,000	572,500	795,000	1,195,000

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

- On 20 February 2023, Shareholder approval was obtained for issue of shares in consideration for acquisition of:
 - Greenstone Lithium Limited (E45/5966 and E45/6224) for the acquisition of the Hillside Lithium Project, located in Western Australia;
 - EPL 7345 via the acquisition of 90% of the shares in Kokerboom Mineral Processing (Pty) Ltd from Lexrox Exploration Pty Ltd; and
 - EPL 8535 and EPL 8756 via the acquisition of 80% of the shares in Earth Dimentions Consulting (Pty) Ltd from its respective shareholders.
- On 20 February 2023, Shareholder approval was obtained for the issue of performance rights to Mr Gino D'Anna, Mr Chris Evans and Mr Robert Downey, pursuant to the Notice of General Meeting lodged on or about 19 January 2023.

NOTE 18: RELATED PARTY TRANSACTIONS

There have been no additional related party transactions during the period.

NOTE 19: FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities measure at fair value on a non-recurring basis approximate their carrying amount at balance dates.

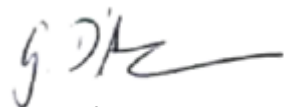
ASKARI METALS LIMITED
DIRECTORS' DECLARATION
FOR THE HALF - YEAR ENDED 31 DECEMBER 2022

In the opinion of the Directors of Askari Metals Limited (the "Company"):

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gino D'Anna

Director

15 March 2022

Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Askari Metals Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Askari Metals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Askari Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

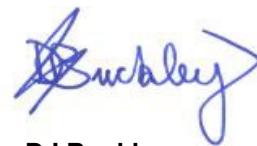
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15th March 2023



D I Buckley
Partner