



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

Acquisition of High-Quality Bauxite Project in Queensland

Highlights

- A8G has agreed to acquire the May Queen South Bauxite Project (EL 16260 and EPM 16261)
- JORC 2012 Inferred Mineral Resource Estimate of 54.9Mt bauxite mineral at 37.5% total alumina and 7.9% total silica
- Excellent available alumina to reactive silica ratios with predominantly gibbsite mineralogy
- Located <55km from existing rail infrastructure with connections to the Port of Bundaberg
- Preliminary scouting metallurgical test-work indicates potential to beneficiate:
 - o Good to premium quality DSO (35-40% available alumina, 1-3% reactive silica) through simple crushing, screening and scrubbing of the 1 to 3m thick surface duricrust
 - o Fair quality DSO (<30% available alumina, >5% reactive silica) at 38% mass recovery through simple crushing and screening of the sub-surface bauxite profile

Australasian Metals Limited (**ASX: A8G, Australasian** or the **Company**) is pleased to advise that the Company has entered into an agreement to acquire the May Queen South Bauxite project (the **Project**, Figure 1). The vendor is Atlantic Lithium Limited (formerly Ironridge Resources Limited) an existing major shareholder of Australasian.

A8G Managing Director Dr Qingtao Zeng commented:

"We are very excited to be adding the May Queen South Bauxite project to our metals portfolio especially given it shares a boundary with our May Queen gold



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

project. Within our existing May Queen tenements (EPM19419 and EPM 27746), we have identified several outcrops of bauxite, therefore the combined projects have the potential to significantly increase the current JORC resource in the future. Since our IPO, Australasian has had a strong working relationship with Atlantic Lithium Limited and we are looking forward to building on the great work completed by the Atlantic team.

“With Australasian’s strong metals industry networks throughout the East Asian markets, we believe the May Queen South Bauxite project is a great addition to our project portfolio and offers near-term upside for shareholders”.

The May Queen South Bauxite project is located in central Queensland, within a short trucking distance of a rail system leading north to the Port of Bundaberg. It is also located within close proximity of the main Queensland Rail network heading south towards the Port of Brisbane.

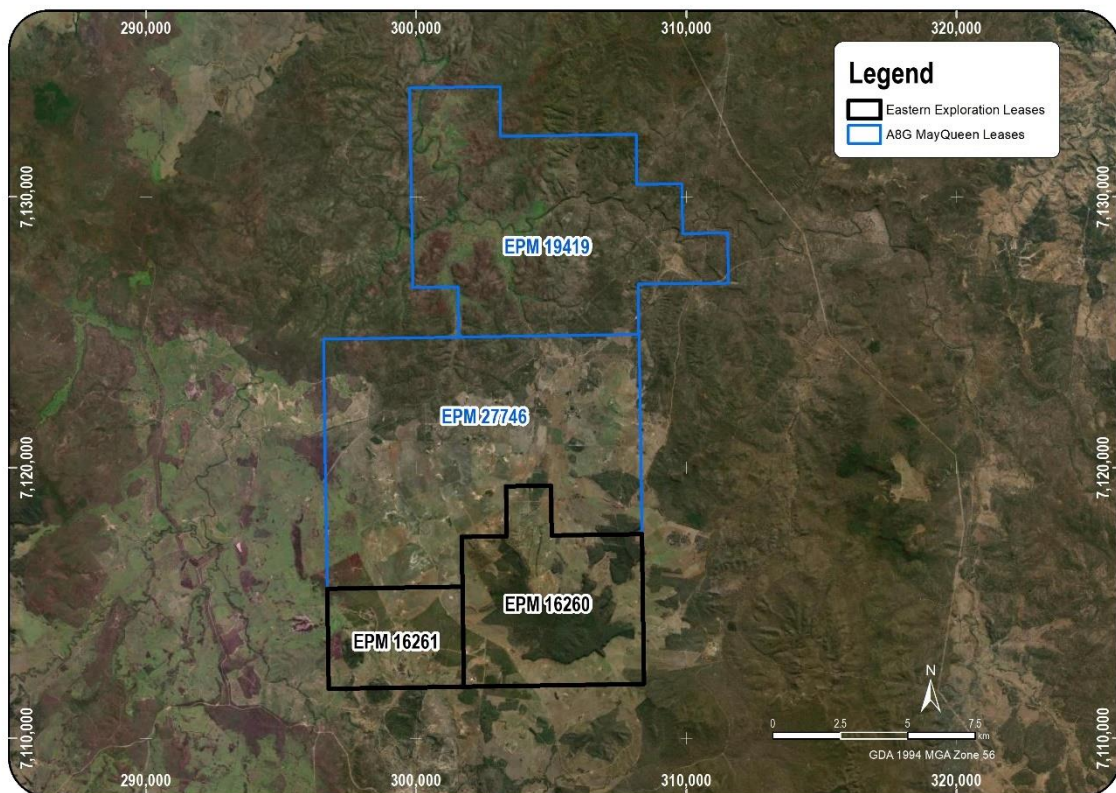


Figure 1. Location of Tenements 16260 and 16261, A8G existing tenements in May Queen gold project



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

The Project is wholly owned by Eastern Exploration Pty Ltd, previous name Eastern Uranium Pty Ltd, a subsidiary of Atlantic Lithium Limited.

Bauxite mineralised plateaus and zones defined to date are shown in Figure 2 below, along with RC drilling locations. Mapping, sampling and initial laboratory assay results have defined significant high-grade bauxite mineralisation at average 42% alumina over a combined surface area of 16km². There is strong customer demand for this ore type.

The Project has a JORC 2012 Inferred Mineral Resource estimate of **54.9Mt at 37.5% total Al₂O₃% and 5.2% Ti₂O and 7.9% Rx SiO₂%¹**.

Preliminary scoping metallurgical test-work including size reduction, scrubbing and sizing was completed at Core Resources laboratory in Brisbane, Australia on representative 25 to 50kg bulk samples of the surface duricrust and bauxite resource. This work was carried out, to test whether a 'premium quality' DSO product could be easily beneficiated through simple crushing, scrubbing and screening.

¹ IronRidge Resources RNS dated 24 November 2017, 'High-Grade Bauxite Discovered at Koko. Monogorilby Bauxite and May Queen Gold Project Update, Queensland, Australia'.
<https://www.rns-pdf.londonstockexchange.com/rns/4144X-2017-11-24.pdf>



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

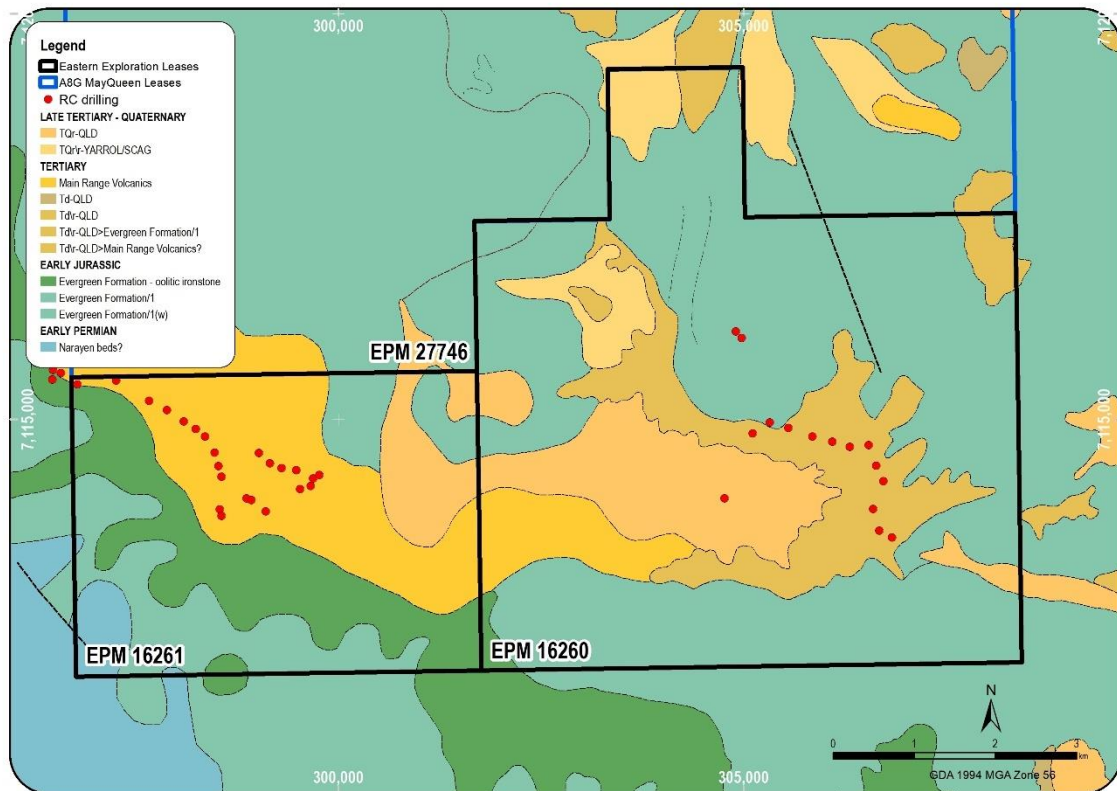


Figure 2. Basic geology of the EPM16260 and EPM 16261 with RC hole's locations marked

A historical study has indicated additional high-grade titanium results within the resource drilling with grades consistently reported between 3.8% to 5.0% TiO_2 . Previous mineralogical work has identified rutile and ilmenite as the main titanium bearing phases occurring within the bauxite profile. The downhole grade profile from resource drilling indicates a surface enriched titanium zone that progressively reduces in grade down the bauxite profile. Additional resource potential exists for a high-grade pre-strip titanium concentrate.

Next Steps

The Company is planning to conduct further drilling to increase the current resources and detailed metallurgical testing work to assess the potential products suite. The potential for dual bauxite and titanium concentrates via hydrometallurgical test-work will be a key focus.



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

Transaction terms

Australasian, via its fully owned subsidiary Pure Mining Pty Ltd (Pure Mining), has signed a Sale and Purchase agreement with Eastern Exploration Pty Ltd to acquire EL 16260 and EPM 16261 for \$10,000 cash, once the two licenses are renewed. The renewal applications for both tenements have been submitted to the Queensland Mines Department, and are expected to be renewed in coming months. As part of the transaction, Australasian also will replace the \$2,500 in environment bonds once the licenses are transferred to Pure Mining.

This announcement is approved for release by the Board of Directors.

ENDS

For Further Information

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Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Graeme Fraser, Non-Executive Director of Australasian Metals Limited (**A8G**). Mr Fraser is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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 Fraser consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Fraser is a shareholder of A8G.



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

Report compliant with the JORC Code (2012).

Section 1: Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none">The deposit was primarily sampled via representative drill chip samples based on geological considerations from Reverse Circulation(RC) drill holes drilled on a 400m x 400m up to a 200m x 200m pattern through the depositThe holes were orientated to ensure drill intersections were approximately perpendicular to the dip and strike of the ore lenses and overall geological package.Reverse circulation drill samples were crushed and assayed for Al₂O₃, SiO₂, Fe₂O₃, TiO₂, V₂O₅, LOI, via Fusion XRF and Loss On Ignition (LOI) by Thermogravimetric Analyser (TGA). Avl_Al₂O₃ and RxSiO₂ were tested by ICP-AES.
<i>Drilling techniques</i>	<ul style="list-style-type: none">A total of 94 drill holes have been drilled into the May Queen South Bauxite project area, of these a total of 32 were used for the resource estimate. All holes were drilled using Reverse Circulation (RC) method. The drill hole diameters were 140mm for phase 1 drilling and 114mm for phase 2. All holes were drilled at -90 degree.
<i>Drill sample recovery</i>	<ul style="list-style-type: none">The RC chip recovery was monitored onsite by IronRidge or contract geologists and field staff. RC chip recovery and assaying was recorded by sample requisition sheets.The resource is based on RC drilling, the deposit predominately consists of available Al₂O₃ in Bauxite (as the mineral gibbsite), there are no concerns regarding loss of fine material during the chip sampling process for this deposit.
<i>Logging</i>	<ul style="list-style-type: none">No specific geological or geotechnical logging was undertaken. The Avl_Al₂O₃ assay results were determined to be bauxite mineralisation. This result enables a resource constraint i.e. 'hard boundary' and was sufficient enough to enable creation of resource boundary that supports this resource estimate.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none">The RC samples were speared sampled by IronRidge or contract geologists/field staff. Samples were circulated from the drill face through a cyclone and then into a large plastic bag (UV).All UV bags were labelled according to drill depth; these details were recorded on a sample requisition sheet. Speared samples were placed into pre-labelled calico bags and cross checked with sample requisition sheets. The sample requisition sheets were checked off prior to dispatch to lab. A ticketing book system was also used during the sample requisition for cross checking. The sample sizes for lab dispatch were on average between 1 and 2kgs.The sample sizes are appropriate given the relatively homogenous distribution of bauxite within the deposit.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none">ALS laboratory completed internal standard and duplicate samples. The results of these samples indicate that there are no known material biases in the original May Queen South Bauxite project assay dataset.



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

Criteria	Commentary
	<ul style="list-style-type: none"> 14 re-assays of drill chip sample pulps were submitted to ALS laboratory from holes along the Monogorliby area of mineralisation, the results of these re-assayed showed an acceptable correlation with the original assay data.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> Close spaced RC holes exist in the dataset. The correlation between these holes for bauxite assays is high. Data was entered into a central database and then validated by a series of validation checks to ensure erroneous data was not saved into the resource database.
<i>Location of data points</i>	<ul style="list-style-type: none"> MGA94 GDA zn 56 datum and projection was used as the grid reference system for the May Queen south bauxite deposit. All holes were surveyed using Single Point GPS system. Elevation data was generation form government high resolution DTM data. The topography surface is represented by a DTM wireframe file that was generated by government high resolution Ortho-DEM data, this data has not been edited in any way. The surface covers the complete deposit area. The surface is considered no better than 1m accuracy and is an acceptable representation of the actual topographic surface at the site for this resource calculation.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> The May Queen South bauxite deposit has been drilled on an average spacing of 250m x 250m within a plateau area around 7km². This drill spacing provides sufficient evidence of mineralised zone continuity for the purposes of this resource estimation. No sampling compositing was necessary for the resource estimation process.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> All RC holes were orientated at -90o to provide an approximate perpendicular intersection angle with the main mineralised zones. No sampling bias has been assessed caused by this drilling orientation.
<i>Sample security</i>	<ul style="list-style-type: none"> Samples were supervised by drilling contractors, field assistants or geologist at all times. Given the nature of the deposit sample security was not assessed as a significant risk.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> A due diligence review of the assays data and the resource estimation was completed by Mining One Consultants in January 2016.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> No joint ventures exist over the property. The standard Queensland government royalty. The renewal application for EPM16260 and 16261 were submitted by UTM Global on the 23rd of May 2023. There are some delay in processes of application in Queensland.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Eastern Exploration Pty Ltd (a subsidiary of Iron Ridge Resources LTD) staff and contractors drilled the deposit in two drill phases between 2011 and 2015.



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 30 May 2023

Criteria	Commentary
<i>Geology</i>	<ul style="list-style-type: none"> The deposit consists of lateritised Tertiary volcanics and pyroclastics and is concentrated in a topographic high. The mineralised zones occur within the lateritised Tertiary volcanics and pyroclastics (Main Range Volcanics). The zones are considered relatively homogenous for this resource estimation and are on average 5-10m thick below 1-2m of silcrete/duricrusts.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> The detailed drilling hole information has been published by Ironridge in their JORC report completed by Mining One Consultants in 2016
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> The exploration results reported for the May Queen South Bauxite deposit were included as weighted average assay intervals for Al₂O₃_Avl, Tot_Al₂O₃, RxSiO₂, TotSiO₂, Fe₂O₃, TiO₂, V and LOI. No cutting of high grades was completed when reporting as exploration results
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> All drill sample intervals are 1m in length, the average thickness of the mineralised zone is <10m, there are no issues with reporting the results based on this. The drill holes intercepted the mineralised lenses at an approximately perpendicular angle. All exploration results were reported as downhole thicknesses.
<i>Diagrams</i>	<ul style="list-style-type: none"> The detailed drilling hole information has been published by Ironridge in their JORC report completed by Mining One Consultants in 2016
<i>Balanced reporting</i>	<ul style="list-style-type: none"> The full data can be accessed through company website, including the full report of Mining One Consultants on this project
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Not applicable
<i>Further work</i>	<ul style="list-style-type: none"> Follow up work programmes will include further infill drilling and MET testing works.