



## AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 31 January 2022

# QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

### Highlights

#### Operations

- High-grade lithium was discovered at the Company's Mt Peake lithium project, in the Northern Arunta Pegmatite Province, in the Northern Territory
  - 1.61% Li<sub>2</sub>O and 223 ppm Ta assayed in rock chip sample (JC001) confirms high-grade lithium mineralisation within outcropping pegmatites
- Research partnership with CSIRO to undertake a joint research project focused on Li exploration in the Mt Peake pegmatite field
- 2022 field season underway, with a focus on high-grade lithium mineralisation within outcropping pegmatites
- A crew have arrived on site to commence a deep ground penetrating radar (DGPR) survey on a priority target within ELA32830
- Following quarter end, the Company announced an agreement with ASX-listed Prodigy Gold to acquire a 90% interest in the Barrow Creek lithium project

#### Corporate

- Placement of \$2.5m at \$0.45 per share
- The Company remains well funded, with \$6.77 million in cash reserves as at 31 December 2021

Australasian Gold Limited (ASX:**A8G**, **Australasian** or the **Company**) is pleased to present its quarterly activities report for the December quarter.

### Operations

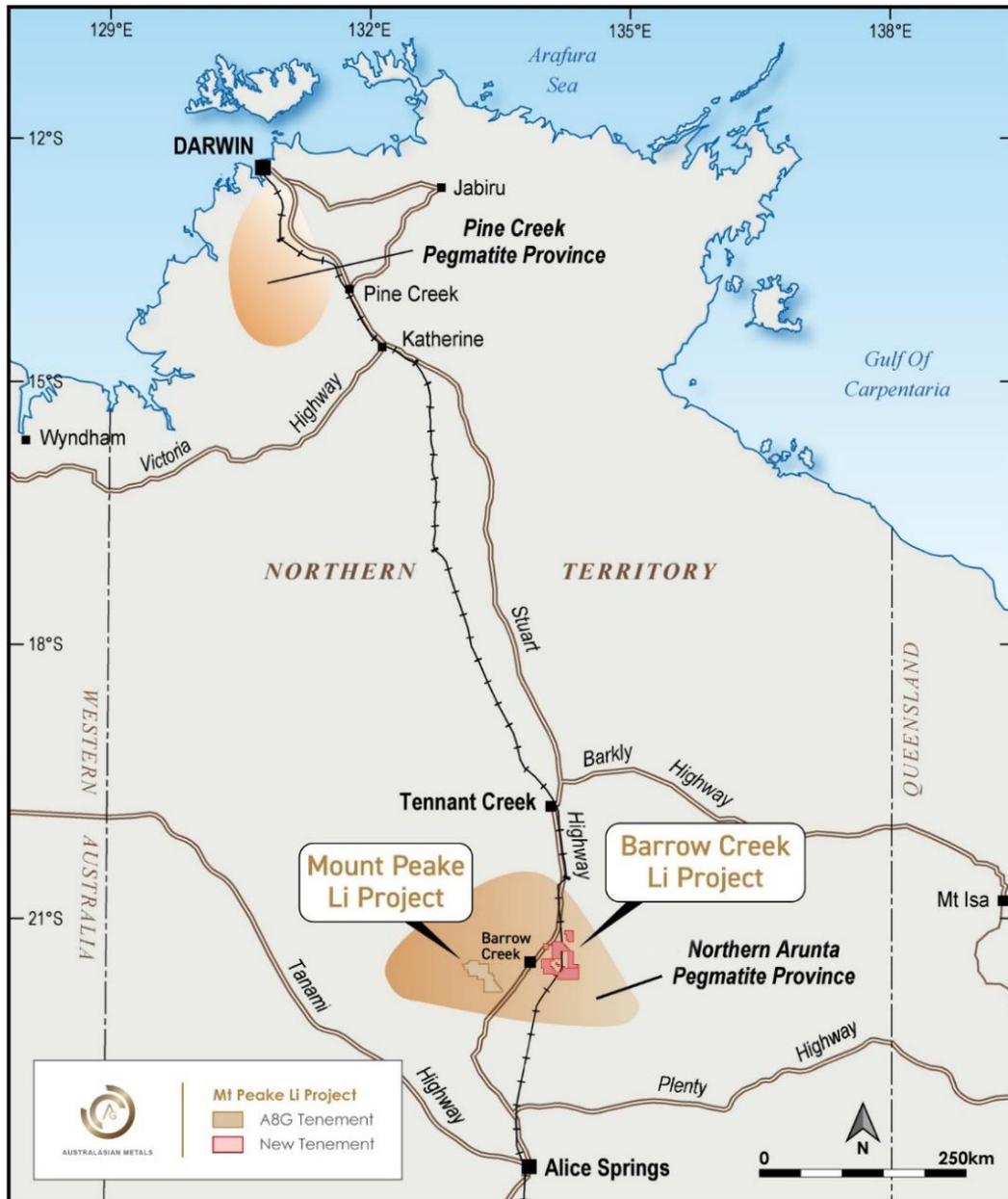
#### *Mt Peake Lithium project*

On 25 August 2021, the Company announced that it had applied for an exploration license in the Anningie pegmatite province (**ELA32830** or **Mt Peake lithium project**). ELA32830 is located in the Mt Peake area of the Anningie Tin-Tantalum-Pegmatite fields, within the north Arunta Region of the NT. The area is considered highly prospective for hard rock lithium mineralisation. ELA32830 covers over 640km<sup>2</sup> and shares a boundary with Core Lithium Limited's (ASX:CXO) Anningie lithium project. There are two major pegmatite districts in Northern Territory: the first, in the north of the territory is called Pine Creek pegmatite province, while the Northern Arunta pegmatite province is ~200km north of Alice Springs (**Figure 1**).



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**Figure 1:** Mt Peake and Barrow Creek lithium project location in the Northern Arunta Pegmatite provinces of the Northern Territory

The Company partnered with the CSIRO under the CSIRO Kick-Start Program to research “Lithium (Li) Exploration in the Mt Peake Pegmatite Field” at Mt Peake. Through CSIRO, the Company gained access to state-of-the-art optical, thermal and geophysical remote sensing data analysis and interpretation workflows, as well as instrumental equipment to identify potential key features of Li-bearing pegmatites.



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Fieldwork commenced at Mt Peake with Australasian and the CSIRO initially embarking on a detailed mapping and targeting exercise using a combination of ground-based surveying techniques and detailed satellite imagery to highlight potential lithium bearing zones. A total of 27 rock and soil samples were collected with assay results announced to ASX on 16 November 2021. Rock chip sample JC001 returned high-grade lithium mineralisation of up to 1.61%  $\text{Li}_2\text{O}$  and 223ppm Ta within outcropping pegmatites. Sample JC001 was sampled from a pegmatite unit within a micaceous schist. There are greenish coarse-grained spodumene crystals with mica and feldspar identified in sample JC001. The Company's plans for further geochemical sampling and a maiden drilling campaign are well advanced.

Following quarter end, the Company has enlisted Ultramag Geophysics to complete a Deep Ground Penetrating Radar (**DPGR**) survey over the defined exploration corridor covering the northwest and southeast side of the high grade sample in the surface. DGPR is a breakthrough state-of-the-art technique that is used to produce high-resolution images of the sub-surface up to 200m depth (refer ASX announcement 21 January 2022).

### ***Barrow Creek Lithium project***

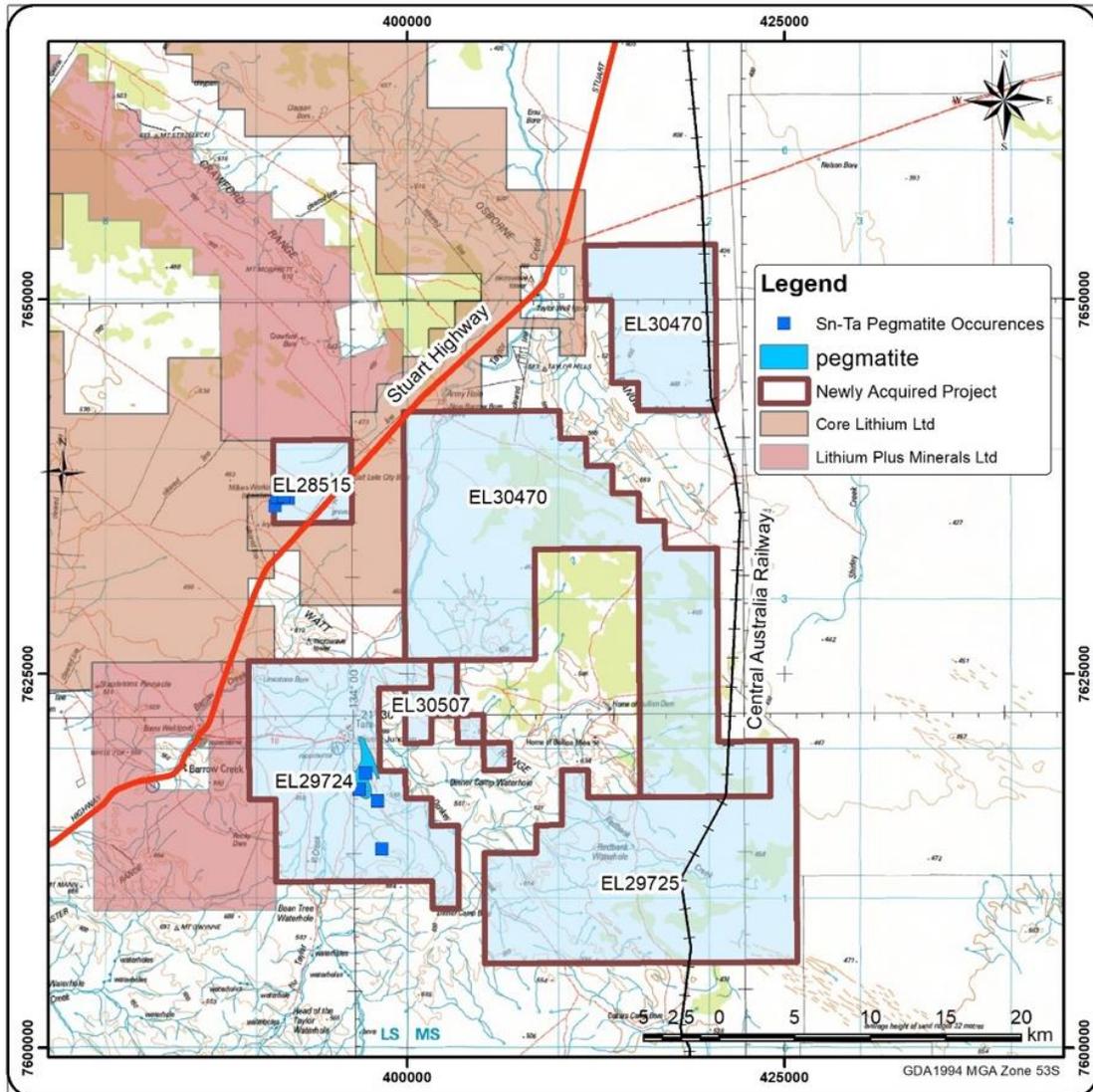
Following quarter end, the Company announced that it had signed a binding Sale and Purchase Agreement with Prodigy Gold NL (ASX:PRX, **Prodigy Gold**) to acquire a 90% joint-venture interest in 5 tenements covering ~880 km<sup>2</sup> in the northern Arunta pegmatite province, Northern Territory (Barrow Creek Lithium project) (refer ASX announcement 12 January 2022). The title transfer is well advanced.

Barrow Creek is located roughly 100 kms to the northeast of the Company's Mt Peake Lithium project (**Figure 1**). There are historical Ta-Sn mineral occurrence records across several tenements, and pegmatite rocks have been mapped, with regional geological mapping by previous explorers and government geologists (**Figure 2**). Importantly, the tenements are situated on privately-owned land, with good road and railway access.



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**Figure 2:** Layout of the newly acquired tenements. The package shares a boundary with Core Lithium Limited and another lithium explorer (Lithium Plus Minerals Ltd). Pegmatite is mapped with 1:250K geological map, and Sn-Ta pegmatite occurrences have been reported. The tenements have great access to Stuart Highway and the Central Australia Railway

Access to the majority of the project area from Barrow Creek is via the Stuart Highway to the north and then using the Ali Curung to Jarra Jarra track. Newmont constructed an access track from the Jarra Jarra to the Waldron’s Hill prospect in 2007. In 2008 Newmont constructed a series of north-south access tracks off the Waldron’s Hill track to allow better access to the region. Reliable fair-weather access to most individual sites is via a series of established pastoral and historical exploration gravel tracks.



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### **Queensland Projects**

#### ***May Queen***

The May Queen gold project comprises granted Exploration Permits for Minerals EPM 19419 and adjacent EPM 27746, located within the Brovinia goldfield in Queensland, approximately 375km by road from Brisbane.

The Company has planned to conduct a geophysical survey in the targeted area at the May Queen gold project ahead of a follow-up drill program in 2022.

#### ***Mt Clermont and Capella Project***

Mt Clermont hosts the regionally significant Retro, Retro Extended, and Nanya prospects associated with the Retro Fault Zone. The project lies within the Anakie Province of the Drummond Basin, which is composed of a sequence of Devonian to Carboniferous sediments in Central Queensland, approximately 60km by road north-west of the town of Emerald. Mt Clermont has over 6,700m of historical drilling, showing potential for a high-grade polymetallic epithermal system.

The Company has engaged Mr Ian Cooper to conduct a targeting exercise on the Mt Clermont polymetallic project and Capella gold project. A field trip focused on investigating the potential northeast mineralising structure was undertaken during the December quarter. Auger drilling was completed covering the area between Retro South and Nanya prospects with the assistance of local landowner and the results didn't highlight further anomalism but helped us prioritise further targets.

### **Western Australian Projects**

#### ***Fairview Gold project***

The Fairview gold project lies within the Pilbara Granite-Greenstone Complex in the northwest of Western Australia. The exploration target is structurally similar to the Mt Clement deposit (less than 5km to the south-east) and the Paulsens Gold Mine, operated by Northern Star Limited (ASX:NST) (around 30km to the northwest).

The Company has commenced initial fieldwork at the project, and in-house targeting exercises are well advanced.



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### Corporate

#### Name Change

Following approval at the AGM, the Company's name changed from Australasian Gold Limited to Australasian Metals Limited.

#### Capital Raising

During the Quarter, the Company raised \$2.5 million through the placement of 5,555,553 new fully paid ordinary shares at \$0.45 each (**Placement**). The Placement was made to major lithium industry players Shandong Ruifu Lithium Industry Co Ltd and Tangshan Xinfeng (Hong Kong) Limited (\$1 million investment each) and other sophisticated and professional investors.

#### New Opportunities

The board continually assesses new project opportunities to drive further shareholder value and is currently considering options to increase the value ascribed to the Company's gold assets.

#### 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 5.7 of the Company's Prospectus.

Activity Description	Funds Allocated	Actual to Date (8 months)
Exploration (2 years)	\$3,600,000	\$657,000
Administration (2 years)	\$1,265,000	\$475,000
Expenses of the Offer	\$409,000	\$278,000

#### Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the December quarter \$70,000 was paid to related parties and associates in relation to managing director remuneration and director and consulting fees in accordance with existing service agreements.

This announcement is approved for release by the Board of Directors

**ENDS**

#### For Further Information

**Dr Qingtao Zeng**  
Managing Director  
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**Mr Dan Smith**  
Joint-Company Secretary  
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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 Dr Qingtao Zeng, Managing Director of Australasian Metals Limited. Dr Zeng 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". Dr Zeng consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Dr Zeng is a shareholder of Australasian Metals Limited.

### Annexure 1: Australasian Gold Limited – tenements held directly by Australasian Metals or subsidiary company as at 31 December 2021

Tenements	Acquired during Quarter	Disposed of during Quarter	Held at end of Quarter	State / Country
May Queen, EPM 19419	-	-	100%	Queensland
May Queen, EPM 27746	-	-	100%	Queensland
Mt Clermont, EPM 14116	-	-	100%	Queensland
Capella, EPM 25956	-	-	100%	Queensland
Fairview, E08/3248	-	-	100%	Western Australia
Mt Peake, ELA 32830	-	-	100%	Northern Territory

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>AUSTRALASIAN METALS LIMITED</b>
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ABN

<b>54 625 744 907</b>
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Quarter ended ("current quarter")

<b>31 December 2021</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(76)	(99)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(84)	(278)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(160)</b>	<b>(377)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(5)
(d) exploration & evaluation (if capitalised)	(110)	(419)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(110)</b>	<b>(424)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(12)	(158)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (lease liability)	(1)	(11)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,487</b>	<b>2,331</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,556	5,243
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(160)	(377)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(110)	(424)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,487	2,331

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,773</b>	<b>6,773</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,773	4,556
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,773</b>	<b>4,556</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(28)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(42)

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

Amounts at item 6.1 are in relation to director fees included in item 1.2.

Amounts at item 6.2 are in relation to consulting fees included in item 2.1.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(160)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(110)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(270)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,773
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,773
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	25
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..... 31 January 2022.....

Authorised by: .....Board of Directors.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.