

Quarterly Activities Report for the Period Ended 31 December 2021

Recent Lithium acquisitions underpin the Company's strategic focus on the Critical Battery Metals Markets

Highlights:

Barrow Creek Lithium Project, NT (Option, 100% owned)

- The Company acquired the Barrow Creek Lithium Project (ELA 32804) covering an area of 278 km² located in the Arunta Pegmatite Province of the NT - **Highly prospective for Lithium-Tin-Tantalum (Li-Sn-Ta) mineralisation**
- The AS2 Barrow Creek Lithium Project borders exploration licences with similar geology held by:
 - Lithium Plus (CATL) (market capitalisation ~A\$343Bn)
 - Hosts historic Barrow Creek Tin-Tantalum workings
 - CATL is one of the major distributors of Lithium-ion batteries to Tesla
 - Core Lithium Limited (ASX: CXO) (market capitalisation ~\$1.5Bn)
 - Hosts several Tin-Tantalum occurrences
- See announcement - [28 January 2022](#)

Yarrie Lithium Project, WA (100% owned)

- The Company acquired the Yarrie Lithium Project covering an area of 1,711 km² located in the Pilbara region of Western Australia with demonstrated geology analogues to the Wodgina and Pilgangoora world-class lithium projects
- The Yarrie Lithium Project is near the Marble Bar Lithium Project owned by Kalamazoo Resources Limited (ASX: KZR) where an exploration joint venture agreement was recently entered into with Chilean-based major lithium producer SQM
- The Yarrie Lithium Project is less than 30 km from Global Lithium Resources Limited (ASX:GL1) Archer Lithium Deposit (Marble Bar Lithium Project) near Marble Bar containing 10.5MT @1.0% Li₂O
- See announcement - [17 January 2022](#)

Red Peak Lithium Project, WA (100% owned)

- During the Quarter, the Company acquired the Red Peak Lithium Pegmatite Project which covers an area of approximately 350km² with at least eleven (11) significant pegmatites already identified
- The Company completed an initial field reconnaissance program across the pegmatites with samples collected for mineralogy purposes



- Seven mapped pegmatites remain untested, and a follow-on field program will commence shortly across each of the mapped pegmatites at the Red Peak project
- Laser-Induced Breakdown Spectroscopy ('LIBS') confirmed the presence of lithium-bearing minerals in the form of Zinnwaldite, Holmquistite and Spodumene

Burracoppin Gold Project, WA (100% owned)

- Assay results from the Phase I drilling program have identified mineralisation below and along strike of the historic workings at Burracoppin, as well as identifying a new and unexplored mineralised unit east of the current system
- A high definition drone magnetic survey was completed on the Burracoppin project during the Quarter to aid the Company in targeting the mineralised structures
- Drill designs for the second and third phases of drilling have been completed - **planned start date for the drilling is during February 2022**
- Assay results from the Phase I drilling program included:
 - 4m @ 4.27 g/t Au from 25m in ABRC010, including
 - 2m @ 7.88 g/t Au from 25m
 - 1m @ 14.60 g/t Au from 26m
 - 2m @ 2.38 g/t Au from 22m in ABRC013
 - 3m @ 3.57 g/t Au from 40m in ABRC005, including
 - 1m @ 7.40 g/t Au from 40m

Horry Copper-Gold Project, WA (100% owned)

- High grade copper results were reported during the quarter, including 3.67% Cu, 3.13% Cu and 1.12% Cu
 - Copper mineralisation has been mapped over a strike length of more than 400m remaining open to the northeast and southwest
 - Copper mineralisation is supported by gold assay results up to 0.5 g/t Au
- Excellent gold results from rock chip samples located both around and away from known historic mining areas, including:
 - 13g/t Au from the area north of Martin's Find-South; and
 - 5.6g/t and 1.09g/t Au from the Mt Dockrell tailings historic site
- Follow-up exploration program is being designed to further test the high priority areas identified by the results of the initial mapping program
- **Maiden drilling program is planned to commence as soon as possible**
- Polymetallic mineralisation will also be further investigated by the Company

Callawa Copper Project, WA (100% owned)

- During the Quarter a detailed mapping and sampling program was completed returning results of:
 - 6.78% Cu in sample AS201597
 - 4.35% Cu in sample AS201665
 - 2.02% Cu in sample AS201611
 - 1.85% Cu in sample AS201666

** This announcement is authorised by the executive board on behalf of the Company **

- Historic rock chip sampling has identified mineralisation of between 2.5% Cu and 19% Cu including:
 - 9.35% Cu with 25.9 g/t Ag; and
 - 7.63% Cu with 15.7 g/t Ag
 - hinting at the potential presence of a high-grade epithermal copper system
- Further exploration is planned during the Quarter ended 31 March 2022 and will be designed following completion of the geophysical program and its interpretation, targeting highlighted anomalies in combination with existing data

Mt Maguire Gold and Base Metal Project, WA (100% owned)

- Planning for Phase I exploration underway for the Mt Maguire Gold and Base Metal project located along strike of Kalamazoo Resources Limited (ASX: KZR) Ashburton Project. The Kalamazoo Project has historical production of 350,00oz Au from 1998 until 2004 and contains a mineral reserve estimate (JORC 2012) of 20.8Mt @ 2.5g/t Au for 1.65Moz
- Exploration is due to commence during the Quarter ended 31 March 2022

Springdale Copper-Gold Project, NSW (100% owned)

- Planning for Phase I exploration underway for the Springdale Copper-Gold Project located in located in the Lachlan Fold Belt of NSW
- Springdale Project is situated along strike of the Junee Copper-Gold Porphyry Project held by DevEx Resources Limited (ASX: DEV) and to the east of the Temora Copper-Gold Deposits held by Sandfire Resources Limited (ASX: SFR)
- Springdale Project covers more than 30km strike of fertile volcanic and sedimentary stratigraphy
- Exploration is due to commence during the Quarter ended 31 March 2022

Corporate

- Annual General Meeting held on 22 December 2021 with all resolutions passed
- Completion of the Askari Metals Limited Loyalty Options Issue resulting in the issue of 8,398,759 AS20 listed options exercisable at 25 cents expiring on 31 October 2024
 - The remaining balance of 2,231,551 AS20 listed options were issued as part of the shortfall allocation process
- Askari Metals is positioning itself to be a prominent landholder in the lithium sector through the recent acquisitions of three highly prospective lithium projects in its portfolio
 - Yarrie Lithium Project - Eastern Pilbara region of WA
 - Barrow Creek Lithium Project - Arunta Pegmatite Province of the NT
 - Red Peak – Meekatharra region of WA

Askari Metals Limited (ASX: AS2) ["Askari Metals" or "Company"], an Australia based exploration company with a portfolio of battery metals and gold projects across Western Australia, Northern Territory and New South Wales, is pleased to report on its exploration activities for the Quarter ended 31 December 2021.

Commenting on the exploration activities of the Company during the Quarter ended 31 December 2021, VP Exploration and Geology, Mr Johan Lambrechts stated:

"It has been another busy Quarter for our Company as we continue with the exploration of our battery metals projects including the Horry Copper Project and the Callawa Copper Project, both of which have exhibited significant high-grade copper and polymetallic mineralisation on surface. Further exploration is planned at both projects including a maiden drilling campaign at the Horry project. During the Quarter, the Company also received the results of its first phase RC drilling program at the Burracoppin Gold Project which delivered multiple shallow high-grade gold intersections that will be followed up during our Phase II and III drilling campaigns. This Quarter saw the Company expand into the lithium sector with the acquisition of the Red Peak Lithium Project which was further expanded upon with the acquisition of the highly prospective Yarrie Lithium Project in the eastern Pilbara lithium hotspot and the Barrow Creek Lithium Project located in the Northern Territory, surrounded by Core Lithium and CATL. Both of these additions occurring subsequent to the end of the Quarter. We look forward to another busy period as the Company accelerates its exploration activities on these key projects."

Lithium Acquisitions

Barrow Creek Lithium Project, NT (Option, 100% owned)

Subsequent to the end of the Quarter ended 31 December 2021, the Company announced that it had entered into a binding agreement with Consolidate Lithium Trading Pty Ltd to acquire the "Barrow Creek Lithium Project" covering an area of 278km², located in the highly prospective Northern Arunta Pegmatite Province of Central Northern Territory. The Barrow Creek Lithium Project is considered highly prospective for hard-rock Lithium-Tin-Tantalum (Li + Sn + Ta) mineralisation and is adjacent to tenements held by Core Lithium Limited (ASX: CXO) and Lithium Plus, a wholly-owned subsidiary of Chinese EV / Battery giant CATL. CATL is one of the major distributors of Lithium-ion batteries to Tesla. The Northern Arunta Pegmatite Province has been described as **one of the largest pegmatite provinces in Central Northern Territory**.

The figure below depicts a satellite location map of the Barrow Creek Lithium Project as well as surrounding projects owned by Core Lithium Limited and CATL:

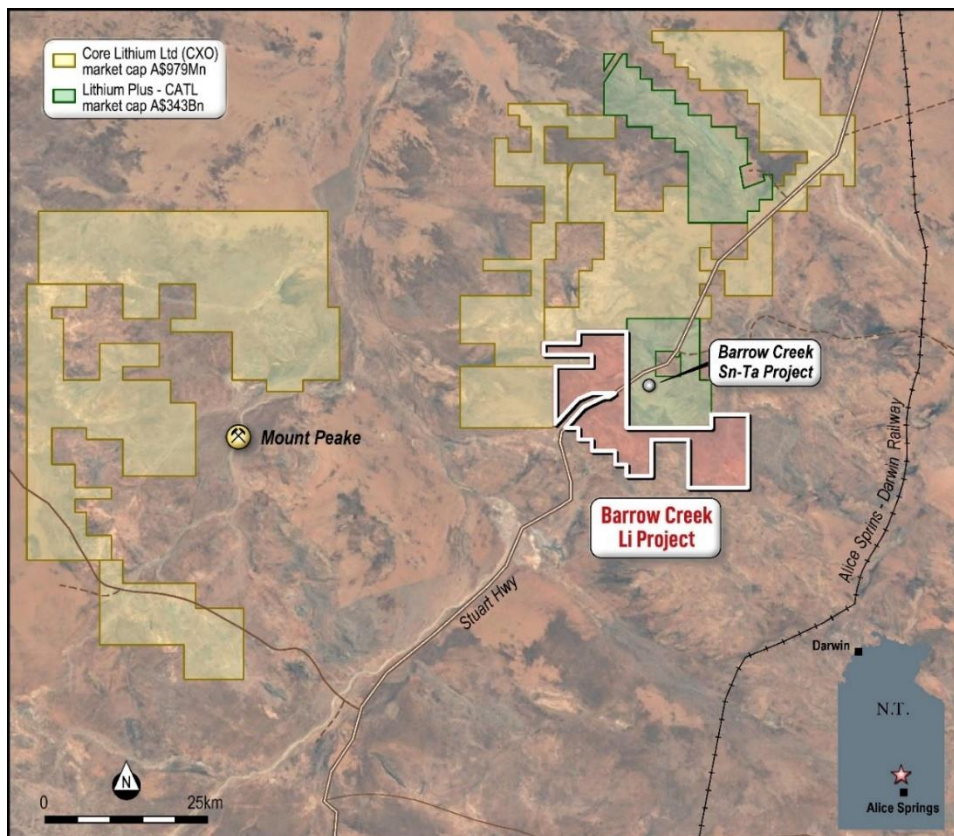


Figure 1: Satellite image location map of the Barrow Creek Lithium Project, Northern Arunta Pegmatite Province of Central Northern Territory

**** This announcement is authorised by the executive board on behalf of the Company ****

The BCL Project is surrounded by Core Lithium Limited (ASX: CXO) and Chinese EV Battery Giant CATL and is proximal to several known Lithium-Tin-Tantalum occurrences, sharing similar geological settings with the BCL Project. Highly fractionated pegmatites have been mapped and documented in government reports in this region. Although limited exploration has been undertaken on the BCL Project area, the project's location, together with the numerous mineralised occurrences and workings located nearby, point to the significant exploration upside that exists at the BCL Project.

The pegmatites of the Barrow Creek Pegmatite Field have yielded historic discoveries of Sn-Ta-W, however, before investigation by government geologist Frater (2005), no historical exploration had considered the potential for Lithium (Li) mineralisation. Geochemical analysis by Frater (2005) strongly points to Lithium-Caesium-Tantalum (L-C-T) Type pegmatites in the Barrow Creek Pegmatite Field. Swarms of pegmatite dykes and sills are related to the Ooralingie and Bean Tree granites of the Barrow Creek Granite Complex (~1803 Ma; Smith 2001).

Yarrie Lithium Project, WA (100% owned)

Subsequent to the end of the Quarter ended 31 December 2021, the Company announced that it had lodged applications for the "Yarrie Lithium Project", located in the highly prospective Pilbara region of Western Australia. The Yarrie Lithium Project is considered highly prospective for hard-rock Lithium-Tin-Tantalum (Li + Sn + Ta) mineralisation in pegmatites. The area is also known for the economic lithium deposits of Wodgina (Mineral Resources / Abermale), Pilgangoora (Pilbara Minerals) and Marble Bar (Global Lithium Resources).

The figure below depicts a satellite location map of the Yarrie Lithium Project as well as surrounding projects:

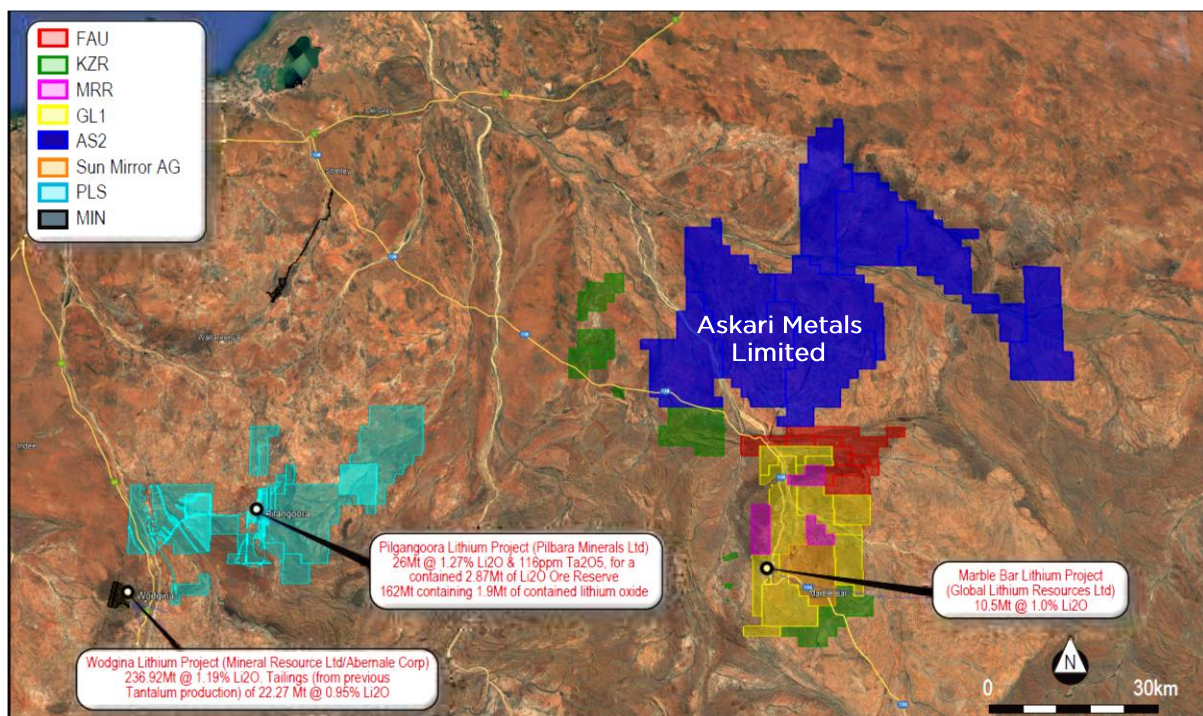


Figure 2: Satellite image location map of the Yarrie Lithium Project, Pilbara region of Western Australia

The Yarrie Lithium Project is situated in the east Pilbara Granite-Greenstone Terrane. The predominant rock type in the tenement area is Archean Granite with varying amounts of late-stage pegmatite fractionates. In the Pilbara region, late-stage granites may be highly

fractionated and act as the source for intrusion of rare metal pegmatites into the surrounding stratigraphy.

These pegmatites may include spodumene bearing systems, as well as tin and tantalum mineralisation. These are the targeted minerals as well as the potential for Gold.

EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2021

Red Peak Lithium Project, WA (100% owned)

During the Quarter ended 31 December 2021, the Company announced that it had acquired the Red Peak Lithium Project (Red Peak) located approximately 130km NW of the mining-town of Meekatharra, Western Australia.

The figure below depicts a satellite location map of the Red Peak (E52/4011) and Mt Deverell (E52/4010) projects as well as surrounding projects:

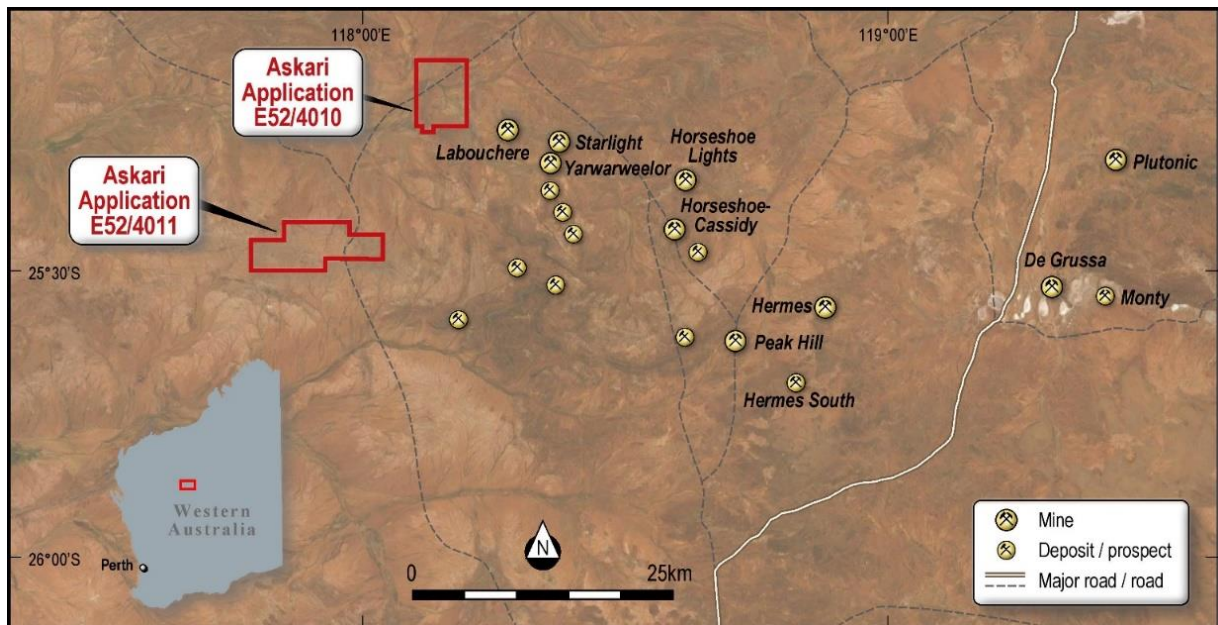


Figure 3: Satellite image location map of the Red Peak (E52/4011) and Mt Deverell (E52/4010) Lithium Projects

The area is considered to be poorly explored and is considered to be highly prospective for lithium bearing pegmatites as well as base metals, uranium and Rare Earth Elements.

Importantly what distinguishes this area is the fact that it has been mapped to the 1:100,000 scale with several pegmatites already identified, however, only limited historical exploration has occurred with all historical exploration focused on either gold or base metals (Pb / Zn).

Extensive outcrop of the pegmatites at the Red Peak project can be observed from the surface data, with at least eleven (11) pegmatites already mapped across the Red Peak project, with many of the pegmatites mapped over strike lengths in excess of 3km and across widths of between 150m and 200m.

These are significant pegmatites which warrant further investigation given the fertility of the geological setting.

** This announcement is authorised by the executive board on behalf of the Company **

Access to the Red Peak project is excellent with good road access into the project areas which are then further supported by a network of well-maintained station tracks.

Multiple structures and faults run across the Red Peak project [refer to Figure 6] which has enabled pegmatite emplacement within the surrounding granitic gneiss. These structures as well as the pegmatites themselves will become the primary focus of the planned field explorations.

The figure below depicts the location and simplified geology of the Red Peak (E52/4011) and Mt Deverell (E52/4010) projects as well as surrounding projects.

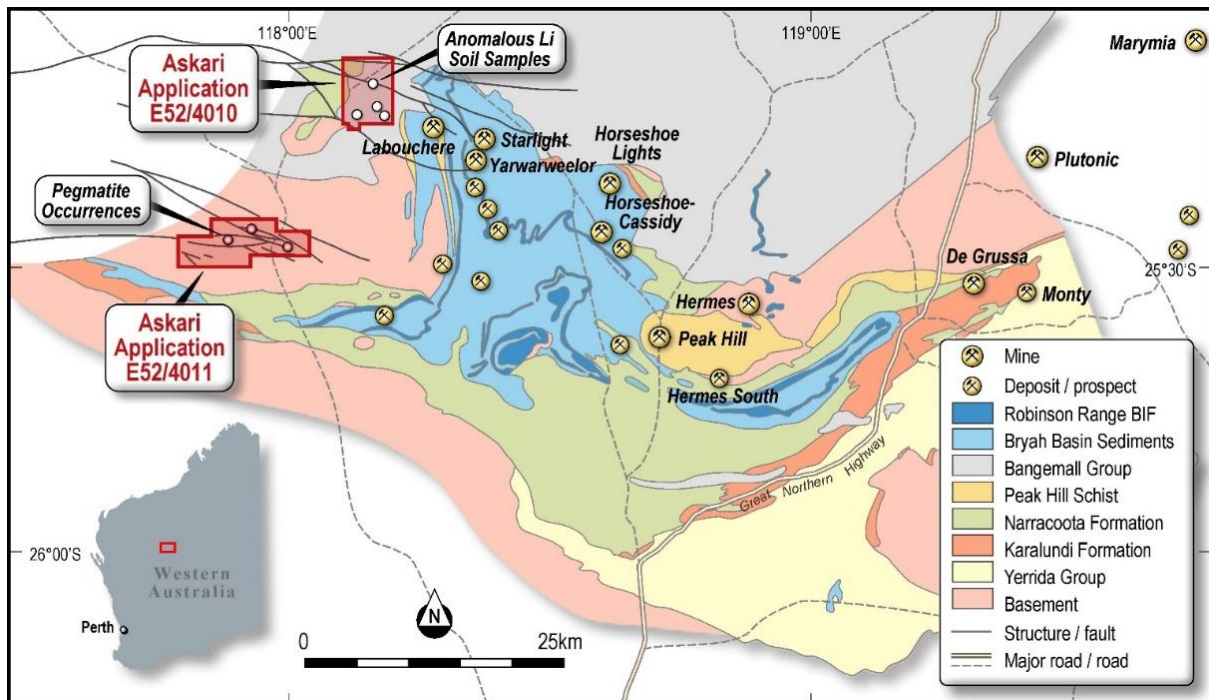


Figure 4: Location map and simplified geology of the Red Peak (E52/4011) and Mt Deverell (E52/4010) Lithium Projects

During the Quarter ended 31 December 2021, the Company announced that it had received the results of the Laser-Induced Breakdown Spectroscopy (LIBS) test work completed on rock samples collected from the Red Peak Lithium Project. The results of the LIBS test work has confirmed the presence of lithium-bearing minerals, namely Zinnwaldite, Holmquistite and Spodumene, in the rock samples. The figure below depicts the location of the samples collected at Red Peak, which have recorded lithium minerals as a result of the LIBS test work:

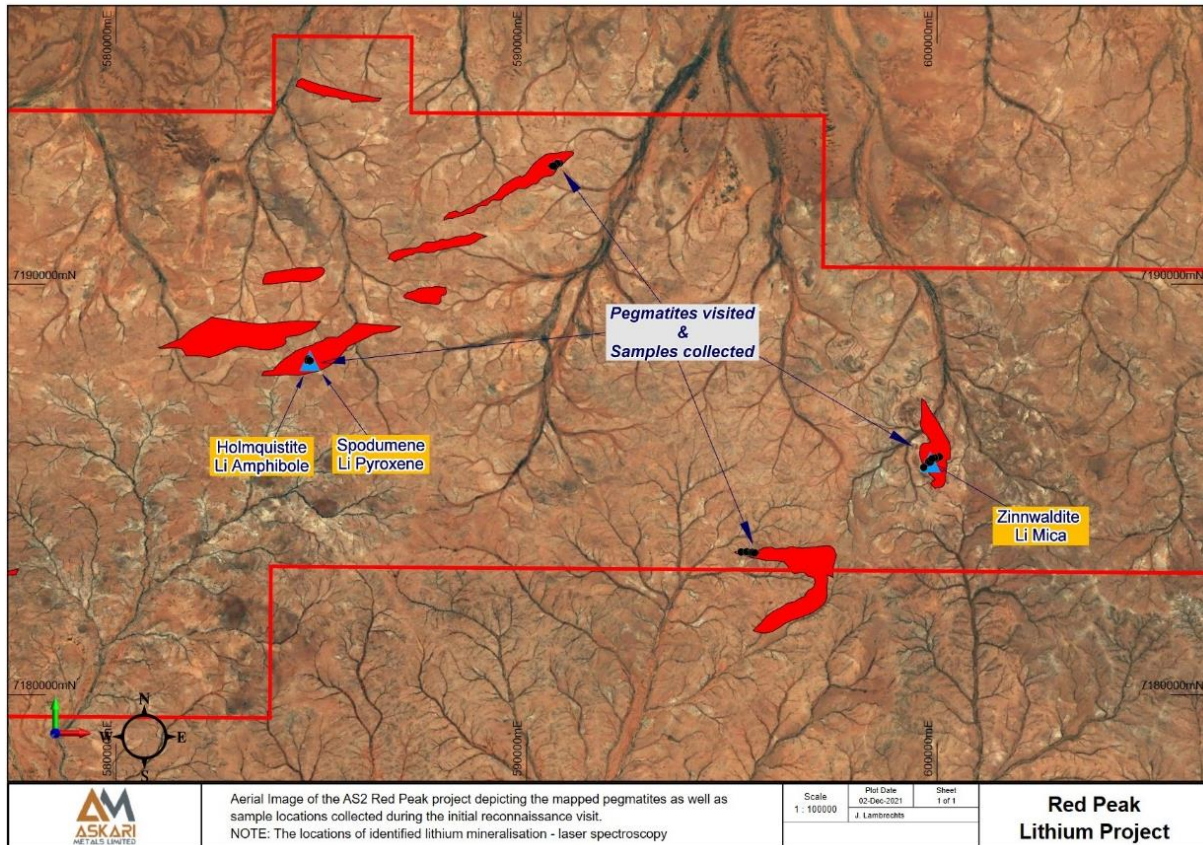


Figure 5: Sample location diagram from the Red Peak project with the lithium minerals identified through the LIBS test work also highlighted

The image below depicts a whole rock sample collected from Red Peak, which was subjected to the LIBS test work:

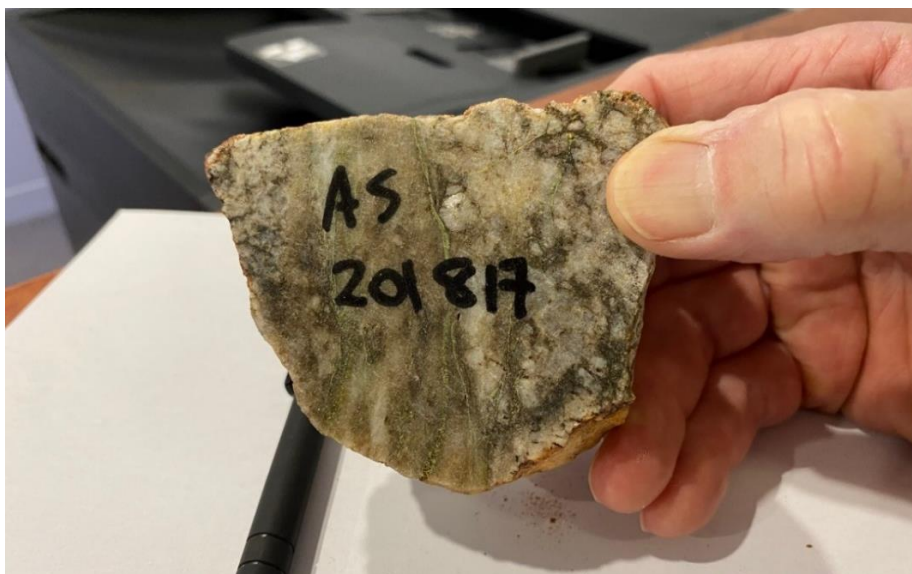


Image 1: Rock sample from Red Peak, which was subjected to LIBS test work

**** This announcement is authorised by the executive board on behalf of the Company ****

Geologically, the Red Peak project is contained mainly in the Archean Yarlarweelor Gneiss Complex and Moorarie Supersuite granites with minor inclusions of Proterozoic sediments. The major Mt Clere Fault passes along the north of the area separating out the Edmund Group sediments to the north. Previous exploration has noted that pegmatites are concentrated along the northern margin of the Yarlarweelor Gneiss Belt near the contact with major bodies of Proterozoic granite making this region especially prospective for pegmatites. At least eleven (11) pegmatites have been mapped across the Red Peak project area by the WA Geological Survey with many of the pegmatites having been mapped across strike lengths in excess of 3km and measuring between 150m and 200m wide.

The figure below depicts the mapped pegmatites at the Red Peak project.

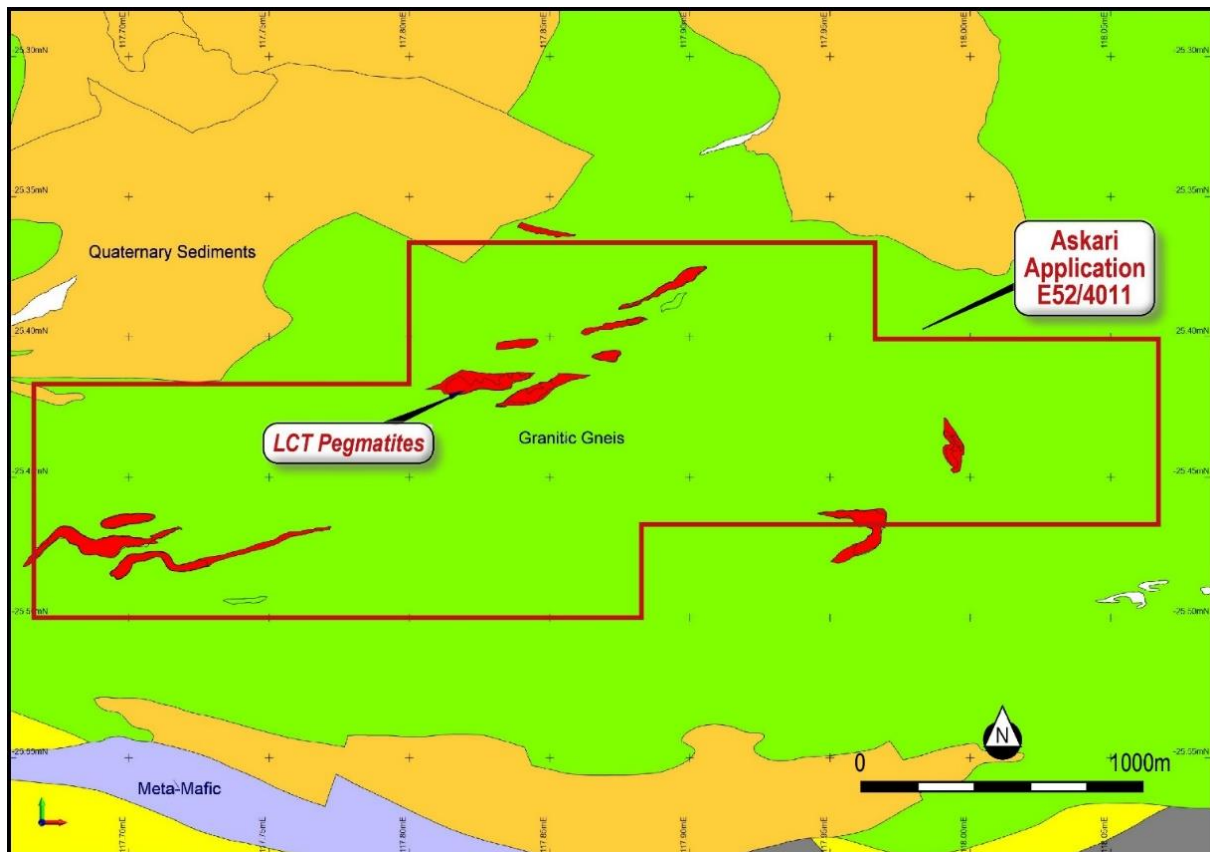


Figure 6: Mapped pegmatites across the Red Peak project (E52/4011) overlaid with a simplified geology

There is significant exploration upside at the Red Peak project given the prior focus on gold and base metal mineralisation. The mapping completed by the WA Geological Survey has resulted in the mapping of extensive pegmatite fields across both project areas. This is a distinct strategic advantage for the Company, and focus will now shift towards developing the surface mineralisation model for conventional LCT (Lithium-Caesium-Tantalum) pegmatites.

As well as lithium, the Red Peak project is prospective for uranium with known uranium occurrences located on faults immediately east of the project area.

Burracoppin Gold Project, WA (100% owned)

During the Quarter ended 30 September 2021, the Company completed its Phase I RC drilling program at the 100%-owned Burracoppin Gold Project located in the eastern wheatbelt of Western Australia in close proximity to the Edna May Gold Mine owned by Ramelius Resources Limited (ASX: RMS).

Assay results from the Phase I drilling program were received during the Quarter ended 31 December 2021.

The Burracoppin Project is located approximately 20km east of Merredin and 15km west of the Edna May Gold Mine in the eastern wheat belt of WA.

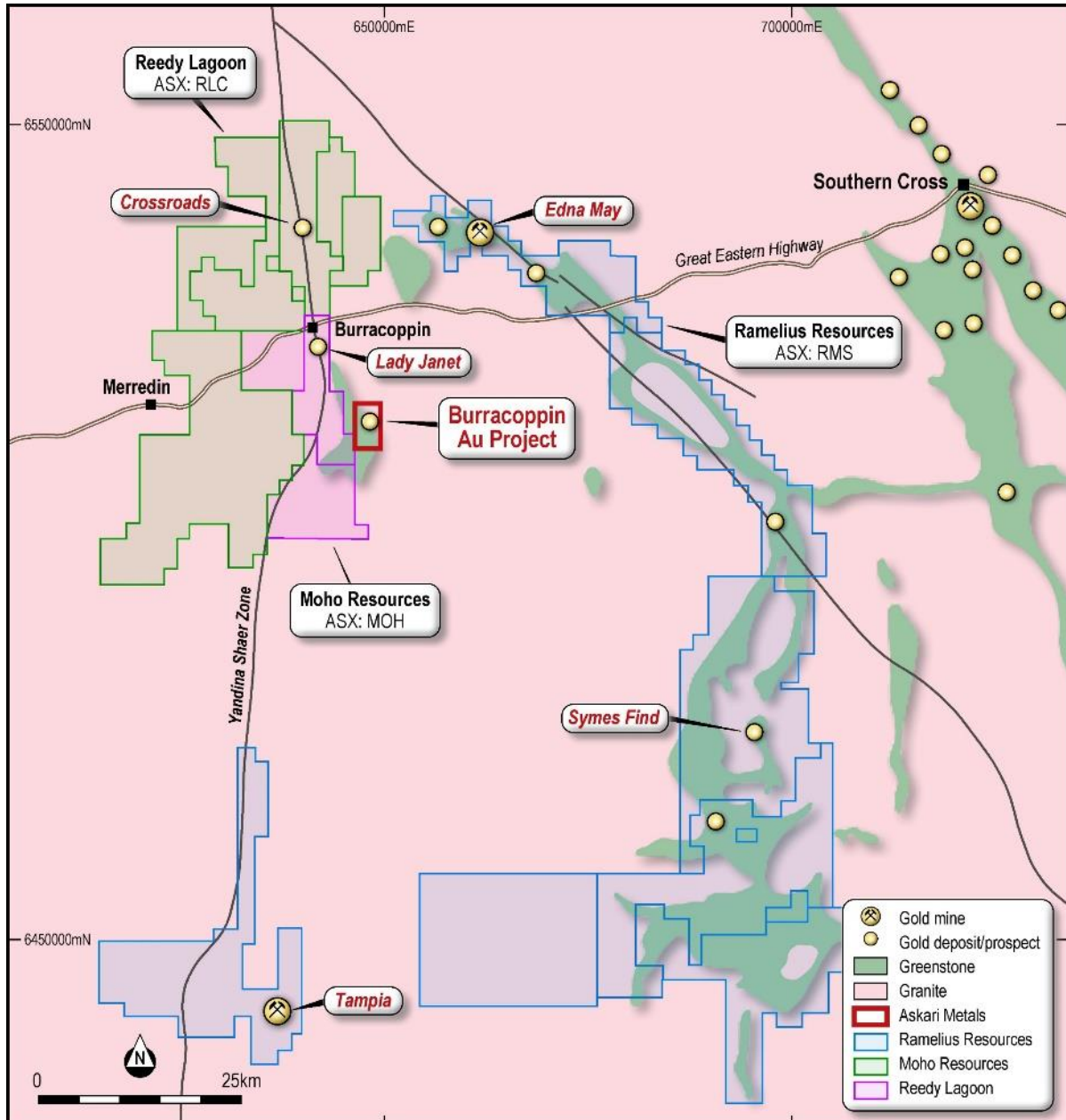


Figure 7: Burracoppin Gold Project Location Map

Phase I RC Drilling Program

The Company drilled a total of seventeen (17) Reverse Circulation (RC) drill holes for 1,424 meters commenced which was completed in mid-August 2021. The assay results were received in October 2021, subsequent to the end of the Quarter.

The Phase I drilling program was designed to target mineralised zones and their extensions associated with historic workings. It aimed to provide not only an indication of the gold mineralisation in the area but also the geological and mineralogical relationships beneath the historic workings and the outcropping and sub-cropping mineralisation. The assay results

** This announcement is authorised by the executive board on behalf of the Company **

from this first phase of drilling include very encouraging results and indicates that there is high-grade gold mineralisation present across the Burracoppin Project. The drilling has also defined that the gold mineralisation is shallow and appears to be coincident with geophysical magnetic features which are associated with major structures across the project area.

Seventeen holes were drilled in four main areas targeting local strike, and dip extensions of the mineralised lodes mined historically. Two regions distant from the main workings were also targeted [west of Benbur and the South-Eastern / Lone Tree workings].

The results from this Phase I drilling program and their implication on the future exploration plans for Burracoppin are currently being reviewed in detail, in conjunction with geophysical data.

Significant shallow high-grade gold mineralisation has been encountered in the drilling at Burracoppin with assay results including:

- Benbur West Area – Below historic leach pad
 - 4m @ 4.27 g/t Au from 25m in ABRC010, including
 - 2m @ 7.88 g/t Au from 25m; and
 - 1m @ 14.60 g/t Au from 26m
 - 2m @ 2.38 g/t Au from 22m in ABRC013, including
 - 1m @ 4.01 g/t Au from 22m
- Benbur Area
 - 2m @ 2.03 g/t Au from 16m in ABRC008, including
 - 1m @ 3.07 g/t Au from 16m
 - 3m @ 1.58 g/t Au from 102m in ABRC006
- Christmas Gift Area
 - 3m @ 3.57 g/t Au from 40m in ABRC005, including
 - 1m @ 7.40 g/t Au from 40m; and
 - 1m @ 2.99 g/t Au from 42m
- Easter Gift Area
 - 1m @ 2.95 g/t Au from 19m in ABRC015
- Lone Tree Area
 - 3m @ 1.21 g/t Au from 15m in ABRC018

Significantly, the overall strike length of the mineralisation between Burgess Find in the north and Benbur is about 650 m while Easter Gift is a further 1.3 km south of Benbur. This suggests that the total potential strike of the mineralisation almost 1.7 km from north to south. The South-Eastern Area (Lone Tree) is another 850 m to the southeast of the Easter Gift workings and represents a separate mineralised structure which has only been discovered during this Phase I drilling program and has not been adequately drill tested.

With the Phase I assay results received during October 2021, the Company will now complete its interpretation and combined with the outcome of its further analysis of the geophysical data will plan the next phase of exploration.

This will be investigated by follow up drilling and has the potential to positively change the size and scale of the Burracoppin project significantly.

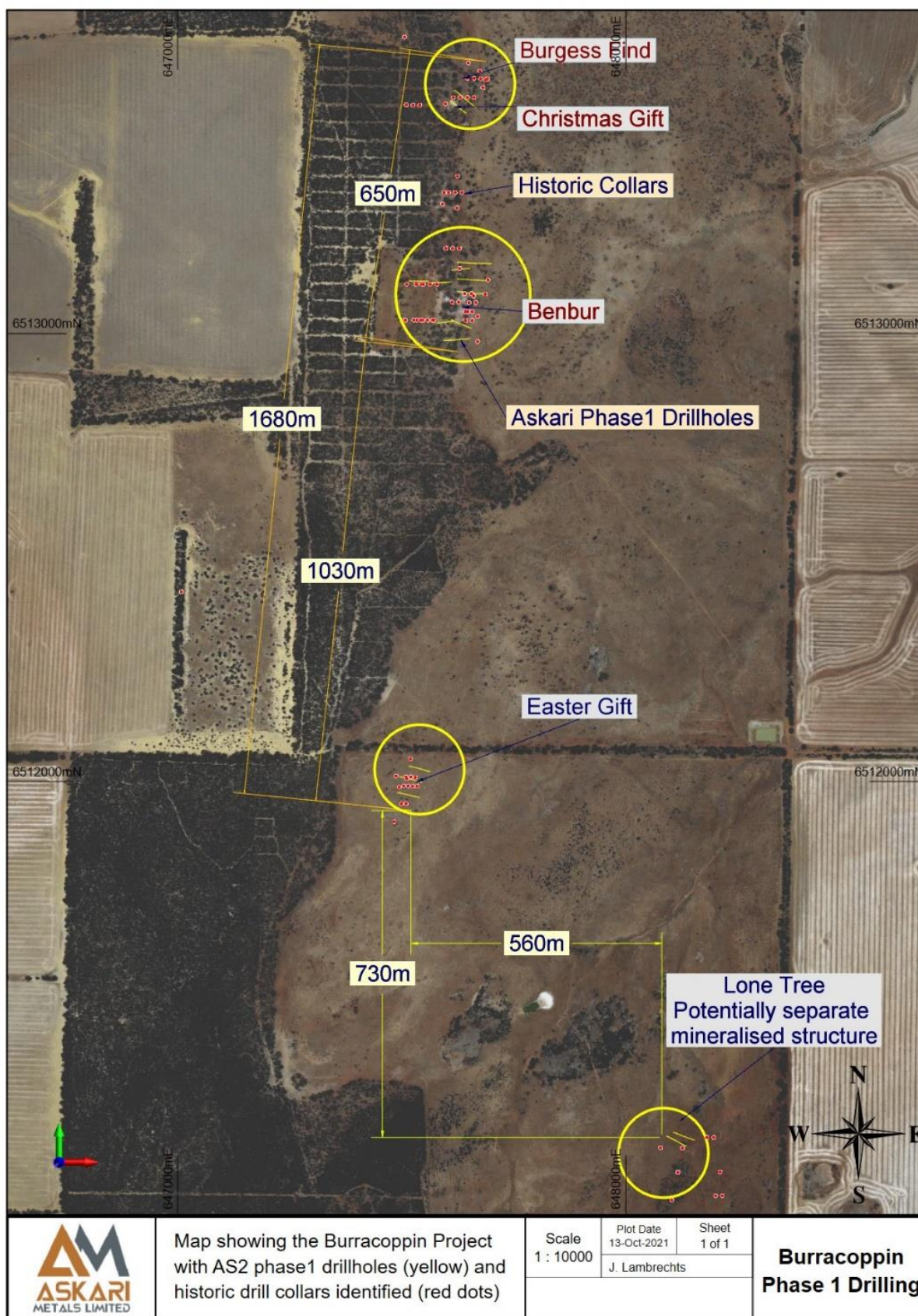


Figure 8: Map indicating the drilling completed during Phase I at Burracoppin

** This announcement is authorised by the executive board on behalf of the Company **

Christmas Gift

Two holes were completed in the Christmas Gift area with ABRC005 intersecting 3m at 3.75 g/t Au from 40m downhole. This intersection also included 1m at 7.40 g/t Au from 40m and 1m @ 2.99g/t Au from 42m. This intersection is a down dip extension of mineralisation previously intersected at this location in the historical drilling (refer to Figure 6).

ABRC004 also intersected the mineralised lode, but with significantly reduced gold grade. This short grade continuity is a common characteristic of epithermal gold deposits and the orientation of the high-grade shoot will be a target of the follow up exploration plan at Burracoppin.

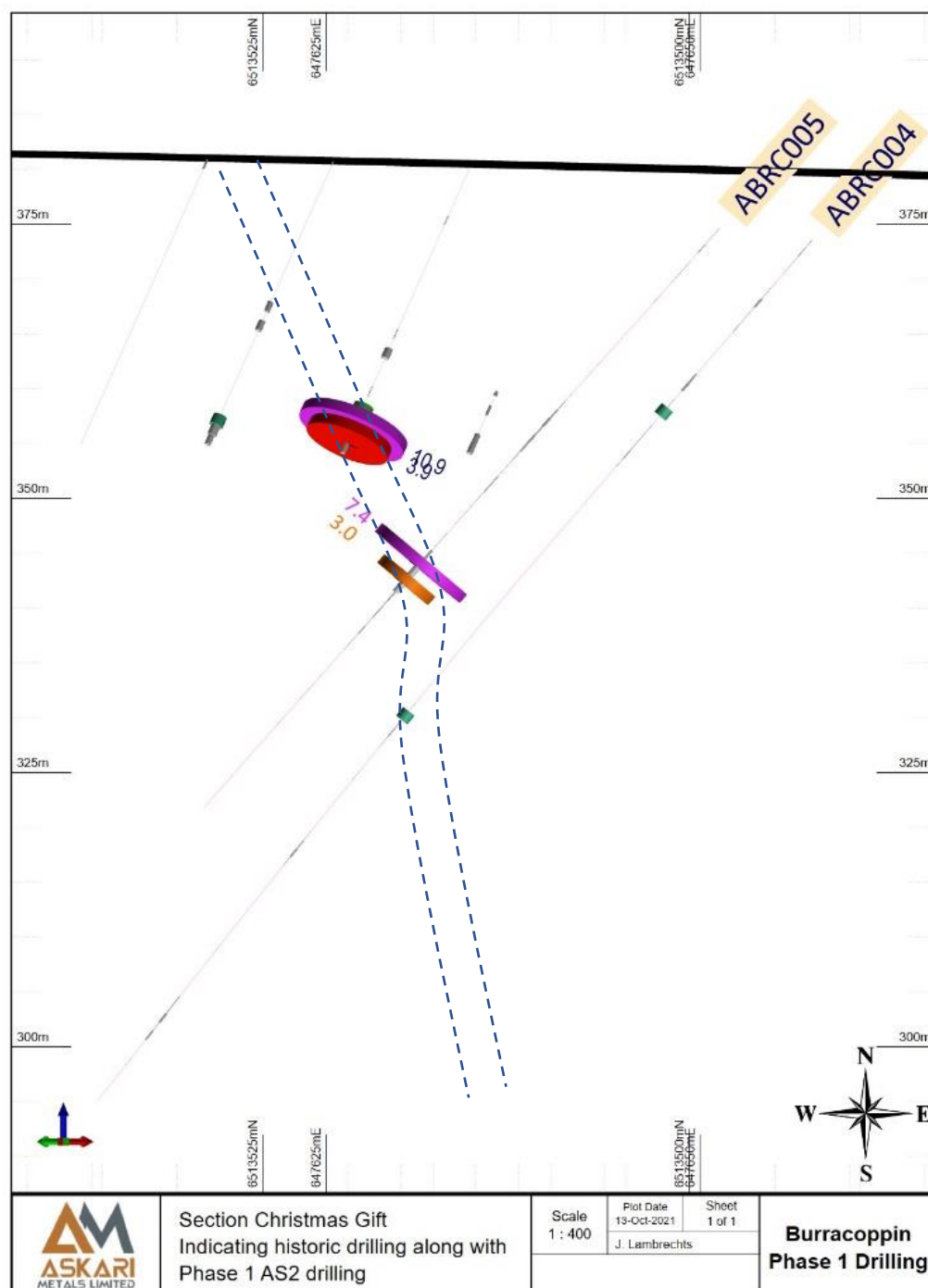


Figure 9: Section through Christmas Gift area indicating the phase 1 AS2 drillhole data

** This announcement is authorised by the executive board on behalf of the Company **

Benbur

Benbur produced multiple good intersections from a total of seven (7) holes drilled into the prospect testing strike extent and historic intercepts below the workings.

ABRC008 produced 2m at 2.03 g/t Au from 16m, including 1m at 3.07 g/t Au from 16m. It also returned 1m at 1.01 g/t Au from 12m indicating two separate mineralised units in the area.

ABRC006 returned results of 3m at 1.58 g/t Au from 102m and also 1m at 1.04 g/t Au from 81m intersecting the same two units as ABRC008, but at greater depth (refer to Figure 7).

ABRC011 returned 1m at 1.33 g/t Au from 15m, but this sample is part of a 5m wide intersection with an average grade of 0.90 g/t Au from 11m.

ABRC007 produced 1m at 1.16 g/t Au from 63m, and ABRC014 returned 1m at 1.08 g/t Au from 22m.

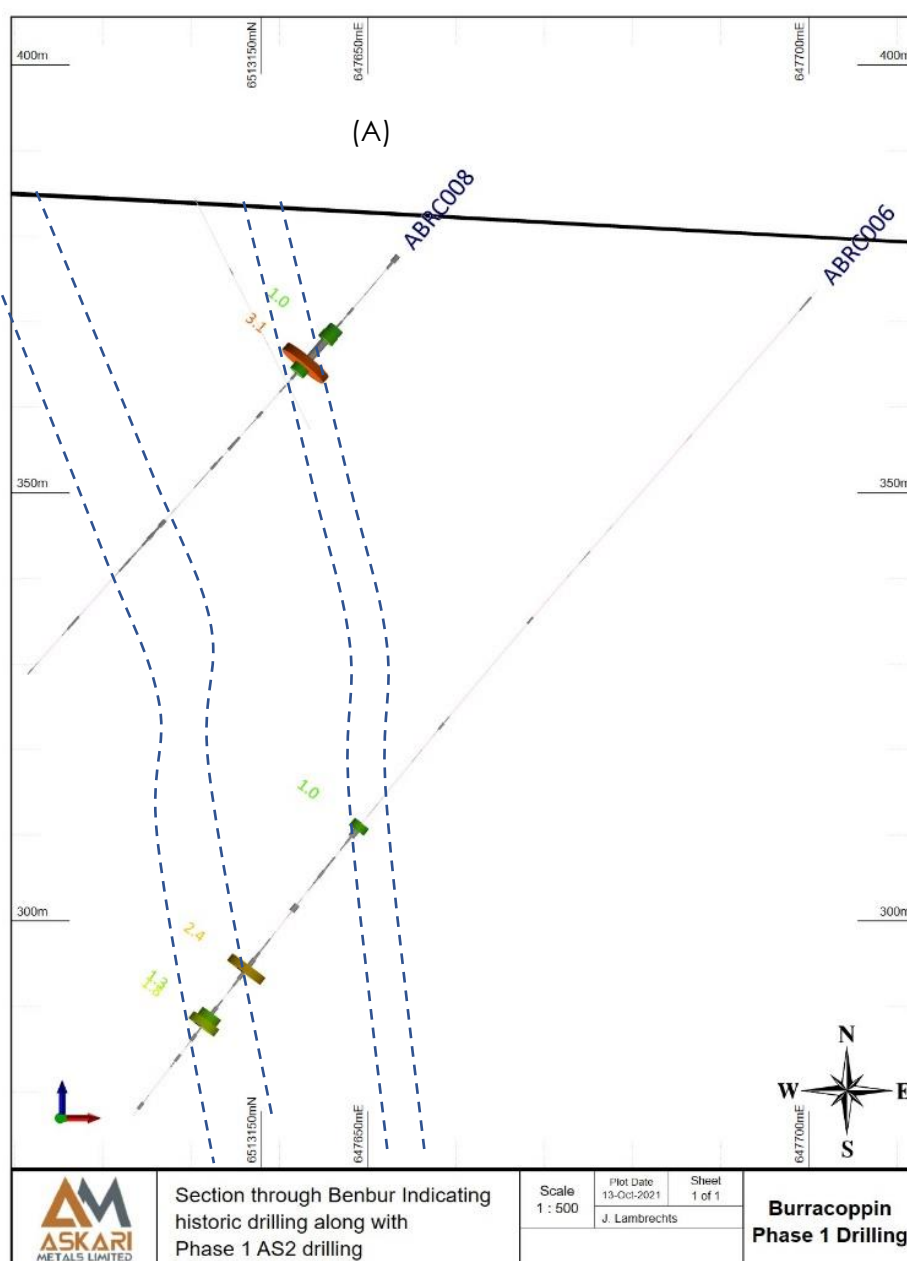


Figure 10: Section through Benbur area indicating the Phase 1 AS2 drillhole data

** This announcement is authorised by the executive board on behalf of the Company **

Benbur-West

The drilling in this area included two holes designed to test shallow historic intercepts to the west of the main Bebur shaft.

ABRC010 returned excellent results of 4m at 4.27 g/t Au from 25m which included 2m at 7.88 g/t Au from 25m and 1m at 14.60 g/t Au from 26m downhole, while ABRC013 returned similarly exciting results of 2m at 2.38 g/t Au from 22m which included 1m at 4.01 g/t Au from 22m.

These intersections represent validation of the historical results as well as deeper intercepts increasing the known down-dip extent of the mineralisation.

Easter Gift

Easter Gift is a historic shaft to the south of Benbur. There are several historical holes that intersected mineralisation at shallow depths, and the recent drilling completed by Askari was designed to validate the mineralisation.

ABRC015 intersected the lode with a result of 1m at 2.95 g/t Au from 19m, while ABRC017 intersected the same mineralised unit with 1m at 1.97 g/t Au from 26m.

Lone Tree

The Lone Tree area is removed from the main shafts and includes a small and isolated vertical working. The drilling completed by Askari in this area was designed to identify the mineralised horizon and host lithology since there is minimal historical data.

Two holes were drilled in a scissor configuration, and ABRC018 returned exceptional results of 4m at 1.07 g/t Au from 14m. The mineralised zone also included intercepts of 1m at 1.16 g/t Au from 15m and 1m at 1.63 g/t Au from 17m. Deeper in the hole, the drilling also intersected 1m at 1.19 g/t Au from 59m.

This opens up exploration opportunities on a separate and untested structure to the one hosting the shafts and historic workings to the west and, therefore, may represent significant strike extensional potential.

Historic Exploration at Burracoppin

Historical exploration at the Burracoppin Gold Project identified high grade rock chip samples at the Burracoppin Gold Project includes: *(refer to the Independent Geologist Report contained in the Company's Prospectus dated 10 May 2021)*

- BF-05 - 71.39g/t Au (repeat 78.2g/t Au)
- A1673 - 63.97g/t Au (repeat 67g/t Au)
- A1674 - 63.15g/t Au (repeat 69g/t Au)
- BF01 - 41.88g/t Au (repeat 41.06g/t Au)
- BF03 - 29.7g/t Au (repeat 27.83g/t Au)
- A1675 - 15.1g/t Au (repeat 16.18g/t Au)

** This announcement is authorised by the executive board on behalf of the Company **

In addition, historical high-grade shallow drilling results at the Burracoppin Gold Project includes: *(refer to the Independent Geologist Report contained in the Company's Prospectus dated 10 May 2021)*

- 18m @ 5.64g/t Au from 0m (hole BF29)
- 14m @ 13.7g/t Au from 32m (hole BRB001)
- 9m @ 2.8g/t Au from 0m (hole BRC13)
- 2m @ 9.1g/t Au from 18m (hole BF33)

Burges Find, Christmas Gift, Benbur and Easter Gift were the four main areas mined at the Burracoppin Project (refer to Figure 5). The Burgess Find, Christmas Gift and Benbur mines reported historical production figures of 410 tonnes, 750 tonnes and 1,030 tonnes respectively. Production of the original miners in the 1930s was reported in the "Daily News" newspaper (June 1933), which wrote that the first parcel processed from Burracoppin had produced gold grades of 49g/t Au.

The workings targeted mineralisation hosted in narrow, vertically dipping veins that occur within a gabbro dyke at or close to its western margin in pelitic sediments. The veins and gabbro strike north-south and are folded into a series of open folds. The Easter Gift workings occur in mafic granulite and metasediments and occupy a similar stratigraphic position to that of the Christmas Gift-Benbur North-Benbur workings to the north.

Laterites that cover the Archaean rock sequence also carry gold mineralisation. The laterite consists of loose pisolites with a significant sand matrix component at the surface, grading into a poorly to well cemented nodular laterite layer. Gold mineralisation appears to be restricted to the iron-rich laterites.

Horry Copper Project, WA (100% owned)

During the Quarter ended 30 September 2021, the Company received the assay results from its field exploration campaign that was completed during the Quarter ended 30 September 2021 at the Company's 100% owned Horry Copper-Gold Project located in the Kimberley region of Western Australia. The Company completed mapping over the tenement, during which several rock chip samples were collected to understand controls on the mineralisation.

The Horry Copper Project is located approximately 90km to the south-west of Halls Creek where little meaningful exploration has occurred despite it being located on the southern end of the stratigraphy that hosts the Mt Angelo [Cazaly Resources Limited] and Koongie Park [Anglo Australian Resources NL] copper deposits to the north.

The Horry Copper Project boasts high grade Cu-Au-Ag gossanous mineralisation up to 60m long and 2.4m wide with broader mineralization existing over 7.4m width and 900m along shear zone with rock chip results of up to 60% Cu. Multiple historical high-grade copper and gold workings occur across the project area.

The rock chip samples collected returned excellent results for both copper with supporting gold, and gold from the respective prospect areas. The Horry Horse prospect is a structurally controlled mineralised zone on the tenement's southeastern corner, which returned copper and gold results over 400m strike length that was sampled, remaining open to the northeast and southwest. Further sampling is required to delineate the overall size potential of the mineralised footprint, which will be tested during the follow up field program.

High-grade copper has been identified at the Horry Horse prospect area including results such as 3.67% Cu, 3.13% Cu and 1.12% Cu. These results demonstrate the fertility of the geological

**** This announcement is authorised by the executive board on behalf of the Company ****

environment and highlight the significant exploration upside that exists at the project. Askari's Horry tenement (E80/5313) also hosts several historic gold workings. The mapping program collected rock chip samples from in situ outcrops of quartz veins and structures located a considerable distance from the existing known workings, which will be a focus of future exploration programs.

A location diagram of the Horry project is illustrated below.

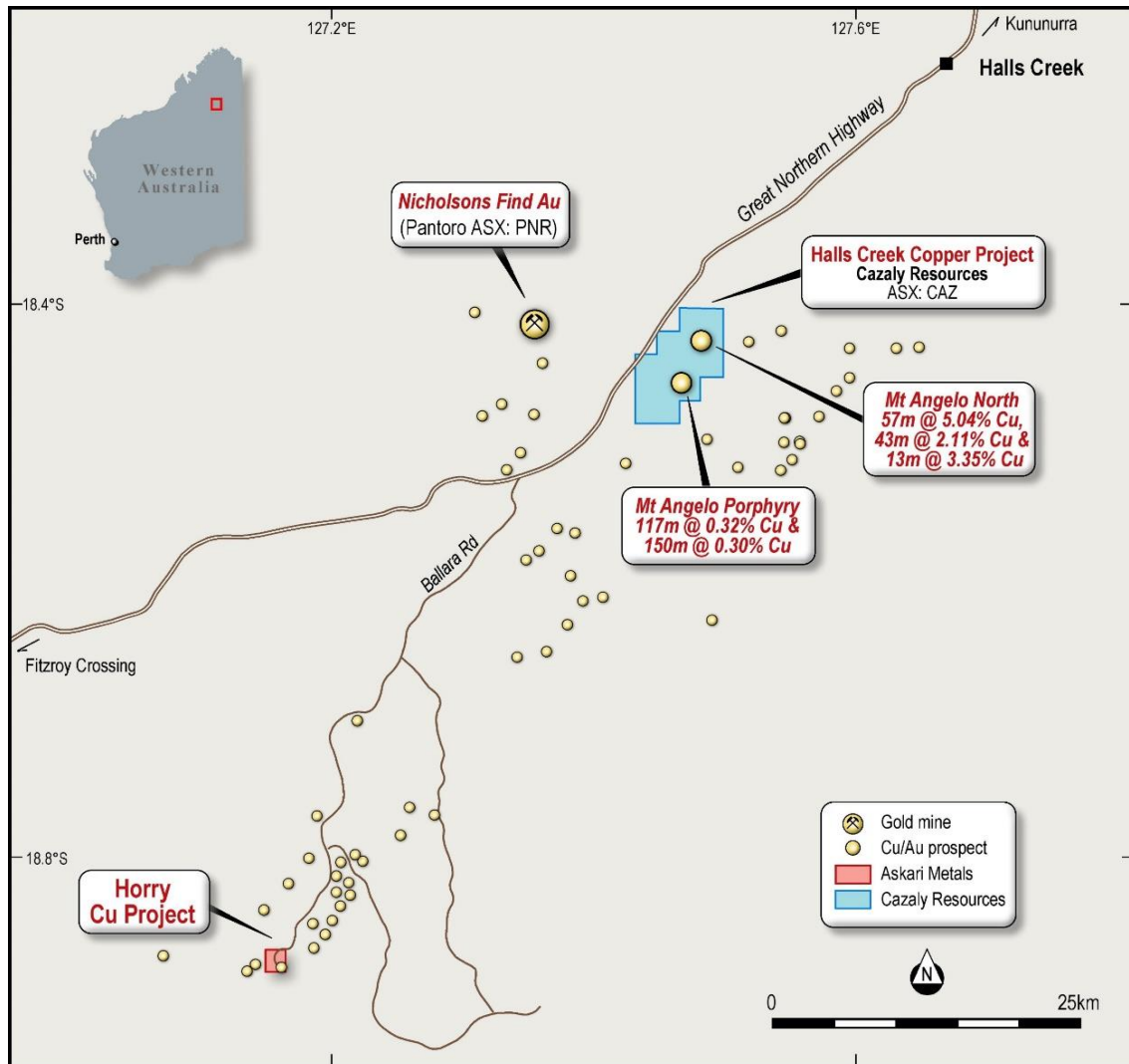


Figure 11: Location map of the Horry Copper-Gold Project, Western Australia

In addition to high-grade copper, the mapping and sampling campaign also identified a several areas of high-grade gold including 13g/t gold from an outcropping vein-set approximately 300m north of the historic "Martins Find South" prospect, as well as results of 5.6g/t and 1.1g/t gold from the Mt Dockrell tailings area which is approximately 450m along strike to the southeast of the historic "Western Lead" workings.

These results demonstrate the potential continuity of the mineralisation across the project area. The Company is encouraged by these results as they highlight that the depositional environment hosting the Horry project is mineralised and the Company is exploring in the right locations. These results will be analysed and further compiled together with other historic data with additional fieldwork and geophysical surveys currently being planned for the Horry copper-gold project.

Horry Horse

A total of five samples were collected in the Horry Horse prospect along an exposed structure/shear zone which is characterised by malachite staining associated with quartz veining in the gangue structure. Four of these samples returned very encouraging copper values over a strike length of 400m. At the same time, two of the four also returned anomalous gold values. The samples with elevated copper results above 1% Cu also show elevated silver, arsenic, bismuth, and selenium results.

This combination of copper, gold and trace element results are encouraging and may provide a vectoring tool once a more detailed rock chip program has been completed. The copper grade also increases toward the southeast, with the highest result forming the end of the current sample line. This leaves the potential for increasing the already large 400m mineralised strike further by way of an expanded rock chip sampling program.

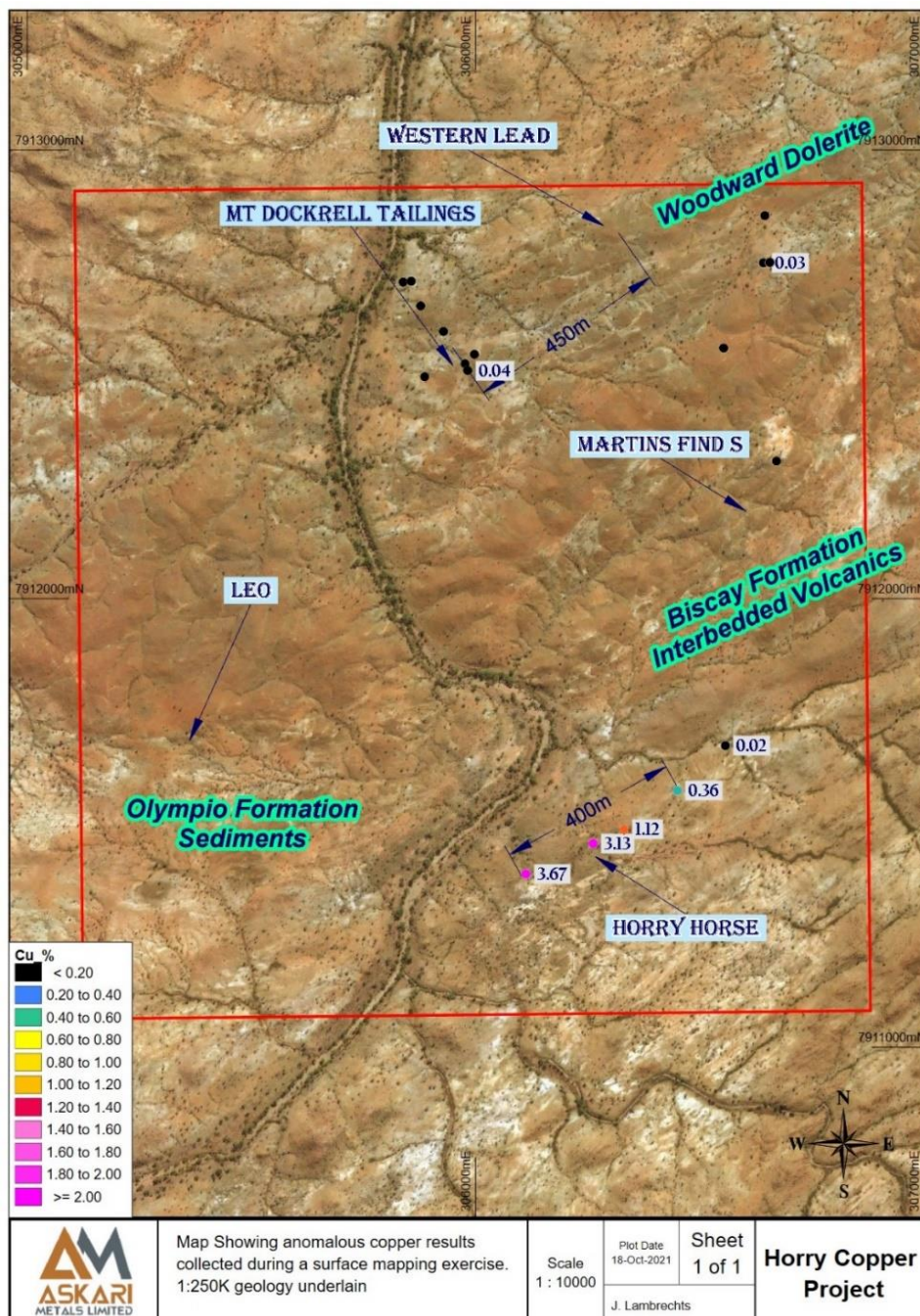


Figure 12: Plan view of the anomalous copper results collected from Rock samples on the Horry tenement

** This announcement is authorised by the executive board on behalf of the Company **

Gold Anomalism

Several samples were also collected from the northern portion of the tenement during the mapping program. A very encouraging result of 13g/t Au was returned from a contact zone between schist and dolerite, containing minor quartz veining (Biscay Formation) about 300m north of the historic “Martins Find” workings. The sample shows elevated tellurium, tungsten, and silver, along with the high gold result.

Further west, at the Mt Dockrell tailings historic site, about 450m along strike to the southeast of the “Western Lead” workings, two other samples collected from quartz veins in two small pits, returned very encouraging gold assay results of 5.6g/t gold and 1.1g/t gold indicating a local extension of the historic mineralisation.

The typical gold indicator minerals of arsenic, tungsten, tin, silver, selenium, and tellurium are elevated in these samples and would likely indicate the presence of a mineralised hydrothermal fluid, carrying these metals in solution and depositing them in this location. This, in turn, may provide vectoring tools to identify the structure with future samples in the area.

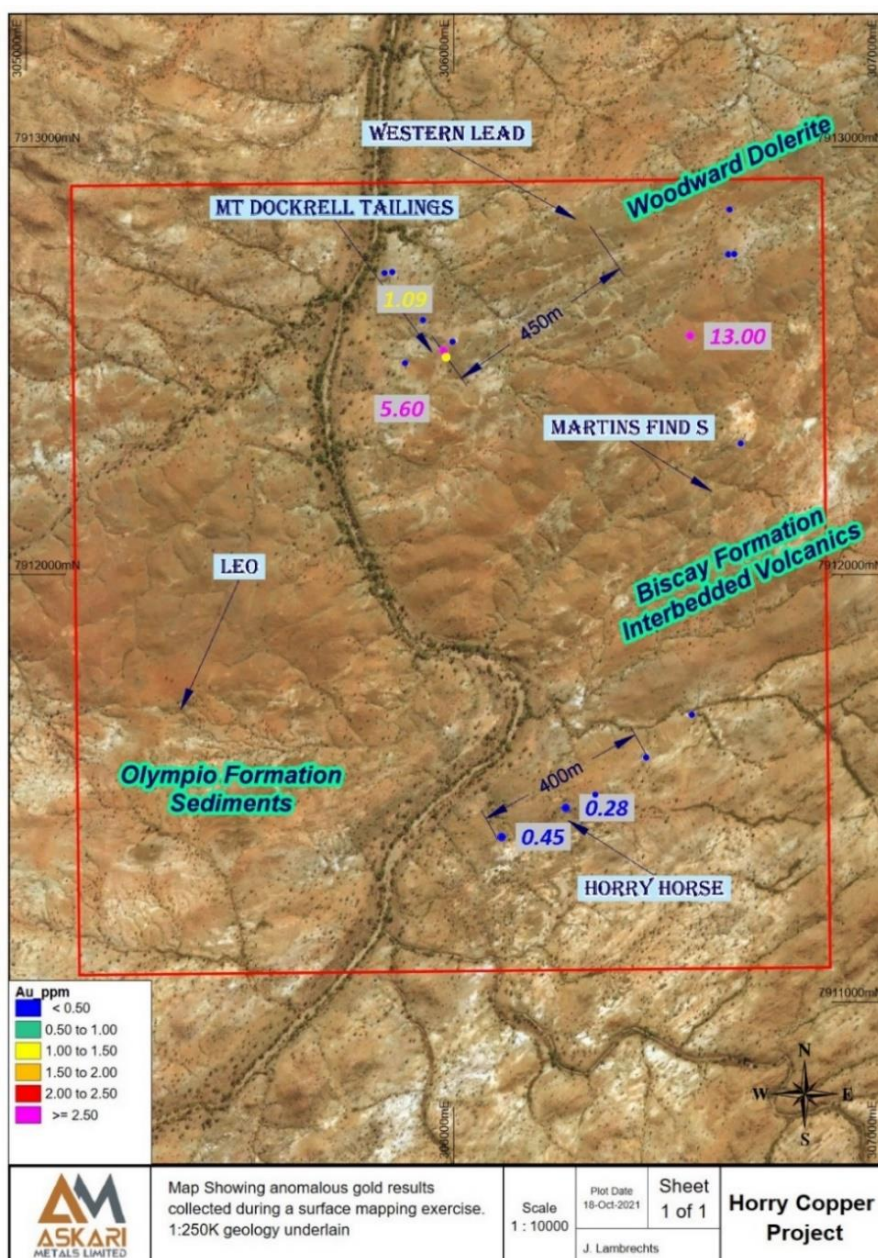


Figure 13: Plan view of the anomalous gold results collected from Rock samples on the Horry tenement

** This announcement is authorised by the executive board on behalf of the Company **

These results have verified the prospectivity and scale of the mineralising systems and represent a good foundation for future work on the Horry tenement. The fact that the results discussed in this report are derived from a tenement scale mapping program instead of a focussed, detailed sampling program provides further encouragement.

The Company plans to complete a detailed grid rock sampling program and a high-definition ground magnetic survey on the project in the near future which will assist with the delineation of the strike extent and direction of the surface exposure for the well mineralised structures on the Horry tenement.

Callawa Copper Project, WA (100% owned)

The Callawa Copper Project, located in Western Australia, represents an outstanding opportunity with rock-chips with up to 28.7% Cu at surface supported by other surface rock-chip results of 9.4% Cu, 7.63% Cu and 2.68% Cu. A series of small shallow pits are spread over about 40m related to quartz veins hosted in amphibolite schist. An historic rock-chip result of 19.0% Cu at surface has also been collected.

With samples grading up to 9.4% Cu with 25.9 g/t Ag and 7.63% Cu with 15.7 g/t Ag, there is a strong geological thesis underpinning the presence of a high-grade epithermal copper system that may be feeding off a deeper porphyry intrusive.

The Callawa Copper Project has a prospective strike of approximately 2km. The Callawa Copper Project demonstrates significant potential for a further copper-gold discovery within the Archean Warrawagine Granitoid Complex on the margin of the Pilbara Craton.

During the Quarter ended 31 December 2021, the Company received the assay results from the Phase I exploration program that had been completed during the Quarter ended 30 September 2021, comprising of project wide mapping as well as detailed sampling across the old workings and known zones of outcropping mineralisation.

Several rock chip samples were collected during the mapping program conducted on Callawa as well as a subsequent reconnaissance field visit. The samples were collected in situ and in areas of good rock outcrop as well as around an area known as the Du Valles workings.

The samples collected around the Du Valles copper workings returned high-grade copper including results such as 6.78% Cu, 4.35% Cu, 2.02% Cu and 1.85% Cu. These results demonstrate the fertility of the geological environment and highlight the significant exploration upside that exists at the project.

The samples were collected along an exposed structure/shear zone which is characterised by malachite staining associated with quartz veining.

The samples collected returned very encouraging copper values over an initial strike length of 125m with a high-grade zone over an initial strike length of approximately 40m. Importantly, the strike length remains open and will be expanded upon through continued exploration at the Callawa project. The samples with elevated copper results also show elevated gold, silver and arsenic.

This combination of copper, gold and trace element results are encouraging and may be used as a vectoring tool. The copper grade was also highest at the edges of the sample lines, maintaining the potential for increasing the already identified 125m mineralised strike further by way of future exploration.

Figure 14 (below) depicts a plan view of the high-grade copper results encountered in the surface rock sampling program completed at the Callawa Project.

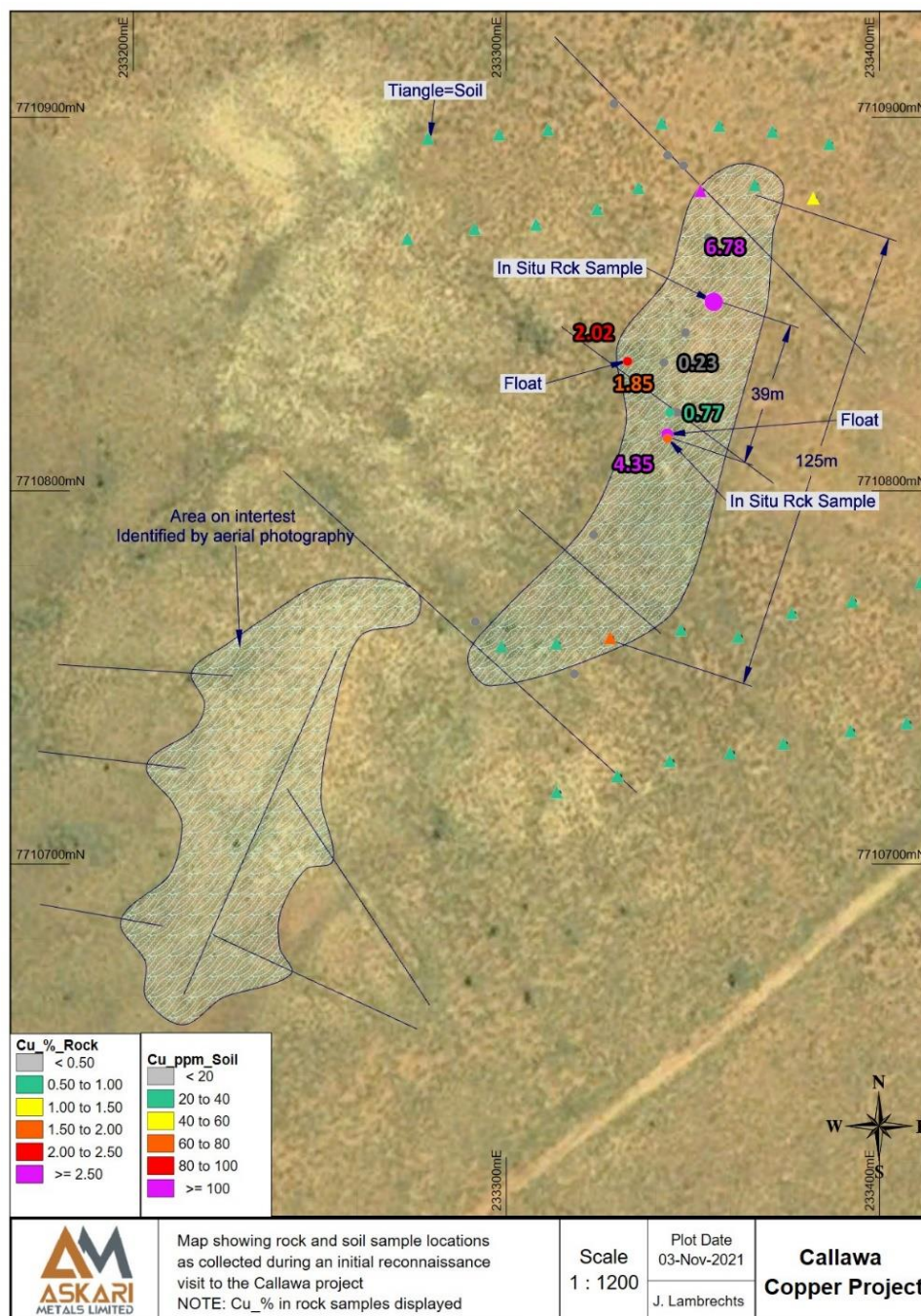


Figure 14: Plan view of the anomalous copper results collected from Rock samples on the Callawa tenement

Table 1 below depicts the results for gold and supporting elements.

SampleID	Cu_%	Mo_ppm	Au_ppb	Ag_ppm	As_ppm	Sn_ppm	Sb_ppm	W_ppm
AS201597	6.78	5	45	2.34	92	1.6	1.45	0.8
AS201665	4.35	1.3	48	8.25	27	1.6	0.6	1.8
AS201611	2.02	1.3	25	6.42	30.4	0.6	0.6	1.8
AS201666	1.85	2.3	11	11.1	13.4	0.4	0.35	1.3
AS201619	0.77	1	13	2.49	5	0.6	0.6	1
AS201618	0.23	1.1	2	1.48	9.6	0.6	0.3	1.5

Table 1: Summary results of the rock sampling collected from the mapping program on the Callawa tenement

** This announcement is authorised by the executive board on behalf of the Company **

The images below depict samples that were collected in the field at the Callawa Project. The malachite is clearly visible in the in-situ rock samples, denoted by the green staining on the faces of the rocks.



Images 2 – 5 (inclusive): Rock samples collected from the Callawa tenement. Malachite staining is very apparent from the green staining on the faces of the rocks. Hammer has been used for scale.

**** This announcement is authorised by the executive board on behalf of the Company ****

Mt Maguire Gold and Base Metal Project, WA (100% owned)

The Mt Maguire Gold and Base Metal Project is located in Western Australia, along strike from Kalamazoo Resources' multi-million-ounce Mt Olympus gold project in the southern Pilbara region. Whilst the Mt Maguire project has been the subject of various exploration programs there has only been limited past drilling.

The previous wide-spaced drilling extends along several kilometres of prospective strike and appears to have tested the host geology rather than targeting gold-bearing structures.

Regardless, the Mt Maguire drilling has returned broad intercepts of gold mineralisation including 31m at 0.84 g/t from 20m and 18m at 1.61 g/t gold 20m down-hole, leaving Askari with the tantalising prospect of a larger mineralised envelope where targeted drilling might begin to unearth high-grade structures.

During the Quarter ended 31 December 2021, the Company completed the design for a field mapping and sampling campaign to take place during the Quarter ended 31 March 2022.

Springdale Copper-Gold Project, NSW (100% owned)

The Springdale Copper-Gold Project, located in New South Wales, is situated in the Lachlan Fold Belt and has been the subject of significant historical production with grades ranging between 8g/t Au and 40g/t Au. Limited drilling has occurred beneath the old workings, with results including 3.9m @ 2.5g/t Au 66m depth down hole.

The target at the Springdale Gold Project is bulk tonnage sedimentary hosted Au associated with broad pyrite (pyritic) alteration zones. The Springdale Copper-Gold Project is also prospective for Cu / Au porphyry styles of mineralisation within the Ordovician Volcanic geological settings.

Data compilation and a remote sensing / spectral survey was completed during the Quarter ended 30 September 2021. Interpretation of the results of the hyperspectral survey was completed during the Quarter ended 31 December 2021. Due to the current COVID-19 situation with travel into NSW, exploration at this project has been put on hold.

CORPORATE ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2021

Completion of Loyalty Options Offer

During the Quarter ended 31 December 2021, the Company announced that it had completed the Askari Metals Limited Loyalty Options Offer after having received an overwhelming response from shareholders. As a result of the offer, the Company had issued 8,398,759 options effective of 1 November 2021.

Each option is exercisable at 25 cents with an expiry date of 31 October 2024.

In addition, the Company completed the placement of the shortfall of 2,231,551 options in accordance with the terms and conditions contained within the Prospectus.

The options are currently quoted with ASX Code: AS20.

In addition to exploring the existing projects, the Company is actively engaged in the review of additional complimentary asset acquisition opportunities, including lithium and other battery metals, across Australia and globally.

Appendix 5B Cashflow commentary

In Payments to related parties of the entity and their associates (refer to 6.1), the \$34,000 payment refers to the payment of non-executive fees and director consulting fees.

Cash outflows from operating activities for the quarter were \$488,000. Cash outflows from investing activities for the quarter were \$494,000.

Cash and cash equivalents as at 31 December 2021 were \$3,724,000.

Askari remains well funded to complete its exploration objectives. The Company looks forward to providing shareholders with further updates as planned exploration at the projects continues.

ENDS

For further information, contact:

Gino D'Anna
Director
M +61 400 408 878
gino@askarimetals.com

Rod North, Managing Director
Bourse Communications Pty Ltd
M: +61 408 670 706
rod@boursecommunications.com.au

Johan Lambrechts
Vice President – Exploration and Geology
M +61 431 477 145
johan@askarimetals.com

About Askari Metals Limited

Askari Metals was incorporated for the primary purpose of acquiring, exploring and developing high-grade battery metals, gold and copper-gold projects in New South Wales, Northern Territory and Western Australia. The Company has assembled an attractive portfolio of battery metals, gold and copper-gold exploration/mineral resource development projects in Western Australia, Northern Territory and New South Wales.

For more information please visit: www.askarimetals.com

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Johan Lambrechts, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Lambrechts is a full-time employee of Askari Metals Limited, who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Lambrechts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Askari Metals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks,

uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Askari Metals Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

ASX Compliance

Information contained within this announcement has been prepared based on information contained in the Company's Prospectus lodged with the ASIC and the ASX on 10 May 2021. In addition, the Company has relied on ASX announcements dated 14 October 2021, 19 October 2021, 26 October 2021, 1 November 2021, 15 November 2021, 17 November 2021, 23 November 2021, 6 December 2021 and 16 December 2021.

In addition, the Company has relied on announcements that are dated subsequent to the end of the Quarter ended 31 December 2021, including 12 January 2022, 17 January 2022 and 28 January 2022.

Tenement Summary

Tenement ID	Type	Status	Holder	Grant Date	End Date	Area [km ²]	AS2 Interest
E70/5049	Exploration	Active	First Western Gold Pty Ltd	10/07/2018	9/07/2023	17.6	100%
E45/5842	Exploration	Pending	Springdale Gold Pty Ltd	N/A	N/A	167	100%
EL9217	Exploration	Active	Springdale Gold Pty Ltd	19/07/2021	19/07/2024	217	100%
E47/4170	Exploration	Pending	First Western Gold Pty Ltd	N/A	N/A	9 BL	100%
E52/3718	Exploration	Active	First Western Gold Pty Ltd	26/11/2020	25/11/2025	2 BL	100%
E52/3719	Exploration	Active	First Western Gold Pty Ltd	26/11/2020	25/11/2025	2 BL	100%
E80/5313	Exploration	Active	First Western Gold Pty Ltd	01/07/2020	30/06/2025	3.25	100%

** This announcement is authorised by the executive board on behalf of the Company **

Appendix 5B

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

Name of entity

Askari Metals Limited

ABN

39 646 034 460

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(51)	(51)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(91)	(91)
	(e) admin and corporate costs	(301)	(446)
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 – costs of IPO offer	(45)	(259)
1.9	Net cash from / (used in) operating activities	(488)	(847)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(181)	(181)
	(c) property, plant and equipment	(27)	(153)
	(d) exploration & evaluation (if capitalised)	(286)	(565)
	(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 – security deposit	-	-
2.6	Net cash from / (used in) investing activities	(494)	(899)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12	12
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	(1)	(345)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	11	333

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,695	5,803
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(488)	(847)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(494)	(899)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11	(333)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,724	3,724

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,724	4,695
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,724	4,695

188

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

34

-

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

Item 6.1 – Consulting fees and directors fees paid to directors and their associated entities

G D'Anna/related party \$6,000, R Downey/related party \$16,000 B Cummins/related party \$9,300, D Greenwood \$3,000.

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(488)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(286)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(774)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,724
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,724
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.81

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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: 29 January 2022

Authorised by: Gino D'Anna
By the Board

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.