



AUSTRALASIAN METALS

ASX Announcement | ASX: A8G | 28 April 2022

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2022

Highlights

Operations

- Further lithium mineralisation returned from ongoing exploration program at the Company's 100%-owned Mt Peake lithium project
 - 1.15% Li₂O (and 226 ppm Ta) assayed in rock chip sample (MP10127) provides further evidence of high-grade lithium mineralisation within outcropping pegmatites
- Completion of the deep ground penetrating radar (DGPR) survey (for 32.8km survey lines) covering priority targets at Mt Peake
- ~2,500m RC drilling program has commenced at the Mt Clermont and Capella projects
 - Recent field investigation discovered and mapped extension of the Retro Extended veining for at least 400 metres south of the most southern drillhole at the prospect
 - Gold-in-rock samples highlight untested potential at the Retro and Retro Extended prospects

Corporate

- During the quarter, the Company acquired a 90% interest in the Barrow Creek lithium project
- The Company remains well funded, with ~\$6.1 million in cash reserves as at 31 March 2022

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

Operations

Mt Peake Lithium project (100%)

The Mt Peake lithium project (granted EL32830) 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. EL32830 covers over 640km² and shares a boundary with Core Lithium Limited's (ASX:CXO) Anningie lithium project. The project is located ~200km north of Alice Springs (**Figure 1**).



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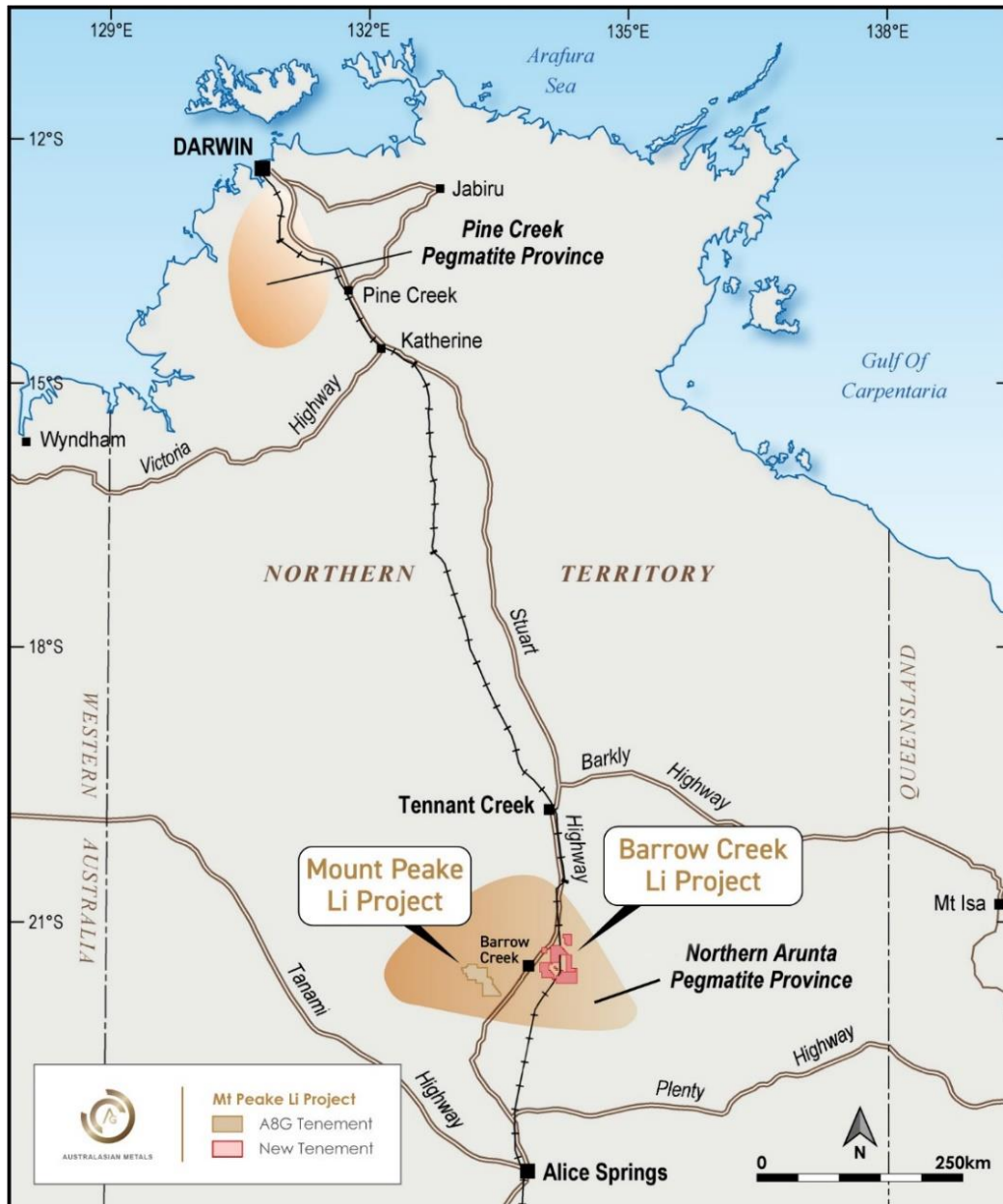


Figure 1: Mt Peake and Barrow Creek lithium project location in the Northern Arunta Pegmatite province of the Northern Territory

The Company is partnering 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% Li_2O and 223ppm Ta within outcropping pegmatites. Sample JC001 was sampled from a pegmatite unit within a micaceous schist.

A follow-up rock chip sampling program at Mt Peake returned further high-grade lithium and tantalum results, with sample MP10127 returning 1.15% Li_2O and 226 ppm Ta (refer ASX announcement 8 April 2022) (**Figure 2**).

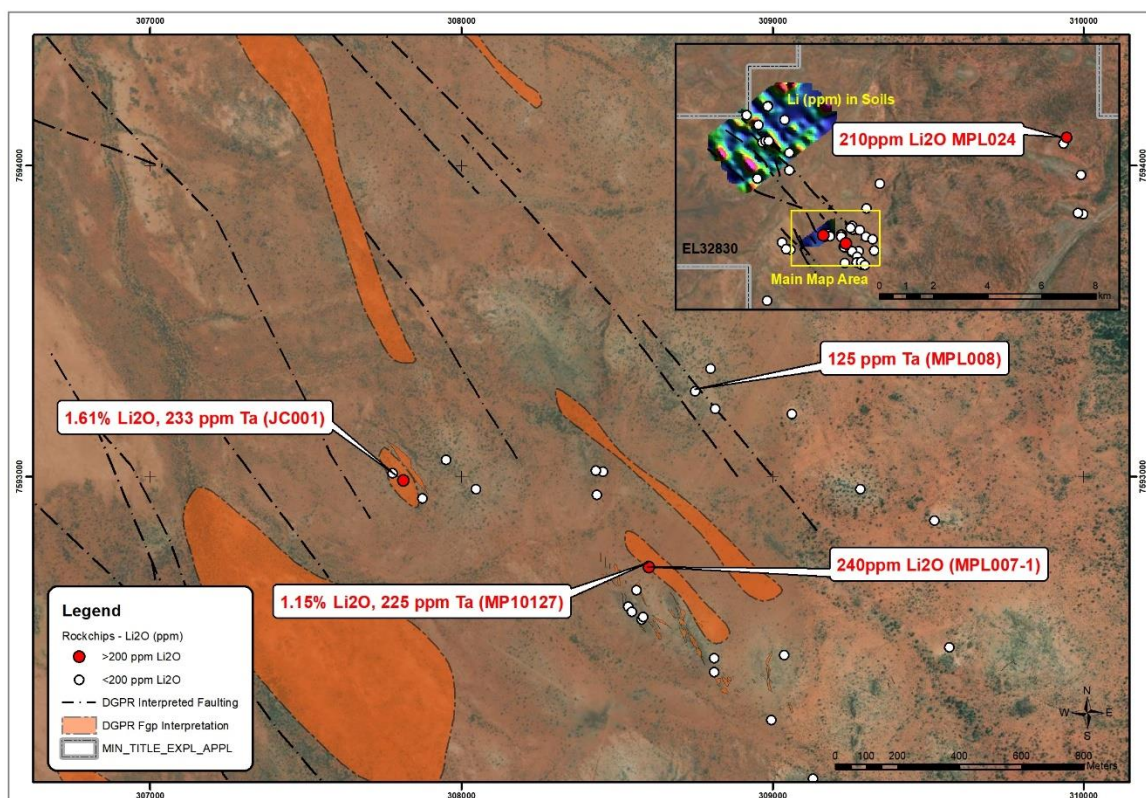


Figure 2: Location of Sample MP10127 at the northwest corner of EL32830. The interpreted pegmatite bodies in shallow depth by DGPR was coloured in orange. The Inserted map shows the soil sampling program area and rock chip locations.

During the quarter, the Company engaged 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 state-of-the-



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art technique that is used to produce high-resolution images of the sub-surface up to 200m depth (refer ASX announcement 21 January 2022).

32.8 km of line was acquired over 14 profiles with high resolution sub-meter short spacing capable of mapping very thin quartz veins and pegmatites. DGPR was calibrated over outcropping tourmaline and mica bearing schists both hosting lithium rich pegmatites primarily in the south of the survey.

The following anomalies have been interpreted:

- 37 'conventional' pegmatite like anomalies;
- 18 tourmaline and/or mica schist anomalies (lithium pegmatite hosts) several of which outcrop;
- 17 granite 'dissolution' anomalies possibly greisen and/or variations of the schist anomalies; and
- A thick zone in the north was also identified as a possible analogue to Core Lithium Limited's Bismark lithium project less than 4km to the northwest.

Next Steps

- Soil geochemistry will be infilled around the areas of anomalism and will also be extended to the south-east to cover the area of sample MP10127.
- Rock chip sampling will be ongoing across the project where there is outcrop exposure.
- Soil and rock chip geochemistry will be combined with the previously conducted DGPR survey to develop a more complete understanding of the geology and mineralisation.
- Work has begun on the submission of a Mine Management Plan in order to obtain authorisation under the Mining Management Act (NT) to carry out drilling activities.

Barrow Creek Lithium project (90%)

Barrow Creek is located roughly 100 kms to the northeast of the 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 3**). Importantly, the tenements are situated on privately-owned land, with good road and railway access.



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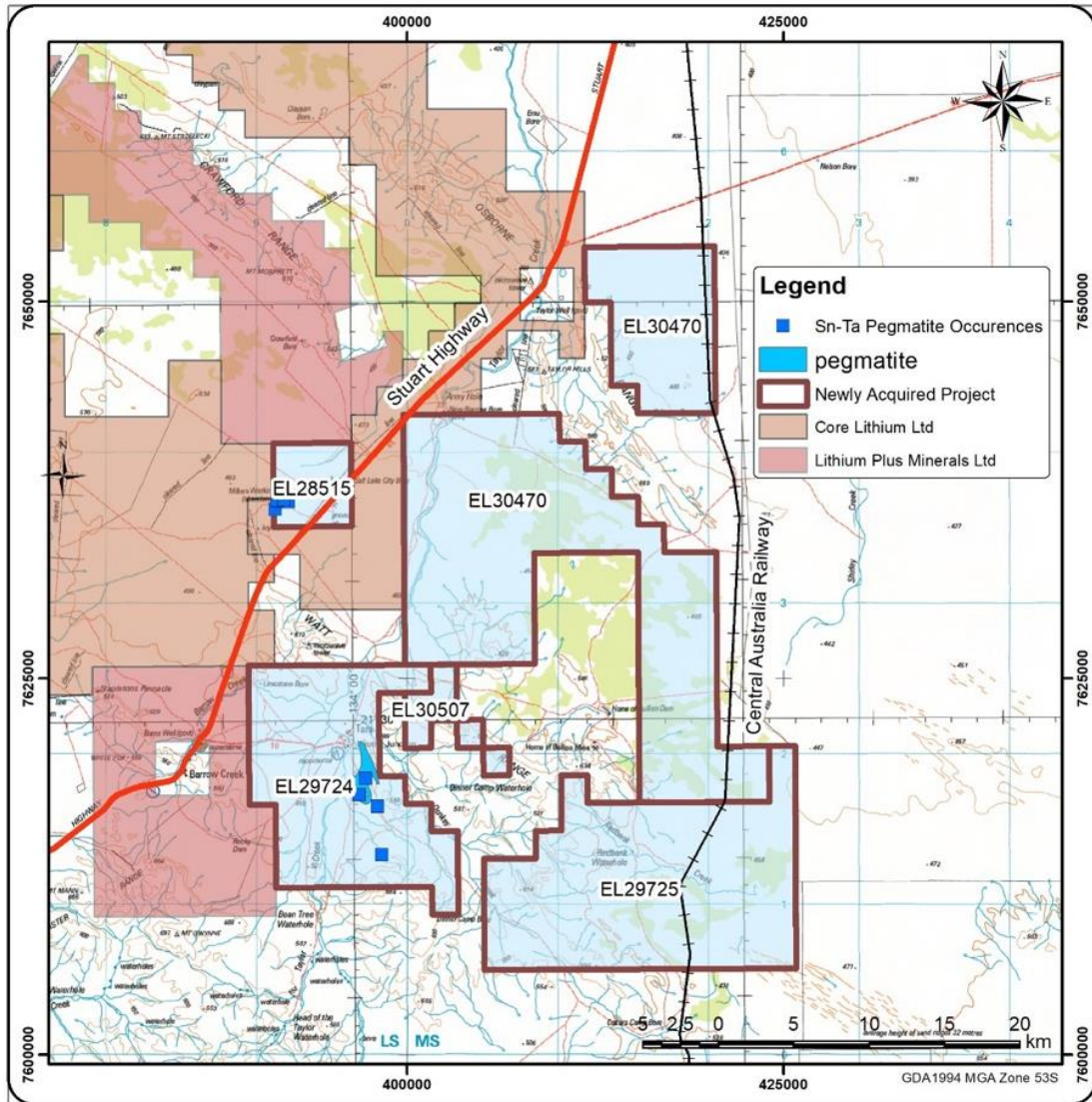


Figure 3: Layout of the Barrow Creek tenements. The package shares a boundary with Core Lithium Limited and another lithium explorer (Lithium Plus Minerals Ltd). Pegmatites are mapped with 1:250K geological map, and Sn-Ta pegmatite occurrences have been reported. The tenements have great access to Stuart Highway and the Central Australian Railway



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Queensland Projects (100%)

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.

Following quarter end, the Company announced that a ~2,500m reverse circulation (RC) drilling program has commenced at the Mt Clermont and Capella projects.

The RC drilling program will focus on the Ayres Rock prospect at the Capella tenement and at the Retro Extended prospect within the Mt Clermont tenement. Eagle Drilling NQ Pty Ltd has been engaged to conduct the RC program for the Company (**Figure 4**).

At the Ayres Rock prospect there is a 25m² outcrop of quartz-veined ignimbrite, sericite altered and crosscut by fine grained quartz veins displaying epithermal gold mineralisation textures.

At the Retro extended prospect, data studies conducted by the Company have identified several targets with open potential for further mineralisation. Eleven drill (11) holes are to be drilled to test and verify earlier historical drilling where a potential resource occurs. The aim of the proposed drilling is to add QA/QC protocols and other criteria to give confidence to potentially support a JORC compliant resource estimation. The drilling is also designed to test these targets for extensions of mineralisation.



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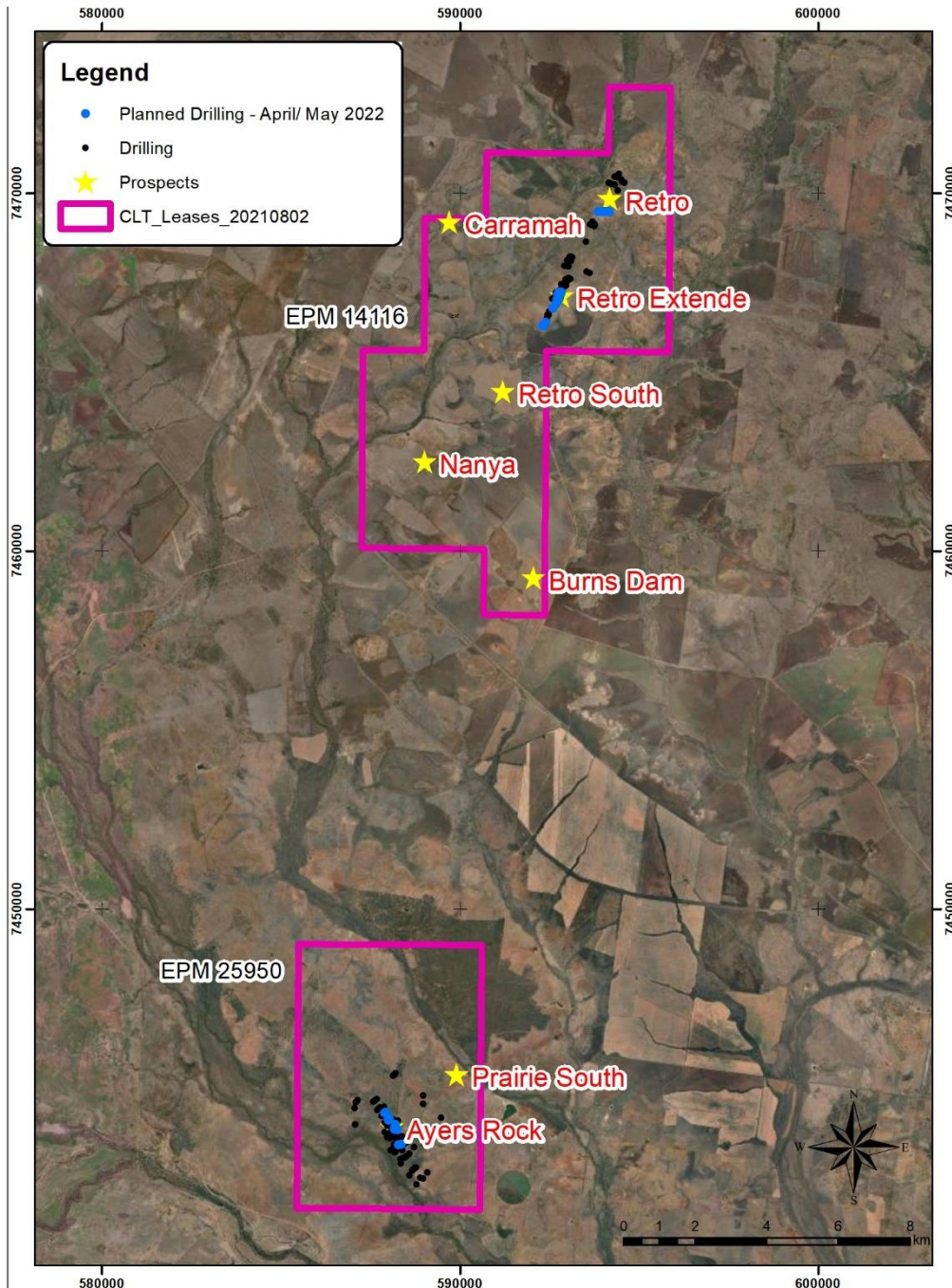


Figure 4: Mt Clermont and Capella gold project RC hole planned locations. The collars may change depending on the outcome.



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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.

Corporate

New Opportunities

The board continues to assess 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 section 5.7 of the Company's Prospectus.

Activity Description	Funds Allocated	Actual to Date (11 months)
Exploration (2 years)	\$3,600,000	\$1,247,000
Administration (2 years)	\$1,265,000	\$575,000
Expenses of the Offer	\$409,000	\$284,000

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the March quarter \$156,000 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



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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 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 Metals Limited – tenements held directly by Australasian Metals or subsidiary company as at 31 March 2022

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, EL 32830	-	-	100%	Northern Territory
Burrow Creek, EL 30507	90%	-	90%	Northern Territory
Burrow Creek, EL 28515	90%	-	90%	Northern Territory
Burrow Creek, EL 29724	90%	-	90%	Northern Territory
Burrow Creek, EL 29725	90%	-	90%	Northern Territory
Burrow Creek, EL 30470	90%	-	90%	Northern Territory

Appendix 5B

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

Name of entity

AUSTRALASIAN METALS LIMITED

ABN

54 625 744 907

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(253)	(357)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(79)	(351)
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)	-	-
1.9 Net cash from / (used in) operating activities	(332)	(708)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(20)	(25)
(d) exploration & evaluation (if capitalised)	(337)	(757)
(e) investments	-	-
(f) other non-current assets	-	-

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 (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(357)	(782)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(6)	(164)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liability)	(1)	(12)
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	(7)	2,324

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,773	5,243
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(332)	(708)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(357)	(782)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	2,324

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,077	6,077

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	6,077	6,773
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)	6,077	6,773

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(17)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(139)

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

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)	(332)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(337)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(669)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,077
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,077
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9
<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	

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

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: 28 April 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.