Granting of Mt Peake Lithium Project Exploration Licence, NT

Highlights

- Exploration Licence (EL 32830), located in the central part of the Arunta Pegmatite province, has been successfully granted for an initial period of 6 years
- Preliminary results from the soil geochemical sampling program have identified northwest striking trends of anomalous Li, Rb, Cs, Nb and Ta, consistent with our regional geological interpretation and DGPR geophysics work
- Follow up work including infill soil sampling and field checking to commence shortly
- Further soil geochemical lines are planned to extend this program approximately 2km to the south-east

Australasian Metals Limited (**ASX: A8G**, **Australasian** or the **Company**) is pleased to advise that the Company has received confirmation that Exploration License (EL) 32830, representing the Mt Peake Lithium Project in the prospective Northern Arunta pegmatite province, Northern Territory, has been successfully granted by the Northern Territory Mines Department.

The Company has also completed a soil geochemical sampling program focussed on the northwest corner of EL32830, with six sample lines, 400m apart. Sampling was completed at 100m and 50m along lines (**Figure 1**). The size of the program is such that clear anomalous values can be established over a relative background. The transects were designed to cover sub-cropping or shallowly buried pegmatite dykes or swarms of pegmatites outcropping along the northwest striking into Core Lithium Ltd's (ASX:CXO) tenement to the northwest.

A8G Managing Director Dr Qingtao Zeng commented:

"The granting of the Mt Peake exploration license allows us to be more aggressive with our on-ground exploration. The soil sampling program successfully identified the northwest striking structures which are consistent with the DGPR interpretation. This gives us added

confidence in our exploration strategy in identifying potentially mineralised pegmatites, and helps to firm up our future drilling targets".

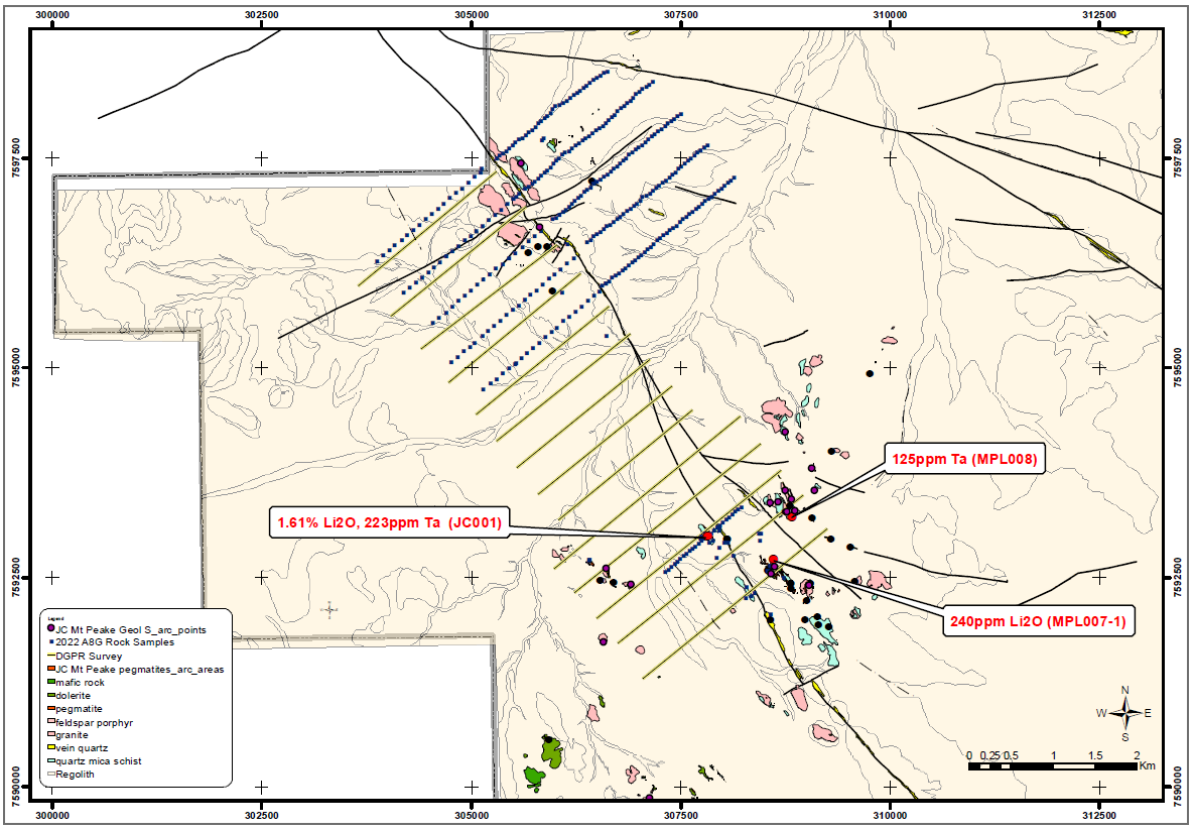

Figure 1: *Location of the DGPR survey lines and the soil sample program coverage in the northwest corner of the Mt Peake Lithium project. The base map was the de facto geological map produced by the Company.*

About the Soil Geochemistry Survey

The soil samples were submitted to ALS in Perth for analysis by the ionic leach method. This method is a "partial digest" technique that uses very dilute chemical solutions to only extract weakly bound ions from the sample for analysis. Many case studies have shown that partial digests tend to give better discrimination of soil geochemical anomalies over background values. However, the weak nature of the chemical solutions used means that the absolute values of metals returned in the analysis are much lower than those returned from more aggressive digestion techniques such as aqua regia and four acid digests. It is the background-to-anomaly ratio that is the critical factor to consider.

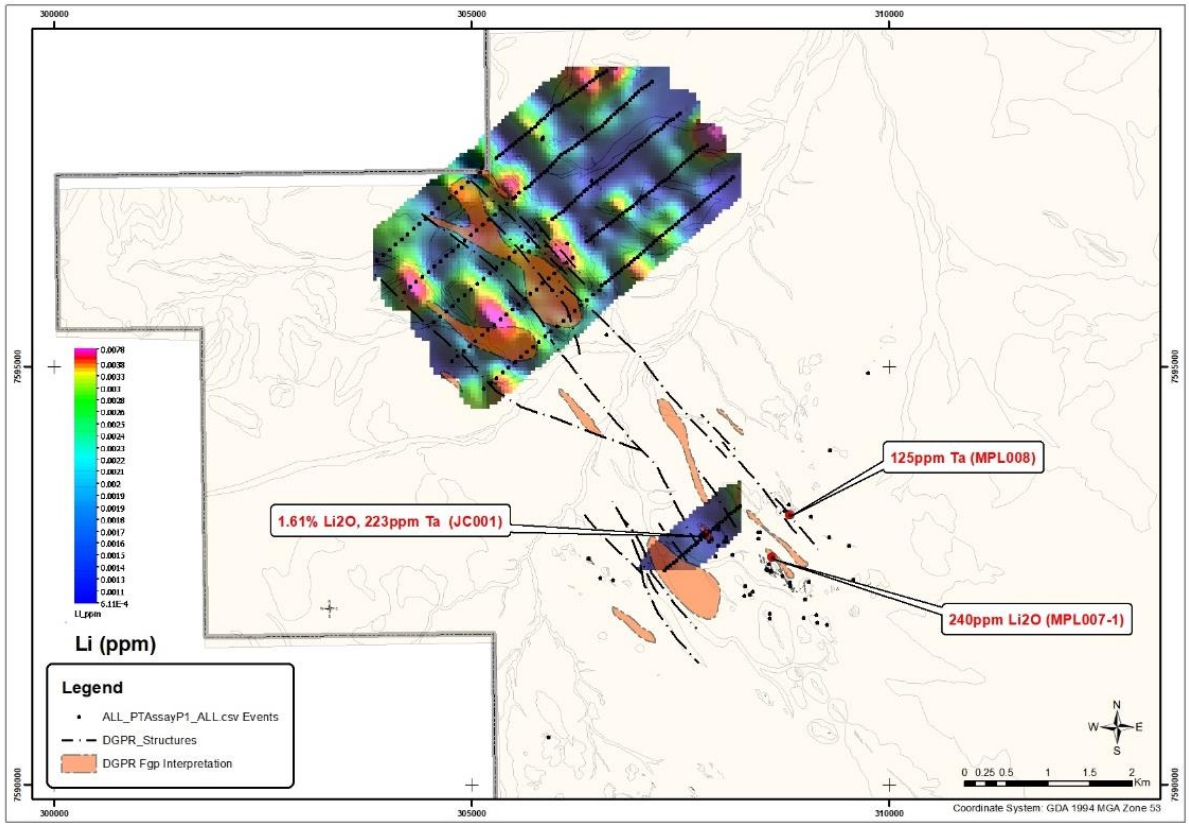

***Figure 2**: Li content contour map from soil sampling program with DGPR interpretated pegmatite occurrence in shallow depth*

The lithium content contour map (**Figure 2** above) shows the overall northwest trending anomalism, two of which have reasonable overlaps with interpreted pegmatite dyke structures in the southwest corner of the contour map. The Rb content contour map (**Figure 3** below) has defined more clear northwest striking structures and sample JC001 correlates with relatively high Rb enrichment in survey lines covering that area. The Company believes that Li-Rb under the "partial digest" technique has achieved our aim to validate the project's prospectivity for Li-bearing pegmatites at shallow depths.

Next Steps

The results of A8G's maiden soil geochemical sampling program at the Mt Peake Lithium project have outlined several potential targets for further work. The next steps are to extend the program to the south-east in order to double the area covered and to conduct infill sampling to follow up areas of anomalism from this first phase of sampling. Rock chips

samples are being assayed from the last fieldtrip. Potential outcome could significantly improve our geological understanding on the lithium mineralisation.

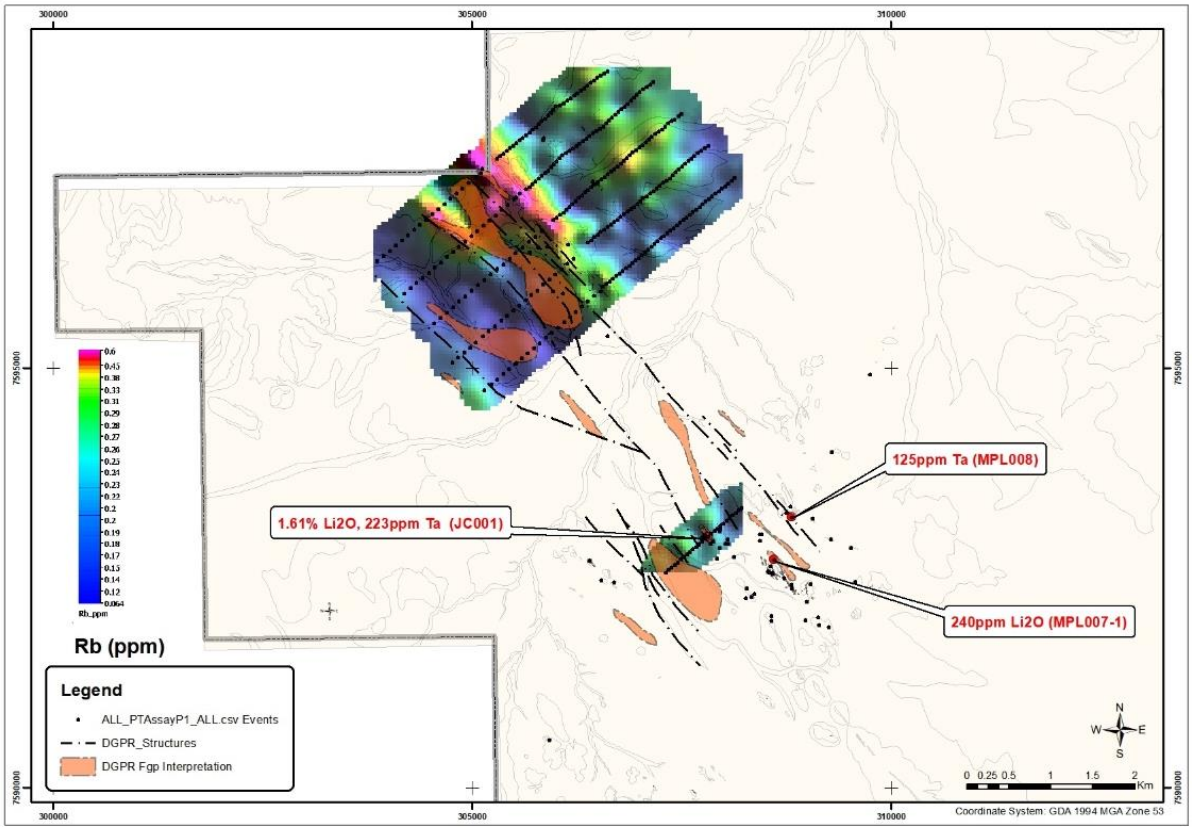

Figure 3: *Rb content contour map from soil sampling program with DGPR interpretated pegmatite occurrence in shallow depth*

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

ENDS

For Further Information

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Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Graeme Fraser, Non-Executive Director of

Australasian Metals Limited (**A8G**). Mr Fraser is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Fraser consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Fraser is a shareholder of A8G.

Report compliant with the JORC Code (2012).

Section 1: Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Soil samples of a weight of about 200 grams were taken from a depth of about 10 to 15 cm below surface. They were sieved on site to -2mm and placed in plastic snap seal bags for transport to the laboratory; • The soil samples were taken at 50 and 100 metre spacings along lines spaced at 400 metres. The lines were oriented perpendicular to the overall mapped geological structure. Enough samples were taken to establish the background values of the metals and elements that can be used to determine a level of anomalism. • The soil samples were taken suing industry standard procedures and were only handled by the company's geologists. They were posted through TNT logistic from Alice Spring to Perth and sent to ALS Perth.
Drilling techniques	• No drilling has been undertaken or reported in this announcement
Drill sample recovery	• No drilling has been undertaken or reported in this announcement
Logging	• Not applicable as no drilling has been undertaken
Sub-sampling techniques and sample preparation	• The size and distribution of the soil samples is appropriate for regional exploration within the scale of the Mt Peake project.
Quality of assay data and laboratory tests	• Lab Quality Control procedures of soil samples involve the use of internal certified reference materials as assay standards, along with blanks, duplicates, and replicates. • No field duplicates were taken in the field as this is not warranted at this early stage of exploration. • Sample sizes are appropriate • Samples were submitted to ALS laboratories in Perth for analysis by the ionic leach method ME-MS23 with IPC-MS finish for 61 elements including: Ag, Au, Bi, Cd, Co, Cr, Cs, Cu, Li, Mo, Ni, Pb, Pd, Pt, Sn, Ta, W, Zn. Sample preparation involved weighing out of 50 g of the soil sample and adding a fixed aliquot of the digest.
Verification of sampling and assaying	• The results have not been verified by independent or alternative companies. This is not required at this stage of exploration • Primary assay data has been entered into standard Excel templates for plotting in QGIS and IOGAS • There are no adjustments to the assay data
Location of data points	• Sample locations were located by handheld GPS and recorded by field geologist directly. All site data is reported in Geocentric Datum of Australia 1994 (GDA94) and Vertical Datum in Australian Height Datum (AHD). The map projection is MGA Zone 53.

Criteria	Commentary
Data spacing and distribution	• The samples were taken at 50 or 100 meter spacing along traverses at 400 metre spacings
Orientation of data in relation to geological structure	• Through de facto mapping work, the Company believes the overall stratigraphy is striking northwest. Therefore, our soil sampling program were conducted along the northeast direction, which is perpendicular to the geological structure.
Sample security	• Samples were taken by Australasian Metals contractors and delivered by them directly to the laboratory via TNT freight.
Audits or reviews	• At this stage of exploration a review of the sampling techniques and data by an external party is not warranted.

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

Criteria	Commentary
Mineral tenement and land tenure status	• The Mt Peake lithium project currently comprises 1 exploration licence covering over 640 km2. The tenement is held 100% by the Company. • No aboriginal sites or places have been declared or recorded in areas under investigation. There are no national parks over the license area. • Australasia have assured the author that the tenements are in good standing with no known impediments. A legal opinion on the status of the tenements is provided in the Legal section of this prospectus.
Exploration done by other parties	• Very limited exploration work done in EPA32830. Only two mineral occurrences were recorded for fluorite and chrome.
Geology	• This area has historical tin production and limited Morden exploration has been conducted in this area for lithium. There are a series of intrusives including granite, pegmatite and aplite. The host rocks include mafic schists, psammites and quartz mica schists. There are late stage quartz veins mainly northwest-southeast striking
Drill hole Information	• NA. No drilling reported
Data aggregation methods	• NA. No drilling reported
Relationship between mineralisation widths and intercept lengths	• NA. No drilling reported
Diagrams	• Please refer to Figures in body of text.
Balanced reporting	• All results reported are representative.

Criteria	Commentary
Other substantive exploration data	• There is reported lithium exploration work reported in EP26848 which shares a common boundaries with EPA32830.This is reported in the text of the announcement.
Further work	• Follow up work programmes will include further mapping, infill sampling and rock chip sampling.