

21 April 2022

All Star Minerals Plc
("All Star" or the "Company")

Heads of Agreement Signed for Investments in Advanced Battery Metals Projects

All Star (AQSE:ASMO), an Investing Company listed on the AQSE Stock Exchange, announces that it has entered into Heads of Agreement ("HoA") with Gathoni Muchai Investments Limited ("GMI") to acquire interests, secured by GMI, in the Blesberg Lithium and Tantalum Project in South Africa (the "Blesberg Project") and the Nkombwa Hill Tantalum, Rare Earth Elements and Phosphate Project in Zambia (the "Nkombwa Project") (together the "Projects"), and other mining and exploration projects introduced by GMI as part of the transaction (the "Transaction").

The HoA outlines the principal commercial terms upon which All Star could invest in the Projects subject to completion of due diligence.

Highlights

- § The Blesberg Project is an advanced project and comprises the former producing Blesberg mine located in the Northern Cape Province of South Africa
- § The Blesberg mine is one of the largest known mineralised pegmatite deposits in the Northern Cape pegmatite belt in South Africa
- § Historic production from the Blesberg mine included spodumene concentrate (containing lithium), tantalite, as well as feldspar, bismuth, beryl and mica
- § Historical samples collected from the Blesberg open cut mine in 2016 assayed between 1.27% and 6.42% Li₂O from 6 of the 20 samples taken
- § Previous drilling and trenching in 2017 at the Blesberg mine confirmed areas of spodumene lithium mineralisation present in the highly zoned pegmatites - this drilling successfully increased the known strike length of the main pegmatite by over 1km in length with significant widths of pegmatite intersected
- § Historic exploration and feasibility study work focused on the production of high-value feldspar and by-product production of spodumene concentrate and tantalite
- § The Board believes there is potential for the Company to increase the spodumene (lithium) resources in the pegmatites with the view to accelerate new mine development given the robust market conditions and market pricing of lithium concentrates

- § The Nkombwa Project is a major mineralised carbonate complex located in northeast Zambia
- § Previous exploration has defined a JORC 2012 Compliant Total Indicated and Inferred Mineral Resource of 21.8Mt at a grade of 7.06% P₂O₅ and 1.17% Total Rare Earth Oxides ("TREOs") at a 3.0% P₂O₅ cut-off
- § As a subset of the Total Mineral Resource above, a Total Mineral Resource of 2.78Mt at a grade of 2.76% TREO and 6.43% P₂O₅ at a 1.0% TREO cut-off grade was defined
- § The reported Total Mineral Resource was defined on an area of less than 5% of the Nkombwa Hill deposit and highlights the significant resource upside potential that exists for both phosphate, rare earth elements and also tantalum and niobium mineralisation
- § The Board believes that there is potential for the Nkombwa Project to deliver near term cash flow, with low initial capital costs, through the phased development of the near surface tantalum and niobium mineralisation into a small-scale mining operation within the next 6-9 months producing a tantalum-niobium concentrate
- § In conjunction with the near-term production, the Company intends to carry out a systematic exploration programme to fully assess the phosphate, rare earth elements and tantalum and niobium mineralisation and report Mineral Resources in accordance with the JORC 2012 Code

- § The Board believes that by securing interests and investing in these Projects, they each have the potential to deliver positive returns to shareholders
- § The Company is well advanced with its due diligence reviews of the Projects and expects to conclude these processes by 30 June 2022
- § The location of these Projects in well-established mining jurisdictions such as South Africa and Zambia, where the Board has significant operating expertise and has strong local partners is another key strength of these Projects to the Company

Jason Brewer, CEO, said:

"I am pleased to announce the signing of a HoA for these exciting Projects. As your new CEO, I am looking forward to steering the Company in a different direction, which includes a portfolio of battery metal assets, as the world continues its focus on the green revolution and ways in which we can better take care of our environment.

"With the due diligence processes well advanced, we are confident that the Nkombwa and the Blesberg Projects will prove to be

a perfect match for the Company, particularly considering the Board's extensive operating experience in the established mining jurisdictions in which they are located and the local partners we have there.

"The signing of this HoA and our confidence in the due diligence programme means the Company can set its sights on the next significant milestones of value creation to deliver near term growth, as we look to deliver on a number of new projects and investment opportunities. We look forward to updating you shortly."

Terms of the HoA

§ In regards to the Nkombwa Project, the Company will have the option to acquire an initial 25% legal and beneficial interest through a staged cash investment of US\$150,000 into the Project

§ The Company can also acquire an initial 5% interest in the Blesberg Project by issuing £37,500 in fully paid-up ordinary shares in the Company and providing a cash deposit of £37,500 to the Blesberg Project shareholders including GMI, and the Company can further increase this to 30% with an additional cash payment of £200,000 and by issuing £300,000 in fully paid-up ordinary shares in the Company

§ Increased investments in the Projects will be further secured by the Company through both cash and share based payments and through investment in exploration and development of the Projects

§ The Company will issue GMI and its consultants US\$10,000 in fully paid-up ordinary share capital in the Company ("Exclusivity Fee") for an exclusivity period with GMI in relation to the Transaction

§ In addition, the Company will issue US\$125,000 in value of fully paid up ordinary shares in the Company, to GMI and its consultants, allocated at the time of the Company's next capital raise ("Fee Shares")

§ The Company will also have the right, but not the obligation to acquire majority controlling interests in the Projects until 30 June 2023 upon which GMI and its consultants will be entitled to receive an additional US\$125,000 of ordinary shares in the Company at the same issue price as the Fee Shares

The Company will need to seek further funding to undertake increased investments in the Projects and there is no certainty or guarantee that either of the Projects under review will complete. An acquisition of a controlling interest in either of the Projects is subject to raising further funding, certain milestone payments and regulatory approval and may constitute a reverse transaction.

Related party transaction

Jason Brewer, Chief Executive Officer and shareholder of the Company, is a connected person to the Chief Executive Officer of GMI and a substantial shareholder and director of GMI.

The Transaction is deemed to be a related party transaction pursuant to AQSE Rule 4.6 of the AQSE Growth Market Access Rulebook.

Issue of Equity

As stated above, the Company will issue 22,000,000 ordinary shares at a price of 0.035 pence per share, to GMI for an exclusivity period in relation to the Transaction.

Application will be made to admit the 22,000,000 new ordinary to trading on AQSE Growth Market. Admission of the new ordinary shares is expected to occur on or around 28 April 2022. The new ordinary shares will rank pari passu with the existing ordinary shares.

The Directors of All Star are responsible for the content of this announcement.

This announcement contains inside information for the purposes of UK Market Abuse Regulation, and has been arranged for release by Jason Brewer, Chief Executive Officer of the Company.

Enquiries:

All Star Minerals Plc Jason Brewer, Chief Executive Officer	jason@allstarminerals.co.uk Contact via BlytheRay, Financial PR and IR (details below)
AQSE Corporate Adviser Cairn Financial Advisers LLP Liam Murray / Ludovico Lazzaretti	+44 (0)20 7213 0880
Broker SP Angel Corporate Finance LLP Ewan Leggat / Charlie Bouverat	+ 44 (0)20 3470 0470
Financial PR and IR BlytheRay Tim Blythe / Megan Ray	+44 (0)20 7138 3204

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking

statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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