

ASKARI METALS LIMITED
ACN 646 034 460

ENTITLEMENT ISSUE PROSPECTUS – LOYALTY OPTIONS

For a non-renounceable entitlement issue of 1 Loyalty Option for every 4 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Loyalty Option to raise up to \$21,261 (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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IMPORTANT NOTICE

This Prospectus is dated 8 October 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives,

financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 3.11.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 7.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has

determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (askarimetals.com). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at askarimetals.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 400 408 878 during office hours or by emailing the Company at info@askarimetals.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 9.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate

communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 419 942 112.

1. CORPORATE DIRECTORY

Directors

Robert Downey
Chairman

Brendan Cummins
Technical Director

Gino D'Anna
Director

David Greenwood
Technical Director

Company Secretary

Paul Fromson

Registered Office

17 Lacey Street
PERTH WA 6000

Email: info@askarimetals.com
Website: www.askarimetals.com

Australian Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Telephone: +61 8 9321 4000
Facsimile: +61 8 9321 4333

ASX Code:

AS2

Share Registry*

Automic Pty Ltd
Level 2
267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Auditor*

HLB Mann Judd
(WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

Telephone: +61 8 9227 7500

Lead Manager

Peak Asset Management
Level 39, 55 Collins Street
MELBOURNE VIC 3000

Telephone: 1300 304 460

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	8 October 2021
Lodgement of Prospectus and Appendix 3B with ASX	8 October 2021
Ex date	13 October 2021
Record Date for determining Entitlements	14 October 2021
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	15 October 2021
Last day to extend the Closing Date	21 October 2021
Closing Date as at 5:00pm*	26 October 2021
Options quoted on a deferred settlement basis	27 October 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Options	29 October 2021

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Options are expected to commence trading on ASX may vary.

3. DETAILS OF THE OFFER

3.1 The Offer

The purpose of the Offer is to recognise the invaluable support the Company has received from its Shareholders. The Offer is an opportunity for Shareholders to participate in the development of the Company.

In addition, the Offer will provide the Company with a potential source of additional capital if the Loyalty Options are exercised in the future.

The Offer is being made as a non-renounceable entitlement issue of 1 Loyalty Option for every 4 Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Loyalty Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 10,630,250 Loyalty Options will be issued pursuant to this Offer to raise up to approximately \$21,261. If all Loyalty Options issued under the Offer are exercised (exercisable at \$0.25 on or before the date that is three years from the date of issue), the Company will receive approximately \$2,657,563.

As at the date of this Prospectus the Company has 2,981,250 Options on issue which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.1 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in section 5.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose and financial effect of the Offer are set out in sections 4.1 and 4.2 of this Prospectus.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or

- (b) if you do not wish to accept all of your Entitlement, you are not obliged to do anything.

3.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Askari Metals Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm (WST) on the Closing Date.

3.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) you must take up, as a minimum, your Entitlement in full.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of Loyalty Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.6 Underwriting

The Offer is not underwritten.

3.7 Dilutionary effect

In addition, Shareholders should note that if they do not participate in the Offer, their holdings, upon the future exercise of the Options offered under the Offer (provided no existing Options are exercised), are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% Record at Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	7,000,000	16.46%	1,750,000	7,000,000	13.01%
Shareholder 2	3,000,000	7.06%	1,000,000	3,000,000	5.58%
Shareholder 3	1,000,000	2.35%	250,000	1,000,000	1.86%

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 4	500,000	1.18%	125,000	500,000	0.93%
Shareholder 5	200,000	0.47%	50,000	200,000	0.37%

Notes:

1. This table assumes that all Options issued under the Offer are exercised
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Loyalty Option to be issued under the Shortfall Offer shall be \$0.002 being the price at which Loyalty Options have been offered under the Offer.

The Directors reserve the right to issue Shortfall Options at their absolute discretion. Accordingly, do not apply for Shortfall Options unless instructed to do so by the Directors.

3.9 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

3.10 Issue

Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Options issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Options issued is less than the number applied for, or where no allotment is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company,

however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

3.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.12 Enquiries

Any questions concerning the Offer should be directed to Mr Paul Fromson, Company Secretary, on +61 419 942 112.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to reward the loyalty of Company shareholders and provide an opportunity for Shareholders to participate in the development of the Company.

The Offer will result in the Company raising funds of up to \$21,261. However, the Offer will provide the Company with a potential source of additional capital if the Loyalty Options are exercised in the future (being, approximately \$2,657,563 where all entitlements are taken up).

All proceeds raised under the Offer will be applied to the expenses of the Offer as set out in Section 7.7.

4.2 Financial effect of the Offers

The expenses of the Offer (exceeding any amount raised under the Offer) will be met from the Company's existing cash reserves.

Accordingly, the Offer will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves.

4.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	42,521,000
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	42,521,000

Options

	Number
Options currently on issue ¹	2,981,250
Loyalty Options offered pursuant to the Offer	10,630,250
Loyalty Options to be issued to Lead Manager ²	637,815
Total Options on issue after completion of the Offer	14,249,315

Notes:

1. Comprising:
 - (a) 281,250 Options exercisable at \$0.25 on or before 25 June 2023.
 - (b) 200,000 Options exercisable at \$0.25 on or before 6 September 2023.
 - (c) 2,500,000 Options exercisable at \$0.25 on or before 25 June 2024.

- The Company has entered into a lead manager mandate with Peak Asset Management pursuant to which Peak Asset Management will be issued that number of Options equal to 6% of the Loyalty Options issued under the Offer.

Performance Rights

	Number
Performance Rights currently on issue ¹	4,400,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	4,400,000

Notes:

- The Company has issued:
 - 3,400,000 Class A and B Performance Rights; and
 - 200,000 of each Class C, D, E, F and G Performance Rights (to a total of 1,000,000 Performance Rights),
 which will convert into Shares on the basis of certain performance milestones being achieved.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 49,902,250 Shares (assuming all Options are exercised) and on completion of the Offer (assuming all Entitlements are accepted) would be 61,170,315 Shares.

4.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Gino D'Anna <Internazionale A/C>	4,955,000	11.65
10 Bolivianos Pty Ltd ¹	4,691,501	11.03

Notes:

- An entity controlled by Mr Niv Dagan of Peak Asset Management, Lead Manager to the Offers.

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only Options are being issued.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Loyalty Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 business days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 business days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(f) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(g) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of its securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Options will increase from 2,981,250 currently on issue to 14,249,315 and this has the potential to increase the number of Shares on issue from 42,521,000 to 56,770,315 (assuming the exercise of all Options under the Offer). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict how many Options may be exercised and at that time what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.21 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Exploration Risk

The mineral exploration licences comprising the Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited

(c) COVID-19 Pandemic and Possible Similar Future Outbreaks Risk

At the time of issue of this Prospectus, the global pandemic COVID-19 is having a significant and material impact on global markets and

providing substantial impingement on the day-to-day operations of businesses.

The pandemic may disrupt or prevent Askari Metals from undertaking its operations and intended programs and may impact Askari Metals' ability to raise capital in the near to medium term future. Different regions in the world have from time to time experienced outbreaks of various viruses.

At this time, a widespread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, the pandemic has had and will continue to have a significant and severe impact on the lives of a large portion of the global population and cause significant effects on global markets and trade.

At this time, the pandemic has caused states of emergencies to be declared in various countries, travel restrictions and bans being imposed, quarantines being established and various industries, businesses, companies and institutions to close.

The ongoing effect of COVID-19 and any possible future outbreaks of viruses may have a significant adverse effect on Askari Metals operations, such as preventing Askari Metals from carrying out its planned exploration activities and disruptions to Askari Metals' supply chains and access to employees/contractors. The current pandemic may also have a severe negative impact on the economies in which Askari Metals operates, which may affect Askari Metals' ability to raise capital, decrease incomes of Askari Metals and/or Askari Metals' ability to pay its creditors in the event that its operations are negatively affected.

(d) Tenure and Title Risk

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all.

In addition, interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, Askari Metals could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. The Tenements currently also comprise a number of pending tenement applications.

Whilst the Company's view is that the risk pending applications are not granted is low, if those applications were not to be granted, then there is a risk that Askari Metals cannot commence its operations in respect of the Project area that is covered by the relevant application, and that the value of the Project is correspondingly diminished. If/once granted, the pending applications will be covered by the relevant access agreements.

(e) **Access and Infrastructure Risk**

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties.

There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

The Company's projects are and may be further affected by legitimate common law native title rights of Aboriginal Australians as discussed in Native Title Risk section below.

(f) **Operational Risk**

Exploration for and mining of minerals is highly speculative, and no assurance can be given that production will be obtained from the areas in which Askari Metals has or may acquire an interest, or that production and marketing of any materials discovered by Askari Metals will prove to be economic. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond Askari Metals' control, for example, the economics of mining operations. Until Askari Metals is able to realise value from Askari Metals' projects, Askari Metals is likely to incur ongoing operating losses.

In summary, mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore reserves;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees.

Other factors that could affect Askari Metals' operations include:

- (i) failure to achieve predicted grades in exploration and mining;
- (ii) poor performance levels from external contractors;
- (iii) operational and technical difficulties encountered in mining;
- (iv) difficulties in commissioning and operating plant and equipment;

- (v) availability of suitable plant and expertise from contractors and consultants;
- (vi) mechanical failure or plant breakdown;
- (vii) unanticipated metallurgical problems which may affect extraction rates and costs;
- (viii) adverse weather conditions;
- (ix) industrial and environmental accidents;
- (x) industrial disputes;
- (xi) availability of water and power; and
- (xii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Consequently, and while the Directors will make every effort to reduce the above risks through their experience in the exploration and mining industry, there can be no assurance that Askari Metals will be able to develop and commercialise mineral extraction from its tenements and generate positive cashflow to sustain Askari Metals' financial viability.

(g) **Native Title Risk**

It is possible that, in relation to tenements which Askari Metals has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If/where native title rights do exist, the ability of Askari Metals to gain access to tenements (through obtaining consent of any relevant native title claimant), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors continue to closely monitor the potential effect of native title claims involving tenements in which Askari Metals has or may have an interest.

(h) **Ore Reserves and Mineral Resource Estimates**

Should the Company define an ore reserve and/or mineral resource on any of its projects, they will be estimates that are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience.

(i) **Commodity and Currency Price Volatility**

Commodity prices are subject to influencing factors beyond the control of Askari Metals and can be subject to significant fluctuations.

Some of these influencing factors include:

- (i) the COVID-19 pandemic;
- (ii) world demand for particular commodities;

- (iii) the level of production costs in major commodity producing regions; and
- (iv) expectations regarding inflation, interest rates and US dollar exchange rates. Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on Askari Metals' operations and financial position.

Factors affecting commodity prices include:

- (i) supply and demand fluctuations for specific commodities;
- (ii) changes in investor sentiment toward specific commodities;
- (iii) speculative trading;
- (iv) forward selling activities; and
- (v) macro-economic factors such as inflation and interest rates.

(j) **Development Risk/Profitability**

Askari Metals' commercial viability will be dependent upon the successful development and operation of Askari Metals' projects and any other activity that Askari Metals may undertake.

No assurances can be given that Askari Metals will be able to initiate or sustain successful mining operations at any of Askari Metals' current tenements or that operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.

(k) **Environmental Risks**

Environmental risks are inherent in mining operations. Askari Metals adopts practices which Askari Metals believes are appropriate to minimise the potential of causing environmental damage in all Askari Metals' operations, but no assurance can be made that Askari Metals will not be affected by environmental claims or issues in the future.

The Board is strongly committed to conducting operations in an environmentally responsible manner, applying the highest standards and industry best practice to all of Askari Metals' field activities. Surface disturbance is kept to a minimum, but where it is necessary, full cognisance is given to the environmental impact of the work to be carried out. Relevant government approvals are obtained and measures are taken to minimise the environmental impact and to ensure that following the activities involved, the land is restored and rehabilitated to as close as possible to its original condition.

The Board is not aware of any complaints about Askari Metals' environmental practices or impacts of its activities from owners of land on which Askari Metals has operated or from any relevant Government officers or agencies with regulatory responsibility.

(l) **Production and Cost Estimates**

By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from Askari Metals' estimates and assumptions and may materially and adversely affect Askari Metals' commercial viability and future results.

(m) **Government and Regulatory Approvals**

There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.

(n) **Regulatory**

Askari Metals' activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters. In addition, Askari Metals is required to obtain numerous government permits, leases, licences and approvals in respect of our exploration and mining operations. There is a risk that Askari Metals may not obtain or may lose permits, leases, licences or approvals, essential to its operations.

Askari Metals cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on Askari Metals' business or financial condition.

(o) **Uninsured Loss and Liability**

Exploration for and development of minerals involves hazards and risks that could result in Askari Metals incurring losses and liabilities to third parties. There is a risk that Askari Metals may not be insured against all losses or liabilities that could arise from Askari Metals' operations. If Askari Metals incurs losses or liabilities which are not covered by Askari Metals' insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of Askari Metals' assets may be at risk.

(p) **Occupational Health and Safety**

There is an inherent risk of workplace accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy workplace for Askari Metals' employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(q) **Future capital requirements**

Askari Metals' ongoing activities will require ongoing expenditures. There can be no guarantee that the funds raised by Askari Metals under the Seed Raising, the Offer and other capital raisings will be sufficient to successfully achieve all the objectives of Askari Metals' overall business strategy.

If Askari Metals is unable to continue to use equity to fund expansion after the substantial exhaustion of Askari Metals' existing funds, there can be no assurances that Askari Metals will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funds on terms acceptable to Askari Metals or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit Askari Metals' operations and business strategy. Askari Metals' failure to raise capital if and when needed could delay or suspend Askari Metals' business strategy and could have a material adverse effect on Askari Metals' activities.

(r) **Funding Risk**

The ability of Askari Metals to continue as a going concern is dependent upon the ability of Askari Metals to secure funds by raising capital from equity markets and managing cash flow in line with available funds. If Askari Metals is unable to secure the necessary funding, it may cast significant doubt about Askari Metals' ability to continue as a going concern and therefore Askari Metals may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial report.

(s) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(t) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of Askari Metals may be dependent upon Askari Metals' senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on Askari Metals if one, or a number of, those employees or consultants cease their employment or engagement with Askari Metals.

(u) **New Projects**

To achieve Askari Metals' objectives, Askari Metals may acquire or invest in new projects from time to time. However, there is always risk that Askari Metals may not be successful in negotiating for an acquisition of a new project. Any new projects will also be subject to their own inherent and specific risks.

6.3 Legal and Tax Risks

(a) **Litigation**

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject to, could have a material effect on the Company's operations, financial position, and the value of the Company's securities.

(b) **Environmental Regulation**

The Company's operations are subject to national and international laws and regulations due to those operations involving environmentally hazardous activities. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted.

Significant liability could be imposed on the Company for environmental damage caused by the Company or previous owners of the Tenements, including damages, clean-up costs and penalties for non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. No assurance can however be given that environmental damage will not occur from time to time through the Company's operations.

(c) **Taxation risks**

The Company is subject to Australian tax legislation, practice and interpretation. Any change in the Company's tax status or the tax applicable to the Company's securities through taxation legislation or its interpretation, could affect the value of the investments held by the Company, its ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.

Information relating to the taxation of the Company and its investors is based upon current tax law and practice which is subject to legislative change. Furthermore, the taxation of an investment in the Company depends on the individual circumstances of investors. Changes in the tax laws of Australia could have a material adverse effect on the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner.

The Company has made certain assumptions regarding taxation in establishing its corporate structure, the ongoing management of its taxation affairs and compliance with taxation legislation within the jurisdictions in which the Company operates. If these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (including on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated.

This could alter the level of returns and/or adversely affect the quantum of post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends. In addition, the Company may incur costs in taking steps to mitigate any such adverse effects on the returns for Shareholders.

(d) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

6.4 Industry specific

(a) **Commodity Price Volatility**

Should the Company enter production, substantially all of the Company's revenues and cash flows will be derived from the sale of Copper and Gold concentrates. Therefore, the financial performance of the Company would be exposed to fluctuations in the price of these commodities. Historically, the price of these commodities has fluctuated widely and has experienced periods of significant decline. The price of these commodities is affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity as well as general global economic conditions and political trends.

(b) **Mining Risks**

Mining is subject to inherent risks and is dependent upon a number of conditions beyond the control of Askari Metals that can affect the costs and production schedules at particular mines. These risks and conditions include, but are not limited to:

- (i) variations in geological conditions, such as the grade and thickness of the mineralisation and variations in rock and other natural materials overlying the mineral deposit;

- (ii) mining, process and equipment or mechanical failures and unexpected maintenance problems;
- (iii) adverse weather and natural disasters, such as heavy rains, flooding and other natural events affecting the operations, transportation or customers;
- (iv) environmental hazards, such as subsidence and excess water ingress;
- (v) delays and difficulties in acquiring, maintaining or renewing necessary permits or mining rights;
- (vi) availability of adequate skilled employees and other labor relations matters;
- (vii) unexpected mine accidents, including rock-falls and explosions caused by natural gas or other explosive sources at our mine sites or fires caused by similar mining accidents; and
- (viii) competition and/or conflicts with other natural resource extraction activities and production within our operating areas.

These risks and conditions could result in damage to or the destruction of Askari Metals mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. Askari Metals' insurance coverage may not be available or sufficient to fully cover claims that may arise from these risks and conditions.

6.5 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Unforeseen Expenses**

The proposed expenditure on the Company's projects may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus. While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were incurred, the expenditure proposals of the Company may be adversely affected.

6.6 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of the Company being admitted to the Official List of the ASX are set out in the table below.

Date	Description of Announcement
04/10/21	Askari Entitlement Issue of Options (Amended)
29/09/21	Appendix 4G – Corporate Governance disclosures
29/09/21	Annual Report to shareholders
28/09/21	Proposed issue of securities – AS2
28/09/21	Askari Metals Limited Loyalty Options Issue Offer
20/08/21	Change of Director's Interest Notice – Mr D'Anna
19/08/21	Askari Metals Virtual Gold Conference Presentation
18/08/21	Field Exploration Program Commences Callawa Copper Project
17/08/21	Change in substantial holding
16/08/21	Phase I Drilling Program at Burracoppin Project Complete
11/08/21	Exploration Program Commenced at Horry Copper Project
05/08/21	Permits Granted for Springdale Copper-Gold Project, NSW
30/07/21	Quarterly Activities Report
30/07/21	Quarterly Activities/ Appendix 5B Cash Flow Report
28/07/21	RC Drilling Program Underway at Burracoppin Gold Project
26/07/21	Final Drill Design at Burracoppin Gold Project
22/07/21	Reconnaissance Exploration Program completed at Burracoppin
20/07/21	Change in substantial holding
16/07/21	Becoming a substantial holder
16/07/21	Becoming a substantial holder
16/07/21	Becoming a substantial holder

Date	Description of Announcement
15/07/21	Askari Metals Strengthens Board with Experienced Appointment
13/07/21	Drilling Contractor Appointed for Burracoppin Drill Campaign
12/07/21	Experienced Mining and Resource Industry Executive Appointed
09/07/21	Change of Director's Notice
09/07/21	Initial Director's Notice
09/07/21	Initial Director's Notice
09/07/21	Initial Director's Notice
08/07/21	Copper-Gold Focused Askari Metals Investor Presentation
07/07/21	Copper-Gold Focused Askari Metals Successfully Lists on ASX
06/07/21	ASX Waivers and Confirmation
05/07/21	Statement of Confirmations
05/07/21	Statement of Commitments
05/07/21	Confirmation of Issue of Securities
05/07/21	Top 20 Holders
05/07/21	Distribution Schedule
05/07/21	Trading Policy
05/07/21	Corporate Governance Statement
05/07/21	Statement of Financial Position
05/07/21	Management Accounts 31 March 2021
05/07/21	Constitution
05/07/21	Prospectus
05/07/21	Appendix 1A – Annexure I Mining Entities
05/07/21	Appendix 1A – Information Form and Checklist
05/07/21	Appendix 1A
05/07/21	ASX Market Release – Admission and Quotation

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.askarimetals.com

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.27	7 July 2021
Lowest	0.175	4 August 2021
Last	0.22	8 October 2021

7.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Performance Rights	New Option Entitlement	\$
Robert Downey ¹	300,000	800,000	75,000	150
Brendan Cummins ²	525,000	1,000,000	131,250	262.50
Gino D'Anna <Internazionale A/C>	4,955,000	800,000	1,238,750	2,478
David Greenwood ³	Nil	Nil	Nil	Nil

Notes:

1. 300,000 Shares and 800,000 Performance Rights held by Mrs Stella Downey.
2. 525,000 Shares and 1,000,000 Performance Rights held by Icon Custodians Pty Ltd <Cummins Family A/C>.
3. Mr Greenwood was appointed as a director of the Company on 15 July 2021.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration FY 2022 (Proposed) ¹	Remuneration FY 2021 (Actual)
Robert Downey ⁴	\$48,000	Nil
Brendan Cummins ²	\$36,000	Nil
Gino D'Anna ³	\$36,000	Nil

Director	Remuneration FY 2022 (Proposed) ¹	Remuneration FY 2021 (Actual)
David Greenwood ⁵	\$36,000	Nil

Notes:

- 1 Exclusive of superannuation.
- 2 Mr Cummins is entitled to charge an additional \$165 per hour (plus GST) for services provided outside of the general director duties.
- 3 Mr D'Anna is entitled to charge an additional \$125 per hour (plus GST) for services provided outside of the general director duties.
- 4 Mr Downey is entitled to charge an additional \$125 per hour (plus GST) for services provided outside of the general director duties.
- 5 Mr Greenwood is entitled to charge an additional \$165 per hour (plus GST) for services provided outside of the general director duties.

7.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$112,400.50 (excluding GST and disbursements) for legal services provided to the Company.

Peak Asset Management has acted as the lead manager to the Company in relation to the Offer. The Company will issue Peak Asset Management that number of Options equal to 6% of the Options issued under the Offer, on the terms and conditions set out in Section 5.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peak Asset Management has also received brokerage fees of up to 6% (plus GST) in connection with the initial public offer, raising of seed capital and other related services.

7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Peak Asset Management has given its written consent to being named as the lead manager to the Offer in this Prospectus. Peak Asset Management has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$24,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,273
Legal fees	10,000
Miscellaneous	521
Total	24,000

7.8 Electronic prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Options in response to an electronic Application Form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 419 942 112 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.askarimetals.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

7.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Robert Downey
Chairman
For and on behalf of
ASKARI METALS LIMITED

9. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall Options pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Askari Metals Limited (ACN 646 034 460).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Loyalty Option means an option to acquire a Share on the terms and conditions set out in section 5.1 of this Prospectus

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share, including a Loyalty Option as the context requires.

Optionholder means a holder of an Option.

Peak Asset Management or Lead Manager means Peak Asset Management (ABN 81 891 265 739), trustee for Peak Asset Management Unit Trust, a corporate authorised representative (#1249050) of Alpha Securities Pty Ltd (AFSL #330757).

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Options not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 3.8 of this Prospectus.

Shortfall Options means those Options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.