



ANNUAL REPORT

2021



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ASKARI METALS LIMITED
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FOR THE PERIOD ENDED 30 JUNE 2021

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CORPORATE INFORMATION

Directors & Officers

Mr. Robert Downey	Non-Executive Chairman
Mr. Gino D'Anna	Executive Director
Mr Brendan Cummins	Non-Executive Director (Technical)
Mr David Greenwood	Non-Executive Director (Technical)

Company Secretary

Mr Paul Fromson (CFO and Company Secretary)

Registered Office

17 Lacey Street
Perth WA 6000

Auditors

HLB Mann Judd (WA Partnership)
Level 4/ 130 Stirling St
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth

Australian Company Number

ACN 646 034 460

Australian Business Number

ABN 39 646 034 460

Website

www.askarimetals.com

Solicitors

Steinepreis Paganin Lawyers & Consultants
Level 4, the Read Buildings
16 Milligan Street
Perth WA 6000 Australia

Domicile and Country of Incorporation

Australia

Bankers

Bankwest
108 St Georges Terrace
Perth WA 6000

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000
T: 1300 288 664

ASX Code

AS2

**ASKARI METALS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021**

The directors present their report, together with the consolidated financial statements, on Askari Metals Limited (the "Company", "Askari" or "parent entity") and the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Askari Metals Limited and the entities it controlled at the end of, or during, the period from incorporation on 20 November 2020 to 30 June 2021.

Incorporation and Subsequent Name Change

Askari was incorporated on 20 November 2020 as Askari Gold Limited. On 23 February 2021, the name of the Company was changed to Askari Metals Limited.

Directors

The names of the directors in office at any time during or since the end of the period are:

Mr. Gino D'Anna (appointed 20 November 2020)
Mr. Robert Downey (appointed 20 November 2020)
Mr. Brendan Cummins (appointed 20 November 2020)
Mr David Greenwood (appointed 15 July 2021)

Directors were in office for this entire period unless otherwise stated.

Company Secretary

Paul Fromson – CFO and Company Secretary

Principal activities

The principal activity of the Group during the financial year was gold exploration.

Financial results

The financial results of the Group for the year ended 30 June 2021 are:

	30-June-21
Cash and cash equivalents	\$5,802,892
Net assets	\$6,041,440
Total revenue	-
Net loss after tax	(\$370,537)

REVIEW OF OPERATIONS 2021

Askari Metals Limited (ASX: AS2) is pleased to provide shareholders with a report outlining the Company's activities for the period from incorporation to 30 June 2021.

Highlights

Post Year-End Corporate Activities

- Successfully completed its ASX Listing on 7 July 2021 after raising \$5.75 million (before costs) with Peak Asset Management as Lead Manager
- Appointed highly experienced mining and resource industry executive, Mr Johan Lambrechts - initially appointed to the position of Vice President – Exploration and Geology before transitioning to Chief Executive Officer (CEO)
- Strengthened its Board with the appointment of Mr David Greenwood as Technical Director – Mr Greenwood is a highly experienced mining industry executive, having held management and technical roles with both major and junior mining companies with operations across the world

Post Year-End Exploration Activities

- Field reconnaissance and RC drilling campaign completed at the Burracoppin Gold Project
- Drilling was designed to follow up on several historical high-grade drill results and test the mineralisation below a line of artisanal gold workings, which had only been partially tested by previous exploration
- Newexco Exploration completed geophysical and geological data compilation for the Burracoppin Gold Project
- Field exploration program at the Horry Copper Project completed – data compilation has been completed and is currently being reviewed
- Planning for first phase exploration is underway for the Callawa Copper Project located in the Ashburton region in WA and the Springdale Copper-Gold Project located in the Lachlan Fold Belt in NSW.

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ASX Listing

Askari Metals completed its ASX Listing on 7 July 2021 after successfully raising \$5.75 million in a strongly supported IPO which was led by Peak Asset Management as Lead Manager. Funds raised during the IPO process will be directed to the Company's exploration strategy across each of its five (5) projects, being the Horry Copper Project, the Callawa Copper Project, the Burracoppin Gold Project and the Mt Maguire Gold and Base Metal Project, all located in Western Australia and the Springdale Copper-Gold Project located in the Lachlan Fold Belt on New South Wales.

Askari Metals was incorporated for the primary purpose of acquiring, exploring and developing advanced copper and gold exploration projects in Australia. The Company is a pure-play copper and gold focused explorer and owns 100% of each of its five (5) projects.

The Company currently has 42,521,000 fully paid ordinary shares on issue with the Top 20 shareholders holding 60.15% as at 30 July 2021.

Appointment of Vice President – Exploration and Geology

The Company announced the appointment of Mr Johan Lambrechts as Vice President - Exploration and Geology. Over the next six months, Mr Lambrechts will transition to Chief Executive Officer (CEO).

Mr Lambrechts has demonstrable public company experience and has significant expertise in exploration management as well as opencut and underground mining operations. Mr Lambrechts has successfully managed exploration activities from near mine to greenfields projects in all aspects of exploration.

Mr Lambrechts strengths lie in leadership, project management, problem solving and systems implementation. He has strong business acumen and can link exploration success with future mining potential. Mr Lambrechts has previously worked for a range of successful Australian mining and resource companies, including Godolphin Resources (ASX: GRL), Ardea Resources (ASX: ARL), and Silver Lake Resources (ASX: SLR). In addition, Mr Lambrechts has also worked in tier-one mining companies, including Anglo Platinum, Xstrata Zinc and Glencore.

Strengthened Board with Key Appointment

The Company has appointed Mr David Greenwood as Technical Director to the Board of the Company. Mr Greenwood has more than 30 years broad-based experience in the resources industry across a range of commodities including precious metals, base metals, industrial minerals, mineral sands and bulk commodities.

He was educated in the UK and worked internationally in the resources industry in exploration, production, marketing, business development and investment analysis. Most recently, Mr Greenwood acted as CEO of ASX listed Godolphin Resources Limited (November 2019 to May 2021). David has held Board positions with a number of junior resource companies and in addition to Askari Metals Limited is currently a Non Executive Director of Argent Minerals Limited.

David was also previously Executive General Manager for Straits Resources Limited, where he was responsible for exploration, marketing, corporate affairs, investor relations and investments. Mr Greenwood has specific expertise in resources evaluation and financing, from exploration through to mine development, in addition to business development, minerals marketing and investor relations.

EXPLORATION ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2021

Askari Metals Limited listed on the ASX on the 7th of July 2021. Therefore, the Company did not complete any exploration activities during the financial year ended 30 June 2021. The exploration activities set out in the sections below document the post balance date exploration activities.

Burracoppin Gold Project, Western Australia (AS2 – 100%)

Subsequent to the year ended 30 June 2021, the Company announced that the planned RC drilling program had commenced at the 100%-owned Burracoppin Gold Project located in the eastern wheatbelt of Western Australia near the Edna May Gold Mine owned by Ramelius Resources Limited (ASX: RMS). The drill crew, field teams and geologists arrived on site on 26 July 2021. The Burracoppin Project is located approximately 20km east of Merredin and 15km west of the Edna May Gold Mine in the eastern wheat belt of WA.

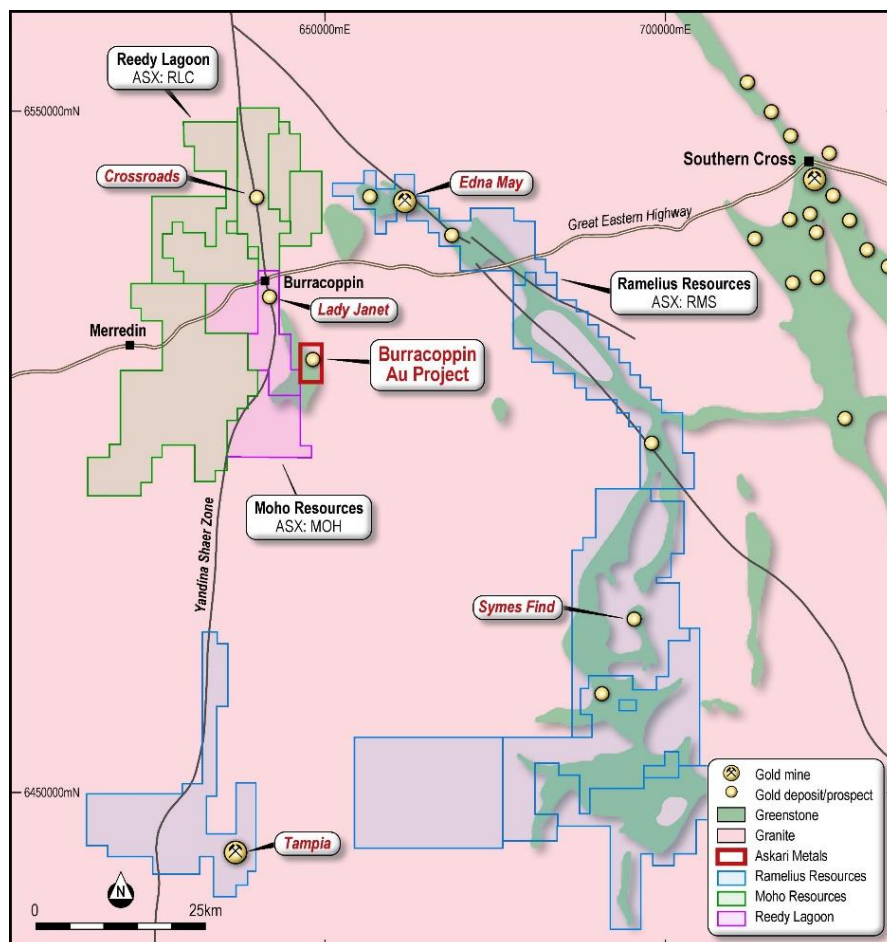


Figure 1: Burracoppin Gold Project Location Map

A field reconnaissance program was also completed, during which a number of the historical shallow artisanal mining shafts were investigated. The reconnaissance program was designed to field truth the geological model on which the drill hole design was based.

The images below illustrate the main shafts on the Burracoppin Gold Project:



Figure 2 and 3: Historical mining shafts located at the Burracoppin Gold Project



Date & Time: Tue Jul 20 13:05:12 AWST 2021
Position: 50 S 447536 6512005
Altitude: 371m
Datum: WGS-84
Azimuth Bearing: 276° N84W 4907m/s (True)
Zoom: 1X
Burracoppin
Large Shaft
Strike 60N Dip 60 E
Mining fault

Figure 4: Large shaft and infrastructure at the Burracoppin Gold Project

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DIRECTORS' REPORT – REVIEW OF OPERATIONS
FOR THE PERIOD ENDED 30 JUNE 2021

The image below illustrates the drilling rig actively drilling on site at the Burracoppin Gold Project:



Figure 5: Drilling rig actively drilling at the Burracoppin Gold Project

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

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

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

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

Historical production at Burracoppin was recorded between 1930 and 1974 with average production grades as high as 37.44 g/t Au at the Benbur shaft central to an approximately 1.6km long north-south trend. Mining conducted by the original discoverers of the gold at Burracoppin in the 1930s was reported in the "Daily News" newspaper in June 1933 which reported the first parcel processed from Burracoppin producing golds grades of 49g/t.

The drill design for the Company's inaugural RC drilling campaign was designed to follow up on several historic high-grade drill results and test the mineralisation below a line of artisanal gold workings which have only been partially tested by previous exploration. Drilling was designed to not only test potential extensions of the mineralisation along strike but to investigate the down dip / plunge extensions beneath the historical mining shafts that are prevalent across the Project.

The images below illustrate the drill hole design on the Burracoppin Gold Project for the inaugural 2,000m RC drilling campaign:



Figure 6: Overview drill design at Burracoppin Gold Project

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Of the proposed 28 holes a total of 17 RC drill holes were completed for approximately 1,424 metres. Wet conditions during the drill program prevented the completion of the entire program. Historically four main areas were mined at Burracoppin; being the Burgess Find, Christmas Gift, Benbur and Easter Gift areas. The Burgess Find, Christmas Gift and Benbur mines reported production figures of 410 tonnes, 750 tonnes and 1,030 tonnes respectively.

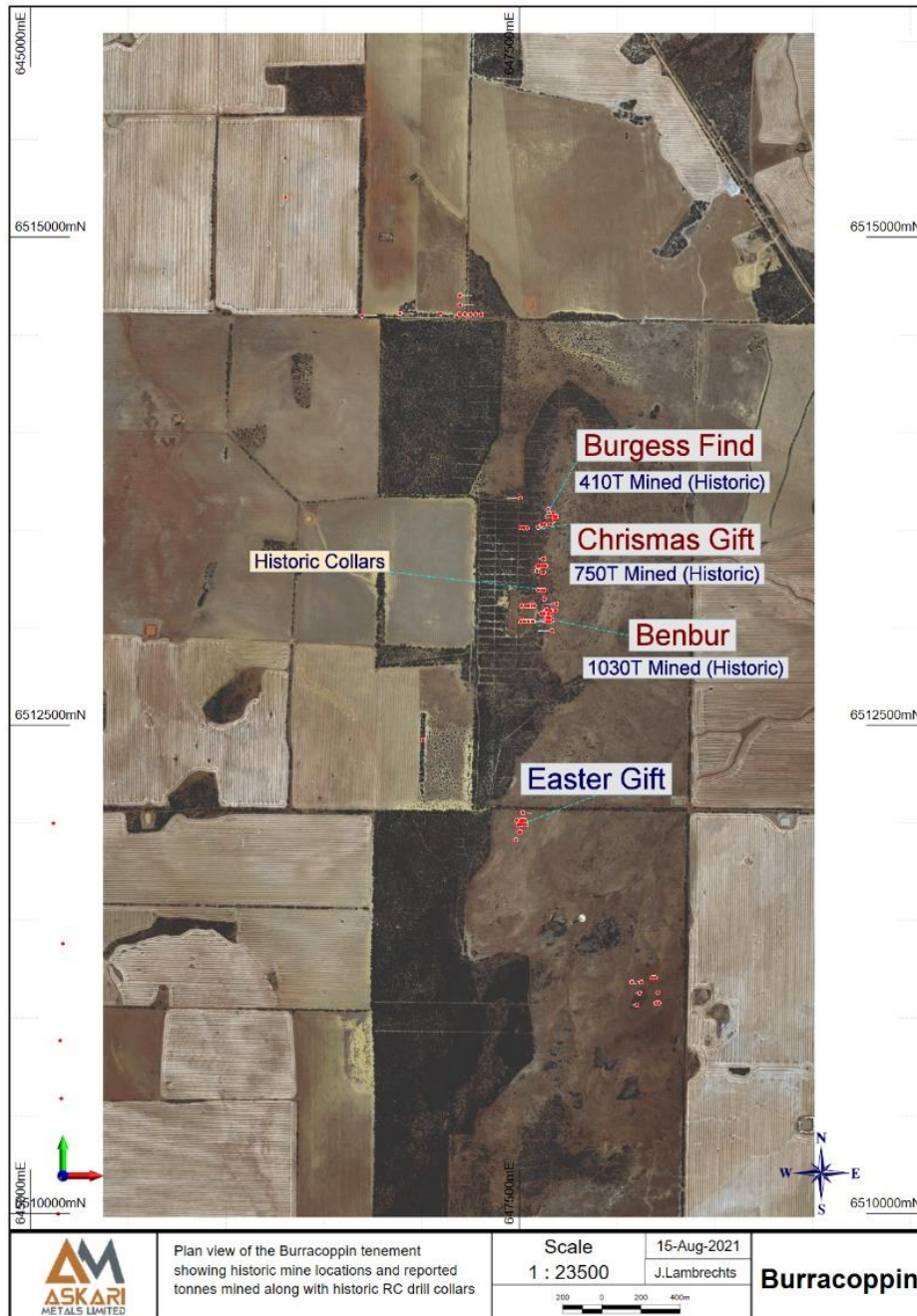


Figure 7: Plan of the Burracoppin Gold Project indicating the main areas where the recently completed drill campaign was designed

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All samples from the inaugural RC drilling program were delivered to the assay laboratory, Bureau Veritas at the completion of the drill program in mid August 2021. The Company is awaiting the results from the laboratory which are expected by the end of September 2021.

During this period, the Company continued to focus exploration activities on its other projects, including the Horry Copper Project in the Kimberley region and the Callawa Copper Project in the Ashburton region.

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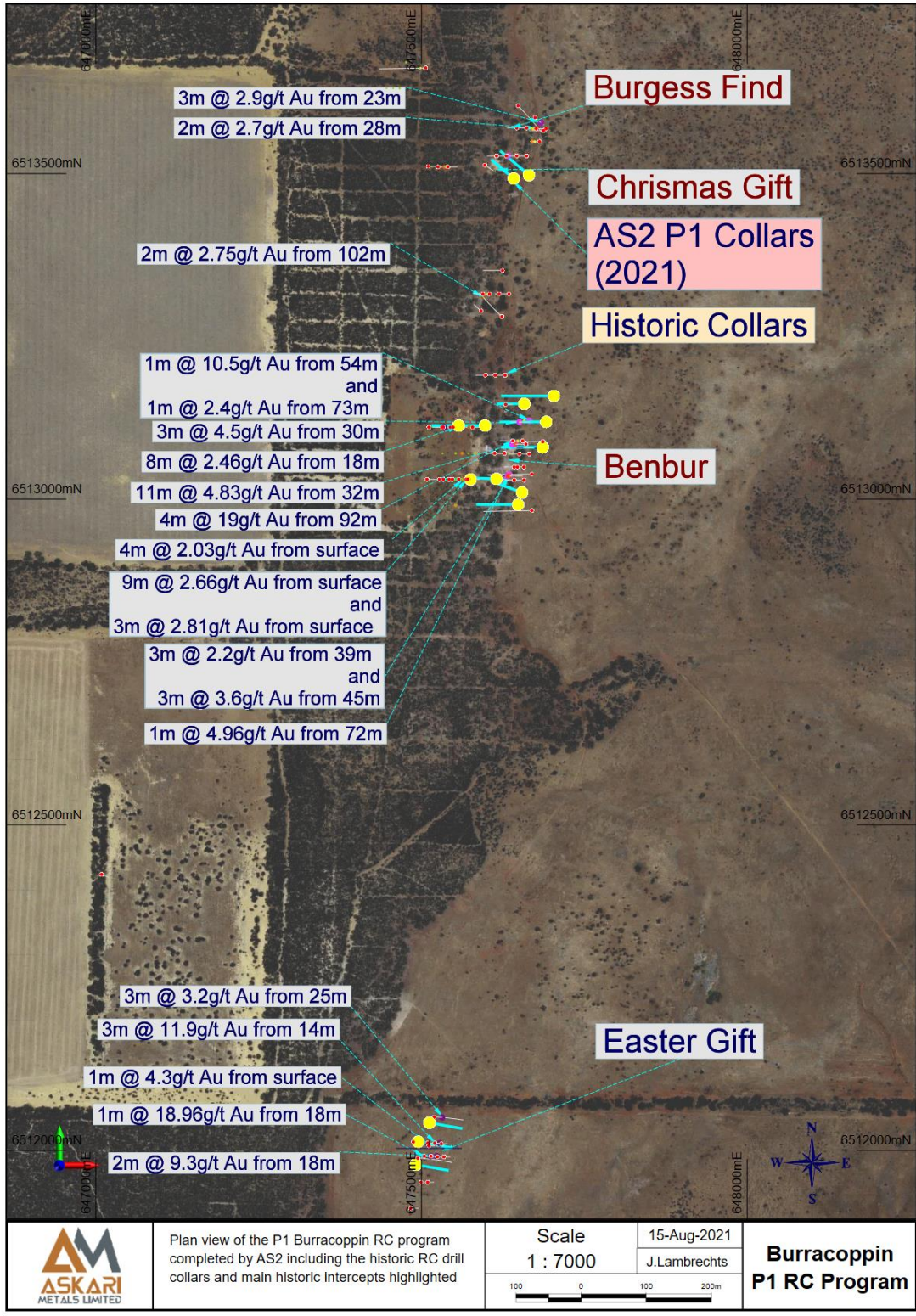


Figure 8: Plan view of the recently completed Phase One RC drill program on Burracoppin



Figure 9: The Burracoppin samples loaded on the truck heading for the laboratory

Horry Copper Project, Western Australia (AS2 – 100%)

The Horry Copper Project is located approximately 90km to the south-west of Halls Creek where little meaningful exploration has occurred despite it being located in a proven copper-gold district in the Kimberley Region and in close proximity to the Nicholsons Find project held by ASX listed Pantoro Limited (ASX. PNR). The Project is situated on the southern end of the stratigraphy that hosts the Mt Angelo (*Cazaly Resources Limited*) and Koongie Park (*Anglo Australian Resources NL*) copper deposits to the north.

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

Post year end the Company announced the commencement of a detailed mapping and sampling program at the Horry Copper-Gold Project (E80/5313), conducted by professional mapping geologist, John Crossing.

The Horry Project lies within the structurally complex Halls Creek mobile zone. Historically the tenement was characterised by several high-grade copper and gold workings such as the Western Lead mine, producing material grading 2.86 oz/ton gold.

The historic copper workings at Horry Horse produced both copper and gold, while the drainage system in the area has been identified to contain alluvial gold. Significant historic rock chip samples include a sample of 5.5% Cu and another returning 54g/t Au.

Askari have also engaged Newexco Exploration Pty Ltd (**Newexco**) to collect, review and report on all historical geophysical exploration completed on the project area.

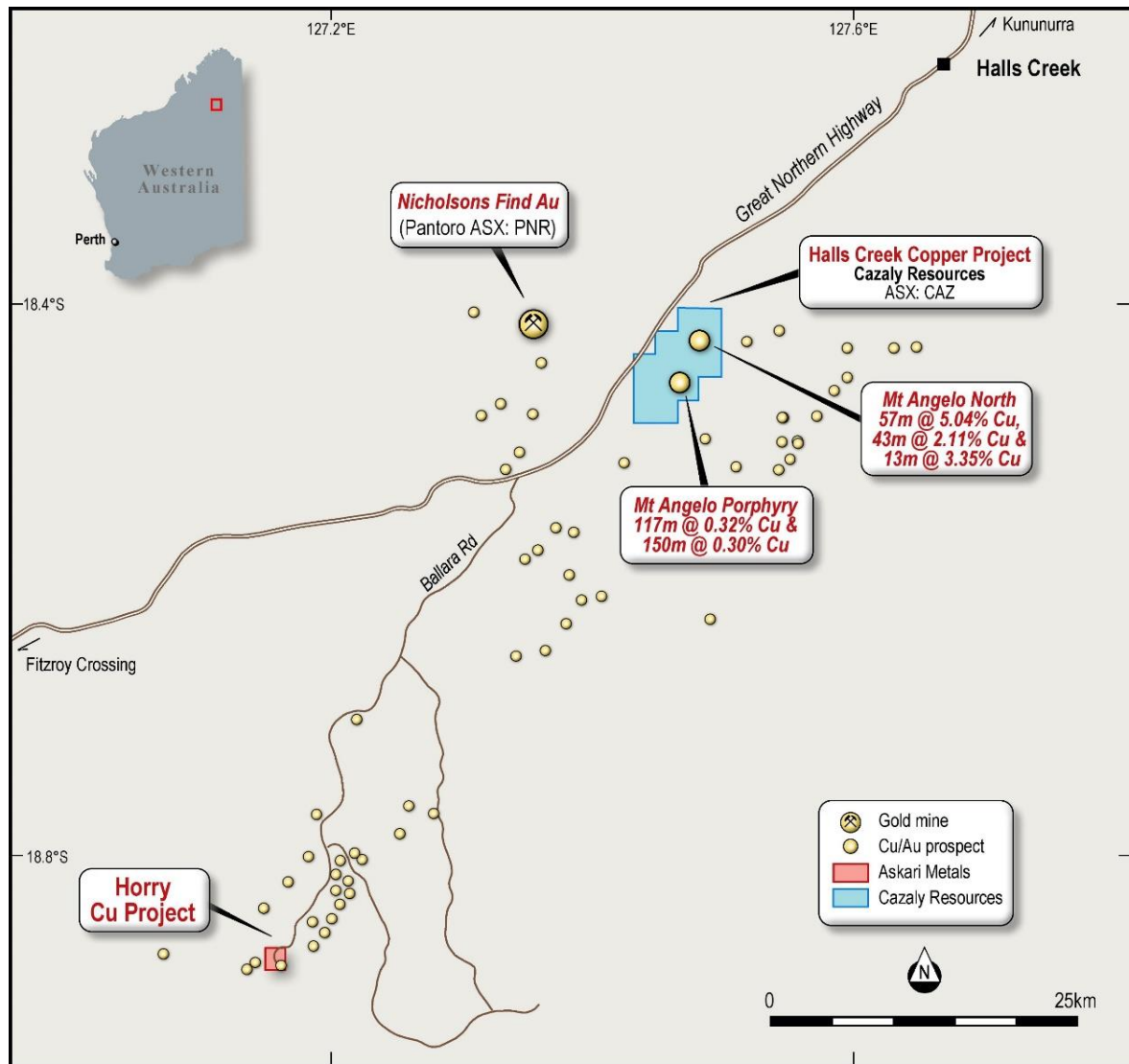


Figure 10: Location map of the Horry Copper-Gold Project, Western Australia

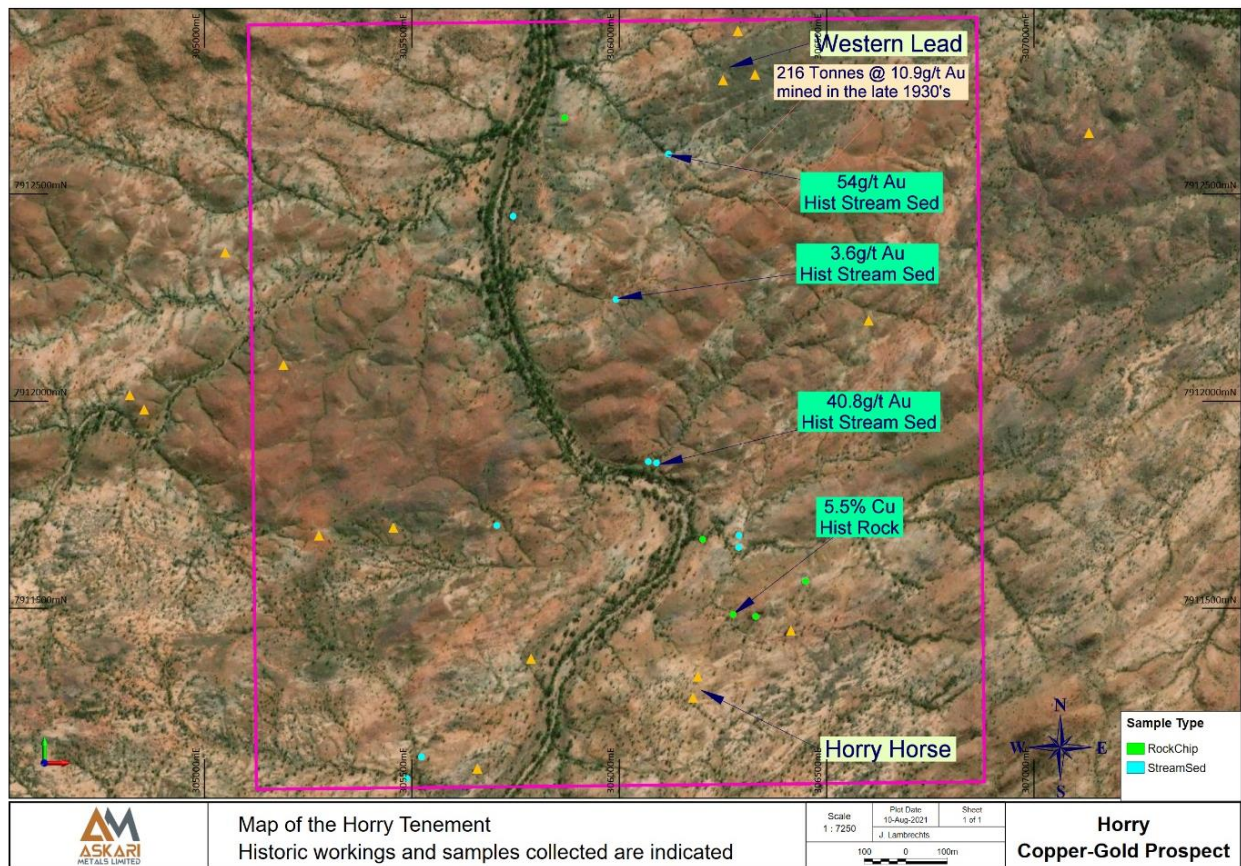


Figure 11: Map showing the historic mineral occurrences on the Horry Project, as well as all historically recorded rock and stream sediment samples

Callawa Copper Project, Western Australia (AS2 – 100%)

The Callawa Copper Project located in Western Australia comprises a single granted exploration licence E45/5842 covering an area of 167 km² and is located approximately 85km northeast of Marble Bar.

The Project represents an outstanding opportunity with rock-chips with up to 28.7% Cu at surface supported by other surface rock-chip results of 9.4% Cu with 25.9 g/t Ag and 7.63% Cu with 15.7 g/t Ag and 2.68% Cu. A series of small shallow pits are spread over about 40m related to quartz veins hosted in amph-plag schist. There is a strong geological hypothesis underpinning the presence of a high-grade epithermal copper system, that may be feeding off a deeper porphyry intrusive.

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

Subsequent to the end of the Full Year ended 30 June 2021, the Company announced the commencement of a detailed mapping and sampling program at the Callawa Copper Project by professional mapping geologist, John Crossing.

This part of WA has a reputation as 'elephant country' having produced the Telfer gold mine, the Nifty copper mine and more recently, Rio Tinto's 500 million tonne Winu copper discovery, which is rated as one of the world's most significant copper discoveries of the past decade.

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The Callawa Copper Project is strategically situated within the north-eastern margin of the Pilbara Craton, and has not seen extensive exploration in the past, with only two minor rock sampling programs and a small 500m air-core drilling program having been completed in the early 2000s. The rock sampling programs returned results of between 2.5% Cu and 19% Cu (refer to Askari Metals Limited Prospectus lodged with the ASIC on 10 May 2021), while the air-core drilling program which was positioned to the south of the area that was tested by the rock samples, uncovered lead and zinc mineralisation which is yet to be followed up.

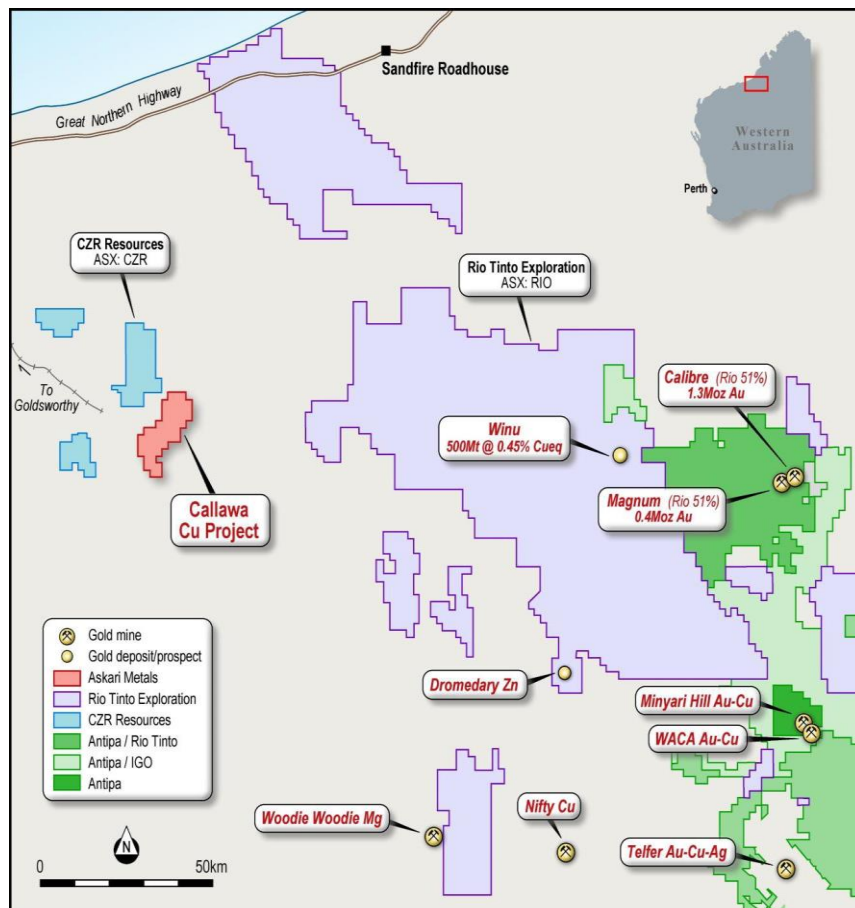


Figure 12: Location map of the Callawa Copper Project, Western Australia

Historical exploration on the Callawa project is limited in nature, however, it presents indications of potentially significant mineralisation.

Springdale Copper-Gold Project, New South Wales (AS2 – 100%)

The Springdale Project is located in the highly prospective central east Lachlan Fold Mineral Belt, approximately 330km WSW of Sydney. The town of Temora lies 16 km to the west of the tenement, with good access to the area with several roads and tracks passing through the tenement.

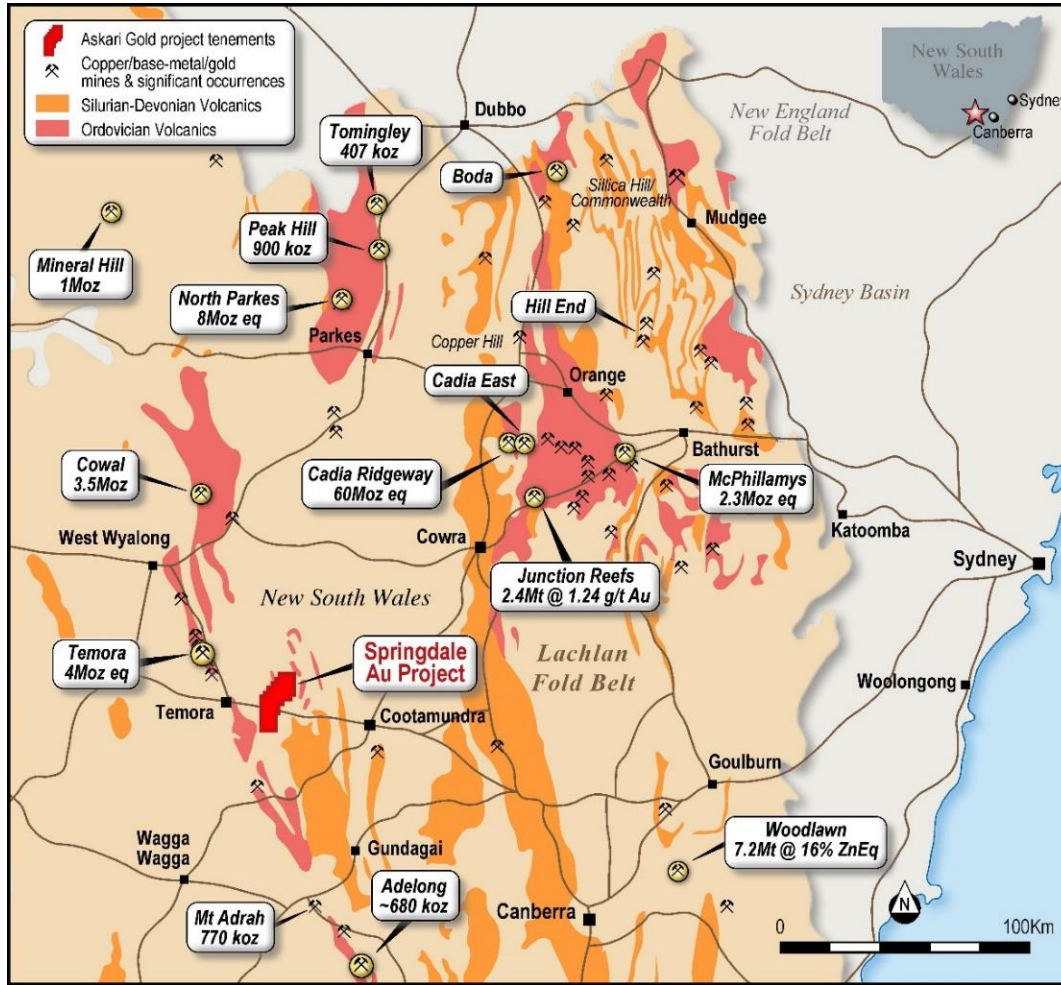


Figure 13: Springdale Copper-Gold Project, Lachlan Fold Belt NSW - Location Map

The Springdale Project is situated to the east of the Gilmore Suture on the eastern margin of the Springdale Rift. The area is underlain by siltstones, sandstone and coarse quartzite cobble conglomerates, which appear to belong to the Combaning Formation (Silurian age).

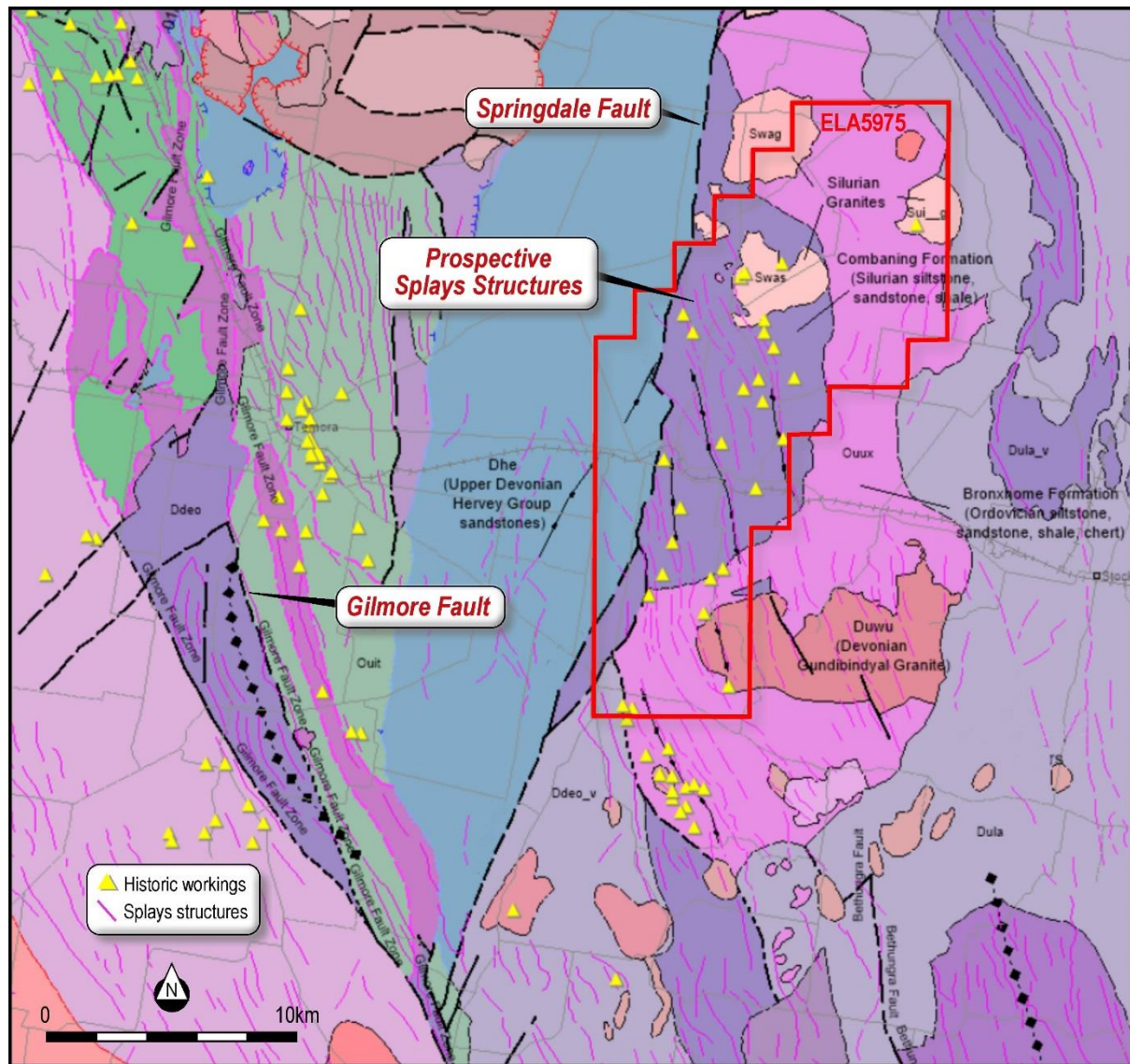


Figure 14: Geology plan for the Springdale Copper-Gold Project

The Springdale Project area is considered prospective for intrusive related gold mineralisation. Numerous structures are interpreted to pass through the area, many of which are closely associated with historic gold workings.

Springdale is also prospective for Cu / Au porphyry styles of mineralisation within the Ordovician Volcanic geological settings.

Askari remains eager to commence exploration activities on the Springdale project, however efforts have been constrained during 2021 due to the current COVID-19 restrictions. The Company will monitor the situation and commence exploration activities at the Springdale project as soon as it is safe and practical to do so.

Mt Maguire Gold and Base Metal Project, Western Australia (AS2 – 100%)

The Mt Maguire Gold and Base Metal Project is located in Western Australia, along strike from Kalamazoo Resources' multi-million-ounce Mt Olympus gold project in the southern Pilbara region. Whilst the Mt Maguire project has been the subject of various exploration programs there has only been limited past drilling. The previous wide-spaced drilling extends along several kilometres of prospective strike and appears to have tested the host geology rather than targeting gold-bearing structures.

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

During the Full Year ended 30 June 2021, the Company continued with its data compilation ahead of its planned field mapping and sampling campaign.

PLANNED EXPLORATION ACTIVITIES FOR THE BALANCE OF CALENDAR YEAR 2021

During the balance of the calendar year 2021, the Company plans to complete exploration as follows:

- Receive assay results from the Burracoppin RC drilling program. Depending on the outcome of the drilling program, the Company then plans to follow up with a further RC drilling campaign and potentially a program of diamond drilling to obtain structural information.
- Conduct further exploration campaigns at the Horry Copper Project designed to field map and sample the project area and complete a geophysical survey ahead of a planned RC drilling program.
- Conduct further exploration campaigns at the Callawa Copper Project designed to field map and sample the project area and complete a geophysical survey ahead of a planned RC drilling program.
- Conduct an initial exploration campaign at the Mt Maguire Gold and Base Metal Project, initially designed to field map and sample the project area, however, the Company will also look at completing a geophysical survey ahead of a planned RC drilling program.
- Conduct an initial exploration program at the Springdale Copper-Gold Project as soon as COVID-19 restrictions allow safe and practical access to NSW and return to WA in a safe and predictable manner. The Company will begin its on-ground evaluation of the Springdale project with work expected to include mapping, sampling and potentially an induced polarisation survey to assist in identifying prospective copper-gold targets.

In addition to exploring its five (5) project areas, the Company is actively engaged in the review of additional complimentary asset acquisition opportunities across Australia and globally.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Askari Metals. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

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

Competent Persons Statement

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

Events occurring after the reporting period

Other than below, there have been no matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Company,
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 7 July 2021 the Company was admitted to the official list of Australia Securities Exchange Limited.

On 12 July 2021 the Company announced the appointment of Johan Lambrechts as Vice President Exploration and Geology.

On 15 July 2021 the Company appointed Mr David Greenwood to the Board of Directors.

On 6 September 2021 the company issued 200,000 unlisted options with an exercise price of \$0.25 and expiry date of 6 September 2023. On that day the company also issued 1,000,000 Performance Rights. The options and Performance Rights were issued to the Vice President Exploration and Geology.

On 28 September 2021 the company announced a proposed loyalty options entitlement issue. The proposed issue will be on the basis of one (1) option for every four (4) shares held by eligible shareholders. The options will have an issue price of \$0.0025 per option, exercisable at \$0.25 within 3 years of issue. The proposed record date is 14 October 2021.

Impact of COVID-19

The impact of the Coronavirus (COVID-19) pandemic up to 30 June 2021 has resulted in travel restrictions within Australia which has limited the Company's ability to visit its projects and in particular the Springdale project in NSW.

ASKARI METALS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021

Details of the Board of Directors as at the date of this report are as follows:

Name	Gino D'Anna (appointed 20 November 2020)
Title	Executive Director
Qualifications	Bachelor of Commerce (Honours)
Experience	<p>Mr D'Anna is a founding Director and Shareholder of the Company. Mr D'Anna has significant primary and secondary capital markets experience and has extensive experience in resource exploration, public company operations, administration and financial management.</p> <p>Mr D'Anna has experience in Canadian Government and First Nations relations in the mining sector and has worked in numerous jurisdictions including Australia, Botswana, Namibia and Canada. In addition, Mr D'Anna has been involved in the exploration and development of many projects including new discoveries and the continued development of existing discoveries. In the past 3 years Mr D'Anna has been an executive director of MetalsTech Limited (ASX: MTC) which is developing the Sturec Gold Mine in Slovakia, and also a director of Metals Australia Ltd (ASX: MLS) which is developing the high-grade open cut Lac Rainy Graphite Mine located in Quebec, Canada.</p> <p>The Board considers that Mr D'Anna is not an independent director.</p>
Special Responsibilities	Nil
Security Holdings	4,935,000 ordinary shares (held by a related trust) 800,000 Performance Rights (held by a related trust)

Name	Robert Hartley Downey (appointed 20 November 2020)
Title	Non-Executive Chairman
Qualifications	B.Ed, LL.B (Hons)
Experience	<p>Mr Downey was admitted as a barrister and solicitor of the Supreme Court of Western Australia in December 1999. In 2001 Mr Downey joined Blakiston & Crabb, an independent resource / corporate / commercial law firm based in Perth. While at Blakiston & Crabb, Mr Downey specialised in advising oil and gas and mining companies in relation to a wide range of legal issues, including initial public offerings; prospectuses for equity and debt raisings, takeovers and reverse takeovers, schemes of arrangement and other types of corporate transactions.</p> <p>Mr Downey also developed an expertise advising both Australian and foreign incorporated entities on dual listings and cross jurisdiction capital raising and listing rule advice particularly with respect to the TSX-V and AIM markets. Following this experience Mr Downey acted as General Counsel for a Canadian oil and gas exploration and production company with assets in Europe and Africa overseeing the dual listing on the TSX-V and AIM, the raising of £50 million and the subsequent takeover of the company by way of scheme of arrangement.</p>

In the past 3 years Mr Downey has held directorships with Mt Malcolm Mines NL (ASX: M2M), Connexion Telematics Ltd (ASX: CXZ) and Zeotech Ltd (ASX: ZEO).

The Board considers that Mr Downey is an independent director.

Special Responsibilities

Chairman

Security Holdings

300,000 ordinary shares (held by spouse)
 800,000 Performance Rights (held by spouse)

Name

Brendan Cummins (appointed 20 November 2020)

Title

Non-Executive Director

Qualifications

BSc (Hons)

Experience

Mr Cummins has over 25 years of global experience in the minerals industry as both a mine and exploration Geologist. Mr Cummins graduated from The University of Western Australia with First Class Honours in Geology in 1993 and is a current member of the Australian Institute of Geoscientists (MAIG). Mr Cummins is a Competent Person across a broad range of commodities with the majority of his experience being in mineral exploration, resource discovery and definition, feasibility related studies, project evaluation and acquisition. During the early years of his career he had a strong focus on gold exploration but has since diversified working in base metals, bulk commodity and industrial minerals throughout Australia and locations overseas.

Mr Cummins has worked in junior companies to mid tiers and in joint ventures with the majors, gaining an excellent appreciation for the dynamics and requirements of working in both small and large team environments. More recently Mr Cummins has been heavily involved in project development activities including stakeholder and Heritage engagement, liaison with regulatory bodies overseeing environmental and other statutory approvals engaging with the EPA, DWER, DMIRS (environment and safety) and associated technical studies. In the past 3 years Mr Cummins has also been an Executive Director of ASX listed Black Canyon Ltd (ASX:BCA) and former Non-Executive Director of Cradle Resources Ltd (ASX:CXX).

The Board considers that Mr Cummins is an independent director.

Special Responsibilities

Technical Director

Security Holdings

525,000 ordinary shares (held by a related entity)
 1,000,000 Performance Rights (held by a related entity)

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021**

Name	David Greenwood (appointed 15 July 2021)
Title	Non-Executive Director
Qualifications	BSc Honours Geology
Experience	<p>Mr Greenwood has more than 30 years broad-based experience in the resources industry across a range of commodities including precious metals, base metals, industrial minerals, minerals sands and bulk commodities.</p> <p>He was educated in the UK and worked internationally in the resources industry in exploration, production, marketing , business development and investment analysis.</p> <p>Most recently, Mr Greenwood acted as CEO of ASX listed Godolphin Resources Limited (November 2019 to May 2021). David has held Board positions with junior resource companies, including President (CEO) of Goldminco Corporation, a previously listed Canadian exploration company with assets in the Lachlan Fold Belt. In the past 3 years Mr Greenwood has also been a Non-Executive Director of Argent Minerals Limited (ASX: ARD) (appointed 23 August 2021).</p> <p>David was also previously Executive General Manager for Straits Resources Limited, where he was responsible for exploration, marketing , corporate affairs, investor relations and investments. Mr Greenwood has specific expertise in resources evaluation and financing, from exploration through mine development, in addition to business development, minerals marketing and investor relations.</p>
Special Responsibilities	Technical Director
Security Holdings	Nil

Likely developments and expected results of operation

Gold Projects

Following the successful listing of the Company on ASX and the raising of \$5.7M in capital the Company will accelerate exploration on its tenements.

COVID – 19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and generally speaking has not impacted on the company's activities to date. It is not practicable to estimate the potential impact, positive or negative, in the future however currently travel is restricted in NSW where the company's Springdale project is located. The situation is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

**ASKARI METALS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021**

Directors' Meetings

The following directors' meetings (including meetings of committees of directors) were held during the year and the number of meetings attended by each of the directors during the year were:

2021	Directors' meetings eligible to attend	Directors' meetings attended
Directors		
Gino D'Anna	-	-
Robert Downey	-	-
Brendan Cummins	-	-
David Greenwood	-	-

The Board of Directors also conducted business via 12 Circular Resolutions.

The Company does not have separate committees for audit and risk, remuneration or nominations because the Board is not of a sufficient size or structure, reflecting that the Company's operations are not of a sufficient magnitude at this stage. The full Board performs the roles normally undertaken by these committees.

Shares under option

Unissued ordinary shares of Askari Metals Limited under option at the date of this report are as follows:

Expiry date	Exercise price	Balance at start of year	Issued up to the date of this report	Converted/Cancelled or lapsed	Balance at the date of this report
25 June 2024	\$0.25	-	2,500,000	-	2,500,000
25 June 2023	\$0.25	-	281,250	-	281,250
6 September 2023	\$0.25	-	200,000	-	200,000
		-	2,981,250	-	2,981,250

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Environmental regulation

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group. The Company remains in compliance with the environmental regulations of Australia.

Greenhouse Gas and Energy Data Reporting Requirements

The Group is cognisant of the reporting requirements under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse Energy Efficient Reporting Act 2007, and believes it has adequate processes in place to ensure compliance with these Acts.

Dividends paid, recommended and declared

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

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Remuneration Report - Audited

The remuneration report is set out under the following main headings:

- A Remuneration governance
- B Remuneration structure
- C Details of remuneration
- D Share-based compensation
- E Value of options to Directors
- F Equity instruments disclosures relating to key management personnel
- G Additional statutory information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the key management personnel of the Group as follows:

Mr Gino D'Anna – Executive Director (appointed 20 November 2020)
Mr Robert Downey – Non-Executive Chairman (appointed 20 November 2020)
Mr Brendan Cummins - Non-Executive Director (appointed 20 November 2020)
Mr David Greenwood - Non-Executive Director (appointed 15 July 2021)

Use of remuneration consultants

The Company did not employ services of consultants to review its existing remuneration policies.

Company's Annual General Meeting

The Company's first Annual General Meeting will be held later this year.

A. Remuneration governance

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and Executives of the Group. The performance of the Group depends upon the quality of its key management personnel. To prosper the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Group does not engage the services of any remuneration consultants.

B. Remuneration structure

Executive remuneration arrangements

Letter of Appointment with Mr Gino D'Anna (Commercial and Corporate Director)

On 17 November 2020, the Company and Mr Gino D'Anna entered into a letter of appointment whereby Mr D'Anna has been appointed as Commercial and Corporate Director of the Company on the following terms:

Term - Mr D'Anna's service commenced on 17 November 2020 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Remuneration Report (continued)

Remuneration - Mr D'Anna is entitled to a base fee of \$36,000 per annum. No salary or superannuation will be accrued until completion of the Offer and listing of the Company on the ASX. Any fees paid to Mr D'Anna will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr D'Anna for all reasonable expenses incurred in performing his duties.

Mr D'Anna is entitled to charge the Company for professional consulting and corporate advisory services beyond the typical scope of that as commercial and corporate director at an hourly rate of \$125 per hour (plus GST).

Performance Rights- In addition to the remuneration to be paid, the Company has issued to Mr D'Anna (or his nominee) 400,000 Class A Performance Rights and 400,000 Class B Performance Rights.

Non-Executive remuneration arrangements

Letter of Appointment with Mr Robert Downey (Chairman)

On 17 November 2020, the Company and Mr Robert Downey entered into a letter of appointment whereby Mr Downey has been appointed as Non-Executive Chairman of the Company on the following terms:

Term: Mr Downey's service commenced on 17 November 2020 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Remuneration: Mr Downey is entitled to a base fee of \$48,000 per annum. No salary or superannuation will be accrued until completion of the Offer and listing of the Company on the ASX. Any fees paid to Mr Downey will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Downey for all reasonable expenses incurred in performing his duties.

Mr Downey is entitled to charge the Company for services beyond the typical scope of that as non-executive chairman at an hourly rate of \$125 per hour (plus GST).

Performance Rights - In addition to the remuneration to be paid, the Company has issued to Mr Downey (or his nominee) 400,000 Class A Performance Rights and 400,000 Class B Performance Rights.

Letter of Appointment with Mr Brendan Cummins (Technical Director)

On 17 November 2020, the Company and Mr Brendan Cummins entered into a letter of appointment whereby Mr Cummins has been appointed as Technical Director of the Company on the following terms:

Term - Mr Cummins' service commenced on 17 November 2020 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Remuneration Report (continued)

Remuneration - Mr Cummins is entitled to a base fee of \$36,000 per annum. No salary or superannuation will be accrued until completion of the Offer and listing of the Company on the ASX. Any fees paid to Mr Cummins will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Cummins for all reasonable expenses incurred in performing his duties.

Mr Cummins is entitled to charge the Company for professional consulting and geological services beyond the typical scope of that as technical director at an hourly rate of \$165 per hour (plus GST).

Performance Rights: In addition to the remuneration to be paid, the Company has issued to Mr Cummins (or his nominee) 500,000 Class A Performance Rights and 500,000 Class B Performance Rights.

Letter of Appointment with Mr David Greenwood (Technical Director)

On 14 July 2021, the Company and Mr David Greenwood entered into a letter of appointment whereby Mr Greenwood has been appointed as Technical Director of the Company on the following terms:

Term - Mr Greenwoods' service commenced on 15 July 2021 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Remuneration - Mr Greenwood is entitled to a base fee of \$36,000 per annum. No salary or superannuation will be accrued until completion of the Offer and listing of the Company on the ASX. Any fees paid to Mr Greenwood will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Greenwood for all reasonable expenses incurred in performing his duties.

Mr Greenwood is entitled to charge the Company for professional consulting and geological services beyond the typical scope of that as technical director at an hourly rate of \$165 per hour (plus GST).

Sign On Options: In addition to the remuneration to be paid, the Company will issue to Mr Greenwood (or his nominee) 300,000 unlisted options at a cost of \$0.001 each with an exercise price of \$0.27 and an expiry period two years from date of issue. The issue of Options will require shareholder approval which has not yet occurred.

Performance Rights: In addition to the remuneration to be paid, the Company will issue to Mr Greenwood (or his nominee) Performance Rights. The terms and conditions of the Performance Rights will be determined by the Board and shareholder approval will be required for the issue of the Performance Rights.

Remuneration Report (continued)

C. Details of remuneration

No cash remuneration was paid to directors in the period from incorporation (20 November 2020) until 30 June 2021. Three directors did receive Performance Rights on 20 November 2020 with the performance rights expiring within two years (Class A) and three years (Class B) from the date of admission to ASX which was 7 July 2021. An expense for the value of the Performance Rights will be recognized commencing from 7 July 2021.

In summary there is no remuneration of directors to be reported in the period from incorporation (20 November 2020) until 30 June 2021. Refer to Note 19 for further details.

The key management personnel ("KMP") of the Group are the Directors of Askari Metals Limited detailed in the table below. Details of the remuneration of the Directors of the Group are set out below:

2021	Post Employment benefits				Total
	Salary & fees \$	Superannuation \$	Performance rights \$	Options \$	
KMP					
Executive Directors					
Mr D'Anna	-	-	-	-	-
Non-executive directors					
Mr Downey	-	-	-	-	-
Mr Cummins	-	-	-	-	-
Mr Greenwood	-	-	-	-	-
Total	-	-	-	-	-

D. Share-based Compensation

Short term and long term incentives

On 20 November 2020, Askari Metals Limited issued performance rights to three directors. These performance rights were issued in two classes, each with different performance milestones. Each performance right will convert into 1 ordinary share of Askari Metals Limited upon achievement of the performance milestone.

The Performance Rights have the following milestones attached to them:

Class A: the Class A Performance Rights will convert into Shares (on a 1:1 basis) upon:

- (a) the Company announcing no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springfield Copper-Gold Project, the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or

Remuneration Report (continued)

- (b) the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where "Copper Projects" is defined as the Horry Copper Project and the Callawa Copper Project).

In each case the milestone must be in accordance with the JORC Code and as verified by an independent competent person under the JORC Code (Class A Milestone), with the Class A Performance Rights expiring on the date that is two (2) years from the date of Admission if the Class A Milestone is not achieved.

- Class B:** the Class B Performance Rights will convert into Shares (on a 1:1 basis) upon:

the Company announcing a JORC (2012) compliant Mineral Resource of gold, as verified by an independent competent person under the JORC Code, of at least 50,000 ounces at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) (Class B Milestone), with the Class B Performance Rights expiring on the date that is three (3) years from the date of Admission if the Class B Milestone is not achieved.

The Company has assessed both Class A and B as being probable of being achieved and therefore will recognise an expense over the vesting period for these two classes. The performance rights held by Directors or their related parties are as follows:

Mr D'Anna	800,000 Performance Rights
Mr Downey	800,000 Performance Rights
Mr Cummins	1,000,000 Performance Rights

The vesting period for Class A and Class B Performance Rights commences two and three years respectively from the date of admission to the official list ASX which was 7 July 2021. The company has therefore not recorded any expense in the period ended 30 June 2021.

E. Value of options to Directors

No options were issued to Directors during the period ended 30 June 2021.

Remuneration Report (continued)

F. Equity instruments disclosures relating to key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each Director and other key management personnel of the Group are set out below.

2021	Balance at incorporation	Received as Remuneration	Received During Year on Exercise of Performance Rights	Net Change Other	Closing Balance at 30 June
KMP					
Mr D'Anna ¹	-	-	-	4,850,000	4,850,000
Mr Downey ²	-	-	-	300,000	300,000
Mr Cummins ³	-	-	-	525,000	525,000
Mr Greenwood ⁴	-	-	-	-	-
	-	-	-	5,675,000	5,675,000

¹ Includes shares held by a related trust

² Includes shares held by spouse

³ Includes shares held by a related entity

⁴ Mr Greenwood was appointed after year end on 15 July 2021

Performance Rights holdings

The numbers of performance rights in the Company held during the financial year by each Director and other key management personnel of the Group are set out below.

2021	Balance at incorporation	Received as Remuneration	Converted to shares upon achievement of milestones	Net Change Other	Closing Balance at 30 June
KMP					
Mr D'Anna ¹	-	800,000	-	-	800,000
Mr Downey ²	-	800,000	-	-	800,000
Mr Cummins ³	-	1,000,000	-	-	1,000,000
Mr Greenwood ⁴	-	-	-	-	-
	-	2,600,000	-	-	2,600,000

¹ Includes Performance Rights held by a related trust

² Includes Performance Rights held by spouse

³ Includes Performance Rights held by a related entity

⁴ Mr Greenwood was appointed after year end on 15 July 2021

Remuneration Report (continued)

Option holdings

No options in the Company are held during the financial year by any Director or other key management personnel of the Group.

G. Additional statutory information

Relationship between remuneration and the Group's performance

Company remuneration is not linked to Company financial performance. The following table shows key performance indicators for the Group since it was incorporated:

	2021
Loss for the year	(370,537)
Closing Share Price ¹	-
KMP Incentives	-
Total KMP Remuneration	-

¹ No share price disclosed as the Company had not commenced trading on ASX

End of Audited Remuneration Report

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

Indemnification of officers

During the financial year the Group paid a premium of \$25,699 to insure the directors and officers of the Company and its Australian based controlled entities against a liability incurred as such a director or officer to the extent permitted by the Corporations Act 2001.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such as an officer or auditor.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an auditor of the Company.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found on page 34.

Non-Audit Services

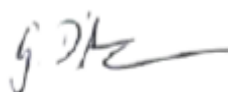
Details of the non-audit services provided to the Group from entities related to the Company's external auditor HLB Mann Judd (WA Partnership) during the year ended 30 June 2021 are outlined in the following table. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and the scope of each type of non-audit service provided means that auditor independence was not compromised.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Amounts received or due and receivable by HLB Mann Judd (WA Partnership) for other services in relation to the entity and any other entity in the consolidated group

	2021
	\$
Provision of Independence Limited Assurance Report for the Company's Prospectus	10,100
	<u>10,100</u>

This report is made in accordance with a resolution of the Directors.



Gino D'Anna
Director
28 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Askari Metals Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
28 September 2021



D I Buckley
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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ASKARI METALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	30-June-21
		\$
Revenue		
Other revenue		-
Expenses		
Administration expenses		(87,849)
Audit fees		(17,500)
Exploration costs written off	11	(89,420)
Prospectus and IPO costs		(175,768)
Loss from continuing operations before income tax		(370,537)
Income tax expense		-
Loss from continuing operations after income tax		(370,537)
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:		-
Total other comprehensive loss for the period		(370,537)
<u>Cents</u>		
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:		
Basic and diluted loss per share	18	(3.50)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

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ASKARI METALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	<u>30-June-21</u>
		\$
ASSETS		
Current Assets		
Cash and cash equivalents	9	5,802,892
Trade and other receivables	10	<u>97,879</u>
Total Current Assets		<u>5,900,771</u>
Non-Current Assets		
Exploration and evaluation expenditure	11	763,531
Security deposit		<u>10,000</u>
Total Non-Current Assets		<u>773,531</u>
TOTAL ASSETS		<u>6,674,302</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	12	609,112
Loans	13	<u>23,750</u>
Total Current Liabilities		<u>632,862</u>
TOTAL LIABILITIES		<u>632,862</u>
NET ASSETS		<u>6,041,440</u>
EQUITY		
Share capital	14	6,162,618
Reserves	15	249,359
Accumulated losses	16	<u>(370,537)</u>
TOTAL EQUITY		<u>6,041,440</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

	Share Capital \$	Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 20 November 2020	5,950	-	-	5,950
Loss for year	-	-	(370,537)	(370,537)
Total comprehensive loss for the year	-	-	(370,537)	(370,537)
Transactions with owners in their capacity as owners:				
Issue of seed share capital	320,000	-	-	320,000
Issue of IPO share capital	5,729,200	-	-	5,729,200
Cash capital raising costs	(358,752)	-	-	(358,752)
Share issued to lead manager	90,000	-	-	90,000
Options issued to lead manager	(228,780)	228,780	-	-
Capital raising cost – lead manager shares	(90,000)	-	-	(90,000)
Issue of shares to acquire projects	695,000	-	-	695,000
Option issued to acquire project	-	20,579	-	20,579
At 30 June 2021	6,162,618	249,359	(370,537)	6,041,440

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

ASKARI METALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	<u>30-June-21</u>
		\$
Cash flows from operating activities		
Payment to suppliers and employees (include GST)		(146,028)
Net cash (outflows) from operating activities	9(b)	<u>(146,028)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure		(103,968)
Security deposit		(10,000)
Incorporation costs		(1,012)
Net cash (outflows) from investing activities		<u>(114,980)</u>
Cash flows from financing activities		
Proceeds from issue of shares		6,055,150
Payment for capital raising costs		(15,000)
Loan proceeds		23,750
Net cash inflows from financing activities		<u>6,063,900</u>
Net increase in cash and cash equivalents		5,802,892
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at the end of the financial period	9(a)	<u>5,802,892</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 1: REPORTING ENTITY

Askari Metals Limited (the “Company” or “Askari”) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited (“ASX”). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory at the beginning of the Annual Report.

Askari Metals Limited was incorporated on 20 November 2020 as Askari Gold Limited and on 23 February 2021 changed its name to Askari Metals Limited.

The consolidated financial statements of the Company and its subsidiaries are for the period from incorporation on 20 November 2020 and ending 30 June 2021. All amounts are in Australian dollars.

The financial statements were authorised for issue by the Board of Directors on 28 September 2021.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation of the financial report

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on the date the directors’ report and declaration was signed. Askari Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Comparative information

This report presents the financial information for the period from incorporation on 20 November 2020 until 30 June 2021. As Askari Limited was incorporated on 20 November 2020 there are no comparatives to disclose in this financial report.

ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars, which is the entity's functional currency.

b) Going concern

For the period ended 30 June 2021 the Group has incurred a net loss of \$370,537, experienced net cash outflows from operations of \$146,028 and net cash inflows from financing activities of \$6,063,900. As at 30 June 2021 the cash balance is \$5,802,892.

The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

c) Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

Interest income is recognised on a time proportion basis using the effective interest method.

d) Financial Instruments

Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each reporting date whether there is an expectation that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

The Group's financial risk management objectives and policies are set out in Note 5.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

Financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group classifies its financial assets as either financial assets at fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments, the classification depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVPL or FVOCI.

Financial assets at FVPL

For assets measured at FVPL, gains and losses will be recorded in profit or loss. The Group's derivative financial instruments are recognised at FVPL. Assets in this category are subsequently measured at fair value. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at OCI

For assets measured at FVOCI, gains and losses will be recorded in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group has elected to measure its listed equities at FVOCI.

Assets in this category are subsequently measured at fair value. The fair values of quoted investments are based on current bid prices in an active market. Refer to Note 5 for additional details.

e) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised. The amount of benefits brought to account or which may be released in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest.

These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Exploration and evaluation expenditure (continued)

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs incurred on identifiable areas of interest where the Company has not been granted rights to tenure as at reporting date are capitalised when the Company are confident that it is probable the Company will be granted rights in the near future. If the Company is subsequently not granted rights to tenure, costs capitalised to affected areas of interest are written off in the Statement of Profit or Loss and Other Comprehensive Income in the year in which this decision is known.

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation expenditure is tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

g) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Askari Metals Limited (the "Company" or "Parent Entity") as at 30 June 2021 and the results of its subsidiaries for the year. Askari Metals Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Principles of consolidation (continued)

The acquisition method of accounting is used to account for business combinations by the Group.

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

h) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

j) Trade and other payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the Company that remain unpaid. Due to the short-term nature of these payables their carrying amount is assumed to approximate their fair value.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

k) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The fair value is determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Askari Metals Limited ('market conditions'). (Refer Note 19 for further details).

For equity-settled share-based payment transactions, the Group will measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

q) Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

NOTE 3: NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not considered to have a material impact on the entity.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Coronavirus (Covid-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payments

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using valuation methods including the Black Scholes valuation model and the Binomial – barrier up and in model taking into account the terms and conditions upon which the instruments were granted.

The Group measures the cost of equity settled transactions with directors by reference to the fair value of equity instruments at the date at which they are granted. Management have assessed that the achievement of the non-market performance conditions attached to the Performance Rights are 'more likely than not' for class 1 and 'less than likely' for class 4 and 5. The calculated fair value of the Performance Rights is expensed in the statement of profit or loss and other comprehensive income over the vesting period.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Recoverability of deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The Board and Management have assessed the carrying value of the Exploration and Evaluation Expenditure to be impaired. Refer to the accounting policy stated in note 2(f) and to note 11 for movements in the exploration and evaluation expenditure balance.

Asset acquisition not constituting a business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

NOTE 5: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. The Board of Directors co-ordinate domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	30-June-21
	\$
Financial assets	
Cash and cash equivalents	5,802,892
Trade and other receivables	97,879
	<u>5,900,771</u>
Financial liabilities	
Trade and other payables	609,112
Borrowings	23,750
	<u>632,862</u>

(i) Price risk

The Group does not hold investments and therefore is not exposed to equity securities price risk.

(ii) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	30-June-21	
	Weighted average interest rate	\$
Financial assets		
Cash & cash equivalents	0.01%	5,802,892
Financial liabilities		
Premium funding loan	4.43%	23,750

The Group does not have significant interest-bearing assets or liabilities and percentage changes in interest rates would not have a material impact on the results. Group sensitivity to movement is not material.

(iii) Credit risk

The Group has no significant concentration of credit risk. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings. The Group does not hold any collateral.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short term debt and its risk with regard to liquidity relates to its ability to maintain its current operations.

Cash at bank	30-June-21
	\$
Bankwest	\$5,802,892

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NOTE 5: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's ability to raise equity funding in the market is paramount in this regard. The Group manages liquidity by monitoring forecast and actual cash flows. The tables below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

2021	<6 months \$	6-12 months \$	>12 months \$	Total Contractual Cash Flows \$	Carrying Amount \$
Financial liabilities					
Trade and other payables	609,112	-	-	609,112	609,112
Borrowings	25,078	-	-	25,078	25,078

NOTE 6: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Company operates only in one segment in Australia in the mineral exploration sector.

The Company owns tenements in the geographical locations of Australia. Other than this the group's assets comprise cash and minor receivables or prepayments.

NOTE 7: INCOME TAX EXPENSES

	<u>30-June-21</u>
	<u>\$</u>
(a) Reconciliation of Income tax expense to prima facie tax payable:	
Loss before income tax	(370,537)
Prima facie income tax at 26%	(96,340)
Non-deductible expenditure	-
Timing differences not recognized	96,340
Income tax expense/(benefit)	<u>-</u>
(b) Unrecognised deferred tax assets arising on timing differences and losses	
Losses - revenue	370,537
Unrecognised deferred tax assets	<u>370,537</u>

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NOTE 7: INCOME TAX EXPENSES (CONTINUED)

The tax benefits of the above deferred tax assets will only be obtained if:

- a. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- b. The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- c. No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

NOTE 8: DIVIDENDS

There are no dividends declared or paid during the period ended 30 June 2021.

NOTE 9: CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash at the end of the period

	<u>30-June-21</u>
	\$
Cash at bank and in hand	5,802,892
	<u>5,802,892</u>

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

Net loss after income tax	(370,537)
Changes in assets and liabilities:	
Add back exploration costs written-off	89,420
(Increase)/decrease in trade and other receivables	(97,879)
Increase/(decrease) in trade and other payables	232,968
Net cash flows used in operating activities	<u>(146,028)</u>

For non-cash investing and financing activities refer to notes 14,19 and 21.

NOTE 10: TRADE AND OTHER RECEIVABLES

	<u>30-June-21</u>
	\$
GST receivable	72,879
Prepaid expenses	25,000
	<u>97,879</u>

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 5 for more information on the risk management policy of the group and the credit quality of the Group's trade receivables.

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NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

	30-June-21
	\$
Exploration and evaluation expenditure	763,531
	763,531
Reconciliation:	
Balance at incorporation	-
Acquisition costs and exploration expenditure for exploration assets	275,452
Acquired with acquisition of subsidiary – see Note 21	577,499
Exploration costs written-off	(89,420)
Balance at the end of the year	763,531

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and rights to tenure are current.

NOTE 12: TRADE AND OTHER PAYABLES

	30-June-21
	\$
Trade and other payables	564,112
Accrued expenses	45,000
	609,112

NOTE 13: LOANS

	30-June-21
	\$
Short term - unsecured	
Premium funding loan	25,078
Unexpired interest	(1,328)
	23,750

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14: ISSUED CAPITAL

	30-June-21	
	\$	Number of shares
Issued Capital	6,840,150	
Cost of shares issued	(677,532)	
Fully paid ordinary shares	<u>6,162,618</u>	<u>42,521,000</u>

(a) Movements in Ordinary Shares

Period ended 30 June 2021

Date	Details	\$	Number of shares	Issue price
20/11/20	Balance at incorporation	5,950	12,500,000	\$0.0005
05/02/21	Reduction of capital	-	(6,550,000)	-
31/03/21	Issue of seed capital	320,000	4,000,000	\$0.08
25/06/21	Issue of IPO shares	5,729,200	28,646,000	\$0.20
25/06/21	Shares issued to lead manager	90,000	450,000	\$0.20
25/06/21	Shares issued to acquire projects	145,000	725,000	\$0.20
25/06/21	Shares issued to acquire subsidiary	550,000	2,750,000	\$0.20
	Costs of shares issued	(677,532)		
30/06/21	Balance at end of the period	<u>6,162,618</u>	<u>42,521,000</u>	

(b) Capital management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

NOTE 15: RESERVES

	<u>30-June-21</u>
	\$
Reserves	
Options reserve	249,359
	<u>249,359</u>
Options reserve	
Balance at incorporation	-
Issue of options to lead manager	228,780
Issue of options for project acquisition	20,579
Balance at the end of the period	<u>249,359</u>

The lead manager options have been written-off to issue costs and the project acquisition options have been capitalised to exploration costs.

ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 16: ACCUMULATED LOSSES

	<u>30-June-21</u>
	\$
Balance at incorporation	-
Loss after income tax expense for the period	<u>370,537</u>
Balance at the end of the period	<u>370,537</u>

NOTE 17: REMUNERATION OF AUDITORS

During the financial period the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the Company:

	<u>30-June-21</u>
	\$
<i>Audit services – HLB Mann Judd (WA Partnership)</i>	
Audit of the financial statements	<u>17,500</u>
	<u>17,500</u>
 <i>Other services – HLB Mann Judd (WA Partnership)</i>	
Provision of Independence Limited Assurance Report for the Company's Prospectus	<u>10,100</u>
	<u>10,100</u>

NOTE 18: EARNINGS PER SHARE

Basic loss per share

The calculation of basic loss per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of \$370,537 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2021 was calculated as follows:

	<u>30-June-21</u>
Loss attributable to ordinary shareholders (\$)	(370,537)
Weighted average number of ordinary shares (number)	10,595,068
Basic loss per share (cents per share)	<u>(3.50)</u>

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

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ASKARI METALS LIMITED
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NOTE 19: SHARE-BASED PAYMENTS

(a) Performance rights on issue

All performance rights on issue relate to share based payments to directors or employees, brokers and consultants for services provided.

Class	Grant date	Balance at incorporation	Issued during the year	Exercised during the year	Cancelled or Expired during the year	Balance at end of the year
		Number	Number	Number	Number	Number
Class A	20 Nov 2020	-	1,700,000	-	-	1,700,000
Class B	20 Nov 2020	-	1,700,000	-	-	1,700,000
Total		-	3,400,000	-	-	3,400,000

The Performance Rights were issued on 20 November 2020 and have the following milestones attached to them:

Class A: the Class A Performance Rights will convert into Shares (on a 1:1 basis) upon:

- (a) the Company announcing no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springfield Copper-Gold Project, the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or
- (b) the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where "Copper Projects" is defined as the Horry Copper Project and the Callawa Copper Project).

in each case in accordance with the JORC Code and as verified by an independent competent person under the JORC Code (Class A Milestone), with the Class A Performance Rights expiring on the date that is two (2) years from the date of Admission if the Class A Milestone is not achieved.

Class B: the Class B Performance Rights will convert into Shares (on a 1:1 basis) upon:

the Company announcing a JORC (2012) compliant Mineral Resource of gold, as verified by an independent competent person under the JORC Code, of at least 50,000 ounces at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) (Class B Milestone), with the Class B Performance Rights expiring on the date that is three (3) years from the date of Admission if the Class B Milestone is not achieved.

ASKARI METALS LIMITED
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NOTE 19: SHARE-BASED PAYMENTS (CONTINUED)

(b) Valuation of Performance Rights Issued

The Performance Rights were issued on 20 November 2020 and expire within two years (Class A) and three years (Class B) from the date of admission to ASX which was 7 July 2021. An expense for the value of the Performance Rights will be recognised commencing from 7 July 2021. As the rights were issued on incorporation, in accordance with AASB 2 – share based payments, the rights had a negligible value.

(c) Options on issue

All options on issue relate to share based payments to directors or employees, brokers and consultants for services provided. All options have fully vested. The following options are on issue at 30 June 2021:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Issued during the year Number	Exercised during the year Number	Cancelled or Expired during the year Number	Balance at end of the year Number
25 June 2021	25 June 2024	\$0.25	-	2,500,000	-	-	2,500,000
25 June 2021	25 June 2023	\$0.25	-	281,250	-	-	281,250
			-	2,781,250	-	-	2,781,250
Weighted average remaining contracted life of options (Years)							2.9 Years
Weighted average exercise price							\$0.25

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19: SHARE-BASED PAYMENTS (CONTINUED)

Valuations of unlisted options issued during the prior year

There were 2,781,250 options issued during the period ended 30 June 2021. The fair value at grant date was determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the unlisted options issued during the prior year were based on the following:

Type of Options:	Options issued to broker in connection with capital raising	Options issued to acquire project
Number of options issued	2,500,000	281,250
Exercise price \$	0.25	0.25
Share price at date granted/contract date	0.20	0.20
Risk free rate	0.1%	0.1%
Volatility factor	80%	80%
Number of years to expiry	3	2
Fair value per option	0.092	0.073
Valuation	228,780	20,579

(d) Summary of share-based payment transactions

Total share-based payment transactions granted during the year:

Shared based payments	2021
	\$
Shares issued to acquire subsidiary (note 21)	550,000
Shares issued to acquire project (note 14)	145,000
Shares issued to lead manager (note 14)	90,000
Options issued to lead manager in connection with capital raising (above)	228,780
Options issued to acquire project (above)	20,579
Total	1,034,359

The lead manager options have been written-off to issue costs and the project acquisition options have been capitalised to exploration costs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 20: RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is Askari Metals Limited.

(b) Subsidiaries

Group structure	Country of incorporation	Date of Incorporation	Class of shares	Ownership interest 2021
Parent Entity				
Askari Metals Limited	Australia	20/11/2020	Ordinary	
Subsidiaries				
Springdale Gold Pty Ltd	Australia	20/11/2020	Ordinary	100%
First Western Gold Pty Ltd	Australia	19/02/2021	Ordinary	100%

On 25 June 2021 the Company acquired all the issued capital of First Western Gold Pty Ltd.

(c) Key management personnel compensation

There was no key management compensation other than the issue of Performance Rights. Directors received Performance Rights on 17 November 2020 with the performance rights expiring within two years (Class A) and three years (Class B) from the date of admission to ASX which was 7 July 2021. An expense for the value of the Performance Rights will be recognized commencing from 7 July 2021.

ASKARI METALS LIMITED
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NOTE 21: ASSET ACQUISITION

On 25 June 2021 Askari Metals Limited acquired all the issued capital of First Western Gold Pty Ltd, a company incorporated in Australia. First Western Gold Pty Ltd owns a number of tenements in Western Australia.

To acquire all the issued capital of First Western Gold Pty Ltd, Askari Metals Limited issued 2,750,000 ordinary fully paid shares for a value of \$550,000. An accrual for stamp duty payable on the transaction was made for \$27,500. Askari Metals Limited also granted the vendors a 1% Net Smelter Royalty as part of the consideration.

The transaction is not a business combination as the assets acquired did not meet the definition of a business as defined in the Australian Accounting Standards as at the date of acquisition. The acquisition of the net assets meets the definition of, and has been accounted for, as an asset acquisition.

	2021
Consideration	\$
Issue of shares	550,000
Allowance for stamp duty payable	27,500
Total consideration	<u>577,500</u>
Fair value of net assets acquired	
Exploration and evaluation expenditure	577,498
Financial assets	28,131
Financial liabilities	(28,130)
	<u>577,499</u>

The carrying value of the net assets acquired has been limited to the above consideration. No value was ascribed to the Net smelter Royalty because of the uncertainty in achieving production at this point in time.

There was no cash outflow for the acquisition of the subsidiary.

NOTE 22: PARENT ENTITY FINANCIAL INFORMATION

	30-June-21
	\$
Current assets	5,863,990
Non-current assets	894,922
Total Assets	<u>6,758,912</u>
Current liabilities	627,969
Non-Current liabilities	-
Total Liabilities	<u>627,970</u>
Contributed equity	6,162,618
Reserves	249,359
Accumulated losses	(281,035)
Total Equity	<u>6,130,942</u>
Loss for the year	281,035
Other comprehensive loss for the year	-
Total comprehensive loss for the year	<u>281,035</u>

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ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 23: Contingent Liabilities

Royalty

As outlined in Note 23 a 1% Net Smelter Royalty is payable on the tenements acquired via the acquisition of all the issued capital of First Western Gold Pty Ltd.

Contingent Consideration

Springdale Project

Under the terms of the agreement to acquire the Springdale Gold project a Performance Bonus of 450,000 fully paid shares is payable upon the achievement of a JORC (2012) resource of at least 100,000 ounces of gold.

NOTE 24: COMMITMENTS

Exploration expenditure commitments

Minimum expenditure requirements on the company's mineral tenements are as follows:

Project Name	Tenement Number (s)	Status	Location	Minimum Expenditure Amount
Springdale Cu-Au Project	EL9217	Granted	NSW	\$45,000 pa for 3 years
Horry Copper Project	E80/5313	Granted	WA	\$10,000
Callawa Copper Project	E45/5842	Granted	WA	\$52,000 years 1-3 \$78,000 years 4-5
Mt Maguire Gold Project	E47/4170	Application	WA	N/A
Mt Maguire Gold Project	E52/3718	Granted	WA	\$15,000
Mt Maguire Gold Project	E52/3719	Granted	WA	\$15,000
Burracoppin Gold Project	E70/5049	Granted	WA	\$20,000

Equity

The company included as part of its Prospectus for its IPO a commitment to issue loyalty options to shareholders on the register approximately 3 months after listing on ASX. The loyalty options have a subscription price of \$0.01 and will be issued on a one for four basis and have an exercise price of \$0.25 and an expiry life of 3 years from date of issue. The Company currently intends to apply for quotation of the loyalty options subject to meeting all ASX requirements.

ASKARI METALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

Other than below, there have been no matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Company,
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 7 July 2021 the Company was admitted to the official list of Australia Stock Exchange Limited.

On 12 July 2021 the Company announced the appointment of Johan Lambrechts as Vice President Exploration and Geology.

On 15 July 2021 the Company appointed Mr David Greenwood to the Board of Directors.

On 6 September the company issued 200,000 unlisted options with an exercise price of \$0.25 and expiry date of 6 September 2023. On that day the company also issued 1,000,000 Performance Rights. The options and Performance Rights were issued to the Vice President Exploration and Geology.

On 28 September 2021 the company announced a proposed loyalty options entitlement issue. The proposed issue will be on the basis of one (1) option for every four (4) shares held by eligible shareholders. The options will have an issue price of \$0.0025 per option, exercisable at \$0.25 within 3 years of issue. The proposed record date is 14 October 2021.

NOTE 26: COMPANY DETAILS

The registered office and principal place of business of the Company is:
17 Lacey Street
Perth WA 6000

**ASKARI METALS LIMITED
DIRECTORS' DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2021**

In the opinion of the Directors of Askari Metals Limited (the "Company"):

1. The attached consolidated financial statements, notes thereto and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the period ended on that date; and
 - (c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 2(a) to the financial statements.
2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the period ended 30 June 2021.



Gino D'Anna
Director
28 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Askari Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Askari Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
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Carrying amount of exploration and evaluation expenditure
Refer to Note 11

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group and is material to the users of the financial statements.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the coming period and discussed with management the nature of planned ongoing activities;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest;
- We substantiated a sample of expenditure incurred to supporting documentation; and
- We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Askari Metals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 September 2021



D I Buckley
Partner

ASX ADDITIONAL INFORMATION

DESCRIPTION OF MINING RIGHTS

Project Name	Tenement Number (s)	Grant Date	Period of Grant	Status
Springdale Cu-Au Project	EL9217	19 July 2021	3 years	Granted
Horry Copper Project	E80/5313	1 July 2020	5 years	Granted
Callawa Copper Project	E45/5842	12 August 2021	5 years	Granted
Mt Maguire Gold Project	E47/4170	N/A	N/A	Application
Mt Maguire Gold Project	E52/3718	31 May 2019	5 years	Granted
Mt Maguire Gold Project	E52/3719	31 May 2019	5 years	Granted
Burracoppin Gold Project	E70/5049	10 July 2018	5 years	Granted

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ASX ADDITIONAL INFORMATION

STATEMENT OF QUOTED SECURITIES AS AT 21 SEPTEMBER 2021

a) Distribution of Shareholders	Number of Shareholders
Size of Holding	
1 – 1,000	5
1,001 – 5,000	112
5,001 – 10,000	72
10,001 – 100,000	259
100,001 and over	56
Total	504
b) Number of holders of less than marketable parcels: 31	
c) There are two substantial shareholders listed in the Company's register being:	
Gino D'Anna <Internazionale A/C> - 4,885,000 shares	
10 Bolivianos Pty Ltd – 4,301,310 shares	

d) Twenty largest shareholders:

	Holder Name	Holding	%
1	10 BOLIVIANOS PTY LTD	3,917,751	12.99%
2	KOVI G INVESTMENTS PTY LTD <KOVI GORDON FAMILY A/C>	1,500,000	4.97%
3	MS CHUNYAN NIU	860,976	2.86%
4	PINGHUA LIU	750,000	2.49%
5	DAVSAM PTY LTD <ROSEMAN RETIREMENT FUND A/C>	600,000	1.99%
5	RIMOYNE PTY LTD	600,000	1.99%
6	GREEN MOUNTAINS INVESTMENTS LTD	550,000	1.82%
7	BUPRESTID PTY LIMITED <HANLON FAMILY SUPER A/C>	450,000	1.49%
8	MR NOEL RUSSELL CAMERON & DR BELINDA CAROLINE GOAD <NOEL CAMERON SUPER FUND A/C>	430,000	1.43%
9	ORACLE CUSTOMER MANAGEMENT SOLUTIONS PTY LTD	400,000	1.33%
9	MR RYAN TRAVIS SIMPSON	400,000	1.33%
10	MR ANKUR HARESHCHANDRA CHOKSI & MRS KHYATIBEN ANKUR CHOKSI	396,500	1.31%
11	NANDIL PTY LTD	390,000	1.29%
12	VIVO TRADING PTY LTD	355,000	1.18%
13	THREE ZEBRAS PTY LTD <JUDD FAMILY A/C>	300,000	0.99%
13	CAPERANGE INVESTMENTS PTY LTD <SOUTHBANK EQUITY S/F A/C>	300,000	0.99%
13	BARRY MCKENZIE PTY LTD <J B M SUPER FUND A/C>	300,000	0.99%
13	MR MICK ZIVKOV	300,000	0.99%
13	BVB CUSTODIAN PTY LTD <BVB A/C>	300,000	0.99%
13	RIMOYNE PTY LTD	300,000	0.99%
14	MR TRENT MILLAR	265,000	0.88%
15	MURRAYDALE NOMINEES PTY LTD	250,000	0.83%
16	ASHMAT INVESTMENTS PTY LTD <HESTER INVESTMENT A/C>	247,917	0.82%
17	CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	225,000	0.75%
17	MR NHAN PHAM	225,000	0.75%
18	ANGORA BLUE PTY LTD	215,000	0.71%
19	MR QUOC HOAI DINH NGUYEN	200,000	0.66%
19	NORTH OF THE RIVER INVESTMENTS PTY LTD	200,000	0.66%
20	MR XIN FANG & MRS QIUYI LIN <DDXX SUPER A/C>	180,000	0.60%
	Totals	15,408,144	51.09%
	Total Issued Capital	30,156,000	100.00%

ASX ADDITIONAL INFORMATION

e) Voting Rights

Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.

f) The name of the Company Secretary is Paul Fromson.

g) The address of the registered office is: 17 Lacey Street Perth WA 6008.

h) Registers of securities are held at Automic Group, Level 2, 267 St Georges Terrace Perth WA 6000.

i) Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd.

k) Unquoted Options over Unissued Shares

Expiry Date	Exercise Price	Number
25 June 2024	\$0.25	2,500,000
25 June 2023	\$0.25	281,250
6 Sept. 2023	\$0.25	200,000
		<u>2,981,250</u>

ASX ADDITIONAL INFORMATION

I) Unquoted Performance Rights

Class A	Class B	Class C	Class D	Class E	Class F	Class G
1,700,000	1,700,000	200,000	200,000	200,000	200,000	200,000

The Class A and B Performance Rights were issued on 20 November 2020 and have the following milestones attached to them:

Class A: the Class A Performance Rights will convert into Shares (on a 1:1 basis) upon:

- (a) the Company announcing no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springfield Copper-Gold Project, the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or
- (b) the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where "Copper Projects" is defined as the Horry Copper Project and the Callawa Copper Project),

in each case in accordance with the JORC Code and as verified by an independent competent person under the JORC Code (Class A Milestone), with the Class A Performance Rights expiring on the date that is two (2) years from the date of Admission if the Class A Milestone is not achieved.

Class B: the Class B Performance Rights will convert into Shares (on a 1:1 basis) upon:

the Company announcing a JORC (2012) compliant Mineral Resource of gold, as verified by an independent competent person under the JORC Code, of at least 50,000 ounces at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where "Gold Projects" is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) (Class B Milestone), with the Class B Performance Rights expiring on the date that is three (3) years from the date of Admission if the Class B Milestone is not achieved.

ASX ADDITIONAL INFORMATION

The Class C,D,E,F and G Performance Rights were issued on 6 September 2021 and have the following milestones attached to them:

- Class C:** the Class C Performance Rights will convert into an equivalent number of Shares upon the Company announcing:
- (i) no less than five (5) drill holes each intersecting a minimum gram per metre interval of 8 gram/metre on any of the Gold Projects currently held by the Company (where “Gold Projects” is defined as the Springdale Copper-Gold Project, the Mt Maguire Gold Project or the Burracoppin Gold Project); or
 - (ii) the Company announcing no less than five (5) drill holes each intersecting a minimum percent per metre interval of 4 percent/metre on any of the Copper Projects currently held by the Company (where “Copper Projects” is defined as the Horry Copper Project and the Callawa Copper Project),
- with the Class C Performance Rights expiring on the date that is two (2) years from the date of Admission if the Class C Milestone is not achieved,
- Class D:** the Class D Performance Rights will convert into an equivalent number of Shares upon the achievement of a 20-day VWAP share price >AUD\$0.40 within 2 years from the date of the Company being admitted to the Official List of ASX or an alternate public market transaction.
- Class E:** the Class E Performance Rights will convert into an equivalent number of Shares upon the Company announcing a JORC (2012) compliant Mineral Resource of gold at a grade of not less than 2g/t Au on any of the Gold Projects currently held by the Company (where “Gold Projects” is defined as the Springdale Gold Project, the Mt Maguire Gold Project and/or the Burracoppin Gold Project) with an inground value of no less than \$50,000,000 (Class E Milestone), with the Class E Performance Rights expiring on the date that is three (3) years from the date of Admission if the Class E Milestone is not achieved.
- Class F:** the Class F Performance Rights will convert into an equivalent number of Shares upon the achievement of a 20-day VWAP share price >AUD\$0.60 within 3 years from the date of the Company being admitted to the Official List of ASX or an alternate public market transaction.
- Class G:** the Class G Performance Rights will convert into an equivalent number of Shares upon the Company achieving delivery of a positive NPV (8% post-tax discount rate) of over A\$65m as determined by a Scoping Study on any of its current or future projects within the next 5 years from the date of the Company being admitted to the Official List of ASX.