

9 January 2026

Mr Stuart Usher
CFO & Company Secretary
Askari Metals Limited

By email

Dear Mr Usher

Askari Metals Limited ('AS2'): ASX Query Letter

ASX refers to the following:

- A. AS2's announcement titled "Askari to Undertake Rights Issue to Fund Exploration at Nejo" (the 'Rights Issue Announcement') released on the ASX Market Announcements Platform ('MAP') at 09:36 AM AEST on 3 October 2025 disclosing, amongst other things, that:
- (i) AS2 would conduct a non-renounceable entitlement offer made to existing holders on a pro-rata basis of 1 share for every 3 shares accompanied by 2 free attaching options to raise gross proceeds of \$1,497,433 ('Entitlement Offer');
 - (ii) A shortfall offer will remain open for up to three months following the closing date of the Entitlement Offer ('Shortfall Offer'); and
 - (iii) In connection with the Entitlement Offer, AS2 entered into a lead manager mandate with CPS Capital Group Pty Ltd ('Lead Manager').
- B. AS2's announcement titled "Non-renounceable Entitlement Offer Prospectus" ('Prospectus') released on MAP at 11:24 AM AEDT on 9 October 2025.
- C. AS2's announcement titled "Askari Entitlement Offer Closed Oversubscribed", released on MAP at 08:28 AM AEDT on 24 November 2025 disclosing that the Entitlement Offer had closed with AS2 receiving valid applications from 190 shareholders to raise \$1,589,679 made up of \$660,417 representing eligible entitlement applications and \$929,262 representing applications for additional entitlements from eligible shareholders.
- D. AS2's announcement titled "Appointment of experienced mining executive to Board" (the 'Director Appointment Announcement') released on MAP at 09:55 AM AEDT on 5 December 2025 disclosing the appointment of Mr Martin Holland to the Board of Askari Metals as Non-Executive Director.
- E. AS2's announcement titled "Initial Director's Interest Notice" ('Holland Appendix 3X') released on MAP at 8:00 PM AEDT on 8 December 2025 which disclosed Mr Holland held no relevant interests in securities of AS2.
- F. AS2's Appendix 2A dated 17 December 2025 (the '17 December Oversubscriptions Appendix 2A') released on MAP at 07:09 PM AEDT on 17 December 2025 that disclosed the issue of the following securities occurred on 16 December 2025:
- (a) 9,000,041 quoted options expiring 31/12/2028
 - (b) 9,000,041 ordinary fully paid shares
 - (c) 9,000,041 quoted options expiring 1/12/2028

The Appendix 2A describes the circumstances of the issue of the securities as '*oversubscriptions to a rights issue prospectus dated 8 October 2025*' and disclosed that the securities were not issued pursuant to an

exception in Listing Rule 7.2 and were issued 'without security holder approval using the entity's 15% placement capacity under Listing Rule 7.1'

- G. AS2's announcement titled "CLEANSING NOTICE UNDER S708A(5)(E) OF THE CORPORATIONS ACT" (the 'Cleansing Notice Announcement') released on MAP at 1:48 PM AEDT on 31 December 2025 disclosing, amongst other things, that:

- (i) "An application for quotation for shares and options was lodged by the Company on 17 December 2025 and quotation commenced on 19 December 2025. The shares and options were for subscriptions and over subscriptions to a non-renounceable rights issue (Emphasis added).
- (ii) Due to an allotment error, securities were issued to an associated company of Martin Holland who was appointed as a director on 5 December 2025, he was therefore a related party for the purposes of ASX Listing Rule 10.11 at the time of the issue.
- (iii) The Company is seeking legal advice after considering ASX's feedback and accepts that once securities have been issued and quoted, they cannot be retrospectively cancelled.
- (iv) The Company will be addressing the matter with ASX and will, in due course, make an announcement explaining the inadvertent breach of Listing Rule 10.11 and the remedial steps taken."

- H. Listing Rule 3.19A which requires an entity to tell ASX the following:

- 3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
- *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*
- The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
- 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
- 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

- I. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

- J. Listing Rule 10.11 which states:

10.11 Unless one of the exceptions in rule 10.12 applies, an entity must not issue or agree to issue +equity securities to any of the following +persons without the approval of holders of +ordinary securities.

10.11.1 A +related party.

10.11.2 A +person who is, or was at any time in the 6 months before the issue or agreement, a

substantial (30%+) holder in the entity.

10.11.3 A +person who is, or was at any time in the 6 months before the issue or agreement, a +

substantial (10%+) holder in the entity and who has nominated a director to the board of the entity (in the case of a trust, to the board of the + responsible entity of the trust) pursuant to a relevant agreement which gives them a right or expectation to do so.

10.11.4 An +associate of a +person referred to in rules 10.11.1 to 10.11.3.

10.11.5 A +person whose relationship with the entity or a +person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by + security holders.

Request for information

Having regard to the above, ASX asks AS2 to respond separately to each of the following questions:

1. Having regard to AS2's Cleansing Notice Announcement, has AS2 lodged an Appendix 3Y form for the securities issued to entities associated with Mr Holland on 16 December 2025?
2. If the answer to question 1 is 'yes', please provide details.
3. If the answer to question 2 is 'no', please explain why AS2 is yet to lodge an Appendix 3Y form noting the timing requirements contained in Listing Rule 3.19A.2?
4. ASX understands only entities associated with Mr Holland were issued the securities disclosed in the 17 December Oversubscriptions Appendix 2A? Is this correct?
5. Please explain how the '*allotment error*' occurred such that AS2 lodged an Appendix 2A form in circumstances where it was issuing securities to a Listing Rule 10.11 party purportedly using its available Listing Rule 7.1 placement capacity?
6. Having regard to:
 - 6.1 the record date of the Entitlement Offer (17 October 2025);
 - 6.2 the closing date of the Entitlement Offer (19 November 2025);
 - 6.3 that AS2 disclosed it had received valid applications from eligible holders in excess of the maximum amount to be raised pursuant to the Entitlement Offer (24 November 2025); and
 - 6.4 the Holland Appendix 3X, which disclosed Mr Holland had no relevant interests in AS2 securities at 5 December 2025,is AS2's disclosure in the Cleansing Notice Announcement, that the securities issued to Mr Holland on 16 December 2025 were '*for subscriptions and over subscriptions to a non-renounceable rights issue*' correct? Please explain the basis for AS2's response to this question including whether Mr Holland submitted an application to participate in the Entitlement Offer and was considered an '*Eligible Shareholder*' as defined in the Prospectus.
7. If the answer to question 6 is 'yes', please explain why AS2 indicated in the 17 December 2025 Oversubscriptions Appendix 2A that the securities were not issued pursuant to an exception in Listing Rule 7.2 and were issued '*without security holder approval using the entity's 15% placement capacity under Listing Rule 7.1*'?
8. Is there any other manner in which AS2 wishes to describe the circumstances of the issue of the securities the subject of the 17 December Oversubscriptions Appendix 2A? If so, please provide details.

9. Please describe the role (if any) CPS Capital Group Pty Ltd had in allocating the securities the subject of the 17 December Oversubscriptions Appendix 2A?
10. Please identify who was responsible for reviewing and authorising the issue of securities the subject of the 17 December Oversubscriptions Appendix 2A?
11. Please describe AS2's systems and processes it currently has in place for checking whether security issues are being made to related parties?
12. Does AS2 consider its current systems and processes in place to identify security issues to related parties are functioning appropriately? In answering this question, please comment specifically on the issue of securities the subject of the 17 December Oversubscriptions Appendix 2A.
13. What date did AS2 first become aware of the breach of Listing Rule 10.11 disclosed in the Cleansing Notice Announcement?
14. Please confirm that AS2 is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
15. Please confirm that AS2's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AS2 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AWST Thursday, 15 January 2026**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AS2's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require AS2 to request a trading halt immediately if trading in AS2's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AS2's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AS2's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AS2's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance

16 January 2026

RESPONSE TO ASX QUERY

Mr Dale Allen
Manager ASX Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Dale

Askari Metals Limited (AS2) – Response to ASX Query Letter

We refer to your letter of 9 January 2026 regarding ASX's queries and respond to your questions and requests for information as follows:

1. **Having regard to AS2's Cleansing Notice Announcement, has AS2 lodged an Appendix 3Y form for the securities issued to entities associated with Mr Holland on 16 December 2025?**

No.

2. **If the answer to question 1 is 'yes', please provide details.**

N/A.

3. **If the answer to question 1 is 'no', please explain why AS2 is yet to lodge an Appendix 3Y form noting the timing requirements contained in Listing Rule 3.19A.2?**

Following identification of the inadvertent breach of Listing Rule 10.11, the Company was in discussions with ASX regarding the appropriate remedial steps. The Company was awaiting confirmation from ASX as to the preferred approach to address the breach as set out in the email sent by Stuart Usher of AS2 to ASX dated 31 December 2025. The Company is prepared to release an Appendix 3Y as soon as clarity from ASX is received.

4. ASX understands only entities associated with Mr Holland were issued the securities disclosed in the 17 December Oversubscriptions Appendix 2A? Is this correct?

Yes. The securities were allotted to an entity related to Mr Holland, called Holland International Pty Ltd <Holland Family A/C>. Mr Holland was unaware that the securities had been issued as Mr Holland is aware of the requirements for related party participation in equity placements that such participation remains subject to shareholder approval. The Company will be calling a shareholders meeting in the near term to address the participation of Mr Holland and Mr Morrison in the equity placement as noted in the ASX announcement dated 5 December 2025. The Company notes that Mr Holland had sent an email to CPS, the Lead Manager, confirming that Mr Holland's participation was subject to shareholder approval and that funds should not be drawn until such time as the shareholder approval had been obtained.

5. Please explain how the 'allotment error' occurred such that AS2 lodged an Appendix 2A form in circumstances where it was issuing securities to a Listing Rule 10.11 party purportedly using its available Listing Rule 7.1 placement capacity?

At the relevant time, the Company had completed a number of separate allotments under the rights issue prospectus dated 8 October 2025, as well as an additional capital raising announced on 5 December 2025, titled '*Strategic Funding secured locking in maiden drilling at the advanced-stage Nejo copper and gold project*'. The Company announced that it had received further commitments of \$1.15M from existing and new sophisticated investors and related party participation, being an investment of \$100,000 from newly appointed director, Mr Martin Holland and \$50,000 from current director, Mr Tim Morrison. The related party participation remains subject to shareholder approval, as noted in the 5 December 2025 announcement released to ASX.

The Company Secretary received instruction from an Executive Director who had been liaising with the Company's lead manager, CPS Capital, to proceed with an allotment of 33,291,828 Shares, 33,291,828 AS2OB Options and 33,291,828 AS2OC Options. The allotment spreadsheet came directly from the lead manager and included securities to be issued under the rights issue in addition to oversubscriptions to be issued pursuant to the Company's Listing Rule 7.1 capacity, to be treated as part of an additional capital raise to be completed by CPS Capital.

The Company Secretary sent the allotment register directly to its share registry, Automic, to execute the allotments. Due to inadvertent oversight, both the Executive Director and the Company Secretary were not aware that the allotments included any amounts from Mr Martin Holland, noting that related-party participation had been disclosed in the Company's announcement dated 5 December 2025 as being subject to shareholder approval and would ordinarily be processed following such approval.

6. Having regard to:

- a. the record date of the Entitlement Offer (17 October 2025);**
- b. the closing date of the Entitlement Offer (19 November 2025);**



- c. that AS2 disclosed it had received valid applications from eligible holders in excess of the maximum amount to be raised pursuant to the Entitlement Offer (24 November 2025); and
- d. the Holland Appendix 3X, which disclosed Mr Holland had no relevant interests in AS2 securities at 5 December 2025, is AS2's disclosure in the Cleansing Notice Announcement, that the securities issued to Mr Holland on 16 December 2025 were 'for subscriptions and over subscriptions to a non-renounceable rights issue' correct? Please explain the basis for AS2's response to this question including whether Mr Holland submitted an application to participate in the Entitlement Offer and was considered an '*Eligible Shareholder*' as defined in the Prospectus.

Yes. The allotment to Mr Holland was incorrectly included in the Company's issue of shares pursuant to subscriptions or oversubscriptions under the entitlement offer. The cleansing notice correctly states that an application for quotation for shares and options was lodged by the Company on 17 December 2025 for these shares, and their quotation commenced on 19 December 2025.

As explained in question 5, the Executive Director and the Company Secretary were unaware that Mr Holland's placement subscription was accidentally included in the allotment of Shares. Mr Holland did not complete an application form under the prospectus and would not have been an eligible shareholder under the entitlement offer. The allotment to Mr Holland under this issue was a genuine error caused by inadvertent oversight.

7. If the answer to question 6 is 'yes', please explain why AS2 indicated in the 17 December 2025 Oversubscriptions Appendix 2A that the securities were not issued pursuant to an exception in Listing Rule 7.2 and were issued '*without security holder approval using the entity's 15% placement capacity under Listing Rule 7.1*'?

The securities listed in the 17 December 2025 Appendix 2A were correctly described as being issued as part of an additional placement to raise funds pursuant to oversubscriptions received under the entitlement offer. These securities were issued using the Company's available 15% placement capacity under LR 7.1.

8. Is there any other manner in which AS2 wishes to describe the circumstances of the issue of the securities the subject of the 17 December Oversubscriptions Appendix 2A? If so, please provide details.

No. The error that has occurred is a genuine inadvertent oversight. The issue of securities to Mr Holland was not picked up in the allotment register provided by the Lead Manager. The Company acknowledges the oversight, particularly in circumstances where the 5 December 2025 announcement specified that related party participation would be subject to shareholder approval.

9. Please describe the role (if any) CPS Capital Group Pty Ltd had in allocating the securities the subject of the 17 December Oversubscriptions Appendix 2A?



Refer to response at question 5 and 7.

10. Please identify who was responsible for reviewing and authorising the issue of securities the subject of the 17 December Oversubscriptions Appendix 2A?

Executive Director, Mr Gino D'Anna and Company Secretary, Mr Stuart Usher.

11. Please describe AS2's systems and processes it currently has in place for checking whether security issues are being made to related parties?

The Company and its Board are all aware that issues to related parties are to be subject to shareholder approval, with the funds provided once this approval had been obtained. Historically, related party securities issues have followed this process.

The Company has a Corporate Governance Policy in place that deals directly with director disclosure obligations, and the Directors have been reminded of their obligations under this Policy.

Participation in equity capital raisings by related parties are encouraged as they provide an alignment between shareholders and board and management. In instances where a related party expresses an interest in participating in an equity capital raise, this is communicated to the Lead Manager and to the Board and Company Secretary. Only in circumstances where shareholder approval has been obtained is related party participation allowed. This is the manner in which the Company handles related party participation and has been a method historically employed by the Company. The Company notes that this is the first genuine inadvertent oversight of such matters and issue of securities. The process implemented by the Company is effective as all parties are aware of the related party participation.

12. Does AS2 consider its current systems and processes in place to identify security issues to related parties are functioning appropriately? In answering this question, please comment specifically on the issue of securities the subject of the 17 December Oversubscriptions Appendix 2A.

The Company believes that its systems and processes are adequate and that the issue of securities, the subject of the 17 December Oversubscriptions Appendix 2A was simply an inadvertent oversight which arose due to multiple allotments and external inputs provided by the Share Registry.



13. What date did AS2 first become aware of the breach of Listing Rule 10.11 disclosed in the Cleansing Notice Announcement?

22 December 2025.

14. Please confirm that AS2 is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

Yes, the Company confirms that it is in compliance with the Listing Rules and in particular, ASX Listing Rule 3.1

15. Please confirm that AS2's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AS2 with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the responses to the questions above have been authorised and approved by the board and I as an officer of the Company have the delegated authority from the board to respond to ASX on disclosure matters

Please contact me if you would like to discuss any of the above matters.

Yours sincerely,



STUART USHER

Company Secretary

FOR FURTHER INFORMATION PLEASE CONTACT

INVESTORS

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NON-EXECUTIVE CHAIRMAN

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E. rob@askarimetals.com



ABOUT ASKARI METALS

Askari Metals is a focused Southern African exploration company. The flagship asset of the Company is the Nejo Project in Ethiopia, an advanced-stage, brownfields high-grade gold and copper project located on the Arabian-Nubian Shield covering a district land-holding of ~1,200km² surrounding the 1.7Moz Tulu Kapi Gold Mine and along strike of the 3.4Moz Kurmuk Mine.

In addition, the Company is actively exploring and developing its Uis Lithium Project in Namibia located along the Cape-Cross – Uis Pegmatite Belt of Central Western Namibia. The Uis project is located within 2.5 km from the operating Uis Tin-Tantalum-Lithium Mine which is currently operated by Andrada Mining Ltd and is favourably located with the deep-water port of Walvis Bay being less than 230 km away from the Uis project, serviced by all-weather sealed roads. In March 2023, the Company welcomed Lithium industry giant Huayou Cobalt onto the register who remains supportive of the Company's ongoing exploration initiatives.

For more information please visit: www.askarimetals.com

