



Chala Metals Limited

ACN 648 213 610

OFFER DOCUMENT FOR A PRE-IPO CAPITAL RAISE

For new Shares in the capital of Chala Metals Limited (ABN 648 213 610) at an issue price of A\$0.05 per New Share to raise approximately A\$750,000.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisor without delay. An investment in the shares offered by this Offer Document should be considered speculative and are only offered to eligible investors under S708 of the Corporations Act, 2001 (Australia). This document is not for distribution in the United States of America.

ISSUE OF OFFER DOCUMENT

This Offer Document is dated 12 January 2024 and issued by Chala Metals Limited (ACN 648 213 610).

This Offer Document is not a Prospectus or any other form of disclosure document regulated by the Corporations Act. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

Please read the instructions in this Offer Document and on the accompanying Entitlement & Acceptance Form regarding the acceptance of your Entitlement.

This Offer Booklet is not for release, publication or distribution in the United States or elsewhere where such an offer would be in contravention of securities laws.

ELIGIBILITY

Applications for New Shares can only be made on an Entitlement & Acceptance Form and Investor Declaration Form accompanying this Offer Document.

OFFERING RESTRICTIONS

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and, therefore, persons who come into possession of this Offer Document should seek advice on and observe such restrictions. Failure to comply with these restrictions may violate applicable securities laws. Further information regarding the distribution of this Offer Document is contained in Sections 6 of this Offer Document. The Offer is made to any persons who are Eligible Shareholders at the Record Date. This Offer Document does not constitute an offer or invitation in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied upon as having been authorised by the Company, the Directors or any other person in connection with the Offer.

DEFINITIONS AND ABBREVIATIONS

Capitalised words or terms used in this Offer Document have defined meanings, which are explained in the Glossary of Terms in Section 8 of this Offer Document. A reference to time in this Offer Document is to Sydney time, unless otherwise stated. All financial amounts contained in this Offer Document are expressed in Australian dollars unless otherwise stated.

RISK FACTORS

This Offer Document does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer Document in its entirety before deciding whether to invest in the Company. In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these factors in the light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest. A number of key risk factors that you should consider are outlined in Section 7 of this Offer Document.

ENQUIRIES

If you have any questions in relation to the Rights Issue, please contact your stockbroker, solicitor, accountant or financial adviser. If you have questions in relation to how to complete the Entitlement & Acceptance Form and Investor Declaration Form, please contact mark@chalametals.com.

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1 KEY OFFER DETAILS

Offer to Eligible parties	One (1) New Share to a maximum of 10,000,000 per investor
Issue Price per New Share	A\$0.05 per New Share payable in full on Application
Maximum number of New Shares issued under the Offer	Approximately 15,000,000 New Shares
Maximum proceeds from the Offer (excluding costs associated with the Offer)	Approximately \$750,000 (before expenses and costs of the issue)
Maximum number of Shares on issue on completion of the Placement	75,000,000 Shares

IMPORTANT DATES

Announcement of Share offer	11 January 2024
Opening Date of Share Offer	22 January 2024
Last day to extend the Closing Date	28 February 2024
Closing Date for acceptances under the Share Offer	30 March 2024
Issue of the New Shares and New Options	14 April 2024

CONTACT AND REMITTANCE DETAILS

By Email	mark@chalametals.com
By Mail	Company Secretary Chala Metals Limited 95/330 Wattle St Ultimo, Sydney NSW 2007
Electronic Funds Transfer (EFT)	National Australia Bank, Sydney Account Name: Chala Metals Ltd BSB No: 082001 Account No: 179185120 SWIFT Acc: NATAAU3303M



2 CHAIRMAN'S LETTER

11 January 2024

Dear Shareholders,

On behalf of Chala Metals Limited ("The Company") I am pleased to offer investors the opportunity to invest in our company, exercisable at A\$0.05 before 30 March 2024

I will personally be taking up 2,500,000 new shares and spending more time in Peru this year to ensure that the potential of our projects, created by the very high metal grades in this forgotten and almost inaccessible corner of Peru is realized.

Yours sincerely,



MARK NEWTON
Executive Chairman
Chala Metals Limited

3 OFFER SUMMARY

Item	Explanation	Reference
What is the Offer?	Issue of up to 15,000,000 of New Shares (Offer)	Section 5
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 5
Is there a Minimum Subscription Amount	Yes, minimum subscription amount is A\$5,000.	Section 5
How do the New Shares rank with existing Shares	All New Shares issued under the Rights Issue will rank equally in all respects with existing Shares from the date of their issue.	Section 5
Who can invest?	The offer is open to new and existing shareholders	Section 5
	•	

4 COMPANY OVERVIEW AND UPDATE

SUMMARY OF PRINCIPLE ACTIVITIES

Chala Metals Limited is an Iron-Ore, Copper, Gold explorer with projects in Southern Peru, close to the coastal city of Chala. It holds a 100% owned concession of 2080 Ha showing excellent Copper-Silver and Gold characteristics, and commercial agreements in place or under negotiation on 3 other properties totaling in excess of 7000 ha. Two of these other properties are either in Copper-Gold production or under investigation to begin production.

COMPANY STRATEGY

Our strategy remains committed to maximizing shareholder equity through the acquisition, exploration and development of highly prospective mineral deposits by:

- Pursuing the acquisition and development of large scale and/or highly profitable iron ore/copper mines (or other minerals),
- Adding value for shareholders through exploration, resource delineation, economic assessment and feasibility; and
- Where appropriate, pursue production or development only where it maximises the equity return for shareholders (Joint venture or sale of projects may be considered at a later date).

The initiation of small scale pilot mining operations in two or our projects from our base at Chala is consistent with our company strategy. The small scale operations will provide valuable data and other information about the minerology of the mines and the processing of their ores. It will also allow CML to develop a core of local managers skilled in all aspects from mining to processing to marketing the metals produced.

Once the Achatayhua dispute is settled the intention is to list CML either in Australia on the ASX or possibly in Canada on the TSX.

COMPANY PROJECTS

AMP 1 is of 580 Ha and 100% owned and available for exploration and development. We have completed one days exploration on AMP 1 and only collected 7 samples. The results were very encouraging, with one sample greater than 10 grams of gold and another at 8.6% Copper with greater than 200 grams of Silver. The area sampled was chosen by our head geologist, Jacob Rebek from satellite imagery. If further exploration demonstrates that AMP 1 has extensive Copper-Silver or Gold at or near surface then small scale mining in our own right or in a JV with a Swiss Mining company we are talking to becomes a realistic opportunity and a fast path to generating income.

UCM1 and UCM 2 are two new tenements of 1500 Ha total acquired by CML in 2022 and 100% owned. 45 surface samples have been analyzed and some very good Copper and Silver grades obtained, the best of which was 5.3% Cu with 170 gms of Ag. Together with AMP 1 these two tenements form the core of the company's Peruvian assets

NEW CHILEAN ANOMOLY

The company has identified a large and strong Magnetic anomaly close to the coast in the Atacama desert of Northern Chile. The anomaly is at an elevation of 1200 – 1500 meters above sea level with a good quality sealed road running through it to a port able to load Cape size vessels, about 150 kilometres away. Hypothetically, if the anomaly indicates a Magnetite deposit of economic scale, it should be possible to produce (green) Magnetite iron ore from this location and deliver it to markets at low logistics/shipping costs. Additionally, the anomaly is in the Chilean Coastal IOCG zone with a multitude of copper and gold mines associated with, or in close proximity to, the iron occurrences. 80% of this large anomaly is on open ground and available for application for an exploration lease.

5 DETAILS OF THE OFFER

THE OFFER

Chala Metals Limited is offering investors the opportunity to purchase up to 15 million new shares at A\$0.05 each ordinary share.

Details on how to accept the Offer are set out in Section 6.

THE SIZE OF THE OFFER

As at the date of this Offer Booklet, the Company has on issue 58,000,000 Shares and no options. Approximately 15 million New Shares will be offered under the Offer to raise up to approximately \$750,000.

USE OF FUNDS

If fully subscribed, the Offer will result in an increase in cash in hand of the Company by A\$750,000. There is no guarantee the Offer will be fully subscribed. It is currently proposed that the Company will use the funds as follows:

Description	Based on \$750k placement
Further exploration AMP 1 & UCM 1,2	A\$105,000
Secure the Chilean anomaly	A\$120,000
Prospectus and listing costs for spring 24 IPO	A\$420,000
2024 Administration	A\$70,000
Contingencies	A\$35,000
Total	A\$750,000

EFFECT OF RIGHTS ISSUE ON THE CAPITAL STRUCTURE OF THE COMPANY

The total number of New Shares and New Options to be issued under the Offer will be 6.25 million. The table below sets out, for illustrative purposes only, the existing Share capital structure (before the Offer) together with the impact of the issue of the New Shares and New Options under the Offer. It assumes that no options are exercised prior to the Record Date and that all New Shares are issued under the Offer or placed after the Offer closes.

Shares	Number
Existing Shares (Excluding New Shares)	58,000,000
Maximum number of New Shares issued under the Offer	15,000,000
Maximum issued Shares following completion of the Offer	73,000,000

RIGHTS AND LIABILITY ATTACHING TO NEW SHARES

The New Shares issued under the Offer will be on a fully paid basis and will rank equally in all respects with existing Shares

OFFER RESTRICTIONS

The Offer is restricted to minimum subscriptions of A\$5,000 and a total maximum subscription of approximately A\$750,000.

In accordance with Section 9A of the Corporations Act, the Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date.

OPENING AND CLOSING DATES

The Offer will open for receipt of acceptances on 22 January 2024. The Closing Date for acceptance of your Entitlement is 5.00pm (AEST) on 30 March 2024.

Chala Metals Limited reserves the right, subject to the Corporations Act, to extend the Closing Date or to delay or withdraw the Offer at any time without prior notice. Where the Offer is withdrawn, all Application Monies will be refunded (without interest) as soon as practicable by cheque to your registered address as noted on the Company's share register. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been received.

NO UNDERWRITING

The Offer is not underwritten.

ISSUE AND DISPATCH

The issue of New Shares offered by this Offer Booklet is expected to occur on 14 April 2024.

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied upon as having been authorised by the Company, the Directors or any other person in connection with the Offer.

DEFINITIONS AND ABBREVIATIONS

Capitalised words or terms used in this Offer Document have defined meanings, which are explained in the Glossary of Terms in Section 8 of this Offer Document.

A reference to time in this Offer Document is to Sydney time, unless otherwise stated. All financial amounts contained in this Offer Document are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals, sums and components in tables contained in this Offer Document are due to rounding.

RISK FACTORS

This Offer Document does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer Document in its entirety before deciding

whether to invest in the Company. In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these factors in the light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest. A number of key risk factors that you should consider are outlined in Section 7 of this Offer Document.

6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

ENTITLEMENT & ACCEPTANCE FORM

Investors wishing to take up the offer in New Share are required to complete the Entitlement & Acceptance Form and Investor Declaration Form in Sections 9 to 11, nominating the number of New Shares they wish to take.

PAYMENT

All funds are to be remitted to the following bank account:

Bank:	National Australia Bank
Branch:	Sydney, NSW Australia
BSB No:	082001
Account No:	179185120
Account Name:	Chala Metals Ltd
SWIFT Acc:	NATAAU3303M

Please include your name to ensure correct allocation (such as JSmith, or John Smith) with accompanying details attached to this form (address, phone no etc).

If you prefer to pay by cheque, please seek prior arrangement due to risk of delays relating to processing of the cheque.

ENQUIRIES

For further information, please contact telephone BoardRoom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (for overseas callers).

7 RISK FACTORS

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Company aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and to the extent to which the Company can effectively manage them is limited.

Investors should consider the key risk factors affecting the Company's business when deciding whether or not to invest in the securities of the Company through the Offer. This summary of certain risks is not intended to be an exhaustive list of all the risks that may affect the value of an investment in the Company. These key risk factors are set out below.

GENERAL INVESTMENT RISK

The value of securities of the Company will be influenced by the investment climate in stocks. Factors that affect this investment climate include the general economic outlook, investor sentiment, movements in commodity prices, exchange rate fluctuations, inflation levels and geo-political developments. Changes in taxation laws and government policies may also impact on the value of the securities of the Company.

An investment in shares under this Offer should be considered speculative.

FUNDING RISK

The Company will rely on funds raised by equity or debt for its working capital requirements. Continued funding is required to ensure the Company continues its exploration program and adds value to its assets.

COUNTRY RISK

The Company's primary assets are located in Peru which introduces sovereign Peru domestic risk issues to investors investing in the Company's shares. Investors should be aware of and form a view of the specific country risks issues associated with Peru and South America generally.

Risks may arise in changes in laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange and control exchange. In addition, the Company's exploration activities may be subject to political and economic uncertainties, expropriation of property and cancellation or modification of contract rights, taxation, royalties, duties, foreign exchange restrictions and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrection. There can be no assurance that economic or political conditions in Peru or South America generally will continue as they are at present. Changes in political or economic conditions in the areas in which the Company conducts operations or has properties may have a material adverse effect on the Company's business, financial condition and results of operations.

TENEMENTS

Risk relating to the legal action and any settlement on the purchase option contract for the Achatayhua project. Similarly risks relating to joint venture or farm in agreements and thus potential for delays or legal action where one party fails to complete obligations.

MINING RISK

The business of mining, particularly exploration and project development, is a high risk undertaking. The discovery of mineral deposits is a speculative activity. The transformation of an economic mineral deposit into commercial production involves many risks including the design and construction of appropriate plant and facilities, efficient and continuous operation and extraction and processing procedures and access to adequate finance for project development.

MARKET RISKS

Market factors are beyond the control of the Company. Prices for commodities are subject to supply and demand pressures and can be highly volatile. Other economic factors such as interest rates and exchange rates vary over time. Movements in market risks can affect the profitability of the Company.

INVESTMENT LIQUIDITY

Although the Company intends to list its securities on the ASX during 2021, there is no certainty that this will occur. Until the Company lists its securities on the ASX (or some other acceptable exchange), there is no market for buying and selling the securities in the Company. If the investors wished to sell securities in the interim, they are advised to contact the company and it may be possible that investors are available to purchase them off-market, but this is not guaranteed.

SPECULATIVE NATURE OF INVESTMENT

The Shares to be issued by the Company as part of the pre-IPO seed capital raising carry no guarantee with respect to the payment of dividends, the return of capital or the value of those shares. An investment in the shares of the Company is a speculative investment with an uncertain outcome.

ACKNOWLEDGEMENT AND DISCLAIMER

- A. This document is provided for the sole use of the recipient and the recipient's advisers ("Recipient") for the purpose of evaluation the potential investment in securities of the Company. The document must not be provided to, or discussed with, any other person and must not be used for any other purpose except with the Company's prior written consent.
- B. The Recipient acknowledges that this document provides general information about the Company and does not constitute investment, legal, accounting, financial or tax advice. This document does not constitute a recommendation by the Company or any of its affiliates, officers, employees, advisers and agents that the Recipient should invest in the Company.
- C. The Recipient is responsible for completing its own inquiries, investigation, analysis and evaluation of the Company and its prospects, and should seek appropriate professional advice about all issues (whether mentioned in this document or not) which are or may be relevant to its investment decision-making. The Recipient must satisfy itself as to the accuracy of the information contained in this document.
- D. This document does not purport to contain all information that may be material to any investment or other decision in relation to the Company.
- E. This document is not a prospectus or other disclosure document as defined in the Corporations Act and does not contain or purport to contain information which would be required to be contained in such a prospectus or disclosure document.
- F. Where this document contains forward-looking statements and estimates regarding the future performance or operation of the Company, these statements and estimates are based on economic and other assumptions that may not ultimately be correct. Such statements and estimates must only be relied upon as indicative of future conditions as actual conditions may vary significantly.
- G. The information in this document is believed to be accurate but the Company and its affiliates, officers, advisers, and agents make no representation or warranty, and give no guarantee or assurance, as to the accuracy of the information contained in this document.
- H. The Company and each of its affiliates, officers, employees, advisers and agents and each person for whom information has been obtained for the purposes of this document, to the full extent permitted by law:
 - i) Accept no liability arising in any way (including through negligence) for any error in or omission from this document, or the accuracy, reliability or completeness of the information contained or referred to in this document;

Accept no responsibility to inform the Recipient or any other person of any matter arising after the date of this document, or if they or any of them become aware of any change in any information in this document, or to provide any further information to the Recipient or any other person;
 - ii) Disclaim all liability whether direct or indirect arising out of or as a result of reliance upon any statement or information contained in this document, or any information subsequently provided to the Recipient; and

- iii) Disclaim all liability whether direct or indirect for anything done or omitted to be done by the Recipient in connection with any evaluation or investigation of the Company.
- I. The Company and its Directors give no assurance that the Company will list its securities on the ASX.
- J. The information contained or referred to in this document may change in a material manner after the date on which the document is issued.
- K. The Company reserves the right to change any information in this document and is under no obligation to inform the Recipient if and when it changes the information.

8 GLOSSARY

The following terms are used in this Offer Document have the following meanings:

A\$ or \$ means an Australian dollar.

Application Form means the application form accompanying this Offer Document relating to the Offer.

ACN means Australian Company Number.

AMP means Achatayhua Metals Peru S.A.C.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context required).

Board means the board of Directors of the Company as constituted from time to time.

Company means Chala Metals Limited (ACN 648 213 610)

Constitution means the constitution of the Company

Corporations Act means the Corporations Act 2001 and later amendments

Directors mean the directors of the Company as at the date of this Offer Document.

JORC means the Joint Ore Reserves Committee Code and Guidelines (2012)

IOCG means Iron Oxide Copper Gold, a type of mineral deposit common in Peru and Australia, amongst other countries

IPO means an initial public offering of shares

Offer means the non-renounceable Rights Offer for New Shares to sophisticated and professional investors who are Eligible Shareholders pursuant to this Offer Document

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

Shareholder means a holder of Shares

Shortfall or Shortfall Shares means any New Shares not taken up by Eligible Shareholders under the Offer or the Top-Up Facility;

Top-Up Facility means the mechanism by which Eligible Shareholders can apply for Additional Shares.

9 SHARE ACCEPTANCE FORM

20 January 2024
Chala Metals Ltd,
95/330 Wattle St
Ultimo NSW 2007
Ph 1300 024 252

Dear Shareholders of Chala Metals Limited;

RE: SHARE ISSUE

Chala Metals Limited (the "Company") is offering of up to 15,000,000 new shares at an issue price of 5 cents each representing a 20.5% interest in the Company post raising.

This document does not constitute an offer of securities in any jurisdiction where it would be unlawful to issue this document.

Placement Timetable

Activity	Date
Open Date for Acceptance of Offer	22 Jan 2024
Closing Date for Acceptance of Offer	30 March 2024
Expected allotment of New Shares	14 April 2024

All times are Sydney, Australian Eastern Standard Time (AEST). Subject to the Corporations Act, the Company may change the above timetable without notice. Any change in the timetable will not affect any rights or obligations you have as a result of accepting this Offer.

Rights and Quotation

The New Shares will rank equally in all respects with the existing ordinary shares in the Company. The Shares will not be quoted on any stock exchange at this time.

Acceptance of Offer

Please indicate your acceptance of this Offer by signing and returning the Investor Representation & Acceptance Letter contained in this section, together with your funds for the amount of New Shares subscribed for, to the Company so that the Investor Representation & Acceptance Letter and accompanying funds reach the Company by no later than 5.00pm (Sydney time) on 30 March 2024.

If delays are anticipated please notify the Company, or it will be assumed you are not accepting the offer.

All funds are to be remitted to the following bank account:

Bank: National Australia Bank
Branch: Sydney, NSW Australia
BSB No: 082001
Account No: 179185120
Account Name: Chala Metals Ltd
SWIFT Acc: NATAAU3303M

- Please include your name to ensure correct allocation (such as JSmith, or John Smith) with accompanying details attached to this form (address, phone no etc)
- If you prefer to pay by cheque, please seek prior arrangement due to risk of delays relating to Public Holidays and processing of the cheque.

The Company will not issue or allot New Shares to an investor:

- Who has failed to complete, execute and deliver the Investor Representation & Acceptance Letter

If you do not accept this Offer by returning a signed Investor Representation & Acceptance Letter and accompanying payment, the Company will have no liability to you in connection with the New Shares or any expense, loss or cost you incur or have incurred in relation to assessing this Offer or the New Shares.

Sophisticated or Professional Investor

In making the Offer, the Company has determined that you are either a Sophisticated Investor or Professional Investor for the purposes of sections 708(8) and 708(11) respectively of the Corporations Act or otherwise able to receive the Offer pursuant to s708 of the Corporations Act or are a foreign investor and have received the offer of securities outside Australia and are therefore excluded from the operation of the fundraising provisions in Chapter 6D of the Act, and are therefore entitled to be offered the New Shares without a disclosure document. In making its determination about your status, the Company has relied upon any relevant information you have provided as being complete and accurate.

Notwithstanding the Company's determination that you are a Sophisticated Investor or Professional Investor or a foreign investor, the Investor Representation & Acceptance Letter in Attachment A includes a warranty from you to that effect.

If you are aware of any information that may change the Company's opinion that you are a Sophisticated Investor or a Professional Investor or are a foreign investor, you must notify the Company immediately. The Company may, in its absolute discretion, withdraw this Offer after reviewing any such information.

Dealings in New Shares

As the New Shares are being offered to you without a disclosure document and unless you are a foreign investor, you are required to retain these for 12 months from the date of issue of the Shares to you or until such time as the Company issues a Disclosure Document comply with sub-sections 707(3) and (4) of the Corporations Act (as those sub-sections are modified, if applicable, under ASIC Class Order 02/1180 or any variation of such class order or any further class order issued by ASIC relating to such class order ("Class Order") in respect of any subsequent resale of the New Shares within twelve months of the issue).

Representations and Warranties

By accepting this Offer and unless you are a foreign investor, you represent and warrant as at the date of acceptance, and at the date the New Shares are issued and allotted, for the benefit of the Company, that:

- (a) you are aware that a disclosure document has been prepared in connection with the Offer and sale of the New Shares and have read the document in its entirety and accept the contents;
- (b) all information you have provided to the Company about and any statements made by you in connection with or arising out of your status as a Sophisticated Investor or Professional Investor or foreign investor is accurate and complete;
- (c) in deciding to accept this Offer and acquire the New Shares, you have:
 - made your own assessment of the Company and its prospects;
 - made your own assessment of the New Shares; and
 - had access to all information that you believe is necessary or appropriate about the New Shares and your investment decision to subscribe for them;
- (e) the representations and warranties in the Investor Representation & Acceptance Letter are complete and accurate;
- (f) you will obtain your own tax advice regarding the tax consequences in any jurisdiction of purchasing, owning or disposing of any New Shares;
- (g) if you are subscribing for any New Shares for an account of one or more Sophisticated Investors or Professional Investors, you have full power to make the foregoing representations and warranties on behalf of each Sophisticated Investor and Professional Investor;

Indemnity

On and from acceptance of this Offer, you will indemnify the Company on demand and each of its officers, directors, employees, agents and advisers against any loss (including all legal costs and expenses on a full indemnity basis) or liability arising from any claim or proceeding brought by any person to the extent that such loss arises as a result of a breach by you of any agreement with the Company that arises from acceptance of this Offer.

Entire Agreement

The terms of this Offer set out herein and in the accompanying Offer document and the Investor Representation & Acceptance Letter comprise the entire agreement between the parties in connection with the Placement to the exclusion of all prior representations, understandings and agreements (whether oral or written, express or implied) between the Company and you.

Variation

Any amendment, modification or variation of the agreement that arises from acceptance of this Offer must be in writing and executed by the Company and you.

Governing Law and Jurisdiction

This Offer and any agreement arising out of its acceptance is governed by and must be construed in accordance with the laws of New South Wales, Australia. The parties submit to the non-exclusive jurisdiction of the courts in New South Wales, Australia and courts competent to hear appeals from such courts.

Confidentiality

All information supplied to you in connection with the Placement is provided for information purposes only and you agree that you have not relied upon any representation or inducement in connection with your decision to accept this Offer and invest in the New Shares (whether oral or written, express or implied) other than is set out in this Offer. You must keep all information provided to you in connection with the Placement confidential and only circulate such information or documentation to those people directly involved with the decision to accept the New Shares.



.....
MARK NEWTON
Executive Chairman
Chala Metals Limited

ATTACHMENT A

**SHARE ISSUE OF UP TO 15,000,000 CHALA METALS LIMITED SHARES AT AN ISSUE
PRICE OF A\$0.05 EACH TO RAISE A\$750,000**

PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

TO:	
FROM:	
DATE:	

We refer to the Offer from the Company enclosed, the Placement Offer Letter.

- I / We hereby irrevocably apply for shares in the Company under the Offer and subscribe for the following New Shares on the terms and conditions set out in the Offer:

Number of New Shares at 5 **cents** per share under the Rights Issue []

- I / We agree to remit funds to Chala Metals Limited for the amount shown above being payment at the rate of 5 cents per share (Placement) applied for.
- I / We represent and warrant that I / we are a professional or sophisticated investor within the meaning of section 708 of the *Corporations Act* or otherwise able to receive the Offer pursuant to S 708 of the *Corporations Act* or are a foreign investor and have received the offer of securities outside Australia and are therefore excluded from the operation of the fundraising provisions contained in Chapter 6D of the Act but otherwise we acknowledge that we are subject to the Act.
- I / We hereby authorise you to place my / our name(s) on the register of shareholders in respect of the number of Shares applied for me / us.
- I / We agree to be bound by the Constitution of the Company.
- If any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the directors of the Company as to whether to accept this form, and how to construe, amend or complete it shall be final.

All Investors to Complete:

Investor (full name):	
Address:	
Authorised signature:	
Name/title:	
Date:	
Telephone:	
E mail:	

Payment

In order to apply for New Shares please complete the accompanying Entitlement & Acceptance Form and Investor Declaration Form, which must be accompanied by payment in full of 5 cents per New Share so that it is received by the Company by 5.00pm (Sydney time) on 30 March 2024.

Payments will only be accepted in Australian dollars and payment by Australian resident shareholders must be made by cheque drawn on and payable at any Australian bank. Overseas shareholders should make payments by electronic bank transfer.

Cheques are not accepted, unless otherwise agreed with the company (please contact us if you wish to pay by cheque, as this may delay the fund raising due to need for bank processing and verification)

To facilitate investors, the Company provides the following bank details to allow electronic bank transfer:

Bank:	National Australia Bank
Branch:	Sydney, NSW Australia
BSB No:	082001
Account No:	179185120
Account Name:	Chala Metals Ltd
SWIFT Acc:	NATAAU3303M

Receipts for payment will not be provided, rather, shareholding statements will be issued.

CLOSING DATE NO LATER THAN 5.00 PM (SYDNEY TIME) ON 30 March 2024
RETURN OF THIS DOCUMENT TO THE COMPANY WITH THE REQUIRED REMITTANCE WILL
CONSTITUTE YOUR ACCEPTANCE OF THE SHARES BEING OFFERED. THE DIRECTORS RESERVE
THE RIGHT TO MAKE AMENDMENTS TO THIS FORM WHERE APPROPRIATE

Please email to: corporateactions@boardroomlimited.com.au or contact directors or post to:
Chala Metals Ltd, 95/330 Wattle Street, Ultimo NSW 2007.

Declaration	
	<p>This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application monies the Applicant:</p> <p>a) Agrees to be bound by the Constitution of the Company;</p> <p>b) Authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions;</p> <p>c) Where the amount payable for any shares to be issued by the Company pursuant to this application is less than \$500,000, agrees that it satisfies one of the requirements in (i), (ii), (iii) or (iv) below:</p> <p>i) Warrants to the Company that the applicant is a “Professional Investor” as that term is defined in the Corporations Act; OR</p> <p>ii) Attaches an original Accountant’s Certificate in the form set out in this Offer Document given by a qualified accountant no more than 12 months before the date of this application, certifying that the applicant has:</p> <ul style="list-style-type: none"> - Net Assets of at least \$2.5 million; or - Gross income for each of the last two financial years of at least \$250,000 per year: OR <p>iii) Warrants that the offer of shares was received through a financial services licensee in accordance with Section 708(10) of the Corporations Act. (If this category applies, the Company will require certain matters to be certified by the financial services licensee before the application is accepted and any issue of shares is made); OR</p> <p>iv) None of the above (i), (ii), or (iii) apply. If none of the above apply the Company will need to determine if you fall under any other of the other categories in Section 708 of the Corporations Act or are a foreign investor.</p>

10 INVESTOR DECLARATION

[Please complete this form in the PDF or alternatively print and fill it out, scan and email]

Where the amount payable for any shares to be issued by the Company pursuant to this application is less than \$500,000, the applicant either (the applicant must satisfy one of the requirements in A, B, C or D below) – PLEASE TICK THE APPROPRIATE BOX:

A. Warrants to the Company that it is (terms used have the meaning given to them in the Corporations Act):

- ☐ A licensed or exempt dealer acting as a principal;
- ☐ A Licensed or exempt investment adviser acting as a principal;
- ☐ A body registered under the Life Insurance Act 1995 of Australia or the Federal Corporation Act 1974 of Australia;
- ☐ A regulated superannuation fund, approved deposit fund, pooled superannuation trust or public sector superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993 that has net assets of at least A\$10 million;
- ☐ A terminating building society within the meaning of the Financial Corporation Act 1974 of Australia;
- ☐ A friendly society within the meaning of the Life Insurance Act 1995 of Australia;
- ☐ A person who, for the purposes of investment in securities, controls an amount of not less than A\$10 million being an amount that includes any amount held by an associate person or under a trust that the person manages;

B. Or:

- ☐ Attaches an original certificate given by a qualified accountant no more than two years before the date of this application, certifying that the applicant either has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000 per year;

C. Or:

- ☐ Warrants that the offer of shares was received through a licensed securities adviser (AFSL licensee) in accordance with Section 708(10) of the Corporations Act. If this category applies, the Company may require certain matters to be certified by the licensed dealer before the application is accepted and any issue of shares is made;

D. Or:

- ☐ None of the above A, B or C apply. Please state category of exemption or other indicating sufficient experience in the class of securities issues (Professional Investor) or other.

11 ACCOUNTANT'S CERTIFICATE

PURSUANT TO SECTION 708 OF THE CORPORATIONS ACT

[If you select option B, in the Investor Declaration, tear this page as well from the Offer Document and return to the Company with payment]

I, _____

am a "qualified accountant" for the purposes of Section 708(8)(c) of the Corporations Act, being a member of the professional body:

_____ ("Body")

and am subject to and in compliance with the Body's continuing professional development requirements.

I certify that the following investor has net assets of at least \$2.5 million or has gross income for each of the last two (2) financial years* specified of at least \$250,000 a year.

Name of investor: _____

*As defined in the Income Tax Assessment Act 1997. The last two financial years for which this certificate applies are 30 June 2019 and 30 June 2020.

Signed: _____

Print name: _____

Date: _____

NOTE: This certificate is confidential and may only be provided to the individual, the Company seeking to rely upon Section 708(8)(c), any employer of the individual and the Australian Securities and Investments Commission or their duly appointed agents.

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