



# PROSPECTUS

ACN 644 982 123

**For an offer of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000 (Offer).**

The Offer comprises:

- a) a priority offer to Eligible Archer Shareholders (**Priority Offer**); and
- b) an offer to the general public (**Public Offer**).

Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may be accepted.

## LEAD MANAGER



## IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisors without delay. **The Shares offered by this Prospectus should be considered as highly speculative.**



# IMPORTANT NOTICE

This Replacement Prospectus is dated 26 November 2021 and was lodged with ASIC on that date. ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

## **Exposure Period**

Pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74, this Replacement Prospectus is not subject to an exposure period.

## **No offering where offering would be illegal**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

This Prospectus does not constitute an offer in any place outside Australia where, or to any person to whom, it would not be lawful to make such offer. No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia, except as described in Section 4.12. The distribution of this Prospectus outside Australia may

be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including as set forth in Section 4.12. Any failure to comply with such restrictions could constitute a violation of applicable securities laws.

This Prospectus may only be distributed in the United States to "accredited investors" (as defined in Rule 501(a) under the US Securities Act) by Four Points Capital Partners LLC, a US registered US broker-dealer, and only if this Prospectus is accompanied by the US Offering Circular. The Shares have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and any applicable US state securities laws.

## **Specific Information for New Zealand Residents**

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets

Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

## *Currency exchange risk*

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

## *Trading on financial product market*

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.chemxmaterials.com.au](http://www.chemxmaterials.com.au).

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6374 2070 during office hours or by emailing the Company at [info@chemxmaterials.com.au](mailto:info@chemxmaterials.com.au).



# IMPORTANT NOTICE

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

## Company Website

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

## No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

## No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

## Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to the Investment Overview (Section D) and Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets',

'expects', or 'intends' and other similar words that involve risks and uncertainties.

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

## Financial Forecasts

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

## Competent Persons statement

The information in the Investment Overview (Section 3), the Company and Projects Overview (Section 5), and the Independent Technical Report (Annexure A), which relate to Exploration Targets or exploration

results is based on information compiled by Michael Conan-Davies and Wade Bollenhagen (as applicable). Each of Michael Conan-Davies and Wade Bollenhagen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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' (the **JORC Code**).

Michael Conan-Davies is a contractor to Mining One Pty Ltd (ACN 114 365 632). Wade Bollenhagen is a full-time employee of iTech Minerals Limited (ACN 648 219 050). Each of Michael Conan-Davies and Wade Bollenhagen consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

## Continuous disclosure obligations

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

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

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

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

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



# IMPORTANT NOTICE

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

## Photographs and Diagrams

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

## Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

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

## Privacy statement

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

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

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

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

## Replacement Prospectus

The key differences between this Prospectus and the Original Prospectus are as follows:

- a) providing in the Chairman's Letter, Investment Overview Section, and Section 5 (Company and Projects Overview) additional information regarding the nature of the Company's business model and Projects and disclosure of short-term objectives for its operations;
- b) highlighting that the Company does not currently have any defined (JORC Code compliant) mineral resources at its Projects; and
- c) including additional disclosures on confirmations received from ASX in relation to the ASX Listing Rules, as set out in Section 10.6.

## Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional advisor without delay. Should you have any questions about the Offer or how to accept the Offer please call the Share Registry on +61 1300 850 505 or the Company Secretary on +61 8 6374 2070.







# CORPORATE DIRECTORY

## Directors

Kristie Young  
Independent Non-Executive Chair

David Leavy  
Managing Director

Stephen Strubel  
Executive Director

Warrick Hazeldine  
Non-Executive Director

## Company Secretary

Tamara Barr

## Proposed ASX Code

CMX

## Registered Office

Suite 1, 1 Tully Road  
East Perth WA 6004

Telephone: + 61 8 6374 2070

Email: [info@chemxmaterials.com.au](mailto:info@chemxmaterials.com.au)

Web: [www.chemxmaterials.com.au](http://www.chemxmaterials.com.au)

## Australian Legal Advisors

Steinepreis Paganin  
Level 4, 50 Market Street  
Melbourne VIC 3000

## Investigating Accountant

William Buck Audit (Vic) Pty Ltd  
Nicholas Benbow (Director)  
Level 20, 181 William Street  
Melbourne VIC 3000

## Auditor\*

William Buck Audit (Vic) Pty Ltd  
Jeffrey Luckins (Director)  
Level 20, 181 William Street  
Melbourne VIC 3000

## Independent Geologist (Eyre Peninsula Project)

Mining One Pty Ltd  
Level 9, 50 Market Street  
Melbourne VIC 3000

## Independent Technical Expert (HPA Technology)

BHM Process Consultants Pty Ltd  
10 Chatsworth Road  
Highgate WA 6003

## Lead Manager

Ventnor Securities Pty Ltd  
ACN 150 239 508

Corporate Authorised Representative of  
ACNS Capital Markets Pty Ltd  
AFSL No. 279099

Ground Floor, 16 Ord Street  
Perth WA 6005  
Telephone: + 61 8 9482 0500

## Share Registry\*

Computershare Investor Services Pty  
Limited

Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

Registry Information line  
1300 850 505 (within Australia) or  
+61 3 9415 4000 (outside Australia)

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus



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# 1. LETTER FROM THE CHAIR

**Dear Investor,  
On behalf of the  
directors of ChemX  
Materials Limited,  
it gives me great  
pleasure to invite  
you to become a  
shareholder of the  
Company.**

The global energy sector continues to transition from fossil fuel based systems of energy supply to renewable energy sources. There is an ever increasing demand for the environmentally sustainable development and supply of materials that feed into the renewables sector.

ChemX has entered into an agreement to acquire HiPurA Pty Ltd, the owner of an innovative High Purity Alumina (**HPA**) processing technology. Global demand for HPA is primarily being driven by the demand for lithium-ion batteries, given the increasing transition to renewable energy sources. The HiPurA HPA technology is a unique and novel process (that is subject to a provisional patent application) utilising commonly available aluminous chemicals as a feedstock to produce HPA.

The Company also holds two exploration licences in the Eyre Peninsula, South Australia which are prospective for kaolin / halloysite and manganese. The Company will apply funds raised under the Offer to undertake an exploration drilling programme scheduled to commence in Q1 2022.

This Prospectus is seeking to raise a minimum of \$7,000,000 via the issue of Shares at an issue price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies as detailed in Section 5.

The Board has significant expertise and experience in both the mining and high purity alumina industries, and shall leverage its commercial expertise and industry relationships in seeking to commercialise the Company's assets.

This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully and seek your own professional advice. The Shares offered by this Prospectus should be considered highly speculative.

We look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company.

Yours sincerely

Kristie Young  
Independent Non-Executive Chair



## 2. KEY OFFER INFORMATION

### INDICATIVE TIMETABLE<sup>1</sup>

Lodgement of Original Prospectus with the ASIC	12 November 2021
Lodgement of this Prospectus with ASIC	26 November 2021
Offer Opening Date	26 November 2021
Priority Offer Closing Date	10 December 2021
Public Offer Closing Date	10 December 2021
Issue of Shares under the Public Offer and Priority Offer	14 December 2021
Despatch of holding statements	16 December 2021
Expected date for quotation on ASX	20 December 2021

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are WST. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

### KEY STATISTICS OF THE OFFER

	Minimum Subscription (\$7,000,000)	Minimum Subscription (\$8,000,000)
Offer Price per Share	\$0.20	\$0.20
Shares currently on issue <sup>1</sup>	19,506,875	19,506,875
Shares to be issued pursuant to the Founders Loan Note Facility <sup>2</sup>	18,000,000	18,000,000
Shares to be issued pursuant to the Seed Capital Convertible Loan Agreements <sup>3</sup>	8,143,750	8,143,750
Shares to be issued pursuant to the HiPurA acquisition <sup>4</sup>	2,000,000	2,000,000
Shares to be issued to the Lead Manager <sup>5</sup>	600,000	800,000
Shares to be issued to Archer under the Archer Sale Deed <sup>6</sup>	2,321,119	2,321,119
Shares to be issued under the Offer	35,000,000	40,000,000
Gross Proceeds of the Offer	\$7,000,000	\$8,000,000
<b>Shares on issue post listing <sup>7</sup></b>	<b>85,571,744</b>	<b>90,771,744</b>
<b>Market Capitalisation post listing <sup>8</sup></b>	<b>\$17,114,349</b>	<b>\$18,154,349</b>
Deferred Shares to be issued pursuant to HiPurA acquisition <sup>9</sup>	4,500,000	4,500,000
Options held by Directors <sup>10</sup>	2,000,000	2,000,000
Options to be issued to Lead Manager <sup>11</sup>	2,000,000	2,000,000
<b>Shares on issue post listing (fully diluted) <sup>7</sup></b>	<b>94,071,744</b>	<b>99,271,744</b>
<b>Market Capitalisation post listing (fully diluted) <sup>8</sup></b>	<b>\$18,814,349</b>	<b>\$19,854,349</b>





## 2. KEY OFFER INFORMATION (CONT)

### Notes:

1. Comprising 1 founder Share issued on 9 October 2020 and 4,999,999 founder Shares issued to Stephen Strubel at an issue price of \$0.001 per Share on 21 May 2021; 3,600,000 Shares issued to promoters (being Tamara Barr (100,000 Shares), David Leavy (2,500,000 Shares) on 21 May 2021 and Kristie Young (1,000,000 Shares) on 31 May 2021 at an issue price of \$0.001 per Share); 9,250,000 Consideration Shares issued to Archer Materials Limited (ACN 123 993 233) at a deemed issue price of \$0.20 per Share on 17 June 2021; 875,625 Shares to seed investors at an issue price of \$0.08 per Share on 27 and 31 August 2021; and 781,250 Shares to seed investors at an issue price of \$0.16 per Share on 1 and 3 November 2021.
2. 18,000,000 Shares to be issued to R J & A Investments Pty Ltd (ACN 089 589 355) on conversion under the Founders Loan Note Facility based on a conversion price of \$0.016 per Share. Refer to Section 9.2.1 for further information.
3. Shares to be issued to seed investors on conversion under Seed Capital Convertible Loan Agreements (being 7,362,500 Shares converted at \$0.08 per Share and 781,250 Shares converted at \$0.16 per Share). Refer to Section 9.2.2 for further information. All of the Directors have participated in the seed capital raising. Refer to Section 8.3 for further information on the Directors' interests.
4. 2,000,000 Shares to be issued to the vendors of HiPurA Pty Ltd (ACN 649 073 049), Nicholas Welham and David Leavy (a Director) following the admission of the Company to the Official List of the ASX (and the satisfaction of other conditions), assuming an issue price of \$0.20 per Share, pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information.
5. Shares to be issued to the Lead Manager in consideration for services provided under the Lead Manager Mandate, at the Minimum Subscription and Maximum Subscription upon successful completion of the Offer. Refer to Section 9.1.1 for further information.
6. 2,321,119 Shares to be issued to Archer Materials Limited as additional consideration calculated based on 5% of the enterprise value of the Company upon listing, under the Archer Sale Deed. Refer to Section 9.3.1 for further information.
7. Certain Securities on issue post listing will be subject to ASX-imposed escrow. Refer to Section 5.10 for information in relation to the likely escrow position.
8. Assuming a Share price of \$0.20, however the Company notes that the Shares may trade above or below this price. Note the Company intends to undertake an offer of Loyalty Options within 3 months of admission of the Company to the Official List. Refer to Section 5.9 for further information.
9. A total of 4,500,000 Shares to be issued to Nicholas Welham and David Leavy (a Director) as vendors upon the satisfaction of certain milestones (and the satisfaction of other conditions), assuming an issue price of \$0.20 per Share, pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information.
10. 1,000,000 Options issued under the Company's Employee Incentive Securities Plan held by each of Kristie Young and Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine), with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021 (**Director Options**). Refer to Section 10.5 for a summary of the terms of the Employee Incentive Securities Plan. Refer to Section 10.3 for the terms of the Director Options.
11. Options with a purchase price of \$0.001, an exercise price of \$0.30 and an expiry date of 3 years from the date of admission of the Company to the Official List, to be issued to the Lead Manager in consideration for services provided under the Lead Manager Mandate upon successful completion of the Offer (**Lead Manager Options**). Refer to Section 9.1.1 for further information. Refer to Section 10.4 for the terms of the Lead Manager Options.



### 3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	ChemX Materials Limited (ACN 644 982 123) ( <b>Company</b> or <b>ChemX</b> ).	Section 5.1
Who is the Company?	<p>The Company was incorporated on 9 October 2020 as an Australian proprietary company. The Company converted to an unlisted public company on 18 June 2021.</p> <p>Since incorporation, the Company has focused on investigating opportunities in technology related materials. This included metallurgical test work of the kaolin from its Eyre Peninsula project and alternative technologies to produce high purity alumina (<b>HPA</b>) and other related materials.</p>	Section 5.1
What is the Company's interest in the Projects?	<p>The Company holds the interests in the following projects:</p> <p>a) The HiPurA HPA technology is a unique and novel process utilising commonly available aluminous chemicals as a feedstock to produce HPA. The process differs significantly from other technologies in that it is a scalable and modular process that is expected to have lower capital and operating costs than traditional HPA production and has the potential to produce multiple products with only minor changes to the flow sheet (<b>HiPurA HPA Technology</b>). The Company will acquire the HiPurA HPA Technology pursuant to a share sale agreement under which the Company will acquire 100% of shares in HiPurA Pty Ltd (<b>HiPurA</b>) (<b>HiPurA Share Sale Agreement</b>); and</p> <p>b) The Eyre Peninsula project, which comprises two granted exploration licences (namely, EL5920 and EL 6634 (<b>Tenements</b>) located in South Australia (<b>Eyre Peninsula Project</b>). The Company entered into an agreement with Archer Energy and Resources Pty Ltd (a wholly owned subsidiary of Archer Materials Limited (ASX:AXE)) (<b>Archer</b>) on 21 December 2020 to acquire the Tenements. The acquisition of the Tenements by the Company was completed on 17 June 2021,</p> <p>(together, the <b>Projects</b>).</p>	Section 5.2 and Annexure A



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>B. Business Model</b>		
What is the Company's business model?	<p>The Company's initial focus will be on optimising and developing the HiPurA HPA Technology with the aim of having a pilot plant operational within 12-18 months to test the commercial viability of the technology. Exploration of the Tenements will be undertaken focusing on manganese and kaolin/halloysite. The Company does not currently have any defined mineral resources at the Projects. Whilst the Company intends to undertake additional exploratory work with the aim of defining a mineral resource, it is uncertain whether additional exploration will result in the determination of a mineral resource.</p> <p>The Company proposes to fund its activities over the first two years following listing as outlined in the table at Section 5.6.</p> <p>A detailed explanation of the Company's business model is provided in Section 5.3 and a summary of the Company's proposed development programs is set out in Section 5.5.</p>	Section 5.3
What are the key business objectives of the Company?	<p>The Company's main objectives on completion of the Offer and ASX listing are:</p> <ul style="list-style-type: none"><li>a) optimisation and development of the HiPurA HPA Technology and construction of a pilot plant;</li><li>b) exploration and test work of kaolin / halloysite and manganese within the Eyre Peninsula Project;</li><li>c) development of co-operative relationships with end users and research institutions;</li><li>d) pursuit of other acquisitions that have a strategic fit for the Company;</li><li>e) business development activities to identify new opportunities;</li><li>f) research on additional uses and markets for the materials that have been identified as being able to be produced using the HiPurA HPA Technology process; and</li><li>g) to provide working capital for the Company.</li></ul>	Section 5.3





### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>B. Business Model (cont)</b>		
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"><li>a) retaining and recruiting key personnel skilled in the mining and resources sector;</li><li>b) planned optimisation studies on the HiPurA HPA Technology process confirming a commercial development pathway;</li><li>c) securing development partnerships with industrial companies and research institutions to develop new materials that are commercially viable;</li><li>d) maintaining title to the Tenements;</li><li>e) the exploration program providing sufficient confidence for a minable resource to be identified;</li><li>f) sufficient global demand existing for HPA and other materials that the company may produce; and</li><li>g) the market price of HPA and other materials that the Company may produce being higher than the Company's costs of any future production (assuming successful development by the Company).</li></ul>	Section 5.4
What is the Company's growth strategy?	<p>The Projects are in markets that the Company believes have a strong demand outlook, providing the opportunity to supply those markets at an economically viable price and increasing production as those markets grow.</p> <p>The key areas of exposure for the HPA production are the forecast growth in the demand for lithium-ion batteries driven by production of electric vehicles and continued growth in the LED and semi-conductor markets.</p> <p>The product development program will initially be focused on the following areas:</p> <ul style="list-style-type: none"><li>a) investigating the uses of HPA in the lithium-ion battery anode and cathode;</li><li>b) investigating the use of lower carbon intensive materials and processes in existing industrial processes; and</li><li>c) producing a manganese sulphate product for use in battery technology.</li></ul> <p>The Company is actively seeking collaboration with entities and research institutions with the aim of developing materials needed for the development of its technology.</p>	Section 5





### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>C. Key Advantages</b>		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> <li>a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its technology materials strategy;</li> <li>b) a unique technology to produce HPA that the Directors expect to provide economic and operational benefits compared to incumbent producers and other technologies;</li> <li>c) a portfolio of quality tenements in South Australia considered by the Board to be highly prospective for halloysite, kaolin, manganese and potentially other materials that may be used in lithium-ion batteries;</li> <li>d) a highly credible and experienced team to execute the development strategy and establish the Company as a respected supplier of technology materials; and</li> <li>e) a strategy of research and development that is expected to provide additional opportunities to grow Shareholder value.</li> </ul>	Section 5
<b>D. Key Risks</b>		
Limited history	The Company was incorporated only recently (on 9 October 2020) and has limited operating history and historical financial performance. No assurance can be given that the Company will achieve commercial viability through the successful execution of its strategy and the development of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.	Section 7
Exploration and development	Mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company. The Company is subject to customary risks associated with an exploration company, such as the volatility of commodity process and exchange rates, exploration costs, native title and Aboriginal heritage and risks with respect to the holding of exploration tenure.	Section 7
Technology development	The HiPurA HPA Technology has not been proven at a commercial scale. Any proposed development will be subject to risks usual with this type of development including but not limited to scale up risk, cost increases and commissioning risk.	Section 7
Funding	<p>The funds raised under the Offer are considered sufficient to meet the current objectives of the Company. To support its ongoing operations and implementation of strategies, further funding may be required by the Company in the event that costs exceed estimates.</p> <p>The Company may undertake additional offerings of Securities in the future and has indicated that it will undertake an issue of Loyalty Options within the first 3 months following listing. As a result of the issue of additional Shares on exercise of Options, the interests of existing Shareholders may be diluted.</p>	Section 7
Other risks	Refer to Section 7.2 for further information on specific risks relating to an investment in the Company. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information																				
<b>E. Directors and Key Management Personnel</b>																						
Who are the Directors?	<p>The Board consists of:</p> <ul style="list-style-type: none"> <li>a) Ms Kristie Young – Independent Non-Executive Chair;</li> <li>b) Mr David Leavy – Managing Director;</li> <li>c) Mr Stephen Strubel – Executive Director; and</li> <li>d) Mr Warrick Hazeldine – Non-Executive Director.</li> </ul> <p>The profiles of each of the Directors are set out in Section 8.1.</p>	Section 8.1																				
What are the significant interests of Directors in the Company?	<p>As at the date of this Prospectus, the Directors (either directly or through associated entities) have the following interests in Shares and Options:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Kristie Young <sup>1,2</sup></td> <td>1,000,000</td> <td>5.13%</td> <td>1,000,000</td> </tr> <tr> <td>David Leavy <sup>1,3</sup></td> <td>2,500,000</td> <td>12.82%</td> <td>Nil</td> </tr> <tr> <td>Stephen Strubel <sup>1</sup></td> <td>5,000,000</td> <td>25.63%</td> <td>Nil</td> </tr> <tr> <td>Warrick Hazeldine <sup>1,2</sup></td> <td>Nil</td> <td>Nil</td> <td>1,000,000</td> </tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> <li>1. The Directors will receive additional Shares prior to listing following the conversion of convertible notes, at a conversion price of \$0.08 per Share. Refer to Section 8.3 for further information.</li> <li>2. Kristie Young and Warrick Hazeldine (through his controlled entity) each hold 1,000,000 Options with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021.</li> <li>3. David Leavy will also receive Shares subject to satisfaction of certain milestones, pursuant to the HiPurA Share Sale Agreement summarised in Section 9.3.4, as follows: <ul style="list-style-type: none"> <li>a) 750,000 Shares upon admission of the Company to the Official List;</li> <li>b) 750,000 Shares on completion of the flow sheet design, as defined in the HiPurA Share Sale Agreement; and</li> <li>c) 1,000,000 Shares on the commissioning of the pilot plant, as defined in the HiPurA Share Sale Agreement.</li> </ul> </li> </ol>	Name	Shares	%	Options	Kristie Young <sup>1,2</sup>	1,000,000	5.13%	1,000,000	David Leavy <sup>1,3</sup>	2,500,000	12.82%	Nil	Stephen Strubel <sup>1</sup>	5,000,000	25.63%	Nil	Warrick Hazeldine <sup>1,2</sup>	Nil	Nil	1,000,000	Sections 8.3, 9.34 and 9.4
Name	Shares	%	Options																			
Kristie Young <sup>1,2</sup>	1,000,000	5.13%	1,000,000																			
David Leavy <sup>1,3</sup>	2,500,000	12.82%	Nil																			
Stephen Strubel <sup>1</sup>	5,000,000	25.63%	Nil																			
Warrick Hazeldine <sup>1,2</sup>	Nil	Nil	1,000,000																			
What are the significant interests of consultants to the Company?	<p>The Company’s Technical Consultant, Dr Nicholas Welham, will receive Shares subject to satisfaction of certain milestones, pursuant to the HiPurA Share Sale Agreement, as follows:</p> <ul style="list-style-type: none"> <li>a) 1,250,000 Shares upon admission of the Company to the Official List;</li> <li>b) 1,250,000 Shares on completion of the flow sheet design, as defined in the HiPurA Share Sale Agreement; and</li> <li>c) 1,500,000 Shares on the commissioning of a pilot plant, as defined in the HiPurA Share Sale Agreement.</li> </ul>	Section 9.3.4																				



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>E. Directors and Key Management Personnel (cont)</b>		
Has the Company adopted an employee incentive scheme?	<p>The Company has adopted an employee incentive securities plan (<b>Incentive Plan</b>). The objective of the Incentive Plan is to:</p> <ul style="list-style-type: none"><li>a) assist in the reward, retention and motivation of eligible participants, which includes employees (including executive directors), non-executive directors and key contractors of the Company;</li><li>b) link the reward of eligible participants to Shareholder value creation; and</li><li>c) align the interests of eligible participants with Shareholders by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of securities.</li></ul> <p>A summary of the key terms and conditions of the Incentive Plan is set out in Section 10.5.</p>	Section 10.5
What related party agreements are the Company party to?	<p>The Company has entered into the following agreements involving related parties:</p> <ul style="list-style-type: none"><li>a) HiPurA Share Sale Agreement entered into between the Company, David Leavy (a Director) and Nicholas Welham (as vendors) and HiPurA Pty Ltd;</li><li>b) executive services agreements with David Leavy and Stephen Strubel under which Messrs Leavy and Strubel were each appointed as Executive Directors;</li><li>c) a consultancy services agreement with Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine) under which Mr Hazeldine is appointed as a Non-Executive Director;</li><li>d) a letter of appointment with Kristie Young under which Ms Young is appointed as Non-Executive Chair; and</li><li>e) Deeds of Indemnity, Insurance and Access with each of the Directors.</li></ul>	Sections 9.3.4 and 9.4
<b>F. Financial Information</b>		
How has the Company been performing?	<p>As the Company was only recently incorporated on 9 October 2020, it has limited financial performance and has no operating history.</p> <p>As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Independent Limited Assurance Report set out in Annexure D.</p>	Section 5 and Annexure D
What is the financial outlook for the Company?	<p>Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 5 and Annexure D



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>G. Offer</b>		
What is being offered under the Offer and who is entitled to participate?	<p>The Offer is an offer of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000 (before costs).</p> <p>Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may be accepted.</p>	Section 4.1
What is the Priority Offer?	<p>Under the Priority Offer, Eligible Archer Shareholders will be given preference in respect of the allocation of up to 10,000,000 Shares (\$2,000,000).</p> <p>If the Company receives applications from the Eligible Archer Shareholders for more than 10,000,000 Shares (\$2,000,000), the Company will treat those additional applications as applications under the Public Offer.</p>	
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$7,000,000.	Section 4.3
What are the purposes of the Offer?	The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve the objectives stated at Section B of this Investment Overview.	Section 4
Is the Offer underwritten?	No, the Offer is not underwritten.	
Who is the lead manager to the Offer?	<p>The Company has engaged Ventnor Securities Pty Ltd (<b>Lead Manager</b>) as lead manager to the Offer. The Lead Manager will receive the following fees in consideration for its services:</p> <ul style="list-style-type: none"><li>a) an initial engagement fee of \$10,000 for due diligence and review of the Offer; and</li><li>b) \$15,000 per month until listing of the Company for initial preparation work and ongoing corporate advisory, subject to a maximum of \$45,000;</li><li>c) a \$60,000 success fee upon successful completion of the Offer and Official Quotation of the Company;</li><li>d) a management fee of 2.0% of total funds raised under the Offer;</li><li>e) a 4.0% capital raising fee on funds raised under the Offer;</li><li>f) 600,000 Shares if the Minimum Subscription is raised or 800,000 Shares if the Maximum Subscription is raised; and</li><li>g) 2,000,000 Lead Manager Options, which will have a purchase price of \$0.001 and an exercise price of \$0.30 with an expiry 3 years from listing.</li></ul>	Section 9.1.1





### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>G. Offer (cont)</b>		
Who is eligible to participate in the Offer?	<p>This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.</p> <p>The Shares may be offered outside Australia and New Zealand to Institutional Investors in the Permitted Jurisdictions.</p> <p>The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.</p>	Section 4.12
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.8
What is the allocation policy?	<p>The Company retains an absolute discretion to allocate Shares under the Offer, and will be influenced by the factors set out in Section 4.9.</p> <p>There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.</p>	Section 4.9
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post Offer basis is set out in Section 5.7.	Section 5.7
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.2.	Sections 10.2
Will the Company issue additional Securities prior to Official Quotation?	<p>The Company intends to issue the following Securities prior to Official Quotation (excluding Securities to be issued to the Lead Manager as detailed above):</p> <ul style="list-style-type: none"> <li>a) 18,000,000 Shares to R J &amp; A Investments Pty Ltd (ACN 089 589 355) on conversion of a loan of \$288,000 to the Company under the Founders Loan Note Facility based on a conversion price of \$0.016 per Share;</li> <li>b) 8,143,750 Shares to seed investors on conversion under the Seed Capital Convertible Loan Agreements based on conversion prices of \$0.08 and \$0.16 per Share;</li> <li>c) 2,000,000 Shares to Nicholas Welham and David Leavy (<b>Vendors</b>) as partial consideration under the HiPurA Share Sale Agreement between the Company, the Vendors and HiPurA Pty Ltd (ACN 649 073 049) in relation to the purchase by the Company of 100% of HiPurA Pty Ltd; and</li> <li>d) 2,321,119 Shares to be issued to Archer Materials Limited (ACN 123 993 233) as additional consideration calculated based on 5% of the enterprise value of the Company upon listing under the Archer Sale Deed pursuant to which the Company has agreed to purchase 100% of the Eyre Peninsula Project.</li> </ul>	Section 9



## 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>G. Offer (cont)</b>		
Will any Securities be subject to escrow?	<p>None of the Shares issued under the Public Offer or Priority Offer will be subject to escrow.</p> <p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that:</p> <ul style="list-style-type: none"><li>a) all of the Shares issued to the Directors and the Company Secretary (being an aggregate of 8,600,000 Shares) will be subject to a 24-month escrow period from listing;</li><li>b) all of the Shares to be issued to R J &amp; A Investments Pty Ltd pursuant to the Founders Loan Note Facility (being an aggregate of 18,000,000 Shares) will be subject to a 24-month escrow period from listing;</li><li>c) 875,625 Shares issued to seed investors at an issue price of \$0.08 per Share on 27 and 31 August 2021 will be subject to a 12-month escrow period from the date of issue;</li><li>d) 937,500 Shares (out of a total of 8,143,750 Shares) to be issued on conversion under the Seed Capital Convertible Loan Agreements will be subject to a 24-month escrow period from listing;</li><li>e) 6,425,000 Shares (out of a total of 8,143,750 Shares) to be issued on conversion under the Seed Capital Convertible Loan Agreements will be subject to a 12-month escrow period from the date of issue;</li><li>f) all of the Shares issued to Archer (being an aggregate of 11,571,119 Shares) will be subject to a 12-month escrow period from the date of issue;</li><li>g) all of the Shares to be issued to David Leavy and Nicholas Welham pursuant to the HiPurA Share Sale Agreement (being an aggregate of 2,000,000 Shares) will be subject to a 24-month escrow period from listing;</li><li>h) all of the Shares to be issued to the Lead Manager (being 600,000 Shares if the Minimum Subscription is raised or 800,000 Shares if the Maximum Subscription is raised), will be subject to a 24-month escrow period from listing;</li><li>i) 2,000,000 Director Options (being Options issued under the Company's Employee Incentive Securities Plan) held by Kristie Young and Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine) will be subject to a 24-month escrow period from listing; and</li><li>j) all of the Lead Manager Options to be issued to the Lead Manager (being 2,000,000 Lead Manager Options) will be subject to a 24-month escrow period from listing.</li></ul> <p>During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 42.73% (based on the Minimum Subscription) or 45.79% (based on the Maximum Subscription).</p>	Section 5.10



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>G. Offer (cont)</b>		
Who are the current Shareholders of the Company and on what terms were their Shares issued?	<p>The following Shares in the Company are currently on issue:</p> <ul style="list-style-type: none"> <li>a) 1 Share was issued on incorporation on 9 October 2020 to Stephen Strubel at a price of \$1.00. A further 4,999,999 Shares were issued to Mr Strubel on 21 May 2021 at a price of \$0.001 per Share;</li> <li>b) 2,500,000 Shares were issued to David Leavy on 21 May 2021 at a price of \$0.001 per Share;</li> <li>c) 100,000 Shares were issued to Tamara Barr on 21 May 2021 at a price of \$0.001 per Share;</li> <li>d) 1,000,000 Shares were issued to Kristie Young on 31 May 2021 at an issue price of \$0.001 per Share;</li> <li>e) 9,250,000 Shares were issued to Archer on 17 June 2021 under the Archer Sale Deed at a deemed issue price of \$0.20 per Share;</li> <li>f) 875,625 Shares were issued to seed investors at an issue price of \$0.08 per Share on 27 and 31 August 2021; and</li> <li>g) 781,250 Shares were issued to seed investors at an issue price of \$0.16 per Share on 1 and 3 November 2021.</li> </ul>	Section 5.7
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Public Offer and Priority Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 4.8
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.6
<b>H. Use of funds</b>		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> <li>a) implementing the Company's business strategy as set out in Part C of the Investment Overview;</li> <li>b) evaluating potential project acquisitions;</li> <li>c) research and development expenditure;</li> <li>d) expenses of the Offer;</li> <li>e) administration costs; and</li> <li>f) working capital.</li> </ul>	Section 5.6
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.6



### 3. INVESTMENT OVERVIEW (CONT)

Item	Summary	Further information
<b>I. Additional information</b>		
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.</p> <p>However, the Company will pay to the Lead Manager the fees detailed in Section 9.1.1 in connection with the Offer.</p>	Section 9.1.1
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded (without interest).</p>	Section 4.16
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>In addition, the Company may qualify as an “early stage innovation company” (<b>ESIC</b>) under the Income Tax Assessment Act 1997 (Cth), which may make certain taxation concessions available to investors in the Company. Whether the Company qualifies as an ESIC may not be known prior to the completion of the Offer.</p> <p>The tax consequences of any investment in Shares, including any tax concessions available due to the Company’s potential status as an ESIC, will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.15
What is the Company’s Dividend Policy?	<p>The Company anticipates that significant expenditure will be incurred in the test work and development of the HiPurA HPA Technology, exploration of the Tenements and planned research activities. These activities, together with and the possible acquisition of interests in other projects, are expected to dominate the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 5.12
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company’s size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (<b>Recommendations</b>).</p> <p>The Company will announce the details of its main corporate governance policies and practices and the Company’s compliance with the Recommendations prior to the date of quotation of the Shares issued under the Offer.</p>	
Where can I find more information?	<ol style="list-style-type: none"><li>By speaking to your sharebroker, solicitor, accountant or other independent professional advisor;</li><li>By contacting the Company Secretary, on +61 8 6374 2070; or</li><li>By contacting the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).</li></ol>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.





## 4. DETAILS OF THE OFFER

### 4.1 The Offer

The Offer is an initial public offering of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000.

The Offer comprises a:

- a) **Priority Offer** – a priority offer to Eligible Archer Shareholders of up to the amount of \$2,000,000; and
- b) **Public Offer** – an offer to the general public in Australia and to Institutional Investors in the Permitted Jurisdictions to apply for Shares under this Prospectus and, for accredited investors in the United States, under the US Offering Circular, which includes this Prospectus.

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

### 4.2 Priority Offer

Under the Priority Offer, Eligible Archer Shareholders will be given preference in respect of the allocation of up to 10,000,000 Shares (\$2,000,000).

If the Company receives applications from the Eligible Archer Shareholders for more than 10,000,000 Shares, the Company will treat those additional applications as applications under the Public Offer.

### 4.3 Minimum subscription

The minimum subscription for the Offer is \$7,000,000 (35,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of the Original Prospectus or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

### 4.4 Oversubscriptions and Maximum Subscription

Oversubscriptions of up to a further 5,000,000 Shares at an issue price of 0.20 per Share to raise up to a further \$1,000,000 may be accepted by the Company.

### 4.5 Lead Manager

The Company has appointed Ventnor Securities Pty Ltd (ACN 150 239 508) (**Lead Manager**) as the lead manager to the Offer.

Under the terms of this engagement the Company will pay the Lead Manager the following fees (exclusive of GST):

- a) engagement fee and corporate advisory fees:
  - (i) an initial engagement fee of \$10,000 for due diligence and review of the Offer; and
  - (ii) \$15,000 per month until listing of the Company, subject to a maximum of \$45,000;
- b) Offer management fees (payable on the settlement date of the Offer):
  - (i) a management fee of 2.0% of the total funds raised under the Offer;
  - (ii) a 4.0% capital raising fee on funds raised by the Lead Manager under the Offer; and
  - (iii) \$120,000 worth of Shares (equal to 600,000 Shares at the Offer issue price) based on the Minimum Subscription or \$160,000 worth of Shares (equal to 800,000 Shares at the Offer issue price) based on the maximum raise;
- c) success fees (upon the successful completion of the Offer) of:
  - (i) \$60,000; and
  - (ii) 2,000,000 Options, which will have a purchase price of \$0.001 and exercise price of \$0.30 with an expiry 3 years from the date of listing (**Lead Manager Options**).



## 4. DETAILS OF THE OFFER (CONT)

The total value of all Securities to be issued to the Lead Manager in connection with the Offer is therefore \$284,892 based on the Minimum Subscription and \$324,892 based on the Maximum Subscription. However, it is likely that a portion of the Lead Manager Options will be passed on to other advisors that assist with completion of the Offer.

In the event that all Lead Manager Options to which the Lead Manager is entitled are exercised, an additional \$600,000 will be raised.

For further information in relation to the appointment of the Lead Manager, please refer to Section 9.1.1.

### 4.6 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- a) the Minimum Subscription to the Offer being satisfied; and
- b) ASX granting conditional approval for the Company to be admitted to the Official List, (together the **Conditions**).

If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

### 4.7 Purpose of the Offer

The primary purposes of the Offer are to:

- a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- b) provide the Company with additional funding for:
  - (i) optimisation and development of the HiPurA HPA Technology (including test work and associated studies) and construction of a pilot plant;
  - (ii) exploration and test work of kaolin / halloysite (as a priority) and manganese within the Eyre Peninsula Project;
  - (iii) development of co-operative relationships with end users and research institutions;
  - (iv) business development activities to identify new opportunities;
  - (v) research and development on additional uses and markets for the materials that have been identified as being able to be produced using the HiPurA HPA Technology process;
  - (vi) considering acquisition opportunities that may be presented to the Board from time to time; and
  - (vii) the Company's working capital requirements while it is implementing the above.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.6.

### 4.8 Applications

Applications for Shares under the Public Offer and Priority Offer must be made by using the relevant Application Form as follows:

- a) using an online Application Form at <https://chemxmaterialsipooffer.thereachagency.com> and pay the application monies electronically; or
- b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.



## 4. DETAILS OF THE OFFER (CONT)

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that:

- a) it understands that the offer and sale of the Shares has not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- b) it is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor in a Permitted Jurisdiction;
- c) it is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other person outside Australia; and
- d) it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares and thereafter in multiples of 2,500 Shares) and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.



## 4. DETAILS OF THE OFFER (CONT)

### 4.9 Allocation policy under the Public Offer and Priority Offer

Under the Priority Offer, Eligible Archer Shareholders will be given preference in respect of the allocation of up to 10,000,000 (\$2,000,000).

If the Company receives applications from Eligible Archer Shareholders for more than 10,000,000 Shares (\$2,000,000), the Company will treat those additional applications as Applications under the Public Offer.

The Company retains an absolute discretion to allocate Shares under the Public Offer and Priority Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Public Offer or Priority Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- a) the number of Shares applied for;
- b) the overall level of demand for the Offer;
- c) the timeliness of the bid particular applicants;
- d) the desire for a spread of investors, including institutional investors;
- e) recognising the ongoing support of existing Shareholders (in particular R J & A Investments Pty Ltd);
- f) the likelihood that particular Applicants will be long-term Shareholders;
- g) the desire for an informed and active market for trading Shares following completion of the Offer;
- h) ensuring an appropriate Shareholder base for the Company going forward; and
- i) any other factors that the Company and Ventnor Securities consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

### 4.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of four (4) months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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



## 4. DETAILS OF THE OFFER (CONT)

### 4.11 Issue

Subject to the Conditions set out in Section 4.6 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (**CHES**) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

### 4.12 International Offer Restrictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set forth below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares, the subject of this Prospectus, in any jurisdiction outside Australia.

This Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### 4.12.1 New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Refer to the Important Notices Section.

#### 4.12.2 Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



## 4. DETAILS OF THE OFFER (CONT)

### 4.12.3 Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 6 and 7 of the Malaysian Capital Markets and Services Act.

### 4.12.4 South Korea

The Company is not making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea (**FSCMA**) and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the Shares may not be offered or sold in Korea other than to “accredited investors” (as defined in the FSCMA).

### 4.12.5 Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### 4.12.6 Cayman Islands

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands or from within the Cayman Islands.

### 4.12.7 Liechtenstein

This Prospectus has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Prospectus Regulation Implementation Act of Liechtenstein.

Accordingly, an offer of Shares in Liechtenstein is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).





## 4. DETAILS OF THE OFFER (CONT)

### 4.12.8 European Union (Germany, Netherlands and Ireland)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

### 4.12.9 Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

Neither this Prospectus nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

### 4.12.10 United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.



## 4. DETAILS OF THE OFFER (CONT)

### 4.13 United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may only be distributed in the United States to “accredited investors” (as defined in Rule 501(a) under the US Securities Act) by Four Points Capital Partners LLC, a US registered US broker-dealer, and only if this Prospectus is accompanied by the US Offering Circular.

### 4.14 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that it and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

### 4.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

The Company may qualify as an “early stage innovation company” (**ESIC**) under the *Income Tax Assessment Act 1997* (Cth), which may make certain taxation concessions available to investors in the Company. Whether the Company qualifies as an ESIC may not be known prior to the completion of the Offer. The Company does not make any representation on the implications of its potential qualification as an ESIC and makes no representation or guarantee in relation to any investor’s eligibility for any taxation incentives under the *Income Tax Assessment Act 1997* (Cth). Potential applicants are urged to obtain independent taxation advice.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

### 4.16 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.



# 5. COMPANY AND PROJECTS OVERVIEW

## 5.1 Background

ChemX is an Australian unlisted public company incorporated on 9 October 2020.

The Company is a materials technology company with a strategy to identify and develop new and innovative solutions to produce materials required for the global energy transition and de-carbonisation markets together with bringing more environmentally consciously produced materials to traditional industrial markets.

Since incorporation, the Company has acquired (or has obtained the right to acquire) a portfolio of technologies and mineral projects to deliver on its strategy as a materials technology business. On 30 April 2021, the Company entered into a share sale agreement to acquire 100% of HiPurA Pty Ltd (**HiPurA Share Sale Agreement**), an Australian proprietary company which is the owner of an innovative High Purity Alumina (**HPA**) Technology (**HiPurA HPA Technology**) that produces HPA via an in-house-developed process with a view of supplying to the lithium ion battery, LED and semiconductor markets. The completion of the HiPurA Share Sale Agreement is subject to certain conditions, including the Company's listing on ASX. The full terms and conditions are summarised in Section 9.3.4.

The Company has acquired 100% ownership of the Tenements comprising the Eyre Peninsula Project from Archer Energy and Resources Pty Ltd, a wholly owned subsidiary of Archer Materials Limited (ASX:AXE), (**Archer Materials** or **Archer**) which contain identified areas of kaolin, halloysite and manganese minerals.

Following completion under the HiPurA Share Sale Agreement, the Company will hold HiPurA Pty Ltd as a wholly owned subsidiary and have a 100% legal and beneficial interest in the Tenements comprising the Eyre Peninsula Project.

The corporate structure upon the Company's admission to the Official List, subject the satisfaction of the remaining conditions under the HiPurA Share Sale Agreement will be as follows:



In addition to its current technologies and projects, the Company aims to undertake product development programs in conjunction with industry participants and research institutions to develop advanced materials and processes to supply the energy transition and decarbonisation markets.



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.2 Overview of the Company and the Projects

### 5.2.1 ChemX 'HiPurA' High Purity Alumina (HPA) Technology

High Purity Alumina (**HPA**), a high purity form of aluminium oxide  $Al_2O_3$ , is a critical battery material that is currently produced using a capital intensive process using differing feedstocks. HPA is also an essential ingredient in the production of synthetic sapphire. Global demand for HPA is primarily driven by demand for lithium-ion batteries, as the world transitions to renewable energy sources.

HPA is presently derived from aluminium metal, which is converted back into an oxide form. ChemX, through HiPurA, has developed processing technology to produce HPA in a unique way. The Company has undertaken preliminary test work using its novel processes which it envisages will provide a significantly simpler operation, reduced capital and operating costs and many other key project benefits.

On 5 July 2021, Australian Provisional Patent Application No. 2021902044 entitled "*Process for producing high purity aluminium materials*" was filed in the name of HiPurA Pty Ltd. The application covers a process for producing >99.99%  $Al_2O_3$  or 4N product grade alumina and/or high purity aluminium salts from aluminium-bearing materials, including wastes from other processes.

Some of the key attributes of the ChemX 'HiPurA' HPA process are as follows:

- a) While further test work is needed to optimise the process at a commercial scale, the Company's HPA process is scalable, modular and flexible.
- b) When compared to the capital costs for other HPA processing facilities, the capital cost to build the HiPurA plant is relatively low.
- c) The HiPurA HPA process uses an intermediate process that can generate the required solution purity to proceed to oxidation and ultimately the production of HPA with one simpler unit operation as opposed to three, which are used in the traditional processing route. Costs of operating the HiPurA plant are therefore relatively low, as process and unit operations are simplified.
- d) The lead and construction time for the HiPurA pilot plant is relatively short at 5-7 months.
- e) HiPurA uses a globally available, low cost chemical as its feedstock. The Company is investigating the use of other chemical by-products to potentially replace kaolin as a feedstock for HPA production, at potentially significantly higher grades. HiPurA does not have to use only kaolin as a feedstock, eliminating any associated mine site development requirement.
- f) The HiPurA HPA process is expected to have a low environmental impact across the board. The feedstock does not require mining, the process itself is relatively simple, the footprint of the plant is relatively small, reagents are recycled wherever possible, unrecyclable reagents can also be valorised and energy usage shall be minimised. Renewable power and green hydrogen may also be used within the process to minimise the carbon footprint.
- g) The purification process can be sequentially repeated at low cost to achieve greater purity. The HiPurA HPA process has the potential to produce a final HPA solids grade of up to 99.999%  $Al_2O_3$  or 5N product grade, as well as other products.
- h) A schematic of the HiPurA HPA process/flowsheet is detailed below.



## 5. COMPANY AND PROJECTS OVERVIEW (CONT)



Diagram: ChemX 'HiPurA' High Purity Alumina (HPA) Flowsheet

A key activity summary in relation to the ChemX HiPurA is as follows:

- a) HiPurA HPA Technology has been in development for four years by Dr Nicholas Welham, one of the vendors of HiPurA and a technical consultant of the Company.
- b) HiPurA laboratory work has produced HPA to >99.99% purity. The process utilises a widely used and well understood hydrometallurgical technology that has been modified for HiPurA HPA production.
- c) HiPurA filed an Australian Provisional Patent (Application No. 2021902044) on 5th July 2021 to cover the technology.
- d) An Australian trade mark (Application No. 2224735) for HiPurA was filed on 1 November 2021. The trade mark covers:
  - (i) goods in class 1, namely alumina, high purity alumina, aluminium compounds and salts including high purity compounds and salts containing aluminium;
  - (ii) chemical materials for use in the manufacture of electrodes including cathodes;
  - (iii) chemical materials for use in the manufacture of electrodes including anodes;
  - (iv) chemical materials for use in the manufacture of batteries;
  - (v) all of the aforementioned goods being used in industry and science; and
  - (vi) services in class 40, namely treatment of materials including hydrometallurgical processing of aluminium-bearing materials, preparation of chemical materials for use in the manufacture of cathodes, preparation of chemical materials for use in the manufacture of anodes and preparation of chemical materials for use in the manufacture of batteries.
- e) Energy/mass balance flowsheet modelling work to commence mid November 2021, which shall likely be led by Australian based engineering firm Primero Group.
- f) Laboratory work, to gather the required data to feed into the flowsheet modelling work, is currently underway at a commercial laboratory in Perth.
- g) A pre-feasibility and optimisation study for HiPurA pilot plant is to commence in January 2022.



## 5. COMPANY AND PROJECTS OVERVIEW (CONT)

- h) A microplant is to be constructed and commissioned in early 2022 to generate further data for the pilot plant and produce sufficient HPA for qualification testing by potential offtake partners.
- i) Qualification and testing of HiPurA HPA product, with battery manufacturers, is a key component to entering into long term global offtake contracts.
- j) HiPurA pilot plant construction and commissioning is targeted to be completed by early 2023 in Perth, Western Australia.
- k) The Company's swift pilot plant construction will enable product to be distributed to potential offtake partners in a timely fashion for testing and validation.

The Company has commenced negotiations with global marketing advisors. Initial focus shall be on the Asian market which currently accounts for the majority of the lithium-ion battery supply chain, and Europe which has 22 battery giga-factories currently built or under consideration. The USA is also a sizeable market, driven by the shift to renewables and electric vehicles, as underpinned by President Biden's 'National Blueprint for Lithium Batteries 2021-2030'.

The Company has the long term objective of producing HPA with a 99.999% (5N) purity. 5N HPA is a critical and non-negotiable ingredient required in the production of synthetic sapphire. Synthetic sapphire is used in LEDs, semiconductors, superconductor substrates, watch faces, phone screens and optical lenses. Sapphire has unique qualities which make it ideal for these uses, and a growing number of markets. The unique purification process can be used several times on the leach solution to increase purity with each pass. The smaller 5N HPA market may be served by using the pilot plant to produce 5N using an intermediate purity feed from a larger 4N plant.

99.99% (4N) HPA is used in lithium-ion batteries to coat the separator between the anode and cathode. HPA separators increase the thermal insulation of the battery resulting in a safer battery, improved charging times and increased overall battery life.

For further technical details on the Company's HiPurA HPA technology, please refer to Annexure C for the Independent Technical Expert's Report on HPA technology.

### 5.2.2 Eyre Peninsula Kimba Kaolin / Halloysite Project

The Kimba Kaolin / Halloysite Project is focused on exploration for kaolin and halloysite, both of which are products for both traditional markets (ceramics, paper coating, paints and, fiberglass etc) and for new uses that are developing in the move to cleaner energy and de-carbonisation processes.

There are also several developing uses for kaolin and halloysite to reduce the CO<sub>2</sub> emissions of industrial process and also for H<sub>2</sub>, O<sub>2</sub> and CO<sub>2</sub> storage. ChemX is currently undertaking test work for the development of kaolin products to replace materials used in several industrial processes that are high in CO<sub>2</sub> emissions. While at an early stage of development, should these markets develop as expected, there is a potentially large, new market for kaolin.

The Kimba kaolin / halloysite project consists of 2 granted exploration leases, EL6634 and EL5920 located in the Eyre Peninsula of South Australia (**Tenements**) that are 100% owned by the Company. Refer to the Solicitor's Report on Tenements at Annexure B for further information in relation to the Company's interests in the Tenements.

A number of exploration programs have been undertaken on the Tenements over the past 50 years. The results of these programs have identified three kaolin / halloysite prospects. The initial focus of exploration activities for the Company will be on the three main kaolin / halloysite prospects identified in earlier exploration programs, being Kelly Tank, Bunora and Bunora East.

As detailed in the Independent Technical Report prepared by Mining One Pty Ltd, an Exploration Target<sup>1</sup> has been identified at Kelly Tank, Bunora and Bunora East.

Several other prospects have been identified which will be investigated in the initial exploration program.

<sup>1</sup> Refer to the Independent Technical Report. The potential quantity and grade of the exploration targets is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource





## 5. COMPANY AND PROJECTS OVERVIEW (CONT)



Exploration by Pechiney and CSR in 1969/70 identified the extensive kaolin deposit, with further work by Archer Materials identifying halloysite following a 21 aircore drill hole program in 2020.

The planned work program for the kaolin / halloysite projects are as follows:

- a) a drilling program commencing in Q1 2022 (subject to the availability of drill rigs and negotiation of commercial terms for drilling services acceptable to the Company);
- b) analysis and testing of samples to determine the mineralogy and characteristics of the kaolin and halloysite;
- c) resource delineation drilling focusing on the areas of high halloysite concentration;
- d) research and development of products for use in industrial process to replace existing carbon intensive materials;
- e) research into the specifications required for the current uses of halloysite and for its uses in new technology, including hydrogen (H<sub>2</sub>) and oxygen (O<sub>2</sub>) storage and carbon dioxide (CO<sub>2</sub>) capture.



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.2.3 Eyre Peninsula Jamieson Tank Manganese Project

Manganese mineralisation has been identified within the southern area of the Tenements at the Jamieson Tank Manganese Project. Mineralisation extends over a strike length of at least 6km and remains open along strike. There has been over 11,000m of drilling on the deposit with high grade zones evident and bulk grades of 8-12% Mn.

Metallurgical test work showed that the ore is amenable to beneficiation up to 35-42% Mn. Ore has also been processed into an Electrolytic Manganese Dioxide (EMD) battery grade material. A review of the test work program has provided confidence that the ore could be processed into a high purity manganese sulphate cathode precursor product for use in lithium ion batteries. Test work to confirm this process is currently under way.

The development program for the Jamieson Tank Manganese Project is:

- a) beneficiation test work (which has commenced) to determine the optimum process;
- b) test work to produce a high-grade manganese sulphate battery precursor product will commence following the beneficiation test work;
- c) a drilling program scheduled to start in Q1 2022 (subject to the availability of drill rigs and negotiation of commercial terms for drilling services acceptable to the Company); and
- d) analysis and process design work, assuming successful production of manganese sulphate cathode precursor in the current program.

Refer to the Independent Technical Report in Annexure A and Solicitor's Report on Tenements in Annexure B for further information about the location, tenure, geology and mineral potential of the Company's Eyre Peninsula Project.

## 5.2.4 Product development

The Company is in the process of exploring potential collaborations with industries participants and research institutions for the development of advanced materials.

## 5.3 Business model

The Company's initial focus will be on developing the HiPurA HPA Technology with the aim of having a pilot plant operational within 12-18 months. Exploration of the Tenements will be undertaken to determine the extent of identified mineralisation, the characteristics of the commodities within the Eyre Peninsula Project (specifically, manganese and kaolin) and the concentration of halloysite. Whilst the Company intends to undertake additional exploratory work with the aim of defining a mineral resource, no assurances can be given that additional exploration will result in the determination of a mineral resource, including in respect of any of the exploration targets identified.

The activities outlined above for each of the Company's existing projects will be the focus following completion of the Offer. Undertaking the development of each project will be done in conjunction with marketing to end users to ensure that the products achieve the specification required and have a viable end market.

The Company's projects have the potential to produce a number of advanced materials for a variety of uses, focusing on the energy transition and decarbonisation markets. While these processes have been underway for some time, it has only been recently that they have seen significant investment from corporate entities and investors. ChemX is well placed to work with end users to develop products that work with their processes to achieve favourable environmental outcomes.

ChemX has obtained membership of the Future Battery Industries Co-operative Research Centre and the European Battery Alliance to develop networks to further product development opportunities and marketing of the Company's products.



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.4 Key dependencies

The key dependencies of the Company's business model include:

- a) retaining and recruiting key personnel skilled in the mining and resources sector;
- b) planned pre-feasibility studies on the HiPurA HPA Technology process confirming a commercial development pathway;
- c) securing development partnerships with industrial companies and research institutions to develop new materials that are commercially viable;
- d) maintaining title to the Tenements;
- e) the exploration program proceeding as planned without delay and providing sufficient confidence for a minable resource to be identified;
- f) sufficient global demand existing for HPA and other materials that the company may produce; and
- g) the market price of HPA and other materials that the Company may produce being higher than the Company's costs of any future production (assuming successful exploration by the Company).

## 5.5 Proposed Exploration Program and Expenditure

The significant amount of exploration by previous holders of the Tenements which comprise the Projects has provided the Company with a strong basis for planning future work. The proposed exploration and development activities are further described in the Independent Technical Report at Annexure A.

Budgets are based on the development plans for the respective projects, so the funds applied won't change irrespective of the amount raised. The Company's exploration and development budgets will exceed the minimum statutory expenditure requirements.

### 5.5.1 Kimba Kaolin and Halloysite Exploration

The Company's proposed exploration programme for the Kimba Kaolin and Halloysite project is aimed at providing the basis for a JORC Code compliant Resource. Information obtained on the quality and distribution of kaolin and the relative amount and distribution of halloysite content will enable development and marketing strategies to be progressed.

All kaolin and halloysite exploration will take place on EL6634.

#### Kaolin / Halloysite Project exploration and development budget

Category	Year 1	Year 2	Total
Reconnaissance field checks	\$42,000	Nil	\$42,000
Drilling program	\$160,000	\$192,000	\$352,000
Kaolin / Halloysite characterisation	\$95,000	\$104,000	\$199,000
Assay	\$72,000	\$85,000	\$157,000
<b>Total</b>	<b>\$369,000</b>	<b>\$381,000</b>	<b>\$750,000</b>



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.5.2 Jamieson Tank Manganese Project Exploration

The Company's proposed exploration and development programme for the Jamieson Tank Manganese project is aimed at establishing the extent of mineralisation, determine the mineralogy of the deposit and provide material for test work to produce a manganese battery grade precursor material and other products.

All manganese exploration will take place on EL6634 and EL5920.

### Manganese exploration and development budget

Category	Year 1	Year 2	Total
Historical data review and metallurgical testwork	\$43,000	Nil	\$43,000
Drilling	\$66,000	\$60,000	\$126,000
Assays	\$28,000	\$28,000	\$56,000
Beneficiation test work studies	\$16,000	\$52,000	\$68,000
<b>Total</b>	<b>\$153,000</b>	<b>\$140,000</b>	<b>\$293,000</b>

## 5.6 Use of funds

Funds available	Minimum Subscription (\$) (\$7,000,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$8,000,000)	Percentage of Funds (%)
Existing cash reserves <sup>1</sup>	500,000	6.67	500,000	5.88
Funds raised from the Offer	7,000,000	93.33	8,000,000	94.12
<b>Total</b>	<b>7,500,000</b>	<b>100.00</b>	<b>8,500,000</b>	<b>100.00</b>

### Allocation of funds

Exploration at Eyre Peninsula Project <sup>2</sup>	1,043,000	13.91	1,043,000	12.27
HPA Test Work <sup>3</sup>	650,000	8.67	650,000	7.65
HPA Pilot Plant	2,000,000	26.67	2,500,000	29.41
Product Development	1,000,000	13.33	1,000,000	11.76
Expenses of the Offer <sup>4</sup>	814,617	10.86	875,715	10.30
Administration costs <sup>5</sup>	1,680,000	22.40	1,680,000	19.76
Working capital <sup>6</sup>	312,383	4.17	751,285	8.84
<b>Total <sup>7</sup></b>	<b>7,500,000</b>	<b>100</b>	<b>8,500,000</b>	<b>100</b>

Notes:

- Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
- Refer to the Independent Technical Report in Annexure A for further information with respect to the Company's proposed exploration programs at the Eyre Peninsula Project.
- Refer to Section 5.2.1 and the Independent Technical Expert's Report in Annexure C for further information with respect to the HiPurA HPA Technology.
- Refer to Section 10.10 for further information.
- Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
- To the extent that:
  - the Company's activities warrant further work to be undertaken; or
  - the Company is presented with additional opportunities from the exiting projects or with acquisition opportunities,
 the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.
- The intended use of funds from the Offer is indicative only and subject to change without notice.



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of HiPurA HPA Technology test work, the proposed exploration program for the Eyre Peninsula Project or the product development activities. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional test work, development of the pilot plant and/or exploration on Eyre Peninsula Project or to capitalise on either the product development programs or acquisition opportunities within the Company's strategy.

In the event the Company raises more than the Minimum Subscription of \$7,000,000 under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Offer and then as outlined in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including the outcome of test work, product development and exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative, and investors are encouraged to read the risk factors outlined in Section 7.

## 5.7 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

### 5.7.1 Shares<sup>1</sup>

Category	Minimum Subscription (\$7,000,000)	Maximum Subscription (\$8,000,000)
Shares currently on issue <sup>2</sup>	19,506,875	19,506,875
Shares to be issued pursuant to the Offer	35,000,000	40,000,000
Shares to be issued pursuant to the Founders Loan Note Facility <sup>3</sup>	18,000,000	18,000,000
Shares to be issued pursuant to the Seed Capital Convertible Loan Agreements <sup>4</sup>	8,143,750	8,143,750
Shares to be issued pursuant to the HiPurA acquisition <sup>5</sup>	2,000,000	2,000,000
Shares to be issued to the Lead Manager <sup>6</sup>	600,000	800,000
Shares to be issued to Archer under the Archer Sale Deed <sup>7</sup>	2,321,119	2,321,119
<b>Total Shares on Completion of the Offer <sup>8</sup></b>	<b>85,571,744</b>	<b>90,771,744</b>





# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

Notes:

- The rights and liabilities attaching to the Shares are summarised in Section 10.2.
- Comprising 1 founder Share issued on 9 October 2020 and 4,999,999 founder Shares issued to Stephen Strubel at an issue price of \$0.001 per Share on 21 May 2021; 3,600,000 Shares issued to promoters (being Tamara Barr (100,000 Shares), David Leavy (2,500,000 Shares) on 21 May 2021 and Kristie Young (1,000,000 Shares) on 31 May 2021 at an issue price of \$0.001 per Share); 9,250,000 Consideration Shares issued to Archer Materials Limited at a deemed issue price of \$0.20 per Share on 17 June 2021; 875,625 Shares to seed investors at an issue price of \$0.08 per Share on 27 and 31 August 2021; and 781,250 Shares to seed investors at an issue price of \$0.16 per Share on 1 and 3 November 2021.
- 18,000,000 Shares to be issued to R J & A Investments Pty Ltd (ACN 089 589 355) on conversion under the Founders Loan Note Facility based on a conversion price of \$0.016 per Share. Refer to Section 9.2.1 for further information.
- Shares to be issued to seed investors on conversion under Seed Capital Convertible Loan Agreements (being 7,362,500 Shares converted at \$0.08 per Share and 781,250 Shares converted at \$0.16 per Share). Refer to Section 9.2.2 for further information. All of the Directors have participated in the seed capital raising. Refer to Section 8.3 for further information on the Directors' interests.
- 2,000,000 Shares to be issued to the vendors of HiPurA Pty Ltd (ACN 649 073 049), Nicholas Welham and David Leavy (a Director) as vendors following the admission of the Company to the Official List of the ASX (and the satisfaction of other conditions), assuming an issue price of \$0.20 per Share, pursuant to the HiPurA Share Sale Agreement. Note a further 4,500,000 Shares may be issued to the vendors upon the satisfaction of certain milestones (and the satisfaction of other conditions), pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information.
- Shares to be issued to the Lead Manager in consideration for services provided under the Lead Manager Mandate, at the Minimum Subscription and Maximum Subscription upon successful completion of the Offer. Refer to Section 9.1.1 for further information.
- 2,321,119 Shares to be issued to Archer Materials Limited as additional consideration calculated based on 5% of the enterprise value of the Company upon listing, under the Archer Sale Deed. Refer to Section 9.3.1 for further information.
- Certain Shares on issue post listing will be subject to ASX-imposed escrow. Refer to Section 5.10 for information in relation to the likely escrow position.

## 5.7.2 Options

	Minimum Subscription (\$7,000,000)	Maximum Subscription (\$8,000,000)
Options currently on issue <sup>1</sup>	2,000,000	2,000,000
Options to be issued to the Lead Manager <sup>2</sup>	2,000,000	2,000,000
<b>Total Options on completion of the Offer</b>	<b>4,000,000</b>	<b>4,000,000</b>

Notes:

- 1,000,000 Options issued under the Company's Employee Incentive Securities Plan held by each of Kristie Young and Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine), with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021 (**Director Options**). Refer to Section 10.5 for a summary of the terms of the Employee Incentive Securities Plan. Refer to Section 10.3 for the terms of the Director Options.
- Options with a purchase price of \$0.001, an exercise price of \$0.30 and an expiry date of 3 years from the date of admission of the Company to the Official List, to be issued to the Lead Manager in consideration for services provided under the Lead Manager Mandate upon successful completion of the Offer (**Lead Manager Options**). Refer to Section 9.1.1 for further information. Refer to Section 10.4 for the terms of the Lead Manager Options.

## 5.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.





# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.8.1 As at the date of the Prospectus

Shareholder	Shares	% (undiluted)	Convertible Loan Shares	Options
Archer Materials Limited	9,250,000	47.42%	-	-
Stephen Strubel	5,000,000	25.63%	125,000	-
David Leavy	2,500,000	12.82%	312,500	-
Kristie Young	1,000,000	5.13%	250,000	1,000,000

## 5.8.2 On completion of the Offer<sup>1</sup>

Shareholder	Shares	% (undiluted) at Minimum Subscription	% (fully diluted) at Minimum Subscription	% (undiluted) at Maximum Subscription	% (fully diluted) at Maximum Subscription
R J & A Investments Pty Ltd <sup>2</sup>	19,250,000	22.50%	20.46%	21.21%	19.39%
Archer Materials Limited <sup>3</sup>	11,571,119	13.52%	12.30%	12.75%	11.66%
David Leavy <sup>4</sup>	5,312,000	4.16%	5.65%	3.92%	5.35%
Stephen Strubel <sup>5</sup>	5,125,000	5.99%	5.45%	5.65%	5.16%

Notes:

- On completion of the issue of Shares under the Offer based on the Minimum Subscription and the Maximum Subscription. The fully diluted amount includes the effect of the issue of Shares under the HiPurA Share Sale Agreement and in respect of the conversion of the Director Options and Lead Manager Options.
- Comprising 18,000,000 Shares to be issued to R J & A Investments Pty Ltd (ACN 089 589 355) on conversion under the Founders Loan Note Facility based on a conversion price of \$0.016 per Share and 1,250,000 Shares in respect of which Christine Muller, an associate of R J & A Investments Pty Ltd (ACN 089 589 355) has agreed to subscribe for under the Offer at the Offer issue price. Refer to Section 9.2.1 for a summary of the Founders Loan Note Facility.
- Comprising 9,250,000 Consideration Shares issued to Archer at a deemed issue price of \$0.20 per Share on 17 June 2021 and an additional 2,321,119 Shares to be issued to Archer as additional consideration calculated based on 5% of the enterprise value of the Company upon listing, under the Archer Sale Deed. Refer to Section 9.3.1 for further information.
- Comprising:
  - 2,500,000 Shares currently held;
  - 312,500 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share; and
  - 2,500,000 Shares to be issued to David Leavy as a vendor of HiPurA Pty Ltd (ACN 649 073 049) of which 750,000 Shares will be issued on upon the Company's listing and 1,750,000 Shares which will be issued upon the satisfaction of certain milestones (and the satisfaction of other conditions), pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information. On an undiluted basis, David Leavy's holding will be 3,562,000 Shares (equivalent to 4.16% at the Minimum Subscription and 3.92% at the Maximum Subscription).
- Comprising 5,000,000 Shares currently held and 125,000 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

## 5.9 Loyalty Options

Subject to completion of the Offer and listing on the ASX, it is the Company's present intention that it will undertake a pro rata non-renounceable entitlement issue of Options to existing Shareholders (**Loyalty Options**) that are registered as Shareholders on or about the date which is 3 months from the date that the Company's Shares are admitted to the Official List. These Loyalty Options would be offered under a separate prospectus and it is proposed that, for nil or a nominal issue price per Loyalty Option, one Loyalty Option will be granted for every four (4) Shares held by eligible Shareholders on the record date (other than, as expected at the date of this Prospectus, Shares held by Shareholders with a registered address outside of Australia or New Zealand). It is expected that the Loyalty Options will have an expiry date approximately 3 years from the date of issue and the exercise price will be determined at the time that the issue is announced. There is no assurance that the Loyalty Options offer will proceed as currently planned.



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.10 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that the following Securities will be subject to escrow:

- a) all of the Shares issued to the Directors and the Company Secretary (being an aggregate of 8,600,000 Shares) will be subject to a 24-month escrow period from listing;
- b) 18,000,000 to be issued to R J & A Investments Pty Ltd pursuant to the Founders Loan Note Facility will be subject to a 24-month escrow period from listing;
- c) 875,625 Shares issued to seed investors at an issue price of \$0.08 per Share on 27 and 31 August 2021 will be subject to a 12-month escrow period from the date of issue;
- d) 937,500 Shares (out of a total of 8,143,750 Shares) to be issued on conversion under the Seed Capital Convertible Loan Agreements will be subject to a 24-month escrow period from listing;
- e) 6,425,000 Shares (out of a total of 8,143,750 Shares) to be issued on conversion under the Seed Capital Convertible Loan Agreements will be subject to a 12-month escrow period from the date of issue;
- f) all of the Shares issued to Archer (being an aggregate of 11,571,119 Shares) will be subject to a 12-month escrow period from the date of issue;
- g) all of the Shares to be issued to David Leavy and Nicholas Welham pursuant to the HiPurA Share Sale Agreement (being an aggregate of 2,000,000 Shares) will be subject to a 24-month escrow period from listing;
- h) all of the Shares to be issued to the Lead Manager (being 600,000 Shares if the Minimum Subscription is raised or 800,000 Shares if the Maximum Subscription is raised), will be subject to a 24-month escrow period from listing;
- i) 2,000,000 Director Options (being Options issued under the Company's Employee Incentive Securities Plan) held by Kristie Young and Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine) will be subject to a 24-month escrow period from listing; and
- j) 2,000,000 Lead Manager Options to be issued to the Lead Manager will be subject to a 24-month escrow period from listing.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).



# 5. COMPANY AND PROJECTS OVERVIEW (CONT)

## 5.11 Additional Information

Prospective investors are referred to and encouraged to read in its entirety the:

- a) the Independent Technical Report (Eyre Peninsula Project) in Annexure A for further information about the geology, location and mineral potential of the Company's Projects;
- b) the Solicitor's Report on Tenements in Annexure B for further information in respect to the Company's interests in the Tenements;
- c) the Independent Technical Expert's Report (HPA Technology) in Annexure C for additional information on the HPA technology; and
- d) the Independent Limited Assurance Report in Annexure D.

## 5.12 Dividend policy

The Company anticipates that significant expenditure will be incurred in the test work, evaluation and development of the Projects. These activities, together with the potential success in the planned R & D programs and possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.





## 6. FINANCIAL INFORMATION

### 6.1 Introduction

The financial information relating to the Company contained in this Section 6 includes:

- a) statutory historical financial information for the period 9 October 2020 (date of incorporation) to 30 June 2021 comprising:
  - i) the historical statement of profit or loss and other comprehensive income for the Company for the period 9 October 2020 (date of Company incorporation) to 30 June 2021;
  - ii) the historical statement of financial position for the Company at 30 June 2021; and
  - iii) the historical statement of cash flows for the Company for the period 9 October 2020 (date of Company incorporation) to 30 June 2021.

(together, the **Statutory Historical Financial Information**); and

- b) the Company's pro-forma statements of financial position at 31 October 2021 based on the Minimum Subscription and Maximum Subscription scenarios (the **Pro Forma Historical Statement of Financial Position**),

(the Statutory Historical Financial Information and the Pro Forma Statement of Financial Position, together the **Financial Information**).

The information in this Section 6 should also be read in conjunction with all other information set out in this Prospectus and in particular, the risk factors detailed in Section 7.

The Company has a 30 June financial year end.

### 6.2 Basis of preparation and presentation of the financial information

#### 6.2.1 Overview of preparation and presentation of the Historical Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of the Company.

Given that the Company is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (**AIFRS**) issued by the Australian Accounting Standards Board. Following the listing, the Company will report under AIFRS in Australian Dollars, which is its elected presentation currency. The significant accounting policies are described in Section 6.8.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) and AIFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and AIFRS, that reflect the impact of certain transactions as if they had occurred on or before 30 June 2021, including significant subsequent events from 30 June 2021 through to the date of this Prospectus.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and AIFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.



## 6. FINANCIAL INFORMATION (CONT)

### 6.2.2 Basis for inclusion of Historical Financial Information

The Company was incorporated on 9 October 2020 as a private company and converted to a public company on 18 June 2021 for the purposes of listing on the ASX.

The historical Financial Information has been derived from the financial statements of the Company for the financial period ended 30 June 2021. The financial statements were audited by William Buck Audit (Vic) Pty Ltd. The report issued by William Buck Audit (Vic) Pty Ltd was unmodified.

### 6.2.3 Limited Assurance Report

The Financial Information has been reviewed by William Buck Audit (Vic) Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" as stated in its Independent Limited Assurance Report set out in Annexure D. Investors should note the scope and limitations of the Independent Limited Assurance Report.

### 6.2.4 Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Statement of profit or loss and other comprehensive income for the financial period ended 30 June 2021 show the actual financial performance of the Group.

The Statutory Historical Statement of financial performance does not take into account one-off expenses related to the Offer and IPO; such costs have been taken up in the Pro Forma Statement of Financial Position as at 30 June 2021.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the statutory historical consolidated statement of financial position of the Company and adjusted for the effects of the pro forma adjustments, including the impact of the Offer as if it had occurred as at 30 June 2021 and significant subsequent events from 30 June 2021 through to the date of this Prospectus.

The Pro Forma Statement of Financial Position as at 30 June 2021 has been adjusted to take into account the following:

- a) the impact of the Offer less transaction costs;
- b) seed capital raised post 30 June 2021 less transaction costs;
- c) conversion of convertible notes payable;
- d) Shares to be issued pursuant to the HiPurA acquisition;
- e) Shares issued to Archer under the Archer Sale Deed;
- f) issue of Shares and Options to the Lead Manager under the Lead Manager Mandate;
- g) issue of Options to Directors under the Company's Employee Incentive Securities Plan; and
- h) other general business transactions post 30 June 2021.

In preparing the Financial Information, the Company's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

#### Going Concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern as a result of the proceeds raised from the Offer.

Accordingly, the board of Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the Financial Information.



## 6. FINANCIAL INFORMATION (CONT)

### 6.3 Statutory Historical Statement of Profit or Loss and other Comprehensive Income

The table below sets out the Historical Statement of Profit or Loss and other Comprehensive Income for FY21.

	Audited historical period ended 30 June 2021
	\$
<b>Expenses</b>	
Corporate, Employment & Consulting	(40,939)
Due Diligence	(67,201)
Marketing & Promotion	(9,175)
<b>Net loss before tax</b>	<b>(117,315)</b>
Income tax expense	-
Other comprehensive income	-
<b>Net loss after tax and other comprehensive income</b>	<b>(117,315)</b>

### 6.4 Statutory Historical Statement of Financial Position

	As at 30-Jun-21
	\$
<b>Current assets</b>	
Cash and cash equivalents	35,551
Trade and other receivables	10,052
Prepayments	12,945
<b>Total current assets</b>	<b>58,548</b>
<b>Non-current assets</b>	
Exploration and evaluation	2,026,646
<b>Total non-current assets</b>	<b>2,026,646</b>
<b>Total assets</b>	<b>2,085,194</b>
<b>Current liabilities</b>	
Trade and other payables	78,149
Convertible loans	288,000
<b>Total current liabilities</b>	<b>366,149</b>
<b>Total liabilities</b>	<b>366,149</b>
<b>Net assets</b>	<b>1,719,045</b>
<b>Equity</b>	
Issued capital	1,836,360
Accumulated losses	(177,315)
<b>Total Equity</b>	<b>1,719,045</b>





## 6. FINANCIAL INFORMATION (CONT)

### 6.5 Summary of Statutory Historical Cash Flows

Audited Historical  
period ended  
30 June 2021

\$

#### CASH FLOWS FROM OPERATING ACTIVITIES

Payments to suppliers and employees	(62,163)
Net cash used in operating activities	(62,163)

#### CASH FLOWS FROM INVESTING ACTIVITIES

Payments for exploration and evaluation	(176,646)
Net cash used in investing activities	(176,646)

#### FINANCING CASH FLOWS

Proceeds from issue of shares	8,601
Proceeds from borrowings	288,000
Share issue transaction costs	(22,241)
Cash flows from financing activities	274,360
<b>Net increase in cash and cash equivalents</b>	<b>35,551</b>
Cash and cash equivalents at the beginning of the financial period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>35,551</b>



## 6. FINANCIAL INFORMATION (CONT)

### 6.6 Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Set out below is the statutory historical statement of financial position of the Company and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company view of its financial position upon completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is set out in Section 5.6.

	Audited results as at 30 June 21 \$	Subsequent Events Transactions \$	Minimum Pro Forma Adjustments \$	Minimum Pro Forma Balance Sheet \$	Maximum Pro Forma Adjustments \$	Maximum Pro Forma Balance Sheet \$
<b>Current assets</b>						
Cash and cash equivalents	35,551	909,050	6,185,383	7,129,984	7,124,285	8,068,886
Trade and other receivables	10,052	-	-	10,052	-	10,052
Prepayments	12,945	-	-	12,945	-	12,945
<b>Total current assets</b>	<b>58,548</b>	<b>909,050</b>	<b>6,185,383</b>	<b>7,152,981</b>	<b>7,124,285</b>	<b>8,091,883</b>
<b>Non-current assets</b>						
Exploration and development	2,026,646	-	464,224	2,490,870	464,224	2,490,870
Intangible Assets	-	-	400,000	400,000	400,000	400,000
<b>Total non-current assets</b>	<b>2,026,646</b>	<b>-</b>	<b>864,224</b>	<b>2,890,870</b>	<b>864,224</b>	<b>2,890,870</b>
<b>Total assets</b>	<b>2,085,194</b>	<b>909,050</b>	<b>7,049,607</b>	<b>10,043,851</b>	<b>7,988,509</b>	<b>10,982,753</b>
<b>Current liabilities</b>						
Trade and other payables	78,149	-	-	78,149	-	78,149
Borrowings	288,000	714,000	(1,002,000)	-	(1,002,000)	-
<b>Total current liabilities</b>	<b>366,149</b>	<b>714,000</b>	<b>(1,002,000)</b>	<b>78,149</b>	<b>(1,002,000)</b>	<b>78,149</b>
<b>Total liabilities</b>	<b>366,149</b>	<b>714,000</b>	<b>(1,002,000)</b>	<b>78,149</b>	<b>(1,002,000)</b>	<b>78,149</b>
<b>Net assets</b>	<b>1,719,045</b>	<b>195,050</b>	<b>8,051,607</b>	<b>9,965,702</b>	<b>8,990,509</b>	<b>10,904,604</b>
<b>Equity</b>						
Contributed equity	1,836,360	195,050	8,099,438	10,103,740	9,012,077	11,043,487
Reserves	-	-	331,784	331,784	331,784	331,784
Accumulated losses	(117,315)	-	(379,615)	(496,930)	(380,460)	(497,775)
<b>Total equity</b>	<b>1,719,045</b>	<b>195,050</b>	<b>8,051,607</b>	<b>9,965,702</b>	<b>8,990,509</b>	<b>10,904,604</b>



## 6. FINANCIAL INFORMATION (CONT)

### a) Subsequent events:

The following significant transactions and events have taken place after 30 June 2021 but prior to the issue of Shares under the Offer:

- i) The Company conducted/entered into the following pre-IPO seed capital raisings:
  - (A) The issue of \$589,000 in convertible notes in August 2021, convertible upon IPO at \$0.08 per Share;
  - (B) The issue of 875,625 Shares at \$0.08 in August 2021 to raise \$70,050;
  - (C) The issue of \$125,000 in convertible notes in November 2021, convertible upon IPO at \$0.16 per Share; and
  - (D) The issue of 781,250 Shares at \$0.16 in November 2021 to raise \$125,000.

### b) Pro forma adjustments:

The following pro forma adjustments are expected in connection with the Offer:

- i) Proposed IPO at a price of \$0.20 per share to raise:
  - (A) A minimum of \$7,000,000 via the issue of 35,000,000 fully paid ordinary shares; and
  - (B) A maximum of \$8,000,000 via the issue of 40,000,000 full paid ordinary shares.
- ii) Cash expenses associated with the Minimum Subscription of \$814,617, with \$601,894 recognised directly against equity and \$212,723 expensed. Expenses associated with the Maximum Subscription of \$875,715, with \$662,147 recognised directly against equity and \$213,568 expensed.
- iii) The issue of Options and Shares as part consideration for services provided under the Lead Manager Mandate:
  - (A) Issue of 2,000,000 Options with a purchase price of \$0.001, an exercise price of \$0.30 (a 50% premium to the Offer price) and a term of 3 years, vesting immediately. The Directors have valued the Options at \$182,000 (being \$0.091 per Option) using the Black Scholes option valuation methodology. Refer to Section 9.1.1 for a summary of the terms of the Lead Manager Mandate.
  - (B) \$120,000 worth of Shares (equal to 600,000 Shares at the Offer issue price) based on the Minimum Subscription or \$160,000 worth of Shares (equal to 800,000 Shares at the Offer issue price) based on the maximum raise.
- iv) Conversion of the loan of \$288,000 to the Company under the Founders Loan Note Facility based on a conversion price of \$0.016 per Share, for the issue of 18,000,000 Shares.
- v) 2,000,000 Shares to be issued to the vendors of HiPurA Pty Ltd, Nicholas Welham and David Leavy (a Director) following the admission of the Company to the Official List of the ASX (and the satisfaction of other conditions), at an issue price of \$0.20 per Share, pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information.
- vi) 2,321,119 Shares to be issued to Archer Materials Limited as additional consideration calculated based on 5% of the enterprise value of the Company upon listing, under the Archer Sale Deed. Refer to Section 9.3.1 for further information.
- vii) 2,000,000 Options issued under the Company's Employee Incentive Securities Plan held by each of Kristie Young (1,000,000 Options) and Warrick Hazeldine (1,000,000 Options), with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021 (**Director Options**). Refer to Section 10.5 for a summary of the terms of the Employee Incentive Securities Plan and Section 10.3 for the terms of the Director Options.



## 6. FINANCIAL INFORMATION (CONT)

### 6.7 Notes to the Statement of Financial Position

#### 6.7.1 Cash and cash equivalents

	Minimum Pro Forma \$	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	35,551	35,551
<b>SUBSEQUENT EVENTS:</b>		
Issue of convertible notes, convertible at \$0.08 per share	589,000	589,000
<b>Issue of 875,625 seed capital shares at \$0.08 per share (August 2021)</b>	<b>70,050</b>	<b>70,050</b>
Issue of convertible notes, convertible at \$0.16 per share	125,000	125,000
Issue of 781,250 seed capital shares at \$0.16 per share (November 2021)	125,000	125,000
	<b>909,050</b>	<b>909,050</b>
<b>PRO FORMA TRANSACTIONS:</b>		
<b>Proceeds from the Public Offer</b>	<b>7,000,000</b>	<b>8,000,000</b>
Capital Raising Costs	(814,617)	(875,715)
	6,185,383	7,124,285
<b>Cash and cash equivalents Pro Forma Balance</b>	<b>7,129,984</b>	<b>8,068,886</b>
Audited balance as at 30 June 2021	2,026,646	2,026,646
<b>PRO FORMA TRANSACTIONS</b>		
Archer 5% additional consideration	464,224	464,224
	464,224	464,224
<b>Exploration and Evaluation Pro Forma Balance</b>	<b>2,490,870</b>	<b>2,490,870</b>



## 6. FINANCIAL INFORMATION (CONT)

### 6.7.2 Exploration and Evaluation Expenditure

	Minimum Pro Forma \$	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	2,026,646	2,026,646
<b>PRO FORMA TRANSACTIONS</b>		
Archer 5% additional consideration	464,224	464,224
	464,224	464,224
<b>Exploration and Evaluation Pro Forma Balance</b>	<b>2,490,870</b>	<b>2,490,870</b>

### 6.7.3 Intangible Assets

	Minimum Pro Forma \$	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	-	-
<b>PRO FORMA TRANSACTIONS</b>		
Milestone share-based payment for the HiPurA Acquisition	400,000	400,000
	400,000	400,000
<b>Intangible Assets Pro Forma Balance</b>	<b>400,000</b>	<b>400,000</b>

### 6.7.4 Borrowings

	Minimum Pro Forma \$	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	288,000	288,000
<b>SUBSEQUENT EVENTS</b>		
Issue of convertible notes, convertible at \$0.08 per share	589,000	589,000
<b>Issue of convertible notes, convertible at \$0.16 per share</b>	125,000	125,000
	714,000	714,000
<b>PRO FORMA TRANSACTIONS</b>		
Conversion of convertible notes (RJ & A Investments)	(288,000)	(288,000)
Conversion of convertible notes at \$0.08 per share	(589,000)	(589,000)
Conversion of convertible notes at \$0.16 per share	(125,000)	(125,000)
	(1,002,000)	(1,002,000)
<b>Borrowings Pro Forma Balance</b>	<b>-</b>	<b>-</b>



## 6. FINANCIAL INFORMATION (CONT)

### 6.7.5 Issued Capital

Refer to Section 5.7 for a summary of the Company's capital structure.

	Minimum Pro Forma No of Shares	Minimum Pro Forma \$	Maximum Pro Forma No of Shares	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	17,850,000	1,836,360	17,850,000	1,836,360
<b>SUBSEQUENT EVENT TRANSACTIONS</b>				
Issue of seed capital				
- At \$0.08 per share August 2021	875,625	70,050	875,625	70,050
- At \$0.16 per share November 2021	781,250	125,000	781,250	125,000
	1,656,875	195,050	1,656,875	195,050
<b>PRO FORMA TRANSACTIONS</b>				
Proceeds from the Public Offer	35,000,000	7,000,000	40,000,000	8,000,000
Cash costs associated with the Offer recognised in equity	-	(601,894)	-	(662,147)
Issue of Vendor Shares - HiPurA agreement	2,000,000	400,000	2,000,000	400,000
Issue of Shares to Archer for project acquisition	2,321,119	464,224	2,321,119	464,224
Issue of Lead Manager shares	600,000	120,000	800,000	160,000
Cost of Lead Manager shares	-	(120,000)	-	(160,000)
Cost of Lead Manager Options	-	(164,892)	-	(164,892)
Conversion of convertible notes (RJ & A Investments)	18,000,000	288,000	18,000,000	288,000
Conversion of convertible notes at \$0.08 per share	7,362,500	589,000	7,362,500	589,000
Conversion of convertible notes at \$0.16 per share	781,250	125,000	781,250	125,000
	66,064,869	8,099,438	71,264,869	9,039,185
<b>Issued Capital Pro Forma Balance</b>	<b>85,571,744</b>	<b>10,130,848</b>	<b>90,771,744</b>	<b>11,070,595</b>

### 6.7.6 Reserves

	Minimum Pro Forma \$	Maximum Pro Forma \$
<b>Audited balance as at 30 June 2021</b>	-	-
<b>PRO FORMA TRANSACTIONS</b>		
Issue and vesting of Lead Manager Options	164,892	164,892
Issue and vesting of Options to Directors	166,892	166,892
<b>Reserves Pro Forma Balance</b>	<b>331,784</b>	<b>331,784</b>





## 6. FINANCIAL INFORMATION (CONT)

All the options above are valued by the Directors using the Black Scholes method. The assumptions used are detailed below:

	Broker Options	Director Options
<b>Assumptions</b>		
Valuation date	27/10/2021	27/10/2021
Stock price	0.20	0.20
Exercise price	0.30	0.30
Vesting date	Immediately	Immediately
Years	3.00	3.00
Expected future volatility	<b>80%</b>	<b>80%</b>
Risk free rate	0.69%	0.69%
Dividend yield	Nil	Nil
Number of Options	2,000,000	2,000,000
<b>Gross value per option</b>	0.083	0.083
Less: subscription price	0.001	0.000
<b>Net value per option</b>	0.082	0.083
<b>Total vested value</b>	<b>164,892</b>	<b>166,892</b>

### 6.7.7 Accumulated Losses

	Minimum Pro Forma \$	Maximum Pro Forma \$
Audited balance as at 30 June 2021	(117,315)	(117,315)
<b>PRO FORMA TRANSACTIONS</b>		
Listing costs expensed	(212,723)	(213,568)
Issue of Options to Directors	(164,892)	(166,892)
	(379,615)	(380,460)
<b>Accumulated Losses Pro Forma Balance</b>	<b>(496,930)</b>	<b>(497,775)</b>



## 6. FINANCIAL INFORMATION (CONT)

### 6.8 Summary of significant accounting policies in relation to the financial statements

The principal accounting policies adopted in the preparation of the historical financial statements and pro-forma statement of financial position are set out below.

#### **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. The Directors are of the view that none of the Standards or Interpretations that have been adopted or are due to be adopted in future reporting periods will not materially impact the Company's financial reports.

#### **Basis of preparation**

The historical general purpose financial statements (the "financial statements") have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### ***Historical Cost Convention***

The financial statements have been prepared under the historical cost convention, applying the going concern basis of accounting.

#### ***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 consolidated entity'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 share-based payment transactions, recovery of deferred tax assets and the measurement and recognition of deferred consideration.

#### **Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- a) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- b) When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.



## 6. FINANCIAL INFORMATION (CONT)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **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 the consolidated entity's 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 the consolidated entity's 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.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **Intangible Assets**

#### ***Research and development***

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

#### ***Acquired intellectual property***

Intellectual property which is acquired is capitalised where it is probably that future economic benefits exist and thereafter amortised over the term of its expected useful life.

### **Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.



## 6. FINANCIAL INFORMATION (CONT)

### Convertible notes

Upon initial recognition, the conversion option of convertible notes is separately measured from the underlying value of the loan principal. Where the conversion option is for a fixed number of shares, the conversion option is measured by determining the fair value of the underlying debt instrument (excluding its conversion entitlement), with the difference between that fair value and the consideration received for the convertible note taken to equity. Thereafter, the discounted value of the principal debt instrument is unwound to its face value over the term of the note.

### 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.

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.

### 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.

### Employee Benefits

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits may be provided to employees and third party suppliers.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.



## 6. FINANCIAL INFORMATION (CONT)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- a) during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- b) from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

### **Dividend Policy**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.



## 6. FINANCIAL INFORMATION (CONT)

### 6.9 Critical accounting 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 year are discussed below.

#### ***Share-Based Payments***

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions, the Company uses a Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 6.7.6.

#### ***Exploration and evaluation costs***

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

#### ***Deferred tax assets***

Presently no deferred tax assets are recognised in respect of temporary timing differences or for carry-forward tax losses due to uncertainty as to when, or if, the Consolidated Entity earns assessable income to which those potential assets may apply.

#### ***Measuring the underlying principal value of convertible notes with fixed conversion clauses at initial recognition***

In applying the accounting policy for measuring convertible notes at initial recognition, the Directors considered the basis for fair valuing the underlying debt principal of the note. In the absence of any reliable market information for similar unsecured debt instruments for enterprises similar to the consolidated entity, the Directors are of the view that cost (i.e.: the face value of the convertible note) is the most appropriate measure of fair value. As a consequence, the conversion option of the note has been measured in the statement of financial position together with its underlying host contract.





# 7. RISK FACTORS

## 7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial advisor, stockbroker, lawyer or other professional advisor.

## 7.2 Company specific risks

Risk Category	Risk
Limited history	<p>The Company was only recently incorporated on 9 October 2020 and has only limited operating history and limited historical financial performance.</p> <p>Exploration has previously been conducted on the area of land the subject of the Tenements, however, the Company is yet to conduct its own exploration activities and will not commence these activities until the Company has been admitted to the Official List.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful test work and development of the HiPura HPA Technology, exploration and/or mining of the Tenements or any R &amp; D programs. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>
Contractual risk	<p>The Company's interest in the HiPurA HPA Technology is subject to completion of the HiPurA Share Sale Agreement with HiPurA Pty Ltd and the satisfaction of the conditions precedent therein.</p> <p>The Company has entered into a Minerals Rights Agreement with Pirie Resources Pty Ltd (<b>Pirie</b>) under which the Company has agreed to grant Pirie mineral rights and allow Pirie the right to explore for and if warranted, develop mining operations on the Tenements exclusively for graphite.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under these (and other) agreements.</p> <p>If the Company is unable to satisfy its undertakings under these agreements the Company's interest in their subject matter may be jeopardised.</p> <p>If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>Refer to Section 9.3.4 for a summary of the HiPurA Share Sale Agreement and to Section 9.3.2 for a summary of the Mineral Rights Agreement.</p>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
HPA Test work Program	<p>The HiPurA HPA Technology has been developed to a stage of confirming its ability to produce HPA at a laboratory scale. The HiPurA HPA Technology has not been proven at a commercial scale. Any proposed development will be subject to risks usual with this type of development including but not limited to scale up risk, cost increases and commissioning risk.</p> <p>The test work required to confirm that the process can be upscaled to a commercial scale and produce HPA within the required specifications at an economically viable cost of production is unclear. There is a risk that the proposed test work program does not produce the anticipated results to justify further development.</p>
Exploration and operating	<p>The mineral exploration licences comprising the Eyre Peninsula Project are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Eyre Peninsula Project and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Eyre Peninsula Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Eyre Peninsula Project.</p>





## 7. RISK FACTORS (CONT)

Risk Category	Risk
Tenure, access and grant of applications	<p><b>Tenure</b></p> <p>The Tenements have both been granted to the Company.</p> <p>Refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's tenements.</p> <p><b>Renewal</b></p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company notes that EL 5920 is due to expire on 19 February 2022 and, accordingly, the Company must apply for the renewal of the Tenement prior to this date in order to retain tenure.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in South Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p> <p><b>Access</b></p> <p>A number of the Tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities including private land, public land and areas on which native title is determined to exist.</p> <p>The key halloysite and kaolin deposits located within the Eyre Peninsula Project are located on freehold farmland. As such, there are periods in the cropping cycle when access is limited. The Company will work with the landowners to reduce the impact of exploration activities on farm activities. Please refer to the Solicitor's Report on Tenements in Annexure B for further information.</p>
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"><li>a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li><li>b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li></ul>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
COVID-19 risk	<p>The outbreak of the coronavirus disease (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging, land access, research and development, test work and the Company's ability to undertake its planned activities. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p>

### 7.3 Industry specific risks

Risk Category	Risk
Native title and Aboriginal Heritage	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>Both of the Tenements comprising the Eyre Peninsula Project are within the external boundaries of one Native Title determination as described in the Solicitor's Report on Tenements at Annexure B.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B of this Prospectus for further information.</p>
Exploration costs	<p>The exploration costs of the Company as summarised in Section 5.5 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource and reserves and exploration targets	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
Mine development	<p>Possible future development of mining operations at the Eyre Peninsula Project is dependent on a number of factors including, but not limited to, the delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Eyre Peninsula Project deposits, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Eyre Peninsula Project.</p> <p>The risks associated with the development of a mine will be considered in full should the Eyre Peninsula Project reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
Regulatory Compliance	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.</p>
Research and Development	<p>The Company intends to use a proportion of the funds raised under the Offer to undertake research and development activities in relation to the Projects, which may or may not result in any commercially viable outcome within the expected timeframe or not at all.</p>
Production Risk	<p>The Company intends to construct production facilities to produce its materials. The facilities are likely to be unique in process and design. There is no guarantee that a facility will operate as expected or that construction and/or operating costs do not exceed budgeted costs potentially making production unprofitable.</p>
Marketing Risk	<p>The Company must locate buyers for its production. There is a risk that the Company may not be able to enter into arrangements with sufficient buyers to enable production to become profitable.</p> <p>The nature of the industrial materials that are the focus of the Company may require them to meet buyer specific specification. There is a risk that any production by the Company does not meet the required specifications and may not be accepted by the intended buyer.</p>





# 7. RISK FACTORS (CONT)

## 7.4 General risks

Risk Category	Risk
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Economic	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Tenements may have to be surrendered or not proceeded with. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.</p>
Competition risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Currently no market	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
Market conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ol style="list-style-type: none"><li>general economic outlook;</li><li>introduction of tax reform or other new legislation;</li><li>interest rates and inflation rates;</li><li>changes in investor sentiment toward particular market sectors;</li><li>the demand for, and supply of, capital; and</li><li>terrorism or other hostilities.</li></ol> <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of small cap companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.10 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>
Commodity price volatility and exchange rate risks	<p>If the Company achieves HiPurA HPA Technology test work and/or exploration and/or research and development success leading to production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> <p>The Company may also develop production facilities in other countries. If this were to happen, the Company would be potentially exposed to currencies and the resultant risk of changes relative to the Australian dollar.</p>
Government policy changes	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in South Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p> <p>The Company is also planning to sell into foreign markets. Changes to laws relating to market access, tariffs and other taxes, process and procedures required to access these markets may impact the viability of the Company</p>
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>



## 7. RISK FACTORS (CONT)

Risk Category	Risk
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>The Company is in the process of assessing its qualification as an Early Stage Innovation Company as defined in the <i>Income Tax Assessment Act 1997</i> (Cth). If the Company so qualifies, there are potentially several taxation implications for investors. The Company recommends that independent advice is sought in relation to this issue.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Litigation Risks	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims, intellectual property disputes and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

### 7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.



# 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

## 8.1 Directors and key personnel

The Board of the Company consists of:

### a) Kristie Young - Non-Executive Chair

Ms Young began her career as a mining engineer over 25 years ago where she worked in both underground and open cut operations, before moving into business development/sales/solutions roles for various groups.

Ms Young is Non-Executive Director with Lithium Australia NL (ASX:LIT), Non-Executive Director with Tesoro Resources Ltd (ASX:TSO), and sits on the boards of Wesley College WA and the Energy Club of WA. Prior to this, she held Business Development Director roles with professional services firms EY and PwC. Ms Young was previously a Non-Executive Director with Primero Group Ltd which was acquired by NRW Holdings Q1 2021.

Her experience sits across mining, technical engineering, project evaluation, feasibility studies, financial modelling, business development, growth, strategy, commercial, marketing, executive search, consultancy, advisory, technology, education, governance and solutions.

Ms Young holds a Bachelor of Engineering (Mining) Hons from the University of Queensland 1995, a Post Grad Diploma of Education (Mathematics, IT) from the University of Western Australia 2001, a CertIV Human Resources from the Australian HR Institute 2012, and is a Graduate of the Australian Institute of Company Directors 2015.

The Board considers that Ms Young is an independent Director.

### b) David Leavy - Managing Director

Mr Leavy holds a Bachelor of Economics from Murdoch University and Master of Applied Finance from Macquarie University. Mr Leavy had 19 years' experience working with Westpac and has extensive experience in financial markets, currency and commodity derivatives trading and project financing to junior mining companies.

Previously, Mr Leavy was the Chief Financial Officer and director of several mining companies with mining and/or exploration projects in Australia, Ghana, Sierra Leone and Guinea across a range of commodities. Mr Leavy was the Non-Executive Director of Mount Magnet South Limited (ASX:MUM) (from December 2014 - October 2016).

Mr Leavy was previously a Managing Director and Executive Director of Peak Minerals Limited (ASX:PUA) previously known as Pure Alumina Ltd, a high purity alumina company that undertook a Pre-Feasibility Study into producing HPA from a kaolin. During this role, Mr Leavy had extensive experience with high purity alumina processes and marketing.

Mr Leavy is not considered to be an independent Director of the Company.

### c) Stephen Strubel - Executive Director

Mr Strubel holds a Bachelor of Business in Banking and Finance/International Trade, a Graduate Certificate in Business (Finance) from Victoria University and a Master of Business Administration (MBA) from the Australian Institute of Business. He is a Fellow of the Governance Institute of Australia.

Mr Strubel has approximately 10 years' experience working in financial markets predominantly with Patersons Securities (now Canaccord Genuity).

Mr Strubel has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations.

Mr Strubel is currently an Executive Director & Company Secretary of Auric Mining Limited (ASX:AWJ) and a director of Star Minerals Ltd (ASX:SMS), Western Australia-focused gold exploration companies. Stephen is currently the Joint Company Secretary of The Environmental Group Ltd (ASX:EGL).

Mr Strubel is not considered to be an independent Director of the Company.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

### d) Warrick Hazeldine - Non-Executive Director

Mr Hazeldine has more than 20 years of capital markets experience from working with a range of ASX-listed companies on investor relations activities to attract capital and grow shareholder value. He has worked predominately in the natural resources sector, focusing on initial public offerings, mergers and acquisitions, and secondary capital raisings. In recent years, he has played a key role in several lithium, hydrogen and battery metal transactions.

He is the Chair of ASX-listed Global Lithium Resources (ASX:GL1), a Western Australia-focused Lithium exploration company.

Mr Hazeldine is a founding director and current Chair of investor and corporate communications firm Cannings Purple. A communications strategist and Board level advisor, he has an established network across the global resources and generalist funds and a track record in assisting companies build and manage their institutional and retail investor bases.

An Australian Institute of Company Directors graduate, Mr Hazeldine holds a Bachelor of Commerce from Curtin University. He is a winner of Business News' 40 Under 40 award, which recognises the top 40 entrepreneurs in WA under the age of 40.

Mr Hazeldine is a current board member of Surfing WA and has held a range of advisory and Board positions with not-for-profit organisations.

The Board considers that Mr Hazeldine is an independent Director.

### 8.2 Key management

#### (a) Dr Nicholas Welham (BEM (Hons)) - Technical Consultant

Dr Nicholas Welham graduated from Leeds University with an Honours degree in Minerals Engineering. He then undertook research at the Royal School of Mines at Imperial College, London leading to a PhD.

Dr Welham then moved to Australia to join the Parker Centre to research gold recovery. After a number of years at the Australian National University, Dr Welham took up a Senior Lectureship at Murdoch University, eventually moving to the University of Ballarat to reopen the metallurgy course as the Xstrata Zinc Associate Professor of Metallurgy. Dr Welham was the longest serving Editor-in-Chief of the international journal of Hydrometallurgy. He is currently the Adjunct Professor: Lithium Processing at the West Australian School of Mines.

In 2012, Dr Welham started a boutique consultancy firm specialising in novel hydrometallurgical processes. Dr Welham has worked in most major commodities, with many of his recent projects covering battery metals and materials including copper, nickel, cobalt, lithium (brine and hardrock), high purity alumina and high purity graphite.

During his career, Dr Welham has published three books, edited two volumes, authored more than 85 refereed journal papers and been primary inventor on more than 50 patents granted worldwide.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's operations require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's businesses.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

### (b) Michael Ware (BSc (Geology), Fellow AusIMM) – Eyre Peninsula Projects Manager

Mr Ware is an experienced project manager and exploration geologist with significant experience in project development in industrial minerals and clays.

Mr Ware has operated globally exploring for a range of minerals including kaolin, mineral sands, bauxite, rare earth minerals, gold and base metals. He has also managed a laboratory providing metallurgical and analysis services, mainly to the clay and industrial minerals sectors.

Since 2008 Mr Ware has been a consultant geologist, based in Adelaide, for a number of companies operating in a range of countries and geological settings. His roles have included management and training of staff, designing and managing exploration programs through to project development and operation.

Mr Ware's extensive experience in clays, and kaolin in particular, and their industrial applications and markets will provide a significant benefit to Eyre Peninsula projects.

### 8.3 Disclosure of interests

#### 8.3.1 Remuneration

Given that the Company was incorporated on 9 October 2020, the Directors did not receive any remuneration for the financial year ended 30 June 2021. The Directors will receive the below remuneration for the current financial year.

Director	Remuneration for the year ended 30 June 2021 <sup>1</sup>	Estimated Remuneration for the year ending 30 June 2022
Kristie Young	Nil	\$80,666
David Leavy	Nil	\$221,833
Stephen Strubel	Nil	\$151,250
Warrick Hazeldine <sup>2</sup>	Nil	\$41,250

Notes:

1. The Company was incorporated on 9 October 2020.
2. Warrick Hazeldine's services are provided under a consultancy services agreement with Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine).





## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

### 8.3.2 Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director.

#### As at the date of this Prospectus

As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	% (undiluted)	Convertible Loan Shares	Options
Stephen Strubel	5,000,000	25.63%	125,000	Nil
David Leavy	2,500,000	12.82%	312,500	Nil
Kristie Young	1,000,000	5.13%	250,000	1,000,000
Warrick Hazeldine	Nil	Nil	250,000	1,000,000

#### Post-completion of the Offer

Post-completion of the Offer, the Directors have relevant interests in securities as follows (at the Minimum Subscription and Maximum Subscription) assuming that no Director subscribes for Shares under the Offer:

Director	Shares	Options	% (fully diluted) at Minimum Subscription	% (fully diluted) at Maximum Subscription
Stephen Strubel <sup>1</sup>	5,125,000	Nil	5.45%	5.16%
David Leavy <sup>2</sup>	5,312,000	Nil	5.65%	5.35%
Kristie Young	1,250,000 <sup>3</sup>	1,000,000 <sup>4</sup>	2.39%	2.27%
Warrick Hazeldine	250,000 <sup>5</sup>	1,000,000 <sup>6</sup>	1.33%	1.26%

Notes:

- Held by SRS HGS Pty Ltd as trustee for SRS Family Trust (of which Stephen Strubel is a beneficiary). Comprising 5,000,000 Shares currently held and 125,000 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share, held by Stephen Strubel and Brian Strubel (Strubel Family Super Fund) an entity controlled by Mr Stephen Strubel.
- Held by David Leavy and DJ & SE Leavy Super Fund (controlled by David Leavy). Assuming the following:
  - 2,500,000 Shares currently held;
  - 312,500 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share; and
  - 2,500,000 Shares to be issued to David Leavy as a vendor of HiPurA Pty Ltd (ACN 649 073 049) of which 750,000 Shares will be issued on upon the Company's listing and 1,750,000 Shares which will be issued upon the satisfaction of certain milestones (and the satisfaction of other conditions), pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for further information.
- Comprising 1,000,000 Shares currently held and 250,000 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share.
- Options issued under the Company's Employee Incentive Securities Plan, with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021 (**Director Options**). Refer to Section 10.5 for a summary of the terms of the Employee Incentive Securities Plan. Refer to Section 10.3 for the terms of the Director Options.
- Comprising 250,000 Shares to be issued on conversion under a Seed Capital Convertible Loan Agreement at a conversion price of \$0.08 per Share.
- Director Options issued to Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine), with an exercise price of \$0.30 and an expiry date of 3 years from 1 November 2021. Refer to Section 10.5 for a summary of the terms of the Employee Incentive Securities Plan. Refer to Section 10.3 for the terms of the Director Options.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

### 8.4 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 9.4.

### 8.5 Corporate governance

#### (a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website [www.chemxmaterials.com.au](http://www.chemxmaterials.com.au).

#### (b) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- i) maintain and increase Shareholder value;
- ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- iii) ensure compliance with the Company's legal and regulatory objectives.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

Consistent with these goals, the Board assumes the following responsibilities:

- i) leading and setting the strategic direction, values and objectives of the Company;
- ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### (c) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of four Directors (two executive Directors and two non-executive Director) of whom Kristie Young and Warrick Hazeldine are considered to be independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

### **(d) Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### **(e) Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

### **(f) Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### **(g) Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **(h) Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

### **(i) External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.



## 8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

### (j) Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- iv) management of the Company's relationships with external auditors.

### (k) Diversity policy

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

### (l) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.



## 9. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

### 9.1 Capital raising agreements

#### 9.1.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Ventnor Securities Pty Ltd (**Lead Manager**) to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

<b>Services</b>	<p>The Lead Manager will provide the Company with the following advisory services (upon request):</p> <ul style="list-style-type: none"><li>a) assist the Company with the initial identification and assessment of the Offer (in conjunction with other advisors as required) and its evaluation;</li><li>b) provide the Board of Directors of the Company with both corporate and commercial advice on the merit, or otherwise, of proceeding with the Offer;</li><li>c) facilitate the efficient execution of the Offer;</li><li>d) such other services as may from time to time be agreed upon by the Lead Manager and the Company; and</li><li>e) working closely with a number of Australian brokers to assist in promoting and completing the Offer.</li></ul>
<b>Fees</b>	<ul style="list-style-type: none"><li>a) Under the terms of this engagement the Company will pay the Lead Manager the following Prospectus work and preparation fees:<ul style="list-style-type: none"><li>(i) an initial engagement fee of \$10,000 for due diligence and review of the Offer; and</li><li>(ii) \$15,000 per month until listing of the Company, subject to a maximum of \$45,000;</li></ul></li><li>b) On the settlement date of the Offer, the Company will pay the Lead Manager the following fees (exclusive of GST):<ul style="list-style-type: none"><li>(i) a management fee of 2.0% of total funds raised under the Prospectus;</li><li>(ii) a 4.0% capital raising fee on funds raised under the Prospectus by brokers;</li><li>(iii) \$120,000 worth of Shares (equal to 600,000 shares) based on the Minimum Subscription or \$160,000 worth of Shares (equal to 800,000 shares) based on the Maximum Subscription;</li><li>(iv) a \$60,000 success fee; and</li><li>(v) 2,000,000 Options, which will have a purchase price of \$0.001 and exercise price of \$0.30 with an expiry 3 years from listing (<b>Lead Manager Options</b>).</li></ul></li><li>c) The Lead Manager will determine the amount of and be responsible for paying (at its own cost), any fees to be paid to other participating brokers.</li></ul>
<b>Ongoing services</b>	<p>All general applications to the Company's fundraising activities will fall under the Lead Manager Mandate as Lead Manager. Services will include:</p> <ul style="list-style-type: none"><li>a) Marketing the Company;</li><li>b) Assistance in Investor relations in Australia and throughout Asia (if required);</li><li>c) Introduction of new investors;</li><li>d) Communication with the existing shareholder base; and</li><li>e) Assistance with future capital raisings.</li></ul>





## 9. MATERIAL CONTRACTS (CONT)

<b>Expenses</b>	<ul style="list-style-type: none"><li>a) The Company shall pay for all reasonable legal expenses incurred by the Lead Manager in relation to the Offer.</li><li>b) The Company shall reimburse the Lead Manager for all reasonable out-of-pocket expenses incurred in performing services under the Lead Manager Mandate. Prior consent for all expenses will be obtained prior to incurring any costs in excess of \$500.</li></ul>
<b>Indemnity and release</b>	<ul style="list-style-type: none"><li>a) The Company agrees to indemnify the Lead Manager from and against:<ul style="list-style-type: none"><li>(i) all actions, claims, demands or proceedings which may be instituted against; and</li><li>(ii) all liabilities, losses, damages, costs and expenses (including reasonable legal costs and expenses) which may be suffered or incurred by, the Lead Manager in connection with or arising out of the Lead Manager Mandate.</li></ul></li><li>b) The Company will not be responsible for any liabilities, losses, damages, costs or expenses that have directly resulted from a breach of law or contract, or gross negligence, wilful default or fraud on the part of the Lead Manager or its directors or employees.</li></ul>
<b>Confirmation and Undertakings</b>	<p>The Company confirms that:</p> <ul style="list-style-type: none"><li>a) the Lead Manager is not responsible for authorising or causing the issue of the documents prepared in relation to the Offer and the Lead Manager is not liable to any person in respect of any false or misleading statement in, or omission from, any part of these documents;</li><li>b) its legal and accounting advisors are primarily responsible for advising on legal and accounting matters respectively; and</li><li>c) except as may be required by law or by any relevant regulatory authority, no advice rendered by the Lead Manager to the Company in connection with this Lead Manager Mandate will be disclosed or quoted, or referred to in any report, document or other communication the without prior written consent.</li></ul>
<b>Termination</b>	<ul style="list-style-type: none"><li>a) The Lead Manager Mandate may be terminated without cause at any time by the Company or the Lead Manager by giving the other party 30 days' written notice.</li><li>b) If the Lead Manager Mandate is terminated, the entitlement of the Lead Manager to the Fees will survive termination of this Agreement.</li><li>c) If, within 3 months of termination of the Lead Manager Mandate, the Company raised capital from any investor introduced by the Lead Manager during the course of the Lead Manager Mandate, the fees set out in clause 4.5(b)(i) above will remain payable to the Lead Manager.</li></ul>
<b>Exclusivity</b>	<p>The Company agrees to exclusively retain the Lead Manager for a minimum of 2 months with respect to the matters outlined in the Lead Manager Mandate or it ceases to apply due to the completion of the obligations and cessation of the rights under the Lead Manager Mandate.</p>

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



## 9. MATERIAL CONTRACTS (CONT)

### 9.2 Financing Agreements

#### 9.2.1 Founders Loan Note Facility

On 28 October 2020 and 13 May 2021, the Company entered into a convertible loan agreement with R J & A Investments Pty Ltd (**Lender**) (as varied on 16 June 2021, 21 September 2021 and 25 October 2021) under which the Lender agreed to provide a loan to the Company which is convertible into Shares at the request of the Lender (**Founders Loan Note Facility**). The material terms and conditions of the Founders Loan Note Facility are summarised below:

<b>Facility Limit</b>	The facility limit under the Founders Loan Note Facility is \$288,000.
<b>Drawdown</b>	The Company may draw down under the loan facility by giving the Lender written notice of its intention to do so ( <b>Drawdown Notice</b> ).
<b>Conversion</b>	<p>a) The Lender irrevocably directs the Company to satisfy the repayment of the loan extended by the Lender to the Company (<b>Advance</b>) by applying the Advance in payment for the subscription of Shares by the Lender at a price of either:</p> <ul style="list-style-type: none"><li>(i) \$0.016 per Share (such that a total of 18,000,000 Shares will be issued by the Company to the Lender) provided that the Company is listed on ASX by 31 March 2022; or</li><li>(ii) \$0.01066 per Share (such that a total of 27,000,000 Shares will be issued by the Company to the Lender) in the event that the Company is not listed on ASX by 31 March 2022.</li></ul> <p>b) The Company shall allot and issue the relevant Shares to the Lender within 5 business days of the first to occur of the following events:</p> <ul style="list-style-type: none"><li>(i) the Lender receiving written notice from the Company prior to 28 October 2022 (<b>Longstop Date</b>) that it has elected to convert the Advance into Shares;</li><li>(ii) an event of default; or</li><li>(iii) the Longstop Date.</li></ul> <p>c) The Company shall apply for quotation of the Shares on ASX immediately following the issue of Shares if the Company is listed on the ASX at the time of the issue.</p> <p>d) For the avoidance of doubt, the Lender applies for Shares in accordance with the Founders Loan Note Facility and consents to being a member of the Company.</p> <p>e) The issue of Shares by the Company in accordance with the Founders Loan Note Facility will be deemed to have satisfied the Company's obligations to pay the Advance.</p>
<b>Interest</b>	No interest will be payable on the Advance.
<b>Security</b>	The Advance is unsecured.

The Founders Loan Note Facility otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



## 9. MATERIAL CONTRACTS (CONT)

### 9.2.2 Seed Capital Convertible Loan Agreements

The Company has entered into various convertible loan agreements (**Seed Capital Convertible Loan Agreements**) with various seed investors (**Seed Investors**) under which the Seed Investors have agreed to provide loans of differing amounts to the Company. The Seed Investors include David Leavy, Kristie Young, Stephen Strubel and Warrick Hazeldine, who are each Directors. The material terms and conditions of each of the Seed Capital Convertible Loan Agreements are the same for each Seed Investor (except in relation to different conversion prices) and are as follows:

<b>Advance</b>	The Seed Investors have agreed to provide a loan to the Company of the amount set out in the schedule to the Seed Capital Convertible Loan Agreement for each Seed Investor.
<b>Drawdown</b>	The Seed Investors shall advance the loan to the Company on the date of execution of their respective agreements.
<b>Conversion</b>	<ol style="list-style-type: none"><li>a) The Seed Investors irrevocably direct the Company to satisfy the repayment of the loan in payment for the subscription of Shares by the Seed Investors at a price of \$0.08 per Share or \$0.16 (as the case may be).</li><li>b) The Company shall allot and issue the relevant Shares within 5 business days of the first to occur of the following events:<ol style="list-style-type: none"><li>(i) the receipt from the ASX of conditional approval for the Company to be admitted to the Official List of the ASX;</li><li>(ii) an event of default; or</li><li>(iii) the date that is 12 months from the date of execution of the Seed Capital Convertible Loan Agreement for each respective Seed Investor.</li></ol></li></ol>
<b>Interest</b>	No interest will be payable on the Advance.
<b>Security</b>	The Advance is unsecured.

The Seed Capital Convertible Loan Agreements otherwise contain provisions considered standard for an agreement of its nature (including representations and warranties).



## 9. MATERIAL CONTRACTS (CONT)

### 9.3 Acquisition Agreements

#### 9.3.1 Sale Deed – Archer Energy and Resources Pty Ltd

On 21 December 2020, the Company entered into a sale deed with Archer Energy and Resources Pty Ltd (a wholly owned subsidiary of Archer Materials (ASX:AXE)) (**Archer Energy**) (**Archer Sale Deed**) under which the Company has agreed to acquire 100% of the Eyre Peninsula Project (**Acquisition or Project**) for a deposit of \$50,000, further payment of \$100,000, purchase price upon Completion of \$2,000,000 (**Cash Amount**) plus additional cash amount (being a dollar amount equal to 5% of the enterprise value of the Company upon listing (**Additional Cash Amount**) in cash or in Shares upon the listing (**Consideration Shares**) and a 2% net smelter royalty (**NSR**) on production from the Project. The Company entered into a second agreement with Archer Energy whereby Archer Energy agreed waive certain conditions precedent that had not yet been satisfied and settlement of the Archer Sale Deed occurred on 17 June 2021 (**Amending Letter**). The material terms and conditions of the Archer Sale Deed are summarised below:

<b>Acquisition</b>	Archer Energy agrees to sell all of its legal and beneficial interest in: <ul style="list-style-type: none"><li>a) the tenements comprising the Eyre Peninsula Project (being, EL5815 and EL5920) (<b>Tenements</b>) from Archer Energy (the parties have acknowledged that E5815 has expired and that Archer Energy lodged an application for a subsequent exploration licence (<b>Subsequent EL</b>) in respect of the EL5815). The Subsequent EL (EL6634) was granted after settlement of the Archer Sale Deed;</li><li>b) mining information to include all geological, geophysical, geochemical and other technical and non-technical information relating to the Tenements, including geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, maps and plans, relating to the Tenements (<b>Mining Information</b>); and</li><li>c) all samples from the Tenements that are in the possession or control of Archer Energy as at the date of the Archer Sale Deed or before completion of the Archer Sale Deed (<b>Completion</b>) (<b>Samples</b>), (together, the <b>Assets</b>).</li></ul>
<b>Deposit</b>	The Company must pay Archer Energy \$50,000 in cleared funds as deposit payment on execution of the Archer Sale Deed ( <b>Deposit</b> ). The Deposit is non-refundable.
<b>Further payment and due diligence</b>	<ul style="list-style-type: none"><li>a) From the date of the Deed until 5:00pm ACST on 15 March 2021 (<b>Due Diligence End Date</b>), Archer Energy must provide the Company with all information about the Assets (including the Tenements) reasonably requested by the Company for the purposes of assisting the Company to assess whether it wishes to proceed with the Acquisition promptly or within seven (7) days of any written request being made by the Company.</li><li>b) If the Company wishes to proceed with the Acquisition, it must provide to Archer Energy notice in writing and pay \$100,000 (<b>Further Payment</b>) in cleared funds to Archer Energy before 12:00 (noon) ACST on the Due Diligence End Date.</li><li>c) The Further Payment payable to Archer Energy is non-refundable other than if the condition precedent in obtaining Ministerial Consent is not satisfied by the required due date for reason other than because of the default of the Company or if the Archer Sale Deed is terminated by the Company as a result of Archer Energy having breached a material term of the Archer Sale Deed and either the breach is incapable of being remedied or has not been remedied within 7 days of the Company providing written notice to Archer Energy specifying the relevant breach.</li></ul>



## 9. MATERIAL CONTRACTS (CONT)

### Conditions precedent

The Archer Sale Deed is subject to and conditional upon the satisfaction and waiver of the following conditions precedent (**Conditions Precedent**) on or before the date set out in the relevant conditions precedent, or where no date is specified, by 5:00pm ACST on the cut-off date, being 31 August 2021 (with a potential 2-month extension) as agreed by the parties by subsequent variation to the Archer Sale Deed (**Cut-Off Date**):

- a) (**Due Diligence**): The Company completing due diligence investigations in relation to the Tenements, giving written notice to Archer Energy that it is satisfied with its due diligence investigations and deciding to proceed with the Acquisition on or before the Due Diligence End Date;
- b) (**Ministerial Consent**): The consent of the Minister being obtained under the Mining Act 1971 (SA) and the transactions contemplated by it, either unconditionally or on such conditions that are satisfactory to the parties acting reasonably by 5:00pm ACST on the Cut-Off Date;
- c) (**Capital Raising**): The Company having completed a capital raising to raise not less than \$5,000,000; and
- d) (**Listing**): A listing having occurred and the Company becoming a listed company.

The Conditions Precedent were either satisfied or waived pursuant to the Amending Letter.

### Termination

- a) If the Conditions Precedent are not satisfied or waived, then the Company or Archer Energy may by notice in writing to the other party, immediately terminate the Archer Sale Deed.
- b) The Conditions Precedent were either satisfied or waived pursuant to the Amending Letter.

### Extension of Cut-Off Date

- a) The Company may extend the Cut-Off Date by:
  - (i) a period of three (3) months by providing written notice to Archer Energy and paying \$100,000 in cleared funds to Archer Energy before 12:00 noon ACST on the then current Cut-Off Date; and
  - (ii) a further period of three (3) months by providing written notice to Archer Energy and paying a further \$100,000 in cleared funds to Archer Energy before 12:00 noon ACST on the then current Cut-Off Date.
- b) The amounts payable to Archer Energy pursuant to this clause (**Additional Payment**) are not refundable to the Company in any circumstances other than if the Company has complied with its pre-completion obligations (see below) and the Ministerial Consent Condition Precedent is not satisfied by then then current Cut-Off Date, other than because of the default of the Company; or if the Archer Sale Deed is terminated by the Company as a result of Archer Energy having breached a material term of the Archer Sale Deed and either the breach is incapable of being remedied or has not been remedied within seven (7) days of the Company providing written notice to Archer Energy specifying the relevant breach.

### Pre-Completion

Within 30 days of the date of the Archer Sale Deed, the Company must apply to the South Australian Department for Energy and Mining for consent from the Minister to transfer the Tenements to the Company and the granting of the interests arising pursuant to the Mineral Rights Agreement (as summarised below) and the Net Smelter Royalty Agreement (as summarised below), by duly completing and submitting all necessary forms and supporting documentation required to obtain such approval.



## 9. MATERIAL CONTRACTS (CONT)

### Completion

- a) **(Completion Time and Place):** Completion took place on 17 June 2021 **(Completion Date)**.
- b) **(Listing prior to Completion):** If listing of the Company (**Listing**) has occurred on or before 5:00pm ACST on the Cut-Off Date, the Company may by notice in writing to Archer Energy before 5:00pm ACST on the tenth (10th) Business Day prior to Completion (**Scrip Election**), elect to satisfy all or part of the Cash Amount (excluding the Deposit and Further Payment which will have been paid by the Company prior to Completion) and the Additional Cash Amount by issuing or procuring the issue of Shares to Archer Energy, which notice must specify the dollar amount of each of the Cash Amount and Additional Cash Amount that the Company wishes to satisfy by the issue of Shares (**Scrip Amount**). Pursuant to the Amending Letter, the Company made a Scrip Election on 17 June 2021 and elected to satisfy the Cash Amount by the Company issuing 9,250,000 Shares to Archer and the Additional Cash Amount by the Company issuing 2,321,119 Shares to Archer.
- c) **(Company's Completion Obligation):** On or before Completion, the Company must deliver to Archer Energy the Mineral Rights Agreement and the NSR Agreement duly executed by the Company.
- d) **(Archer Energy's Completion Obligations):** Subject to the Company completing its Completion obligations, Archer Energy must at Completion:
  - (i) deliver to the Company a completed Form 13 duly signed by Archer Energy in respect of the transfer of each of the Tenements from Archer Energy to the Company;
  - (ii) deliver to the Company all existing instructions of title relating to the Tenements;
  - (iii) transfer title to and all risks of the Assets to the Company on and from the date of Completion;
  - (iv) deliver to the Company:
    - (A) the Minerals Rights Agreement duly executed by Pirie;
    - (B) the Net Smelter Royalty Agreement duly executed by the Seller;
    - (C) all Mining Information in the material form the Mining Information is usually stored in;
    - (D) the Samples, by making them available for collection by the Company from the place at which they are ordinarily stored by Archer Energy; and
    - (E) a release of any encumbrances over the Assets (if any), to the extent that the encumbrances limit or in any way prohibits Archer Energy from transferring the Assets to the Company; and
  - (v) do all acts and things as may be reasonably required by the Company to vest title to the Assets in the Company and allow the Company full use and enjoyment of the Assets.





## 9. MATERIAL CONTRACTS (CONT)

### Completion

- e) **(Anti-Avoidance)**: If a Listing has not occurred by 5:00pm ACST on the Cut-Off Date but subsequently occurs within twelve (12) months of Completion occurring (**Listing Period**) and the Company has not disposed of the Tenements to Pirie in accordance with the Mineral Rights Agreement, the Company must pay to Archer Energy the Additional Cash Amount within 15 Business Days of the Listing occurring (**Payment Date**). The Company may, by notice in writing to Archer Energy, on or before the Payment Date, elect to satisfy all or part of the Additional Cash Amount payable to Archer Energy by:
- (i) issuing or procuring the issue of Shares to Archer Energy, which shares shall be issued at the issue price of Shares under Offer that equates to the dollar amount of the Additional Cash Amount that it wishes to satisfy via the issue of Shares;
  - (ii) paying or procuring payment of the balance of the amount payable to Archer Energy in cash; and
  - (iii) delivering or procuring delivery of the following to Archer Energy:
    - (A) a share certificate in respect of the Shares that are issued in the name of Archer Energy; and
    - (B) an opinion of counsel to the Company, who must be duly qualified and acceptable to Archer Energy, dated on or about the date of Completion, and addressed to and expressed to the benefit of Archer Energy with respect to the incorporation and existence of the Company, that the Company has all requisite power and capacity to carry on its business as presently carried on and own its properties; the authorised share capital of the Company; the valid issuance of the Consideration Shares; that the Consideration Shares have either been issued pursuant to a prospectus or an available prospectus exemption; and if applicable, the resale restrictions of the Consideration Shares and the fact that the relevant approved stock exchange has conditionally accepted the issuance of the Consideration Shares.
- (f) **(Caveats)**: Any of the parties may lodge such caveats pursuant to the Mining Act 1971 (SA) as they think fit to protect their interests in the Tenements pursuant to the Archer Sale Deed.

The Archer Sale Deed otherwise contains terms and conditions, including warranties (given by both parties), indemnities, and obligations in respect of maintenance of the Tenements until Completion, which are considered standard for an agreement of its nature.



## 9. MATERIAL CONTRACTS (CONT)

### 9.3.2 Mineral Rights Agreement – Pirie Resources Pty Ltd

On 21 December 2020, the Company entered into a Minerals Rights Agreement with Pirie Resources Pty Ltd (**Pirie**) under which the Company has agreed to grant Pirie mineral rights and allow Pirie the right to explore for and if warranted, develop mining operations on the Tenements comprising the Eyre Peninsula Project (being, EL5815 (which was subsequently granted as EL6634) and EL5920) (**Tenements**) exclusively for graphite (**Minerals**) (**Mineral Rights Agreement**). The material terms and conditions of the Mineral Rights Agreement are summarised below:

<b>Conditional upon Completion</b>	The parties acknowledge and agree that this Mineral Rights Agreement is conditional upon Completion occurring under the Sale Deed. Where Completion does not occur, the Mineral Rights Agreement will immediately terminate.
<b>Grant of Mineral Rights</b>	The Company grants to Pirie Mineral Rights, being rights: a) of access to the Tenements for the purposes of exploring for and if applicable mining and processing Minerals; and b) to obtain all approvals required under the Mining Act 1971 (SA) and any other applicable laws and regulations to develop and operate mines and processing facilities for mining and processing Minerals and all related infrastructure.
<b>Grant of Licence</b>	The Company grants to Pirie a non-exclusive, perpetual, worldwide, royalty-free licence to use, modify, reproduce and adapt the Company's new information, being the geological, geophysical, geochemical and other technical and non-technical information relating to the Tenements ( <b>New Information</b> ) for any purpose connected with exploration for Minerals and the exploitation of any Minerals discovered. Pirie grants the Company a non-exclusive, perpetual, worldwide, royalty-free licence to use, modify, reproduce and adapt Pirie's New Information for any purpose.
<b>Access Rights</b>	a) The Company grants Pirie the right to access the Tenements for the purposes of exploring for Minerals and for the purpose of mining and processing Minerals which have been or may be discovered within the Tenements. b) The Company may not conduct exploration for, mine or process Minerals within the boundary of the Tenements, unless Pirie consents in writing to the Company doing so. c) The Company may conduct exploration for, mine and process excluded minerals, being any minerals other than graphite ( <b>Excluded Minerals</b> ) on the Tenements without restriction, provided that the Company may not conduct exploration for, mine or process Excluded Minerals within the boundary of the Wilclo South Excluded Area as shown in the map in Schedule 1 of the Minerals Rights Agreement.
<b>Rehabilitation</b>	Pirie undertakes and agrees that all obligations with respect to the rehabilitation of land subject to the Tenements, which arise in consequence of Pirie's activities or the activities of Pirie's employees, agents or contractors on the Tenements must be carried out on an ongoing and progressive basis.
<b>Work Program</b>	Not less than 21 days before commencing any activities on or accessing or entering the Tenements, Pirie must provide the Company with a detailed written work program in respect of the Company's activities on the Tenements ( <b>Work Program</b> ) in respect of those activities. The Company will have 21 days to review each Work Program submitted by Pirie and Pirie must carry out exploration for Minerals on the Tenements in accordance with the approved Work Program.
<b>Information</b>	Pirie must furnish the Company with reports of its activities on the Tenements at least once every six (6) months or if the conditions to either Tenement so require, at the more frequent intervals required in respect of the Tenement.
<b>Costs</b>	The Company must pay all outgoings, including (among other things) rent, rates security deposits, bonds and compensation ( <b>Outgoings</b> ) in relation to the Tenements promptly when the same falls due for payment. An Outgoing which is calculated by reference to or applies in respect of compensation to a land owner or occupier or native title parties, must be paid by the parties in proportion to the level of activity undertaken by a party to which the compensation relates and an activity (including any security deposit or bond required in connection with a mine management plan) must be paid by the party which engages in the activity giving rise to that Outgoing or its amount in each case, promptly when the same falls due for payment.



## 9. MATERIAL CONTRACTS (CONT)

<b>Restrictions on exercise of Mineral Rights</b>	Pirie may not exercise its Mineral rights until Pirie has obtained every authorisation, including (among other things) any consent, registration, filing or agreement required in order for Pirie to exercise its Mineral rights in accordance with the Mineral Rights Agreement in the manner and to the extent it intends to do so from time to time.
<b>Transfer of Discovery Tenements</b>	Pirie may in respect of any Mineral resource contained within the Wilclo South Excluded Area or after providing written notice of a delineation of mineralisation that falls within the meaning of an Inferred Mineral Resource (as defined in the JORC Code) ( <b>Discovery</b> ) in respect of Minerals to the Company, give notice in writing to the Company stating that it desires the part of the Tenements necessary for mining and processing of the relevant Discovery to be transferred or sub-leased to Pirie ( <b>Transfer Notice</b> ). The Company may decline to transfer or sub-lease the Discovery Tenement only if there has been a Discovery of Excluded Minerals on that Discovery Tenement or the Company wishes to conduct further exploration and assessment work in respect of the Discovery Tenement and promptly provides Pirie with a program and timetable for that exploration and assessment work which is acceptable to Pirie acting reasonably and in good faith, and in any event, cannot decline such a transfer or sub-lease in respect of any Mineral resource contained within the Wilclo South Excluded Area.
<b>Conflicting Development</b>	If it is evident at any time that the Discovery Tenement contains the whole or part of Mineral resource of Minerals as well as the whole or part of a Mineral resource of Excluded Minerals, and Pirie and the Company wishes to proceed with the development of mining operations in respect of the Mineral resource, it must notify the other party in writing accordingly and the parties must then meet as soon as reasonably practicable to determine the manner in which both Mineral resources can be exploited, whether at the same time or consecutively and if consecutively, which is to have priority. Any Mineral resource in respect of the Wilclo South Excluded Area shall take priority over any Mineral resource of Excluded Minerals.
<b>Termination</b>	<ol style="list-style-type: none"><li>The Mineral Rights Agreement may be terminated by written agreement of Pirie and the Company.</li><li>The Mineral Rights Agreement will automatically terminate if no Discovery is made by Pirie within 20 years of the date of the Mineral Rights Agreement or Pirie is placed in liquidation or provisional liquidation, dissolved without liquidation, placed in administration, enters into a scheme of arrangement or composition with its creditors or any class of them or a receiver or receiver and manager is appointed over any of its assets or undertaking.</li><li>Pirie or the Company may at any time and from time to time by not less than 14 days' written notice to the other determine that the Mineral Rights Agreement no longer apply or if either of the Tenements comprise more than one mining tenement, will no longer apply to the mining tenement specified in the notice, with the effect that the notifying party will thereafter have no further rights in respect of the Tenement or the mining tenement specified in the notice.</li></ol>

The Mineral Rights Agreement otherwise contains terms and conditions, including undertakings and warranties (given by both parties), confidentiality provisions, indemnities, and obligations in respect of maintenance of the Tenements, which are considered standard for an agreement of its nature.



## 9. MATERIAL CONTRACTS (CONT)

### 9.3.3 Net Smelter Royalty Agreement – Archer Energy and Resources Pty Ltd

On 21 December 2020, the Company entered into a Net Smelter Royalty Agreement with Archer Energy and Resources Pty Ltd (a wholly owned subsidiary of Archer Materials (ASX: AXE)) (**Archer Energy (NSR Agreement)**) as a condition to completion of the Archer Sale Deed and to record the terms of the royalty and the basis on which it is to be paid to Archer Energy. The material terms and conditions of the NSR Agreement are summarised below:

<b>Condition Precedent</b>	The NSR Agreement is subject to and conditional upon and shall not be binding unless and until, Completion as defined in the Archer Sale Deed occurs.
<b>Royalty Obligation</b>	As from the date of Completion under the Archer Sale Deed ( <b>Effective Date</b> ) or the date on which the extraction and recovery of any mineral as defined under the Mining Act 1971 (SA) ( <b>Mineral</b> ) or metallic product extracted and recovered from the Mineral or mixture of Minerals from the area within the Tenements ( <b>Mining Area</b> ) which is capable of being sold or otherwise disposed of, other than graphite ( <b>Product</b> ) (whichever is later) ( <b>Completion Date</b> ), for each Quarter in which any Product is produced and sold, removed or otherwise disposed of, the Company agrees to pay Archer Energy a royalty ( <b>Royalty</b> ) calculated by multiplying the royalty percentage (being 2%) by the net smelter return. The obligation to pay the Royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of Products.
<b>Trading Arrangements</b>	Each party acknowledges that the other party may engage in trading arrangements, being forward sale and/or purchase contracts, spot deferred contracts, futures trading and commodity option contracts and/or other price hedging and price protection arrangements and mechanisms and speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges ( <b>Trading Arrangements</b> ) which may involve the delivery or possible delivery of any mineral products and except as otherwise provided in the NSR Agreement, the Company has no obligation to account to Archer Energy for and Archer Energy has no interest or right to participate in any profits or incur any losses of Trading Arrangements engaged in by the Company.
<b>Relinquishment of Tenements</b>	The Company must give Archer Energy at least 30 days prior written notice of its intention for any reason to relinquish, surrender or not renew or extend the whole or any part of any of the Tenement ( <b>Relinquished Tenement</b> ) prior to that relinquishment, surrender or failure to renew or extend the Tenement.
<b>Registration of Interest in Royalty</b>	As soon as practicable after the Effective Date, the Company must do all things reasonably required by Archer Energy to register or procure the registration of Archer Energy's Royalty interest as granted pursuant to the NSR Agreement on each of the Tenements.
<b>Insurance</b>	<ol style="list-style-type: none"><li>Prior to the date on which the extraction and recovery of any Product commences from the Mining Area, the Company must purchase or otherwise arrange at their own expense and keep in force at all times, insurance for the loss, theft or destruction of Products arising out of or resulting from the mining operations (as defined under the Mining Act 1971 (SA)) conducted on or relating to the Mining Area in such amounts as will adequately protect the Company and Archer Energy.</li><li>The cost of such insurance is a cost which is not deducted by the smelter or other acquirer of the Product in arriving at the amount of gross revenue for that Product.</li></ol>



## 9. MATERIAL CONTRACTS (CONT)

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### Assignment

The Company may not sell, transfer, grant, assign or otherwise dispose of (including by way of establishing a joint venture) (**Transfer**) all or part of its rights, title or interest in any of the Tenements, or any rights in relation to Products extracted and recovered or to be extracted and recovered from the Mining Area to a third party or any related entity or otherwise except:

- a) by the sale of Products and if the terms of sale are:
  - (i) not arm's length terms;
  - (ii) are sold pursuant to an arrangement whereby the buyer of a certain quantity of Product has partially or fully paid for the Product before the Product is produced; or
  - (iii) or an arrangement whereby a third party has provided funding to the Company in return for that third party receiving deliveries of Product at a price that is less than market value at the time of delivery,  
then the Company is deemed to receive a value;
- b) if the proposed transferee has first executed and delivered to Archer Energy an assumption deed (**Assumption Deed**) in favour of Archer Energy executed by the Company and the transferee of the interest and rights being the subject of the Transfer;
- c) in the case of the Company's rights to graphite, but not any Minerals, pursuant to the Mineral Rights Agreement; or
- d) by way of a security interest (**Security Interest**) which is expressly subject to the Royalty and which is accompanied by an Assumption Deed in favour of Archer Energy under which the secured party to the Security Interest (**Secured Party**) agrees to be bound by the terms of the NSR Agreement in exercising the Secured Party's powers or remedies under the Security Interest, as if it was a party to this NSR Agreement.

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### Payer release and survival

The Company is released from its obligations under this NSR Agreement in respect of the interest the subject of the Transfer as from the date of the Transfer, but only if a Transfer is completed strictly in accordance with the NSR Agreement, but without affecting its obligations arising prior to that date. The rights of Archer Energy survive the Transfer and do not merge on or by virtue of completion and registration of the Transfer.

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### Sale of Interest

If Archer Energy wishes to sell, assign, transfer or otherwise dispose of the whole or part of its rights under this NSR Agreement (**Available Interest**), other than to a Related Transferee of Archer Energy, Archer Energy must first offer to sell the whole of the Available Interest to the Company for cash and not for any other consideration.

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The NSR Agreement otherwise contains terms and conditions, including representations, warranties and acknowledgments (given by both parties), confidentiality provisions, indemnities and obligations (including maintenance of tenements), which are considered standard for an agreement of its nature.



## 9. MATERIAL CONTRACTS (CONT)

### 9.3.4 Share Sale Agreement – HiPurA Pty Ltd

On 30 April 2021, the Company entered into a Share Sale Agreement with Nicholas Welham and David Leavy (**Vendors**) pursuant to which the Company has agreed to acquire 100% of the fully paid ordinary shares on issue in the capital of HiPurA Pty Ltd (**HiPurA Shares**) from the Vendors (**Acquisition**). HiPurA Pty Ltd owns the high purity alumina production (**HPA**) technology. The material terms and conditions of the HiPurA Share Sale Agreement are summarised below:

<b>Conditions</b>	<p>Completion under this Agreement is subject to satisfaction or waiver of the following Conditions on or before 5:00pm on 31 December 2021 (<b>Sunset Date</b>):</p> <ul style="list-style-type: none"><li>a) (<b>Listing Approval or Acquisition</b>): Either the Company obtaining from ASX formal approval of its application for listing in relation to the IPO subject only to customary pre-quotation listing conditions that the Company is able to satisfy and reasonably demonstrate to the Vendors will be satisfied; or an acquisition of the Company by an entity admitted to the ASX having occurred, that following the acquisition, the entity has control over the Company;</li><li>b) (<b>Due Diligence by the Company</b>): The Company completing due diligence investigation in relation to HiPurA Pty Ltd and the HPA technology HiPurA Pty Ltd owns;</li><li>c) (<b>Due Diligence by the Vendors</b>): The Vendors completing due diligence investigation of the Company and all material agreements to which it is a party to and its assets;</li><li>d) (<b>Management</b>): David Leavy being appointed Managing Director of the Company on terms to be agreed; and</li><li>e) (<b>Consulting</b>): Nicholas Welham being engaged by the Company as a technical consultant on terms to be agreed between Nicholas Welham and the Company.</li></ul>
<b>Termination</b>	<p>If each of the Conditions is not satisfied or waived by 5:00pm on the Sunset Date, either party may, by notice in writing to the other party, terminate the Agreement; or the parties may by mutual agreement meet to negotiate a date by which the parties could reasonably be expected to fulfil each Condition. Any new date must be agreed to by the parties in writing. If the parties meet to agree to a new date for fulfillment of the Conditions, each party must use all reasonable efforts within its own capacity to ensure that each Condition is fulfilled by the agreed date, and if each Condition is not fulfilled or waived by the new agreed date, then either party may by notice in writing to the other party, terminate the Agreement.</p>
<b>Sale and Purchase</b>	<p>The Vendors agree to sell to the Company, and the Company agrees to buy from the Vendors the HiPurA Shares free from encumbrances, in consideration of the issue of consideration shares to the Vendors (<b>HiPurA Consideration Shares</b>) to be issued as follows (each a <b>Milestone</b>):</p> <ul style="list-style-type: none"><li>a) \$400,000 worth of fully paid ordinary shares (2,000,000 shares at the IPO Issue price of \$0.20) in the Company after it is listed on the ASX (<b>List-Co Shares</b>) at the issue price of the fully paid ordinary shares in the issued capital of the Company under the Initial Public Offering (<b>Issue Price</b>) at Completion Date, being 5 business days after the satisfaction or waiver of the conditions (<b>Completion Date</b>);</li><li>b) \$400,000 worth of List-Co Shares at Issue Price ((2,000,000 shares at the IPO Issue price of \$0.20) at the Completion of Flow Sheet Design, being the document indicating the intended flowsheet to be used and a mass and energy balance for the process, as approved by an independent technical consultant as agreed by the parties (<b>Flow Sheet Design</b>); and</li><li>c) \$500,000 worth of List-Co Shares at the Issue Price (2,500,000 shares at the IPO Issue price of \$0.20) at the commissioning of the Pilot Plant, being a plant with largely the same flowsheet as the proposed plant at a scale of not less than 1:1000 (one thousandth) of the proposed initial production plant (<b>Pilot Plant</b>),</li></ul> <p>provided that if a Milestone is not met within three (3) years from the date on which the Company receives conditional approval to list on the ASX, the Vendors' entitlements to the HiPurA Consideration Shares pursuant to the satisfaction of that Milestone will automatically lapse.</p>





## 9. MATERIAL CONTRACTS (CONT)

<b>Number of HiPurA Consideration Shares</b>	The number of HiPurA Consideration Shares to be issued to the Vendors is to be calculated as the dollar amount at each Milestone divided by the Issue Price.
<b>Completion</b>	The parties agree that the Completion of the sale and purchase of HiPurA Shares will occur electronically at 10:00am on that date which is 5 business days after satisfaction (or waiver) of all Conditions ( <b>Completion Date</b> ), or such other time and place as agreed in writing between the parties. Subject to Completion, the purchase of the HiPurA Shares pursuant to the Agreement takes effect on or from the Completion Date and the title and risk to the HiPurA Shares passes to the Company at Completion.

The HiPurA Share Sale Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

### 9.4 Agreements with Directors

#### 9.4.1 Executive Services Agreement - David Leavy

On 20 July 2021, the Company entered into an executive services agreement (**MD Services Agreement**) with David Leavy (**Managing Director**) under which he has been appointed as Managing Director of the Company and has agreed to perform services as Managing Director on the terms of the MD Services Agreement. The material terms and conditions of the MD Services Agreement are as follows:

<b>Remuneration</b>	The Managing Director will be entitled to a total remuneration package comprising: <ul style="list-style-type: none"><li>a) a base salary of \$220,000 (excluding superannuation) (<b>Base Salary</b>);</li><li>b) additional benefits, including reimbursement of mobile phone where usage is mainly for work purposes, a laptop as required and IT equipment;</li><li>c) an annual performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators; and</li><li>d) a long-term performance-based incentive payment to be determined by the Company at its discretion by reference to key performance indicators.</li></ul>
<b>Term</b>	The employment of the Managing Director commenced on 1 August 2021 and will continue for a period of 3 years unless terminated earlier in accordance with the MD Services Agreement.
<b>Duties</b>	The Managing Director will perform the following duties during the Term, as well as any additional duties as may be require from time to time: <ul style="list-style-type: none"><li>a) delivering the Company strategy as agreed by the Board;</li><li>b) overseeing the management of the Company to ensure compliance with all relevant legislation, regulatory requirements, corporate governance, Company policies and Board directives;</li><li>c) ensuring a collaborative and inclusive culture is maintained within the Company;</li><li>d) using best endeavours to achieve the corporate values and objectives of the Company and its related bodies corporate;</li><li>e) performing services under the MD Services Agreement and using best endeavours to ensure the business of the Company is conducted in accordance with its policies and procedures, approved budget or business plan;</li><li>f) formulating strategies to promote and improve the financial performance of the Company;</li><li>g) managing staff; and</li><li>h) endeavouring to minimise the Company's exposure to risk.</li></ul>
<b>Intellectual Property</b>	The Managing Director acknowledges and agrees that the creation and protection of intellection property is part of their duties under the MD Services Agreement and further acknowledges and agrees that all intellectual property created or developed by the Managing Director is owned by the Company.



## 9. MATERIAL CONTRACTS (CONT)

<b>Termination by Company</b>	<ul style="list-style-type: none"><li>a) The Company may terminate the Managing Director's employment at any time for any reason by giving the Managing Director 3 months' notice in writing.</li><li>b) The Company may terminate the Managing Director's employment summarily without notice or payment in lieu of notice if the Managing Director commits serious misconduct, a breach of the MD Services Agreement, is convicted of a criminal offence, is prohibited by law from taking part in the management of the Company or is made bankrupt.</li></ul>
<b>Termination by the Managing Director</b>	<ul style="list-style-type: none"><li>a) The Managing Director may terminate their employment at any time by giving 3 months' notice in writing or by resigning where there is a Good Reason (as defined in the MD Services Agreement).</li><li>b) If the Managing Director resigns for Good Reason (as defined in the MD Services Agreement), the Managing Director shall be entitled to 6 months' Base Salary.</li></ul>
<b>Non-competition</b>	<p>The Managing Director agrees that they must not, in any capacity, during the Managing Director's employment and for a period of 6 months following the Managing Director's termination under the MD Services Agreement:</p> <ul style="list-style-type: none"><li>a) perform duties for or otherwise assist or be involved in a business, activity or operation in Australia which is the same or substantially similar to the business carried on by the Company;</li><li>b) solicit or entice away any client, customer or employee of the Company; or</li><li>c) interfere with the business of the Company or divulge any information concerning the business of the Company.</li></ul>

The MD Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

### 9.4.2 Executive Services Agreement – Stephen Strubel

On 27 July 2021, the Company entered into an executive services agreement (**Executive Services Agreement**) with Stephen Strubel (**Executive**) under which the Executive has been appointed as Executive Director of the Company and has agreed to perform services as Executive Director on the terms of the Executive Services Agreement. The material terms and conditions of the Executive Services Agreement are as follows:

<b>Remuneration</b>	<p>The Executive will be entitled to a total remuneration package comprising:</p> <ul style="list-style-type: none"><li>a) a base salary of \$150,000 (excluding superannuation) (<b>Base Salary</b>);</li><li>b) additional benefits, including reimbursement of mobile phone where usage is mainly for work purposes, a laptop as required and IT equipment;</li><li>c) an annual performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators; and</li><li>d) a long-term performance-based incentive payment to be determined by the Company at its discretion by reference to key performance indicators.</li></ul>
<b>Term</b>	<p>The employment of the Executive commenced on 1 August 2021 and will continue for a period of 3 years unless terminated earlier in accordance with the Executive Services Agreement.</p>



## 9. MATERIAL CONTRACTS (CONT)

<b>Duties</b>	<p>The Executive will perform the following duties during the Term, as well as any additional duties as may be require from time to time:</p> <ol style="list-style-type: none"><li>Using best endeavours to achieve the corporate values and objectives of the Company and its related bodies corporate;</li><li>Performing services under the Executive Services Agreement and using best endeavours to ensure the business of the Company is conducted in accordance with its policies and procedures, approved budget or business plan;</li><li>Providing expertise in the identification of new projects and in providing recommendations to the Board on new acquisition opportunities;</li><li>Complying with the reasonable directions of the Board, including to undertake any activity for the benefit of the Company;</li><li>Formulating strategies to promote and improve the financial performance of the Company;</li><li>Management of the financial functions of the Company;</li><li>Managing staff; and</li><li>Endeavouring to minimise the Company's exposure to risk</li></ol>
<b>Intellectual Property</b>	<p>The Executive acknowledges and agrees that the creation and protection of intellection property is part of their duties under the Executive Services Agreement and further acknowledges and agrees that all intellectual property created or developed by the Executive is owned by the Company.</p>
<b>Termination by Company</b>	<ol style="list-style-type: none"><li>The Company may terminate the Executive's employment at any time for any reason by giving the Executive 3 months' notice in writing.</li><li>The Company may terminate the Executive's employment summarily without notice or payment in lieu of notice if the Executive commits serious misconduct, a breach of the Executive Services Agreement, is convicted of a criminal offence, is prohibited by law from taking part in the management of the Company or is made bankrupt.</li></ol>
<b>Termination by the Executive</b>	<ol style="list-style-type: none"><li>The Executive may terminate their employment at any time by giving 3 months' notice in writing or by resigning where there is a Good Reason (as defined in the Executive Services Agreement).</li><li>If the Executive resigns for Good Reason (as defined in the Executive Services Agreement), the Executive shall be entitled to 6 months' Base Salary.</li></ol>
<b>Non-competition</b>	<p>The Executive agrees that they must not, in any capacity, during the Executive's employment and for a period of 6 months following the Executive's termination under the Executive Services Agreement:</p> <ol style="list-style-type: none"><li>perform duties for or otherwise assist or be involved in a business, activity or operation in Australia which is the same or substantially similar to the business carried on by the Company;</li><li>solicit or entice away any client, customer or employee of the Company; or</li><li>interfere with the business of the Company or divulge any information concerning the business of the Company.</li></ol>

The Executive Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



## 9. MATERIAL CONTRACTS (CONT)

### 9.4.3 Non-executive Director appointments

Kristie Young has entered into an appointment letter with the Company to act in the capacity of non-executive Chair. Kristie Young's remuneration is set out in Section 8.3.

The Company has entered into a consultancy agreement with Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine) in relation to Warrick Hazeldine's services as a Non-Executive Director. Refer to Section 8.3.

### 9.4.4 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

### 9.5 Consultancy Agreement – Dr Nicholas Welham

On 1 July 2021, the Company entered into a services agreement (**Consultancy Agreement**) with Dr Nicholas Welham under which the Dr Welham has agreed to be involved in, and to provide technical oversight for, the testwork and / or research work required by the Company in relation to the HiPurA HPA Technology. The material terms and conditions of the Consultancy Agreement are as follows:

<b>Term</b>	The Consultancy Agreement has a term of 10 years commencing on the date on which the Consultancy Agreement was executed.
<b>Services</b>	<p>Dr Welham shall provide the following services:</p> <ul style="list-style-type: none"> <li>a) being involved in and overseeing the testwork and research for the purpose of commercialisation of the HiPurA HPA Technology, including but not limited to hydrometallurgical laboratory services, solution analyses and the provision of data;</li> <li>b) providing advice in relation to the testwork and / or research work which Dr Welham believes the Company should undertake to develop the HiPurA HPA Technology;</li> <li>c) providing assistance in respect of any application the Company files to register any intellectual property rights in the HiPurA HPA Technology; and</li> <li>d) where required, providing assistance in developing the Company's strategy, identifying new opportunities, assisting with management or other research programs and reviewing ASX announcements and other marketing material for technical accuracy,</li> </ul> <p>(together, the <b>Services</b>).</p>
<b>Consideration</b>	<p>In consideration for the Services provided by Dr Welham, the Company will pay Dr Welham:</p> <ul style="list-style-type: none"> <li>a) \$6,000 per calendar month for up to and including 30 hours of work;</li> <li>b) \$200 per hour for each hour over and above the 30 hours of work; and</li> <li>c) any expenses incurred by Dr Welham during the provision of the Services on submission of valid receipts.</li> </ul>
<b>Intellectual property rights</b>	<ul style="list-style-type: none"> <li>a) Any intellectual property rights created during the course of Dr Welham providing the Services will solely and entirely be owned by the Company.</li> <li>b) Dr Welham has agreed to do all things necessary to transfer, assign or perfect the Company's title in any intellectual property rights created under the Consultancy Agreement.</li> </ul>
<b>No solicitation</b>	Dr Welham has undertaken and covenanted that he will not, and will use his best endeavours to ensure that his agents and employees do not, for the period of one year from the date of termination of the Consultancy Agreement, canvass or solicit any employee to leave his or her employment with the Company or any of its related bodies corporate.



## 9. MATERIAL CONTRACTS (CONT)

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<b>Termination</b>	<ul style="list-style-type: none"><li>a) Either party may terminate the Consultancy Agreement by giving 56 days' written notice to the other party.</li><li>b) A party may terminate the Consultancy Agreement at any time with immediate effect by giving notice to the other party (<b>Defaulting Party</b>) if:<ul style="list-style-type: none"><li>(i) the Defaulting Party breaches a term of the Consultancy Agreement and fails to remedy the breach within 14 days of receiving written notice requiring it to do so; or</li><li>(ii) an event of default occurs in relation to the Defaulting Party.</li></ul></li></ul>
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<b>Event of default</b>	<p>An event of default occurs if:</p> <ul style="list-style-type: none"><li>a) a receiver, liquidator, trustee in bankruptcy or administrator of a party or its business is appointed;</li><li>b) a party threatens to cease to carry on its business or is unable to pay its debts within the meaning of the Companies Act 2006;</li><li>c) Dr Welham creates a fixed charge over the Consultancy Agreement without the prior consent of the Company; or</li><li>d) Dr Welham attempts to assign the Consultancy Agreement other than in accordance with its terms.</li></ul>
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<b>Subcontractors</b>	<p>Dr Welham must not sub-contract or otherwise arrange for another person to perform the Services under the Consultancy Agreement without the prior written consent of the Company.</p>
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The Consultancy Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnity and confidentiality provisions).

### 9.6 Consultancy Agreement - Mr Michael Ware

On 1 June 2021, the Company entered into a technical consultancy agreement (**Consultancy Services Agreement**) with Geological & Ceramic Services Pty Ltd (**Consultant**) under which Michael Ware, the principal of the Consultant, shall provide technical consultancy services to the Company. The material terms and conditions of the Consultancy Services Agreement are as follows:

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<b>Term and termination</b>	<ul style="list-style-type: none"><li>a) The Consultancy Services Agreement has no fixed term and the period of the Consultant's engagement shall be determined by the Company.</li><li>b) The Consultancy Services Agreement may be terminated by either party subject to 30 days' notice of intent to terminate the Consultancy Services Agreement.</li></ul>
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<b>Services</b>	<p>The Consultant shall provide the following services:</p> <ul style="list-style-type: none"><li>a) providing technical advice and direction to the Company to propose, direct and review generated data on a regular basis from exploration programs or other sources related to the Company's properties; and</li><li>b) signing off on public releases the content of which is restricted to technical programs and results generated from exploration.</li></ul> <p>(together, the <b>Services</b>).</p>
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<b>Location</b>	<ul style="list-style-type: none"><li>a) The Consultant's principal place of business is Adelaide, South Australia.</li><li>b) The Consultant will work in other areas when required to fulfill his duties on behalf of the Company.</li></ul>
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<b>Fees</b>	<p>In consideration for the Services provided the Consultant, the Company will pay the Consultant:</p> <ul style="list-style-type: none"><li>a) an hourly fee of \$125 per hour (plus GST) while working from the Consultant's principal place of business;</li><li>b) a flat fee of \$1,000 per day (plus GST) while the Consultant is away from his principal place of business; and</li><li>c) reimbursements for all reasonable expenses related to accommodation and meals, travel and associated expenses while the Consultant is away from his principal place of business.</li></ul>
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The Consultancy Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



# 10. ADDITIONAL INFORMATION

## 10.1 Litigation

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

## 10.2 Rights and liabilities attaching to Shares

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

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

### (a) General meetings

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

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

### (b) Voting rights

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

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

### (c) Dividend rights

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

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

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





## 10. ADDITIONAL INFORMATION (CONT)

### (d) Winding-up

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

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

### (e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

### (f) Transfer of shares

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

### (g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

### (h) Variation of rights

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

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

### (i) Alteration of constitution

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

## 10.3 Director Options

Set out below are the terms and conditions of the Director Options:

### (a) Entitlement

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

### (b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Director Option will be \$0.30 (**Exercise Price**).

### (c) Expiry Date

Each Director Option will on the earlier to occur of:

- i) 5.00pm (AWST) on the date that is three years from the date of issue; or
- ii) the Option lapsing and being forfeited under the Incentive Plan or these terms and conditions, (**Expiry Date**), and any unexercised Options will automatically lapse on the Expiry Date.



## 10. ADDITIONAL INFORMATION (CONT)

### (d) Exercise Period

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

### (e) Notice of Exercise

The Director Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and, subject to the operation of the cashless exercise facility (referred to below), payment of the Exercise Price for each Director Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

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

### (g) Timing of Issue of Shares on Exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- ii) if required, issue a substitute certificate for any remaining unexercised Options held by the holder;
- iii) if required and subject to paragraph (m), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- iv) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

### (h) Shares Issued on Exercise

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

### (i) Quotation of Shares Issued on Exercise

If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Director Options.

### (j) Reconstruction of Capital

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

### (k) Participation in New Issues

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



## 10. ADDITIONAL INFORMATION (CONT)

### (l) Change in Exercise Price

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

### (m) Transferability

The Options are not transferable unless with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

### 10.4 Lead Manager Options

Set out below are the terms and conditions of the Lead Manager Options:

#### (a) Entitlement

Each Lead Manager Option entitles the holder subject to the payment of \$0.001, to subscribe for one Share upon exercise of the Lead Manager Option.

#### (b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Lead Manager Option will be \$0.30 (**Exercise Price**).

#### (c) Expiry Date

Each Lead Manager Option will expire at 5:00 pm (Perth time) on the third anniversary of the date of Official Quotation (**Expiry Date**). A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

#### (d) Exercise Period

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

#### (e) Notice of Exercise

The Lead Manager Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and, subject to the operation of the cashless exercise facility (referred to below), payment of the Exercise Price for each Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

#### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price (subject to the operation of the cashless exercise facility) for each Lead Manager Option being exercised in cleared funds (**Exercise Date**).

#### (g) Timing of Issue of Shares on Exercise

Within 5 Business Days after the latter of the following:

- i) Exercise Date; and
- ii) When excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case, not later than 10 Business Days after the Exercise Date, the Company will:
  - iii) issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.



## 10. ADDITIONAL INFORMATION (CONT)

If a notice delivered under 11.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

### (h) Shares Issued on Exercise

Shares issued on exercise of the Lead Manager Options rank equally with the then issued Shares.

### (i) Quotation of Shares Issued on Exercise

If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Lead Manager Options.

### (j) Reconstruction of Capital

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

### (k) Participation in New Issues

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

### (l) Change in Exercise Price

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

### (m) Transferability

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

## 10.5 Employee Incentive Option Plan

The Company has adopted an Employee Incentive Securities Plan (**Incentive Plan**) to allow eligible participants to be issued securities in the Company. A summary of the terms of the Incentive Plan is set out below.

### (a) Eligible Participant

**Eligible Participant** means a person who is a full-time or part-time employee, a non-executive Director, a contractor or a casual employee of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Incentive Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

### (b) Purpose

The purpose of the Incentive Plan is to:

- i) assist in the reward, retention and motivation of Eligible Participants;
- ii) link the reward of Eligible Participants to Shareholder value creation; and
- iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

### (c) Incentive Plan Administration

The Incentive Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Incentive Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.



## 10. ADDITIONAL INFORMATION (CONT)

### (d) Eligibility, Invitation and Application

The Board may from time to time determine that an Eligible Participant may participate in the Incentive Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

### (e) Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Incentive Plan rules and any ancillary documentation required.

### (f) Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an Option or performance right), subject to the terms and conditions of the Incentive Plan. Prior to a Convertible Security being exercised, a participant (being an Eligible Participant who has been granted any Securities under the Incentive Plan) (**Participant**) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

### (g) Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

### (h) Exercise of Convertible Securities and Cashless Exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities, pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Incentive Plan rules, or such earlier date as set out in the Incentive Plan rules.



## 10. ADDITIONAL INFORMATION (CONT)

### (i) Delivery of Shares on Exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Incentive Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

### (j) Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Incentive Plan rules:

- i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

### (k) Change of Control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

### (l) Rights Attaching to Incentive Plan Shares

All Shares issued or transferred under the Incentive Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

### (m) Disposal Restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Incentive Plan, the Participant will not:

- i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.





## 10. ADDITIONAL INFORMATION (CONT)

### (n) Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

### (o) Participation in New Issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

### (p) Compliance with Applicable Law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three-year period under:

- i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000 (**Class Order**); or
- ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
  - (A) an offer to a person situated at the time of receipt of the offer outside Australia;
  - (B) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
  - (C) an offer made under a disclosure document, which would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

### (q) Maximum Number of Securities

When relying on the Class Order relief, the Company will not make an invitation under the Incentive Plan if the number of Plan Shares that may be issued, or acquired, upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Incentive Plan, will exceed 5% of the total number of issued Shares at the date of the invitation.

### (r) Amendment of Incentive Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Incentive Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Incentive Plan and determine that any amendments to the Incentive Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Incentive Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.



## 10. ADDITIONAL INFORMATION (CONT)

### (s) Incentive Plan Duration

The Incentive Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Incentive Plan for a fixed period or indefinitely and may end any suspension. If the Incentive Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

### (t) Income Tax Assessment Act

The Incentive Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act).

### (u) Maximum Number of Equity Securities Proposed to be Issued Under the Incentive Plan

For the purposes of Listing Rule 7.2 (Exception 13(a)), the maximum number of securities proposed to be issued under the Incentive Plan is 4,713,587, being 5% of the Company's issued Share capital (under the Minimum Subscription).

## 10.6 ASX Confirmations

### 10.6.1 Satisfaction of Conditions under ASX Confirmation (Listing Rule 6.1)

The Company has received in-principle advice from the ASX for confirmation in respect of the ASX Listing Rules as follows:

- a) confirmation that the Company may seek admission to the Official List under the assets test under Listing Rule 1.3;
- b) in relation to the Company's acquisition of the Eyre Peninsula Project, confirmation that ASX is likely to consider Archer to be a promoter and for the purpose of ASX Listing Rule 1.1 condition 11, any consideration payable for the acquisition must be restricted securities unless the consideration was or will be reimbursement of expenditure incurred in developing a classified asset; and
- c) in relation to the Company's acquisition of HiPurA, confirmation that the 6,500,000 HiPurA Consideration Shares (**Deferred Consideration Shares**) proposed to be issued to Messrs. David Leavy and Nicholas Welham as vendors of HiPurA (**Vendors**) are appropriate and equitable for the purposes of Listing Rule 6.1 subject to certain conditions (**ASX Confirmation (Listing Rule 6.1)**), including that this Prospectus contains certain information in respect of the Deferred Consideration Shares.

### 10.6.2 Satisfaction of Conditions under ASX Confirmation (Listing Rule 6.1)

In order to satisfy each of the conditions under ASX Confirmation (Listing Rule 6.1) the Company confirms as follows:

- a) the Deferred Consideration Shares are to be issued to Mr David Leavy and Dr Nicholas Welham. Messrs. Leavy and Welham are the vendors of HiPurA in which the Company will acquire 100% of all shares on issue pursuant to the HiPurA Share Sale Agreement. Refer to Section 9.3.4 for a summary of the HiPurA Share Sale Agreement;
- b) Mr Leavy is the Company's Managing Director and Dr Welham is the Company's Technical Consultant. Refer to Section 8.1(b) for Mr Leavy's biography and Section 9.4.1 for a summary of Mr Leavy's Executive Services Agreement. Refer to Section 8.2(a) for Dr Welham's biography and Section 9.5 for a summary of Dr Welham's Consultancy Agreement;
- c) the Deferred Consideration Shares are being issued in connection with the Company's acquisition of HiPurA. Refer to Section 9.3.4 for a summary of the HiPurA Share Sale Agreement;



## 10. ADDITIONAL INFORMATION (CONT)

- d) upon the achievement of specific milestones, the relevant Deferred Consideration Shares will be issued to Messrs. Leavy and Welham under the HiPurA Share Sale Agreement. The Company has agreed to provide Deferred Consideration Shares as purchase consideration to Messrs. Leavy and Welham upon the achievement of specific milestones on the basis that the consideration will be linked to and depend upon the performance and quality of the HPA production technology owned by HiPurA (HiPurA HPA Technology) that is being acquired by the Company. Refer to Section 9.3.4 for further information on the specific milestones in respect of the HiPurA Share Sale Agreement;
- e) HiPurA is an Australian proprietary company that was incorporated on 29 March 2021. HiPurA is the owner of the HiPurA HPA Technology. Refer to Sections 5.1 and 5.2.1 for further information on HiPurA and the HiPurA HPA Technology;
- f) the number of Deferred Consideration Shares to be issued to Messrs. Leavy and Welham was determined by the Company having regard to:
  - i) the valuation of the interest in the HiPurA HPA Technology to be acquired by the Company (through the purchase of HiPurA);
  - ii) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - iii) incentives to attract and retain the services of Messrs. Leavy and Welham who have appropriate knowledge and expertise for the Company's requirements, while maintaining the Company's cash reserves;
  - iv) the proposed market capitalisation of the Company on admission to the Official List; and
  - v) the fact that part of the consideration payable will be deferred and will only be realised and issued in the event that the specific milestones are satisfied, which would be a value accretive event for the Company.

The Board considers that the number of Deferred Consideration Shares to be issued to Messrs. Leavy and Welham reflects the reasonable fair value of the HiPurA shares and confirms that the Company has conducted arm's length negotiations with Messrs. Leavy and Welham to arrive at the commercial terms of the acquisition;

- i) Messrs. Leavy and Welham will not receive the Deferred Consideration Shares in proportion to each Vendor's respective ownership interest in HiPurA as at the date of the Share Sale Agreement (being an equal shareholding of 50% each). It is proposed that the Deferred Consideration Shares will be issued to the Vendors as follows:

Milestone	Mr Leavy	Dr Welham
Admission of the Company to the Official List	750,000	1,250,000
Completion of the Flow Sheet Design	750,000	1,250,000
Commissioning of the Pilot Plant	1,000,000	1,500,000
<b>Total</b>	<b>2,500,000</b>	<b>4,000,000</b>

However, this is considered appropriate and equitable in order to compensate Dr Nicholas Welham (as inventor of the HPA Technology, having worked on the technology for several years) for foregoing any royalty on the production of HPA from the process; and

- ii) if all of the Deferred Consideration Shares are issued (subject to the milestones being achieved), a total of 6,500,000 Shares will be issued to the Vendors and the impact that this will have on the Company's capital structure is set out in Section 5.7.1.



## 10. ADDITIONAL INFORMATION (CONT)

### 10.7 Interests of Directors

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

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

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

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

### 10.8 Interests of Experts and Advisors

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

- a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b) promoter of the Company; or
- c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- d) the formation or promotion of the Company;
- e) any property acquired or proposed to be acquired by the Company in connection with:
  - i) its formation or promotion; or
  - ii) the Offer; or
- f) the Offer,

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

- g) the formation or promotion of the Company; or
- h) the Offer.

Mining One Pty Ltd has acted as Independent Geologist's and has prepared the Independent Technical Report which is included in Annexure A. The Company estimates it will pay Mining One Pty Ltd a total of \$18,539(excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, neither Michael Conan-Davies nor Mining One Consultants have received fees from the Company for any other services.

BHM Process Consultants Pty Ltd has acted as Independent Technical Expert and has prepared the Independent Technical Report on the HPA Technology, which is included in Annexure C. The Company estimates it will pay BHM Process Consultants Pty Ltd a total of \$7,040 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BHM Process has not received fees from the Company for any other services.



## 10. ADDITIONAL INFORMATION (CONT)

William Buck Audit (Vic) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure D. The Company estimates it will pay William Buck Audit (Vic) Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, William Buck Audit (Vic) Pty Ltd has received an additional \$2,750 in fees from the Company for advice provided on the Company's Employee Incentive Securities Plan.

William Buck Audit (Vic) Pty Ltd has acted as the auditor and has reviewed the financial information of the Company contained in Section 6. The Company estimates it will pay William Buck Audit (Vic) Pty Ltd a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, William Buck Audit (Vic) Pty Ltd has received fees of \$10,500 from the Company for these audit services.

Steinepreis Paganin has acted as the Australian legal advisors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$140,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has received fees of \$80,538 from the Company for these services.

Ventnor Securities Pty Ltd will receive those fees as set out in Section 4.5 following the successful completion of the Offer for its services as Lead Manager to the Offer. Ventnor Securities Pty Ltd will be responsible for paying all brokerage fees that Ventnor Securities Pty Ltd and the Company agree with any other financial services licensees for the allocation of Shares in connection with the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, Ventnor Securities Pty Ltd has received fees of \$10,000 from the Company.





## 10. ADDITIONAL INFORMATION (CONT)

### 10.9 Consents

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

Each of the parties referred to in this Section:

- a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- c) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Mining One Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Technical Report in the form and context in which the report is included.

William Buck Audit (Vic) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in the form and context in which the information and report is included.

William Buck Audit (Vic) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited historical financial information of the Company included in Section 6 and to the information in the Independent Limited Assurance Report in the form and context in which it appears.

BHM Process Consultants Pty Ltd has given its written consent to being named as Independent Technical Expert in this Prospectus and the inclusion of the Independent Technical Expert's Report on the HPA Technology in the form and context in which the report is included.

Steinepreis Paganin has given its written consent to being named as the legal advisors to the Company in relation to the Offer in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in the form and context in which the report is included.

Ventnor Securities Pty Ltd has given its written consent to being named as the Lead Manager to the Offer in this Prospectus.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus.





# 10. ADDITIONAL INFORMATION (CONT)

## 10.10 Expenses of the Offer

The total cash expenses of the Offer (excluding GST) are estimated to be approximately \$814,617 under the Minimum Subscription or \$875,715 under the Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$7,000,000)	Minimum Subscription (\$8,000,000)
ASIC fees	\$3,206	\$3,206
ASX fees	\$85,561	\$86,659
Lead Manager fees <sup>1</sup>	\$245,000	\$265,000
Legal Fees - Australian legal advisers <sup>2</sup>	\$140,000	\$140,000
Legal Fees - Foreign counsel	\$30,000	\$30,000
Brokerage Fees	\$280,000	\$320,000
Investigating Accountant's Fees	\$10,000	\$10,000
Printing and Distribution	\$8,000	\$8,000
Miscellaneous	\$12,850	\$12,850
<b>TOTAL <sup>3</sup></b>	<b>\$814,617</b>	<b>\$875,715</b>

Notes:

1. Includes corporate advisory fees of \$45,000 (excluding GST). Refer to Section 9.1.1 for further information.
2. Includes fees for the preparation of the Solicitor's Report on Tenements.
3. Certain costs and fees have been paid or will be paid by the Company from existing cash reserves rather than funds raised under the Offer.



# 11. DIRECTORS' AUTHORISATION

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

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

---

**Stephen Strubel**  
For and on behalf of  
ChemX Materials Limited



## 12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

<b>\$</b>	means an Australian dollar.
<b>Application Form</b>	means the application form attached to or accompanying this Prospectus relating to the Offer.
<b>Archer</b>	means Archer Materials Limited (ACN 123 933 233).
<b>ASIC</b>	means the Australian Securities & Investments Commission.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Board</b>	means the board of Directors as constituted from time to time.
<b>Business Days</b>	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other eday that ASX declares is not a business day.
<b>CHES</b>	means the Clearing House Electronic Subregister System operated by ASX Settlement.
<b>Closing Date</b>	means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
<b>Company</b> or <b>ChemX</b>	means ChemX Materials Limited (ACN 644 982 123).
<b>Conditions</b>	has the meaning set out in Section 4.6.
<b>Consideration Shares</b>	has the meaning set out in Section 9.3.1.
<b>Constitution</b>	means the constitution of the Company.
<b>Convertible Security</b>	means a Security exercisable in accordance with the Company's Incentive Plan.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company at the date of this Prospectus and Director means one of them.
<b>Director Options</b>	means Options issued under the Company's Incentive Plan held by each of Kristie Young and Northpoint Equity Pty Ltd (an entity controlled by Warrick Hazeldine), with an exercise price of \$0.30, an expiry date of 3 years from 1 November 2021 and otherwise on the terms set out in Section 10.3.
<b>Eligible Archer Shareholders</b>	means persons registered on the Archer share register on the Priority Offer Record Date, with a registered address on the Archer share register in Australia or New Zealand.
<b>HiPurA</b>	means HiPurA Pty Ltd (ACN 649 073 049).
<b>Incentive Plan</b>	has the meaning set out in Section 10.5.



## 12. GLOSSARY (CONT)

**Institutional Investors** are investors (and any person for whom they are acting) who are:

- a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either ‘professional investors’ or ‘sophisticated investors’ under sections 708(11) and 708(8) of the Corporations Act; or
- b) an institutional or professional investor in other Permitted Jurisdictions to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except Malaysia, where any final offer document must be deposited with the local regulator) and, in particular:
  - i) if in **Cayman Islands**, it (and any such person) acknowledges that any communications received in relation to the Offer occurred from outside the Cayman Islands;
  - ii) if in **European Union (Germany, Ireland, Netherlands)**, it (and any such person) is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
  - iii) if in **Hong Kong**, it (and any such person) is a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
  - iv) if in **Korea**, it (and any such person) is an “accredited investor” as defined under the Financial Investment Services and Capitals Markets Act of Korea
  - v) if in **Liechtenstein**, it (and any such person) is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
  - vi) if in **Malaysia**, it (and any such person) is a person prescribed under Schedules 6 and 7 of the Malaysian Capital Markets and Services Act;
  - vii) if in **New Zealand**, it (and any such person) is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
  - viii) if in **Singapore**, it (and any such person) is an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act of Singapore);
  - ix) if in **Switzerland**, it (and any such person) is a “professional client” within the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA; and
  - x) if in the **United Kingdom**, it (and any such person) is (i) a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

<b>IPO</b>	means the initial public offering of the Company’s Shares under the Offer.
<b>JORC Code</b>	means the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.
<b>Lead Manager</b>	means Ventnor Securities Pty Ltd (ACN 150 239 508) (Authorised Representative No. 000408858 of AFSL 279099).
<b>Lead Manager Mandate</b>	means the mandate between the Company and the Lead Manager summarised in Section 9.1.1.



## 12. GLOSSARY (CONT)

<b>Maximum Subscription</b>	means the maximum amount to be raised under the Offer, being \$8,000,000.
<b>Minimum Subscription</b>	means the minimum amount to be raised under the Offer, being \$7,000,000.
<b>Offer or Offers</b>	means the Public Offer and Priority Offer pursuant to this Prospectus as set out in Section 4.1.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation</b>	means official quotation by ASX in accordance with the ASX Listing Rules.
<b>Option</b>	means an option to acquire a Share.
<b>Original Prospectus</b>	means the original prospectus dated and lodged with ASIC on 12 November 2021.
<b>Permitted Jurisdictions</b>	mean Australia, Cayman Islands, European Union (Germany, Ireland, Netherlands), Hong Kong, Liechtenstein, Malaysia, New Zealand, Singapore, South Korea, Switzerland and United Kingdom.
<b>Priority Offer</b>	has the meaning given in Section 4.1(a).
<b>Priority Offer Record Date</b>	means the date on which this Prospectus was lodged with ASIC.
<b>Projects</b>	means the HiPurA HPA Technology and the Eyre Peninsula Kaolin Project as set out in section 3.
<b>Prospectus or Replacement Prospectus</b>	means this replacement prospectus.
<b>Public Offer</b>	has the meaning set out in Section 4.1(a).
<b>Recommendations</b>	has the meaning set out in Section 8.5.
<b>Section</b>	means a Section of this Prospectus.
<b>Security</b>	means a security in the capital of the Company, including a Share, Option or other Convertible Security.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Tenements</b>	means the mining tenements (including applications) in which the Company has an interest as set out in Section 5.2 and further described in the Independent Technical Report at Annexure A and the Solicitor's Tenement Report at Annexure B or any one of them as the context requires.
<b>US Offering Circular</b>	means the offering circular that must accompany any distribution of the Prospectus in the United States to "accredited investors" (as defined in Rule 501(a) under the US Securities Act).
<b>US Securities Act</b>	means the <i>US Securities Act of 1933</i> , as amended.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT)



## EYRE PENINSULA PROJECT INDEPENDENT TECHNICAL REPORT

For

### CHEM X MATERIALS LIMITED

Job No. 2948\_G  
Doc No. 2948\_G\_7084\_Final  
Date: October 2021  
Prepared by: Michael Conan-Davies  
Peer Reviewed by: Stuart Hutchin

Mining One Pty Ltd  
Level 9, 50 Market Street  
Melbourne VIC 3000  
Ph: 03 9600 3588  
Fax: 03 9600 3944



Quality  
ISO 9001

FINAL REPORT



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## **DISCLAIMER**

The opinions expressed in this Report have been based on the information supplied to Mining One Pty Ltd ("Mining One") by ChemX Materials Limited ("ChemX") and Archer Materials Ltd (formerly Archer Exploration Limited) and its wholly owned subsidiary Archer Energy and Resources Pty Ltd (together, "Archer"). The opinions in this Report are provided in response to a specific request from ChemX Materials Ltd ("Agent") to do so. Mining One has exercised all due care in reviewing the supplied information. Whilst Mining One compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. Mining One does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

Opinions presented in this Report apply to the site conditions and features as they existed at the time of Mining One's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which Mining One had no prior knowledge nor had the opportunity to evaluate.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## EXECUTIVE SUMMARY

### Scope

Mining One Pty Ltd (“Mining One”) was commissioned by ChemX Materials Limited (“ChemX” or the “Company”) to prepare an Independent Technical Report (“ITR”) on the Eyre Peninsula Project located on the eastern Eyre Peninsula, South Australia. The report is required in relation to a proposed Initial Public Offering (“IPO”) by ChemX of a minimum of 35,000,000 shares at an issue price of AUD\$0.20 to raise a minimum of AUD\$7.0M. The acquisition of the Eyre Peninsula Project tenements was completed on 17<sup>th</sup> June 2021 with the transfer to ChemX. Mining One understands that the ITR is to be included in a Prospectus to be issued by ChemX and as such, will become a public document.

The report has been prepared pursuant to the Company’s listing compliance obligations on the Australian Securities Exchange (“ASX”) and in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The “JORC Code”, Listing Rule 5.6) which is binding upon members of The Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australasian Institute of Geoscientists (“AIG”).

The report was prepared and signed by Mr Michael Conan-Davies, a professional geologist with more than 30 years’ exploration, mining, and resource development experience and reviewed by Mr Stuart Hutchin a professional geologist with 23 years’ relevant experience. Mr Conan-Davies and Mr Hutchin meet the criteria set by the JORC Code (2012) to qualify as Competent Persons.

Mining One has not been requested to provide an independent valuation.

The assets pursuant to this report and referred to in this report as the “Eyre Peninsula Project” which are located on the North-eastern Eyre Peninsula, South Australia as listed in the table below:

**Summary Table of Assets**

Asset/Mining Lease	Current Holder	Interest (%)	Status	Expiry Date	Licence Area (km <sup>2</sup> )	Expend Commit p.a
EL 6634	ChemX Materials Ltd	100%	Active	21 Aug 2027	664	\$200,000
EL 5920	ChemX Materials Ltd	100%	Active	19 Feb 2022	54	\$43,400

A related party of the vendor of the Eyre Peninsula Project, Pirie Resources Ltd, has retained all mineral rights to graphite pursuant to a Mineral Rights Agreement.

### Geology and mineralisation

Basement rocks of the Eyre Peninsula are part of the Archaean to Paleoproterozoic Gawler Craton. In the Cleve subdomain where the Eyre Peninsula Project is located, the basement geology is dominated by tightly folded, high-grade metamorphic rocks (the Hutchison Group) derived from shallow water sediments, iron formations and minor mafic to felsic intrusives.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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The basement rocks have been subject to a significant period of weathering from the Tertiary to the present, resulting in extensive chemical weathering including kaolinization. In low relief areas, the landscape is extensively covered by wind-blown sands.

## Exploration

Modern exploration of the Eyre Peninsula since the 1970's has focussed on a wide range of commodities including base metals, copper, gold, silver, kaolin and most recently graphite, hematite and manganese. Exploration is hampered by discontinuous outcrop and sand cover. A wide range of detailed geophysical surveys including high resolution aerial surveys of magnetics, radiometrics, and gravity are available to complement the abundance of open file data available from the South Australian mines department.

## Exploration Targets

There are no defined Mineral Resources on the Eyre Peninsula Project.

Two Exploration Targets have been defined on the Eyre Peninsula Project:

- Kaolin at Kelly Tank: 55Mt to 130Mt @ 30% to 36% Kaolin
- Manganese at Jamieson Tank: 15Mt to 25Mt @ 8% to 12% Mn

*Investors should be aware that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

## Conclusions

### Kelly Tank – kaolin & halloysite

Mining One has reviewed the basis upon which the Exploration Target at Kelly Tank has been derived and confirm that it is in compliance with the JORC(2012) code. Preliminary mineralogical study of the Kelly Tank kaolinite confirms the presence of the kaolin and halloysite in sufficient quantity as to warrant additional testing and drilling to confirm the extent of the halloysite rich component of the kaolin exploration target and better understand its distribution.

### Jamieson Tank - manganese

Mining One has reviewed the basis upon which the Exploration Target has been derived at Jamieson Tank and confirm that it is in compliance with the JORC(2012) code. Bench-scale metallurgical studies have confirmed the ability to upgrade the raw material to a commercial grade fine ore and that the upgraded material can produce a commercial grade electrolytic manganese dioxide product. Additional drilling and metallurgical test work is required to define a resource.

### Other Exploration Targets

Proximal to the known kaolin and manganese exploration targets are geologic positions that are prospective for additional discoveries of kaolin and manganese. In addition, the Eyre Peninsula Project is a sizeable landholding of 718km<sup>2</sup> with prospective geology for a number of other commodities. Past exploration has generated a significant database of geophysical, geochemical, and drilling data from which to develop new exploration targets.

## Exploration Program



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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ChemX has prepared an exploration program for the Eyre Peninsula Project with a focus on validating the physico-chemical properties of the mineralisation defined in the Exploration Targets of the Kelly Tank kaolinite project and the Jamieson Tank manganese Project. The budget for each is tabled below:

<b>Kaolin Exploration</b>	<b>Year 1</b>	<b>Year 2</b>
Reconnaissance field checks and assessment	\$42,000	-
Air-core drill program and support (96 holes x30m)	\$160,000	\$192,000
Assay	\$72,000	\$85,000
Kaolinite / halloysite characterisation studies	\$95,000	\$104,000
<b>Total Kaolin Exploration</b>	<b>\$369,000</b>	<b>\$381,000</b>
<b>Manganese Exploration</b>		
Historic Data Review & Metallurgical test work	\$43,000	-
Drilling Program	\$66,000	\$60,000
Assay	\$28,000	\$28,000
Beneficiation Studies	\$16,000	\$52,000
<b>Total Manganese Exploration</b>	<b>\$153,000</b>	<b>\$140,000</b>
<b>TOTAL PROGRAM</b>	<b>\$522,000</b>	<b>\$521,000</b>

Mining One has assessed the exploration program in the context of the strategic objectives set out by ChemX, the prevailing geological conditions, and considers that the program is appropriate, and the cost estimate is commensurate.

This report has been prepared with information available up to and including 3 September 2021.

Mining One has given, and not withdrawn, its written consent to the inclusion in the Prospectus of its report and to the inclusion in the Prospectus of statements made by Mining One, in the form and context in which the report and those statements appear. Neither Mining One, nor any of its directors, employees (including the authors of this report), or associates, have or have previously had any material interest either direct, indirect, or contingent in ChemX or any of the mineral properties in which ChemX has an interest. The relationship with ChemX is solely one of a professional association between a client and independent consultant. This report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results or findings of this report.

Yours faithfully

  
**M. Conan-Davies**  
**Consulting Geologist**

  
**S. Hutchin**  
**Geology Manager**

for and on behalf of  
Mining One Pty Ltd  
Level 9, 50 Market Street  
Melbourne VIC 3000

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
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## 1 INTRODUCTION

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### 1.1 Terms of Reference

Mining One Pty Ltd ("Mining One") was commissioned by ChemX Materials Limited ("ChemX" or the "Company") to prepare an Independent Technical Report (ITR) on the Eyre Peninsula Project located on the eastern Eyre Peninsula, South Australia. The report is required in relation to a proposed Initial Public Offering (IPO) by ChemX who hold a 100% interest in the Eyre Peninsula Project. Mining One understands that the ITR is to be included in a prospectus to be issued by ChemX for an offer of a minimum of 35,000,000 shares at an issue price of A\$0.20 to raise A\$7M to complete ChemX's acquisition of the Eyre Peninsula Project.

### 1.2 Reporting Matters & Compliance

#### 1.2.1 Reporting Code

The ITR has been prepared in accordance with the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code - 2015), and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The- JORC Code, (2012)). The ITR has also been prepared in accordance with the requirements of the ASIC Regulatory Guides 111 (Content of Expert Reports) and 112 (Independence of Experts).

#### 1.2.2 Data Sources

In preparing this report, Mining One has reviewed certain historic geological reports and maps, miscellaneous technical papers, company announcements and memoranda, and public and private information as listed at the end of this report which were provided by ChemX and Archer. Mining One has carefully reviewed all the information, however Mining One has not conducted any independent investigation to verify its accuracy and completeness. Mining One has only reviewed the land tenure in a preliminary fashion and has not independently verified the legal status or ownership of the property or the underlying agreements.

#### 1.2.3 Reliance On Other Experts

This ITR contains statements attributable to third parties. These statements are made, or based upon, statements made in previous technical reports that are publicly available.

#### 1.2.4 Reliance On Information

Exploration results referred to in this report were, unless specifically noted to the contrary, prepared under previous versions of the JORC Code (2012). Historical exploration results were reported in accordance with the standards of the mining industry at their original time of reporting.

#### 1.2.5 Limitations

This ITR is not a "Valuation Report" as defined in the VALMIN Code (2015) and does not express an opinion with respect to the value of the mineral assets or make any comment on the fairness or reasonableness of any transactions contemplated.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 1.2.6 Verification, Validation and Reliance

Mining One has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical information upon which this report is based. No warranty or guarantee, whether expressed or implied, is made by Mining One

## 1.2.7 Site Visit

Mining One notes that the VALMIN Code requires that a site inspection be completed should it be "likely to reveal information or data that is material to the report".

Due to COVID-19 travel restrictions imposed by the authorities in South Australia and Victoria at the time of reporting, Mr Conan-Davies and Mr Hutchin were unable to conduct a site visit. However, in their opinion, the Project's history, development stage, and the extensive use of consultants by previous owners of the Project means that a site visit would not materially change the opinions in this report.

Mr Conan-Davies, the principal author of this report has conducted extensive field work on the Eyre Peninsula including the areas subject to this report in the 1990's. Mining One is satisfied with the amount of addition information provided by Archer and ChemX for this appraisal.

## 1.2.8 Effective Date

The effective date of this report is deemed to be the 29<sup>th</sup> of October 2021 and has been compiled based on information available up to and including the date of this report.

## 1.3 Capability

This report was prepared and signed by Mr Michael Conan-Davies, a geologist with more than 30 years' exploration, mining, and resource development experience, and reviewed by Mr Stuart Hutchin, a geologist with 23 years' relevant experience. Mr Conan-Davies and Mr Hutchin meet the criteria set by the JORC Code (2012) to qualify as Competent Persons.

Mr Conan-Davies, BSc(hons) Geology, MSc (Mineral Economics), has exploration, mining, and resource development experience in a variety of commodities including Au, Cu, Ni, PGE, and Fe in Australia (including the Eyre Peninsula), the Pacific, SE Asia, Africa, and Europe. He is a member of the Australasian Institute of Mining and Metallurgy, with endorsements in Geology and Management. Mr Conan-Davies is independent of ChemX.

Mr Hutchin, BSc(App Geol), has exploration, mining, and resource development experience in a variety of commodities including Au, Cu, Ni, PGE, Fe, Pb, Zn, Ag and rare earths. Mr Hutchin is a member of the Australasian Institute of Geoscientists. Mr Hutchin is independent of ChemX.

## 1.4 Independence

Neither Mining One, nor any of its directors, employees (including the authors of this report) or associates, have or have previously had any material interest either direct, indirect, or contingent in ChemX, or Archer or any of the mineral properties of technologies in which ChemX has an interest. Their relationship with ChemX and Archer is solely one of a professional association between a client and independent consultant.

This report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results or findings of this report.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 1.5 Competent Person Statements & Consent

### 1.5.1 Exploration Targets

The information in this ITR that relates to the Kelly Tank Exploration Target reported by Archer in an ASX release dated 19<sup>th</sup> August 2019 and the Jamieson Tank Exploration Target reported by Archer in an ASX release dated 7<sup>th</sup> May 2018 were both compiled by Mr Wade Bollenhagen, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy who is a full-time employee of iTech Minerals Limited (ACN 648 219 050). Mr Bollenhagen was a full-time employee of Archer Exploration Limited at the time the Exploration Targets were compiled and announced.

Mr Bollenhagen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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. Bollenhagen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### 1.5.2 Independent Technical Report

The information in this Independent Technical Report reflects information compiled and conclusions derived by Mr Stuart Hutchin and Mr Michael Conan-Davies. Neither Mr Hutchin nor Mr Conan-Davies are employees of ChemX. Mr Hutchin is a Member of the Australian Institute of Geoscientists and is deemed a Competent Person. Mr Conan-Davies is a Member of the Australasian Institute of Mining & Metallurgy and is deemed a Competent Person.

Mr Hutchin has sufficient experience with the type and style of mineralisation of the project under consideration and the activities being undertaken, and is deemed a Competent Person as defined in JORC Code, and to qualify as a Practitioner as defined in the VALMIN(2015) Code.

Mr Conan-Davies has sufficient experience with the type and style of mineralisation of the project under consideration and the activities being undertaken, and is deemed a Competent Person as defined in JORC Code, and to qualify as a Practitioner as defined in the VALMIN(2015) Code.

Mr Hutchin and Mr Conan-Davies consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



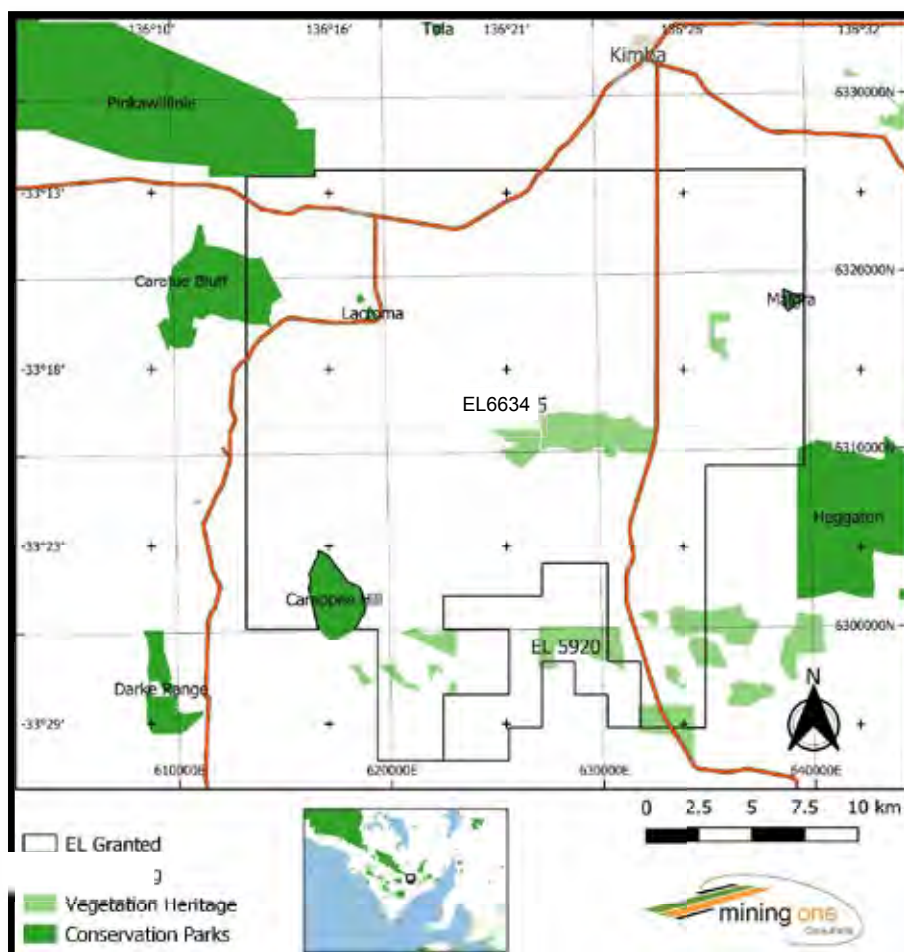
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## 2 PROJECT DESCRIPTION

### 2.1 Location & Access

The Eyre Peninsula Project is located some 140km southwest of Port Augusta on the northern Eyre Peninsula in the Cleve Uplands. Access to the project area is via a sealed road access along the national A1 Eyre Highway from Port Augusta and then via the sealed Kimba-Cleve Rd and Cowell-Kimba Rd. From there, a network of unsealed country roads and farm tracks gain access to project areas.



**Figure 1 Eyre Peninsula Project Location Plan**

The project area lies approximately 240m above sea level and has moderate relief. The dominant landscape features bounding the project area are the quartzite and granite /gneiss ridges of the Darke Peak and Caraptee Hills to the southwest. The project area has subdued topography dominated by stabilised sand dune hills and cultivated or silty swales. The prominent sand ridges are covered by sparse native open woodland of eucalyptus / mallee.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 2.2 Tenure

Standard conditions of South Australian exploration licences confer the holder with the right to carry out low impact exploration activities on the land. In addition to Regulations of the SA Mining Act (1971), exploration activities must comply with other SA laws including, but not limited to: the Aboriginal Heritage Act (1988), the Environment Protection Act (1993), and the Work Health & Safety Act (2012). The licensee must also notify the Minister of any intention to undertake airborne surveys, or if significant ground water is encountered.

Additional conditions imposed include a requirement to relinquish 25% of the exploration licence area if exploration commitment is not satisfied. Vehicle or drilling access to areas subject to Native Vegetation Heritage Agreement requires Mines Department approval.

Details of the Exploration Licences and applications are tabled below:

**Table 1 Eyre Peninsula Project Tenement Schedule**

Asset/Mining Lease	Current Holder	Interest (%)	Status	Expiry Date	Licence Area (km <sup>2</sup> )	Expend Commit p.a
EL 6634	ChemX Materials Ltd	100%	Active	21 Aug 2027	664	\$200,000
EL 5920	ChemX Materials Ltd	100%	Active	19 Feb 2022	54	\$43,000

### 2.2.1 EL 6634 – Waddikee

EL 6634 is held by ChemX and is the subsequent licence to EL5815, EL 4662 & EL 3357. There are no court actions pending. EL 6634 shares its boundary with the Heggarton Conservation Park, the Caralue Bluff Conservation Park, and the Lacroma and Malgra Conservation Reserves. Entry to these areas requires submission of a “Notice of Entry” to the Ministry of Sustainability, Environment and Conservation. Within 100m of a Conservation Park or Reserve boundary, any exploration activity involving extensive use of vehicles, declared and drilling equipment requires a permit from the Mines Department.

### 2.2.2 EL 5920 – Caraptee

EL5920 is held by ChemX Ltd is a subsequent licence to EL 4861, EL3711, EL2858, and EL2210. Total area of the licence is 54km<sup>2</sup>. The licence was granted 20<sup>th</sup> Feb 2017 and expires 19<sup>th</sup> Feb 2022. There are no court actions pending.

## 2.3 Land Status

The exploration tenure covers freehold land. Refer to the solicitors report for details on Native Title. There are no Heritage Sites recorded on the Environment SA website accessed at the time of writing. Archer Exploration has previously successfully obtained the requisite land access permits from landowners to carry out exploration activities.



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 2.4 Climate & Land-Use

### 2.4.1 Land-Use

The project area has been extensively cleared for broad-acre agriculture focussed on wheat, barley and canola cropping and sheep grazing, clearly visible in the satellite imagery below.

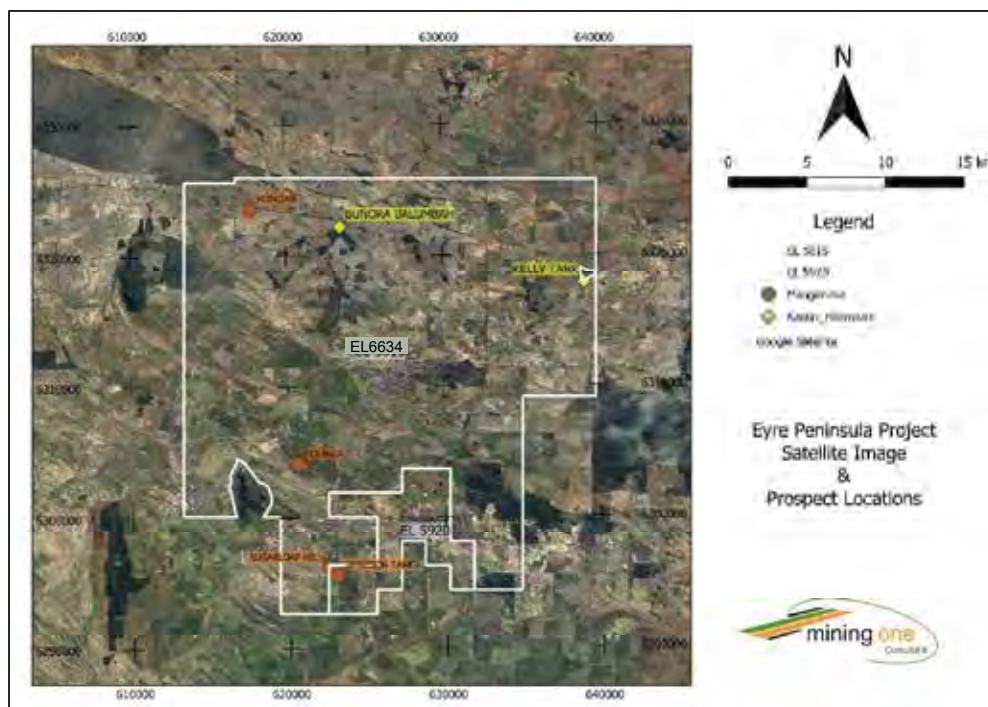


Figure 2 Satellite Image And Prospect Locations

### 2.4.2 Climate

The climate of the Eyre Peninsula is Mediterranean, characterised by a warm dry summer from Dec to March and cooler wet winter from June to September.

Table 2 Climate Data - Kimba

KIMBA METEOROLOGICAL OFFICE Climate data 1967 – 2021 (53 years)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Mean Max:	31.6	31.1	28.0	24.1	19.3	16.0	15.5	17.0	20.4	24.1	27.2	29.5	23.7
Mean Min:	15.7	16.0	14.0	11.3	8.4	5.9	5.0	5.5	7.1	9.2	12.0	14.0	20
Rainfall (mm):	17.4	20.8	16.9	22.5	35.0	40.0	40.8	41.6	36.7	30.1	22.8	19.9	346
Rain Days	2.1	2.2	2.3	3.5	6.6	7.8	8.6	8.7	6.5	5.0	3.6	3.1	60.0

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 2.5 Infrastructure

Infrastructure on the Eyre Peninsula is typical of a broad acre farming region in Australia.

### 2.5.1 Workforce

The nearby towns of Kimba and Cleve provide town amenities including medical centres, shops, and farm supplies. The combined population of the Kimba and Cleve local government areas is some 3,000 people, whilst the wider Eyre Peninsula has a resident population of some 55,000 people. Locals are employed in farming, mining, and steel production at Whyalla, fishing and tourism. In 2016 almost half (45.7%) of the regional population (25,854 people) reported as being in the labour force. (Regional Development Australia, 2019).

### 2.5.2 Power

Grid power is readily available from the East Coast 132kV grid including the main Port August to Port Lincoln overhead transmission line which is connected to renewable electricity sources being the Sleaford and Mt Millar windfarms and the Port Augusta Solar farm.

### 2.5.3 Water

A network of water pipelines connected to the Murray River provides a limited potable water supply to the Eyre Peninsula. Expansion of the network is underway with the recently announced Coolanie Water Scheme. A new mineral production facility would require a new source of water.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



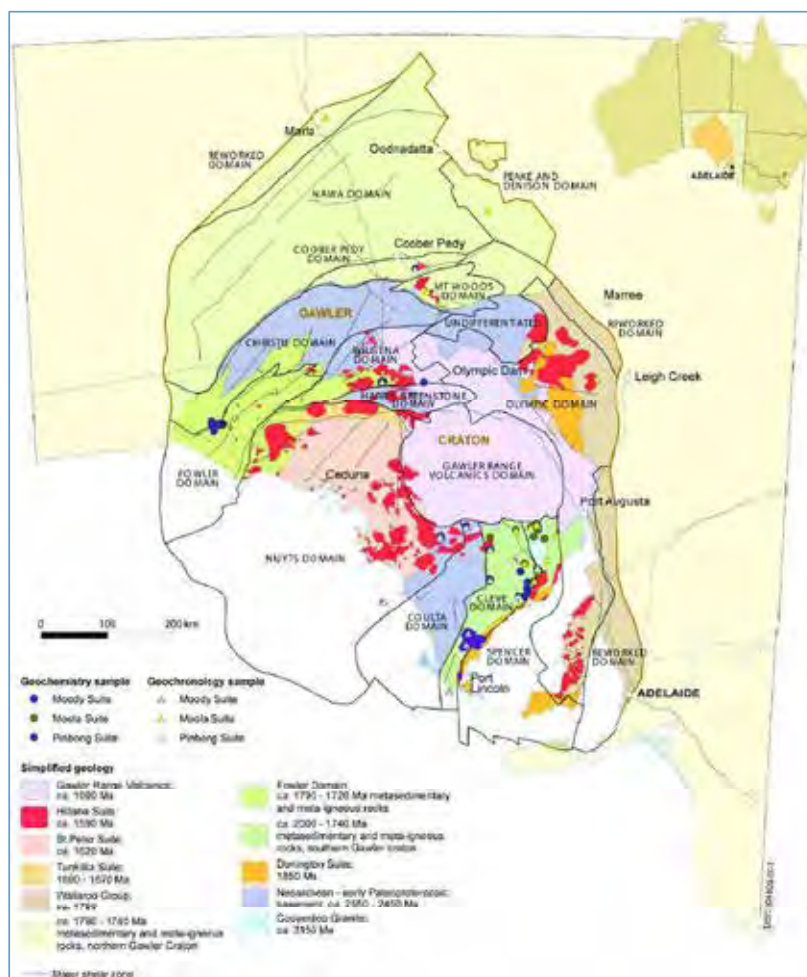
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## 3 GEOLOGY AND MINERALISATION

### 3.1 Regional Geology

Basement rocks of the Eyre Peninsula are part of the Gawler Craton. The Gawler Craton is a stable crystalline basement province comprising Archaean (+2400Ma) to Middle Proterozoic (1850Ma) rocks, mantled in part by a thin sequence of cover sediments and regolith of Neoproterozoic to Cainozoic age. The Gawler Craton is subdivided into several discrete tectonic subdomains based on structural, metamorphic, and stratigraphic character. This includes the Cleve subdomain which is a Paleoproterozoic fold belt on which the Eyre Peninsula Project is located (Drexel, Preiss, & Parker, 1993).



**Figure 3** Gawler Craton Regional Geology  
(SA Dept Energy & Mining)

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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### 3.2 Local Geology

The Eyre Peninsula Project tenements are within the Cleve sub-domain of the Gawler Craton which is dominated by basin sediments of the circa 2000-1850 Ma Palaeoproterozoic Hutchison Group sediments (“Hutchison Group”), and unconformably overlying late Archaean (ca 2400 Ma) inliers of para and orthogneiss.

The surface geology of the Eyre Peninsula Project is dominated by the Moornaba Sands, shown in khaki colour of Figure 4, which consists of windblown sand drifts with an approximate NW-SE orientation that are fixed by the prevailing vegetation. Dunes are approximately 12m thick. The dunes are underlain by a further sequence of transported Pleistocene sands, clays, and gravels of the Pooraka Formation.

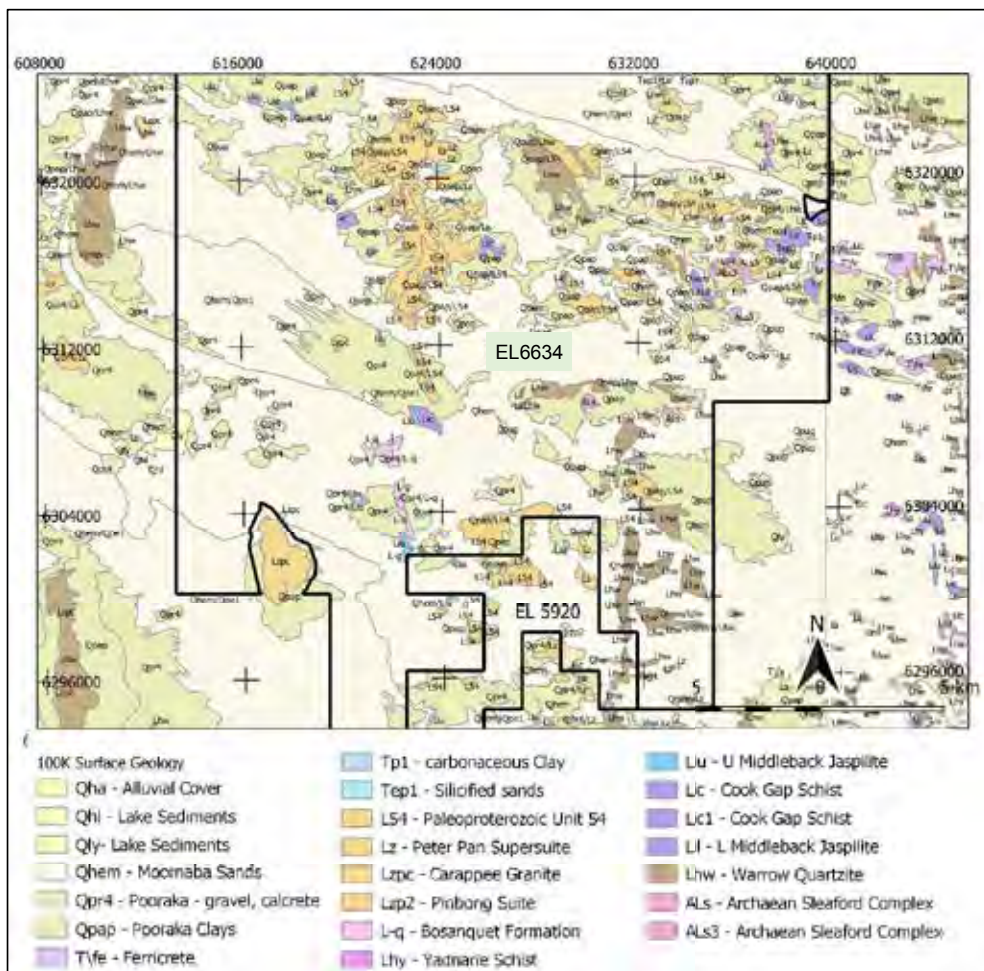


Figure 4 Project Area Surface Geology

(source: SARIG)



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Recent to Quaternary (Present to 1.6Ma)

*Labels: Qha, Qha1, Qhem, Qhl, Qly, Qpap*

The project area is generally poorly outcropping with the surface dominated by recent transported sands, and alluvials shown in khaki on the geology plan of Figure 4.

Flat-lying areas are extensively blanketed by mobile sand dunes of the Moornaba Sand Formation, fixed by vegetation which forms the current landscape which are underlain by colluvial and alluvial red-brown clays and variably developed calcrete paleosols.

## Tertiary Units (1.6Ma to 66.5Ma)

*Labels: Tfe, Tep1, Tp*

Residual outcrops and paleosols, often with a laterite or ironstone mantle with or without underlying fluvio-lacustrine sediments. In the early Tertiary period~50Ma, northwest-southeast fracturing resulted in the uplift and formation of the Cleve Uplands and is the last phase of deformation and uplift in the region. Since then, deep weathering has resulted in extensive chemical weathering including kaolinization.

## Meso-proterozoic (1,000Ma to 1,600Ma)

No outcrops in Project area

A series of tectonic events known as the Kimban Orogeny deformed and metamorphosed the Hutchison Group and ended with the Intrusion of the 1590ma Hiltaba Suite Granites and associated felsic volcanics and volcan-clastics of the Bascome Rocks and Corrunna Conglomerates, none of which directly outcrop in the project area. Airborne magnetic image of the region reveals a complex structural history dominated by tight folding of the Hutchison Group stratigraphy during the 1740-1700 Ma Kimban Orogeny. Later NE-SW and NW-SE cross cutting faults are prominent and may have formed during the intrusion of the ca 1590 Ma Hiltaba Suite.

## Paleo-proterozoic Intrusive Units ( 1,600Ma to 1,700Ma)

*Labels: Lz, Lzp2, Lzpc, Lil,*

During the Kimban Orogeny, a series of granites and granite gneisses including the tabular feldspar phenocrystic Carapsee Granite (1689 Ma), the Middle Camp Granite, and undifferentiated granite gneisses and dolerite dykes were emplaced.

## Paleo-proterozoic meta-sedimentary Unit (1,700 to 2,000Ma)

*Labels: L-q, Lhy, Liu, Lic, Lil, Lhw*

At approximately 2000Ma, the Gawler Craton underwent substantial extension to form a major elongate basin in which a sequence of shallow water mixed clastic and chemical sediments of the Hutchison Group were deposited commencing with a basal unit of Warrow quartzite, which is resistant to weathering and forms prominent topographic highs in the Bunora – Balumbah area. The main units of the Hutchison Group include the following:

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*Bosanquet Formation (L-q)*: Interlayered breccia, calc-silicate and rhyodacites

*Yadnarie Schist (Lhy)*: Quartz veined schist interlayered with psammite bands

*Upper Middleback Jaspillite (Liu)*: Banded quartz-magnetite gneiss, cherty and ferruginous quartzite and graphitic schists.

*Cook Gap Schist (Lic)*: a highly deformed strongly laminated quartz-feldspar-mica schist, carrying anomalous base metal concentrations. In the Kelly Tank area it is highly weathered and is the host for the kaolin mineralisation.

*Lower Middleback Jaspillite (Lil)*: Banded iron formations to recrystallised cherts and graphitic cherts formed during a period of marine chemical sedimentation and host to the Middleback Range iron ore deposits.

*Katunga Dolomite (Lil)*: A massive, grey, pink dolomitic marble with bands of calc-silicate gneiss and graphitic quartzite. The unit varies greatly in thickness and represents metamorphosed shallow marine carbonate beds

*Warrow Quartzite (Lhw)*: The base unit of the Hutchison Group consists of massive, flaggy medium grained quartzite with pebble stingers.

## Archaean (+2,300Ma)

Not outcropping in project area.

The oldest rocks of the Gawler Craton, not exposed in the Project area, but assumed to be basement are the late Archaean Sleaford Complex which consists of high-grade granulite facies metamorphic rocks including foliated garnet gneisses, often migmatitic, and/or complexly folded.

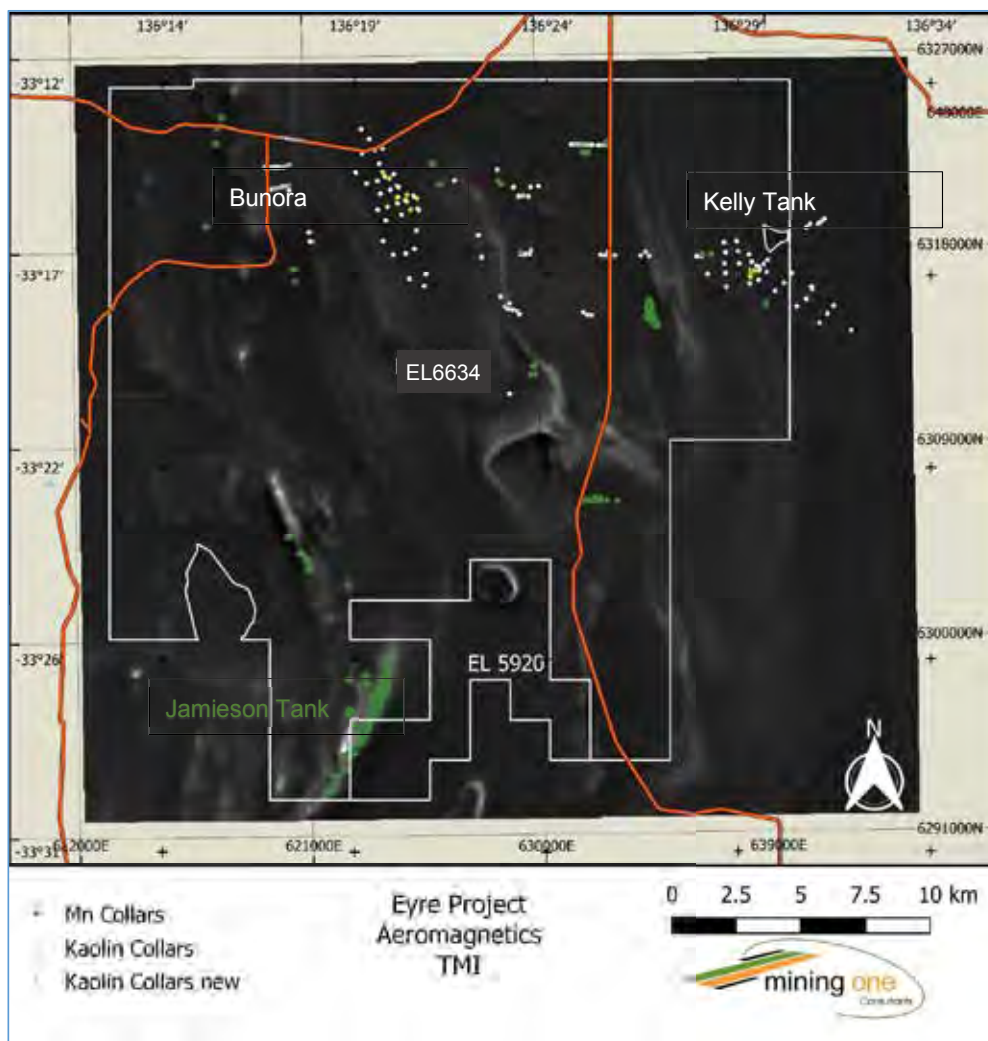
### 3.3 Geophysics

Detailed aeromagnetics flown over the entire project area by (Monax Mining, 2012) are shown in the total magnetic imagery of Figure 5 which clearly shows the linear extent of banded iron formations of the Hutchison Group and the Jamieson Tank manganese prospect and the geologically complex nature of the high-grade metamorphic terrain of the Cleve Domain.

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**Figure 5 Eyre Peninsula Project Aeromagnetic Image – TMI**

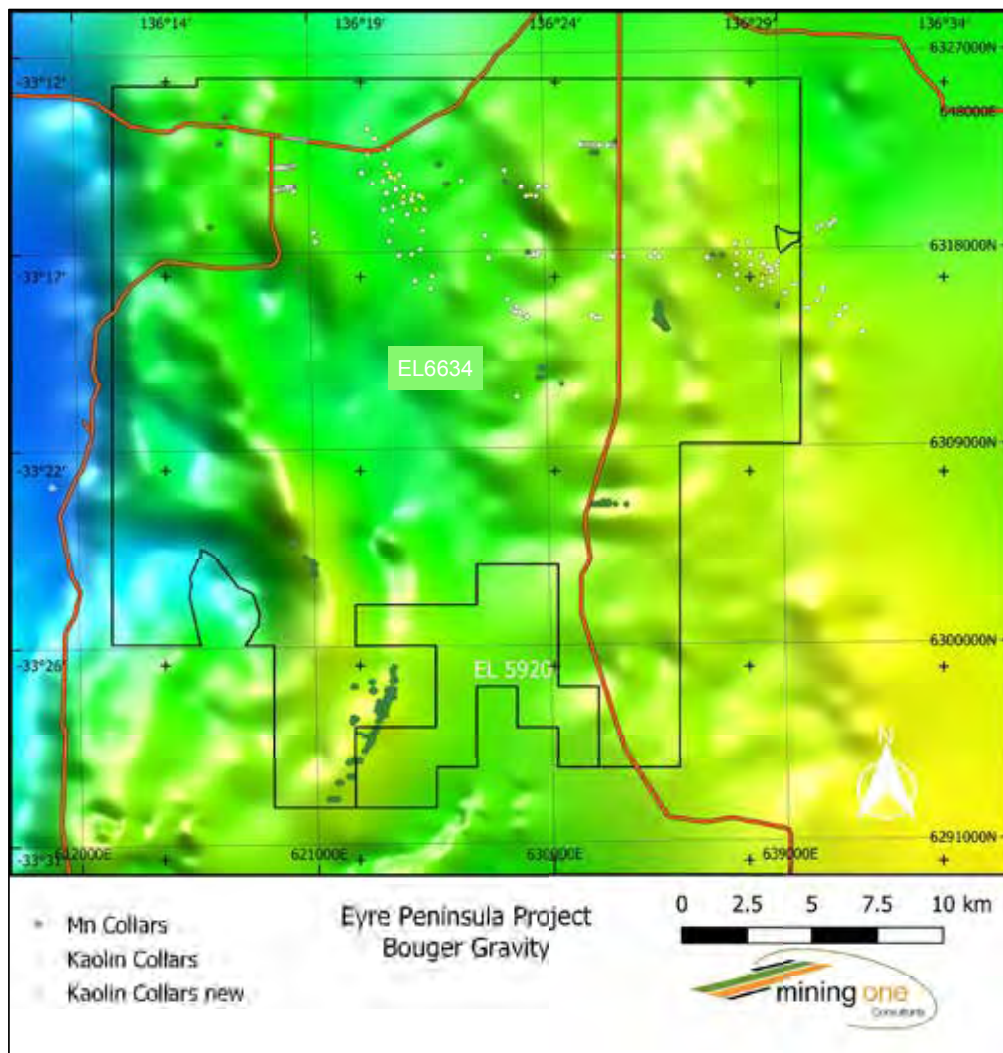
The project area has high quality gravity survey data collated by SA Mines Department from government and industry surveys on 200, 400 and 800 meter spacing. These data complement the aeromagnetics and clearly delineate the zones of higher density banded iron formations (yellow & green shades) from the lower density intrusives around Carappee Hill and the clastic sediments of the Hutchison Group.



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**Figure 6 Eyre Peninsula Project Gravity Survey**

Other geophysical data collected on the project area and available on open-file, includes:

- Airborne Electromagnetics (AEM) of various, mainly graphite targets;
- Ground Magnetics;
- Ground Electromagnetic surveys of various, mainly graphite targets;
- Interval conductivity survey;
- Ground Gravity surveys; and
- Induced Polarisation Surveys (IP) at Jamieson Tank and Polinga.



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### 3.4 Exploration History

A wide range of commodities have been explored for in the Project area. Outlined below a brief history of exploration in the project area highlighting the range of commodity targets, exploration methods utilised, and the level of results achieved.

- 1965 Kerr-McGee explored for stratiform and stratabound uranium deposits and reported disseminated vein type primary mineralisation and iron oxide secondary mineralisation.
- 1967 RP Norton and AJ Trezise while exploring for copper investigated gossanous manganese and iron oxide occurrences associated with Paleoproterozoic graphitic schists near Darke Peak.
- 1968 Pechiney and CSR while exploring for paper grade kaolin encountered deeply weathered intervals of kaolin at Kelly Tank and Bunora.
- 1974 Urangesellschaft Australia explored for Uranium. Undertook regional radiometric surveys, soil and rock chip sampling and 300m of drilling. No significant results were recorded.
- 1976 Carpentaria Exploration explored for base metals. Undertook regional mapping, rock chip sampling, aeromagnetics. Elevated copper, lead, zinc intervals were recorded but not followed-up.
- 1977 CRA Exploration explored for base metals. The company undertook a 2000-hole RAB bedrock drilling campaign, detailed aeromagnetic survey to define BIF below cover. No significant results were recorded.
- 1978 Wyoming Minerals and Westinghouse explored for Uranium and base metals. Undertook ground magnetics and helicopter radiometric surveys, drilled 1200 RAB bedrock holes and 7 RC holes. Results included anomalous Zn in Hutchison group metasediments at the Stanley Mine locality which were not widespread enough to warrant further work.
- 1979 Pancontinental Mining and PNC Development Corp explored for uranium. Undertook geological mapping, geochemical sampling and followed-up with RAB drilling and detected minor radioactivity anomalies.
- 1979 Western Mining Corporation and Mines Exploration explored for base metals. Undertook field mapping, ground magnetic, gravity and SIROTEM surveys. Geophysical anomalies were followed up with 630 RC holes in which minor zinc, silver intersections were recorded.
- 1981 Western Mining and Stockdale Prospecting explored for diamonds and base metals. Undertook heavy mineral sampling, ground magnetics and gravity surveys, and SIROTEM. No significant assays recorded. In 1986 Stockdale reported abundant ilmenite and spinel indicator minerals but no diamonds recovered from trenching of three narrow kimberlites. Large intersections of high Manganese values peaking at 32%Mn recorded at Jamieson Tank.
- 1982 Western Mining and Shell explored for diamonds and base metals. Undertook aeromagnetic interpretation, geological mapping, BLEG sampling, SIROTEM, ground magnetic surveys followed by RAB and diamond drilling, including downhole geophysical surveys. Pyritic intersections with minor Pb-Zn encountered up to 8 meters apparent width. No significant assays recorded.

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- 1991 Pasminco explored for base metals. Undertook high resolution aeromagnetics, ground magnetics and EM surveys. Several anomalies tested with aircore holes. A prospect with elevated copper-lead-zinc was identified in a calc-silicate.
- 1992 Aberfoyle Resources explored for base metals and undertook field mapping and limited ironstone geochemical sampling with no significant results reported.
- 1995 Olliver Geological Services and Helix Resources explored for gold and base metals using Calcrete and BLEG soil survey methods outlining low-grade gold anomalies.
- 1997 Acacia Resources and Minotaur Gold explored for gold and undertook calcrete sampling, rock chip sampling which yielded some anomalous silver results near Darke Peak and a copper-cobalt anomaly near the Sugarloaf copper mine.
- 2007 Archer Exploration undertook an airborne geophysical survey including covering the Carapee Hill EL3711 including the Jamieson Tank manganese and Carapee Hill iron, copper and gold prospects.
- 2008 Archer undertook an EM and ground magnetic survey followed by drilling at Bender gold prospect.
- 2009 Archer identifies the Sugarloaf graphite project.
- 2010 Archer undertook a gravity survey at the Bender Gold Prospect, followed by a 206 aircore hole survey to test bedrock.
- 2011 Archer defines an exploration target over its Sugarloaf graphite project. Monax explores the area, originally focussed on orogenic lode gold and Broken Hill style base metals but changed its focus to iron, manganese, and graphite.
- 2014 A JORC Inferred graphite resource is announced at Wilco South of 6.4Mt @8.8% TGC. ChemX does not have rights to explore this further.
- 2018 Archer conducts metallurgical testing of Jamieson Tank (manganese).



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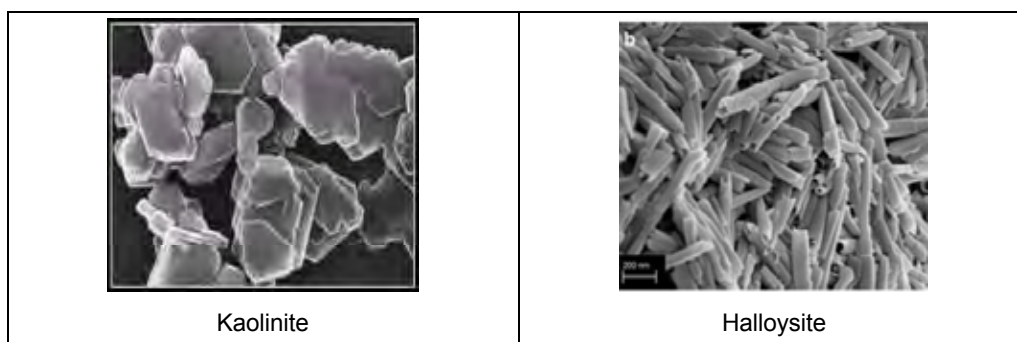


## 4 FOCUS COMMODITIES

Whilst the Eyre Peninsula Project area has been subject to exploration for a wide range of commodities over the years as documented above, this report is focussed on the halloysite, kaolinite, and manganese opportunities in the project area which will be the priority exploration targets of ChemX.

### 4.1 Kaolin

Kaolin is a clay material containing an unspecified mixture of kaolinite, halloysite, and related clay minerals. Kaolinite and halloysite are polymorphs, they have the same chemical composition of aluminium, silicon, oxygen, and hydrogen when pure. Halloysite is differentiated from kaolinite by its ability to absorb water within its crystal structure. Kaolinite has plate-like crystal form in contrast to the predominant, tubular form of halloysite (Figure 7). The different shape results in different physico-chemical properties and end-uses. Throughout this report, kaolin refers to the undifferentiated mixture of kaolinite and halloysite, whilst the kaolinite and halloysite refers to the distinct polymorphs.



**Figure 7 Photomicrograph: Kaolinite & Halloysite**

Kaolinite and halloysite are found in a wide range of geological settings where weathering and circulation of hydrothermal or ground waters forms kaolin/halloysite. (Wilson & Keeling, 2016). Primary rocktypes include:

- intrusive and high-grade metamorphic rocks with high aluminium and silicon content such as granites and gneisses and metapelites.
- silica-rich volcanics, with large potash and sodic feldspar content (TePuke Deposit NZ).
- hydrothermal replacements in dolomites, (Dragon Mine Utah).

Kaolinite is commonly more abundant than halloysite but generally found together. High concentrations of halloysite in kaolin are rare. Deposits that have high concentrations of halloysite are often associated by limestone and /or dolomite and proximal to igneous intrusives. The most significant halloysite mines are in Poland, USA, China, Turkey, and New Zealand.



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## 4.2 Kaolinite

When pure kaolinite is white. It is an important industrial mineral with inert chemical and nonabrasive properties. It has a low shrink-swell factor and a low cation exchange capacity. Kaolin increases the durability, finish, and whiteness of finished ceramic products. Its chemically inert and non-abrasive properties are applied to paper and packaging, paints and coatings, fiberglass, plastics & rubber, pharmaceuticals, cosmetics, concrete, and agriculture where it is used as a filler.

## 4.3 Halloysite

Halloysite can take on a variety of morphologies including platy, tabular, spheroidal, fibrous, and is most reported in its cylindrical / tubular form. (Joussein, Petit, & Churchman, 2006) Halloysite tubes are fine grained, with cylinders typically in the range of 0.1  $\mu\text{m}$  to 30  $\mu\text{m}$  long, 0.05  $\mu\text{m}$  to 0.20  $\mu\text{m}$  thick with an inner core that is circular or prismatic.

The main application of halloysites has historically been as an additive for high quality ceramics, by adding strength and translucency. However, the high surface area and Cation Exchange Capacity (CEC) per unit volume or mass of halloysite is an important characteristic for its use in advanced applications including flame retardants in plastic, as a nucleating agent in plastics, coatings, and additives. It has also applications in catalysts and water purification.

The surface area of natural unprocessed halloysite is typically in the range of 40 to 76  $\text{m}^2$  per gram but with treatment can achieve up to 117  $\text{m}^2$  per gram (Cheng, Song, & Zhao, 2021).

In recent years, an increasing focus of research efforts has been the development and application of nanocomposites and as an inert replacement for carbon-based nanotubes in high-tech applications. Research is underway into the use of halloysite in carbon capture technology where calcination of halloysite increases active surface areas and porosity and absorbency by 17% (Pajdak, Skoczylas, Szymanek, Lutynski, & Sakiewicz, 2020).

Generally, tubular nano materials exhibit superior processing, hydrodynamic and aerodynamic properties compared to nanospheres and outperforms carbon-based nanotube in biocompatibility, water dispersion and environmental compatibility (Cheng, Song, & Zhao, 2021).

In the healthcare sector, research is underway to develop novel technology that silica nanoparticles for precise delivery of drug treatments, as well as acts as a tool for early screening and identification of cancer.



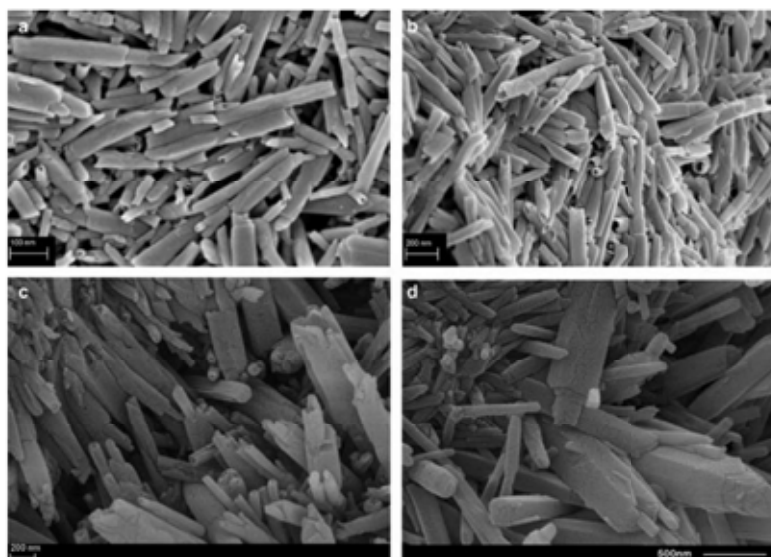


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**Table 3** Uses of Halloysite

HALLOYSITE APPLICATIONS	
<b>Traditional uses</b>	
Ceramics	Imparts strength, translucency to ceramics Casting properties
Catalyst	Thermally stable, mixed with metals (Pt, Pd) as catalyst support
Flame retardant plastic	Adds stability to plastics up to 400°C
<b>Nanotechnology</b>	
Gas storage	H <sub>2</sub> , O <sub>2</sub> , CO <sub>2</sub> storage
Controlled release	Nanotubes loaded with compound for controlled release.
Environmental remediation	Absorbent for oil spills, power plants and mine sites
Air purification	Air filter membrane coating to reduce PM <sub>2.5</sub> particulates
Carbon capture	CO <sub>2</sub> sorption research
Agriculture	Nanotubes loaded with slow-release fertiliser.
Paint and coatings	Nanotubes loaded with slow-release anti-fouling agents.
Pharma	Non-toxic. Nanotubes loaded for sustained drug release.
Cosmetics	Low irritant, skin cleanser. Or loaded with agents for slow release
<b>Construction Applications</b>	
Rheology modifier	Improves handling and strength of concrete
<b>Other Applications</b>	



**Figure 8** Electron microscopy of Halloysite tubes (Wilson & Keeling, 2016)



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### 4.3.1 Halloysite – Kaolinite Assaying

Both Kaolinite and halloysite are white minerals in their pure form, the basic test for grade determination is brightness and aluminium assay. ISO Brightness B is the accepted standard and an ISO Brightness B value of 75 considered to be the cut-off for commercial grade kaolin, ranging to a peak grade of +84. Because halloysite and kaolinite have the same chemical composition, assay and brightness data can determine the presence of kaolin (a mixture of the two polymorphs) but cannot determine the relative proportion of kaolinite to halloysite which depends on identification of crystal form and other attributes. This measurement requires the use of alternative analytical methods such as quantitative X-ray diffraction (XRD).

### 4.3.2 Kaolin in South Australia

Deep weathering of the Cleve Uplands, south of Kimba on northern Eyre Peninsula, has resulted in widespread kaolinization of early Proterozoic Hutchinson Group schist and Lincoln Complex. Kaolinized bedrock is widespread and has been explored by third parties at several locations including Mount Hope, Mount Stuart, Poocherra, Dunn Hill and Port Kenny. During 1969-72, kaolin prospects were identified and drilled by Pechiney and CSR as potential alumina sources at Kelly Tank, Bunora-Balumba, Campoona Hill and Chinmina Creek (Ferris, 1993).

Andromeda Metals (ADN), a South Australian, ASX listed, industrial mineral focussed company has a portfolio of kaolinite and kaolinite-halloysite projects all located in South Australia. Great White is the flagship project of ADN owned 75% in a joint venture with Minotaur Exploration. Great White is claimed by ADN to be possibly the world's largest known high purity halloysite – kaolinite resource (Andromeda Metals, 2021). The deposit defined by drilling covers an area 1.7km<sup>2</sup> located at an average 23m below surface and is 10m to 46m in thickness. ADN has reported a (JORC 2012) compliant Mineral Resource of 34.6Mt @ 50.2% (-45µm) PSD with 40.9% kaolinite and 5.3% halloysite.

ADM is proceeding with a bankable feasibility study and Mining Lease application to advance the project towards production.

## 4.4 Manganese

World resources of manganese ore are large, but irregularly distributed. South Africa accounts for ~75% of world resources, and Ukraine for 10%. 2019 world production was 19.6Mt with global resources estimated at 570M tonnes.

Traded ores and concentrates normally contain at least 38% manganese. Ninety-eight percent of the world's output is made into additives for metal industries, mostly the iron and steel industry in which ferro-manganese and silico-manganese additives are used for their sulphur fixing and deoxidising properties. Manganese adds strength and toughness to iron.

The main non-metallurgical use for manganese is the in the batteries industry, where MnO<sub>2</sub> contents of 70–80% are a general requirement.

Manganese also has the potential to replace or substitute traditional cobalt and nickel as cathode in a lithium-ion battery. Manganese is cheaper and more abundant than both cobalt and nickel. Manganese is not tainted by the ethical supply issues of cobalt. Research suggest that manganese-based cathode could potentially store more energy than cobalt or nickel.

Battery applications for manganese using Electrolytic Manganese Dioxide (EMD) and other High Purity Manganese (HPM) products are in development.



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## 5 KELLY TANK KAOLIN EXPLORATION TARGET

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### 5.1 Background

Detailed exploration for kaolin at the Kelly Tank prospect was carried out by Pechiney / CSR (Pechiney Exploration, 1972) in the 1960's - 1970's and included extensive drilling and trenching which concluded that the region contains "considerable reserves" of kaolin, but that it is unsuitable as either an alumina feedstock or a paper coating product.

Reacting to the increased interest in kaolin as a source of HPA feedstock, Archer Exploration announced in August 2019 a combined Exploration Target at the Kelly Tank and Bunora kaolin prospects (Archer Exploration, 2019) based on a review of open file data including the work by Pechiney. The Exploration Target covers the Kelly Tank and Bunora prospects. It does not include Bunora East, Bunora West, or other known kaolin occurrences within the project tenement area.

### 5.2 Geology

At Kelly Tank, the kaolin is coincident with mapped units of the Cook Gap Schist and Warrow Quartzite, which are biotite-garnet-sillimanite schist, grading to gneiss, graphitic in places and massive quartz to micaceous calc-silicate gneisses and marbles, respectively. Further west in the Bunora portion of the Exploration Target, the kaolin is coincident with magmatic units of the Paleoproterozoic felsic intrusives.

The kaolinized material occurs as irregular basin-shaped zones of varying depth. Quartz, iron, organic matter, and partially weathered bedrock occur throughout the profile. Montmorillonite was identified as an accessory mineral to the kaolin. The kaolinization is supergene in origin, attributed to circulating ground water reacting with the abundant feldspar of the bedrock. It is likely to be contemporaneous with laterization that occurs elsewhere in the region.

Preliminary tests on brightness and particle size distribution by Pechiney indicated that the kaolin had potential for use in the paper industry. Trenches were bulldozed in the Kelly Tank and Bunora areas to obtain bulk samples. Two trenches to a maximum 7m (20 ft) depth were excavated at Bunora and Kelly Tank and bulk samples were extracted for further testing which determined that the rheologic properties of the material made it unsuitable for use in the paper coating markets.

Pechiney estimated that there were more than 32 million tonnes of kaolinitic material at Bunora – Balumba and more than 120 million tonnes in the Kelly Tank area. Neither of these estimates are JORC compliant.

### 5.3 Exploration Target

The Kelly Tank Exploration Target was developed to JORC (2012) standards by Archer Exploration. A copy of the supporting "Table 1" details is included in Appendix A.

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**Table 4 Kelly Tank Exploration Target**

Location	Tonnes* (Mt)		Grade (Al <sub>2</sub> O <sub>3</sub> , <53µm)	
	Lower	Upper	Lower	upper
Kelly Tank <sup>1</sup>	45	105	30%	36%
Bunora	10	25	30%	36%
<b>Exploration Target</b>	<b>55</b>	<b>130</b>	<b>30%</b>	<b>36%</b>

Source: (Archer Exploration, 2019)

Investors should be aware that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is based on historical drilling, across 72 percussion drill holes, and auger drilling undertaken by Pechiney (1968 - 1971) and CSR (1971 – 1973). The historical drilling and trenching intersected substantial widths of high-grade kaolin mineralisation over an extensive area. The initial exploration work was focussed on the exploration for kaolin for use in paper manufacture rather than for HPA production.

### **Mining One assessment of Exploration Target**

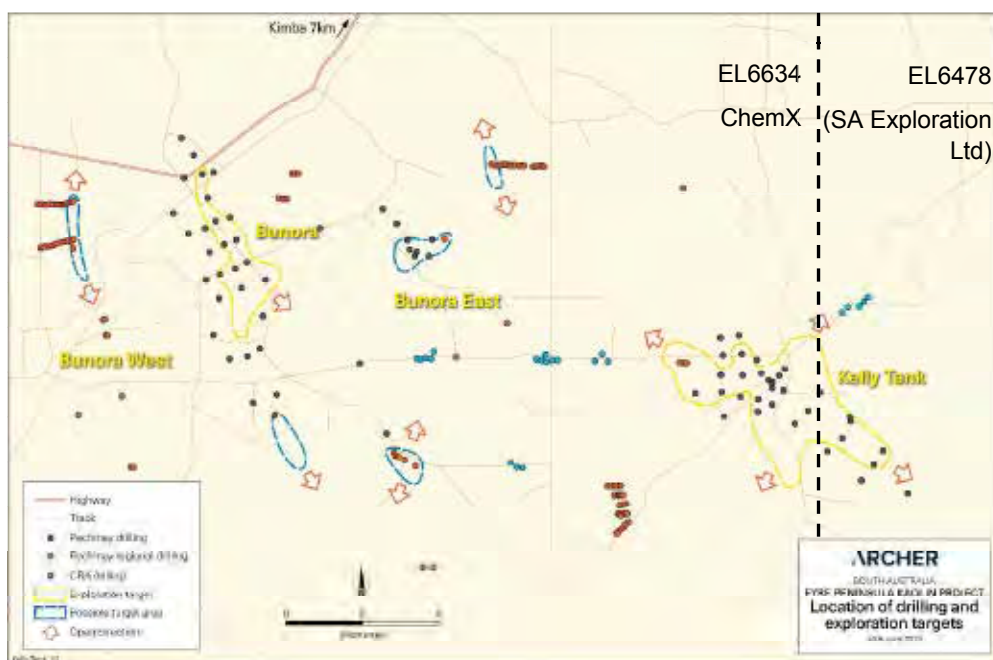
*The Exploration Target has been determined in accordance with JORC (2012) standards and is based on, and fairly represents, information and supporting documentation prepared Mr W Bollenhagen, a Competent Person, as defined in the JORC Code.. Significant infill drilling and resampling, together with a quantitative determination of halloysite content will be required to determine if commercial quantities of halloysite are present.*

<sup>1</sup> The Kelly Tank portion of the Exploration Target extends beyond the Eyre Peninsula Project lease boundary into EL 6478 held by SA Exploration Ltd, a subsidiary of Archer Materials which according to Archer, contains approximately 25% of the Kelly Tank prospect exploration target

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**Figure 9 Kelly Tank Exploration Target Drill Hole Location And Tenement Boundary Plan**

(Archer Exploration, 2019)

### 5.4 Archer Exploration Results

In April 2020, Archer announced results from a 21-hole aircore drilling program of the Kelly Tank Exploration Target and Bunora East areas (Archer Materials, 2020). The program was designed to confirm Pechiney (1970) historical drill results, and resample the kaolin mineralisation for further mineralogical testing and represents the most recent, and material, results available for review. Drilling confirmed the historical results and consistently reported grades over 30% Al<sub>2</sub>O<sub>3</sub> mostly from surface. Significant intersections are shown in Table 5 below and the full suite of samples are found in Appendix C.

**Table 5 Kelly Tank – Bunora Prospects Kaolin - Significant Intersections**

Prospect	Significant Intersections: composite samples. -45µm screened fraction					
	Sample Interval	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	TiO <sub>2</sub> %	Recovery %
Kelly Tank	4m	36.1	0.39	47.5	1.15	40.7
Bunora	4m	35.8	0.43	46.7	1.02	49.2
Bunora East <sup>2</sup>	5m	36.8	0.36	46.3	1.16	91.6

<sup>2</sup> Bunora East is excluded from the Exploration Target, the result is included for completeness.



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Based on the limited sampling, kaolin at each prospect appears to have different halloysite and kaolinite specifications, likely a result of different source rocks. Kaolin at each prospect contains relatively low iron levels, and titanium levels of approximately 1%.

#### 5.4.1 Kelly Tank Prospect

Archer drilling at Kelly tank is shown as yellow markers in Figure 10 in relation to the Pechiney drill holes shown with white markers. The 7 drill holes are located within a 300m<sup>2</sup> area in the main area of kaolin mineralisation where the white kaolinitic sub-crop is clearly visible in the figure below and extends beyond current limit of drilling.

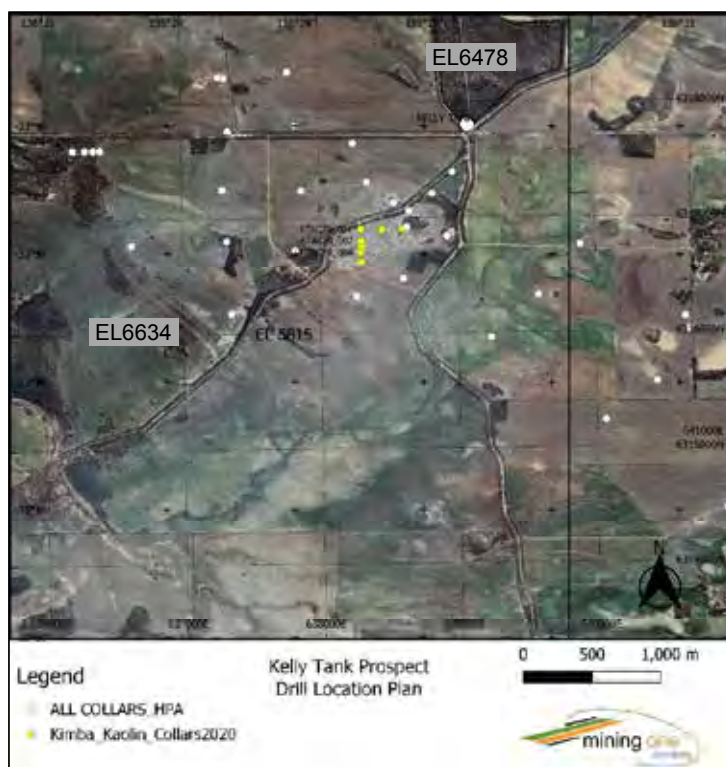


Figure 10 Kelly Tank Prospect Drill Location Plan





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Figure 11 Kelly Tank Kaolin (Drill Hole KTAC20\_007 11-18m Downhole)

#### 5.4.2 Bunora Prospect

At Bunora, Archer drilled 11 holes (Figure 12) in the vicinity of Pechiney historic drilling (30 holes) and intersected variable depths of kaolin from 3 to a maximum depth of 20m below surface. The variability in length of kaolin intersections points to structural and lithological control to mineralisation, and the requirement for close spaced drilling for resource definition.

#### 5.4.3 Bunora East

At Bunora East (Figure 12), three holes (58m) were drilled in areas adjacent to a historical costean and within areas of exposed kaolin. Kaolin was intersected in each hole within 1m of the surface. The best results were obtained from the south of the prospect where a maximum depth of kaolin mineralisation of 26m in BLAC20\_002 was obtained. The remaining holes intersected kaolin to an average depth of 8m. There was insufficient drilling in this area for it to be included in Archer's Exploration Target estimation. The high variability in depth extent of kaolin is interpreted to be the result of structural controls in the host rock lithologies.





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Figure 12 Bunora Drillhole Location Plan

#### 5.4.4 Mineral Testing

As discussed in Section 4.3.1, halloysite and kaolin have the same chemical composition. Therefore, conventional chemical assays will not differentiate between the two. An alternative detection method is required. Archer elected to use Scanning Electron Microscopy (SEM).

25 samples from sieved -45µm fraction Exploration Target material was submitted to James Hutton Analytical Laboratories (Hutton) for SEM analysis. Representative samples were obtained from multiple drill holes at each of the Exploration Target prospects. Samples were dispersed and agitated in water and an SEM slide was loaded with sample in a randomised fashion.

In all 25 samples, the principal form of kaolin is platy and therefore attributed to kaolinite. In most samples, there are trace amounts of material with tubular morphology interpreted to be halloysite.

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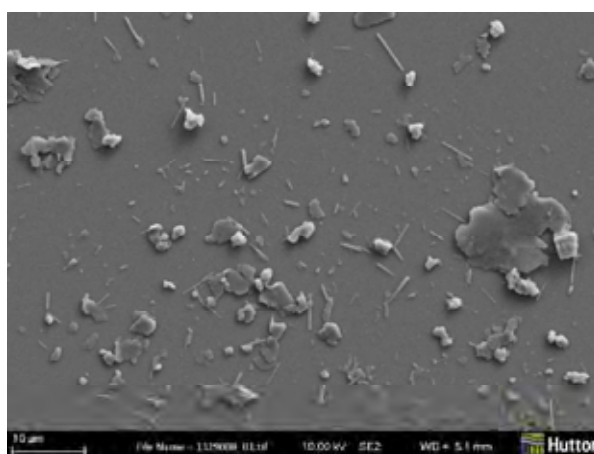


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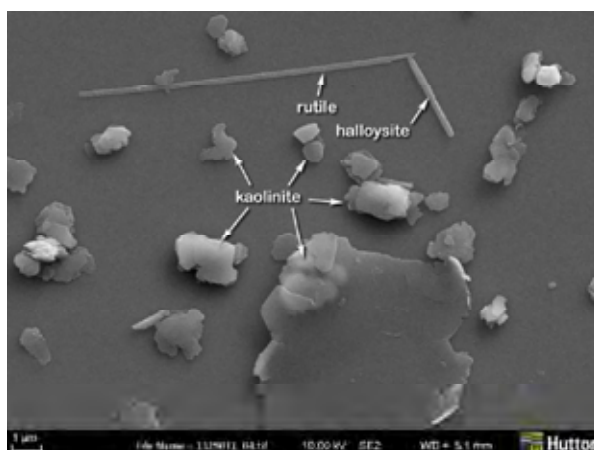


Samples with the highest apparent halloysite content were obtained from the Kelly Tank Prospect. At high magnification, the halloysite tubes have a predominant polygonal/prismatic form.

At Kelly Tank, Halloysite was identified in 4 out of 5 samples submitted for SEM imagery. Kaolin plates from 0.1 to 16µm in size and polygonal halloysite tubes to 7.0µm in length were identified, as shown in Figure 13 and 14. At times halloysite nanotubes have multi-layered walls.



**Figure 13 Kelly Tank SEM Image Of Halloysite Rods And Kaolin Plates**



**Figure 14 Kaolinite Plates, Halloysite Nanotubes And Rutile Needles**

At Bunora, kaolin plates from 0.1 µm to 10µm were observed in SEM images. Rare halloysite was observed in 4 of the 10 samples with nanotubes to 8 µm were observed with polygonal walls fragmented into nano-size plates. Some kaolin plates are elongate but lack the tube morphology of halloysite. Qualitatively, the Bunora SEM images contain less halloysite than the Kelly Tank images.

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At the Bunora East Prospect, 10 samples were selected for SEM imagery. Halloysite was identified in 6 of the samples.

### ***Mining One Assessment of Kelly Tank Kaolin – Halloysite***

*The drilling and assay program from the Kelly Tank, Bunora, and Bunora East areas confirm the presence of kaolin, with comparable specifications to declared kaolin resources elsewhere on the Eyre Peninsula.*

*Qualitative SEM analysis confirmed the presence of halloysite at Kelly Tank, Bunora and Bunora East. Mining One recommends that quantitative mineralogical testing for halloysite undertaken using X-ray diffraction technique.*

### **5.5 Additional Kaolin Targets**

In addition to the Kelly Tank Exploration Target area, Bunora West, and Bunora East prospects, kaolin is recorded elsewhere within the project area. Kaolin is a highly reflective surficial deposit observable in aerial photographs, satellite imagery, road cuts and water dam walls. A photogeological survey is recommended.



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## 6 JAMIESON TANK MANGANESE EXPLORATION TARGET

### 6.1.1 Background

The Jamieson Tank manganese prospect ("Jamieson Tank") straddles both Eyre Peninsula tenements (Figure 2, Figure 15.) Jamieson Tank extends for approximately 6km in a N-S strike direction and is open along strike.

### 6.1.2 Geology

The Jamieson Tank prospect is interpreted to be hosted by Katunga Dolomite, a basal unit of the Middleback sub-group.

Quantitative X-ray diffraction (XRD) has confirmed the dominant manganese oxide mineral to be cryptomelane ( $\text{KMn}_8\text{O}_{16}$ ), with associated quartz ( $\text{SiO}_2$ ), kaolin ( $\text{Al}_2\text{Si}_2\text{O}_5(\text{OH})_4$ ), and goethite ( $\text{FeO}(\text{OH})$ ). Cryptomelane is a steel grey to light grey, high density manganese oxide with a distinct conchoidal fracture and is readily identified in the field.

In 2012 Monax undertook a 45 RC/RAB drilling program totalling 2306m to follow-up on anomalies defined by the gradient array induced polarisation survey conducted at the Jamieson Tank and nearby Polinga manganese prospects (Figure 2).



Figure 15 Jamieson Tank Exploration Target Location

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Over 11,000m of drilling was completed at Jamieson Tank yielding Mn grades below the 30% Mn threshold required for direct shipping (DSO) manganese. However, the manganese is low in iron and other impurities, making it suitable for Electrolytic Manganese Dioxide (EMD) production.

### 6.1.3 Exploration Target

In April 2018 Archer announced (Archer Exploration, 2018) completion of metallurgical test work by Kemetco Research Inc on historic composite drill samples sourced from the Jamieson Tank with a head grade of 12%Mn, and confirmed that the material could be processed to form a +92% commercial grade EMD product suitable for use in the manufacture of cathodes for lithium ion, alkali and other types of batteries. The test work involved the leaching of the manganese from sample, purification of the leach to remove iron, cobalt, nickel, and other potentially deleterious elements and finally the precipitation of the electrolytic manganese dioxide onto graphite cathode and titanium anodes.

Based on the positive test work results which yielded a commercial product, Archer declared an Exploration Target over the Jamieson Tank Prospect. A copy of the supporting "Table 1" details is included in Appendix B and drilling in Appendix D.

	Lower Range	Upper Range
cumulative width (m)	20	20
Strike (m)	6,600	6,600
depth (m)	60	100
SG	1.9	1.9
<b>Tonnes</b>	<b>15,000,000</b>	<b>25,000,000</b>
<b>Grade (%Mn)</b>	<b>8%</b>	<b>12%</b>

*Investors should be aware that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

The Exploration Target is based on exploration results from 208 historical drill holes undertaken by Archer (2008 – 2011) and Monax (2008 -2012) for a total of 11,200m of drilling to a maximum vertical depth of 100m. Mineralisation is open along strike and depth. Drilling extends for approximately 6.6km of strike length on drill spacings of 20m to 25m on 200m lines.





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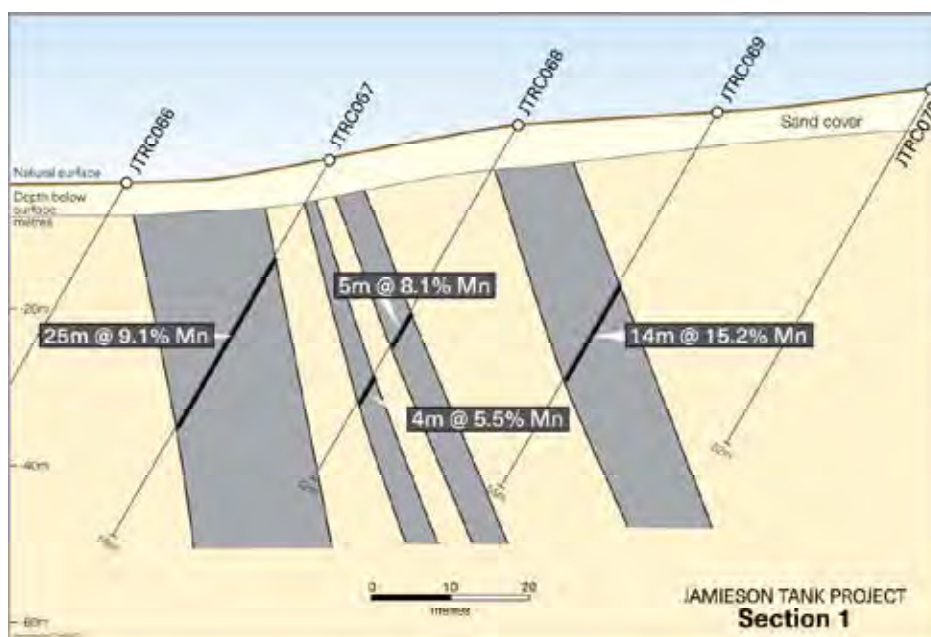


Figure 16 Jamieson Tank Cross Section With Steep Dipping Interpretation

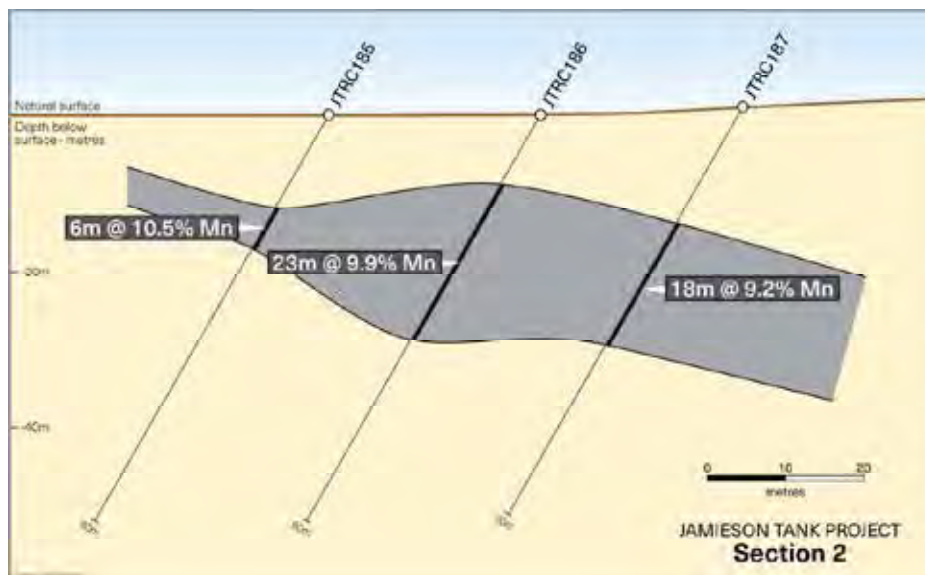


Figure 17 Jamieson Tank Cross Section 2 With Flat Structure

Lithologies intersected at Jamieson Tank include weathered schist, cherts, and interstitial bands of manganese oxide.





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#### 6.1.4 Metallurgical Testing

In 2008 Monax undertook beneficiation test work on representative samples of Jamieson ore (Monax Mining Ltd, 2008) and confirmed potential of raising manganese content of 35% to 42% Mn with a recovery level of 81% to 88%. Beneficiation involved crushing and selective screening followed by heavy liquid separation. Further testing using an alternative spiral method of upgrade was also undertaken.

Test work on the production of Electrolytic Manganese Dioxide (EMD) was successfully carried out by Archer Exploration in 2019, with EMD being made from 12% Mn feed stock. This test work indicates a resource of 12% may be a viable head grade for resource development. Further test work and flow sheet development is required to confirm the initial test work and proof-of-concept economics.

#### ***Mining One assessment of Jamieson Tank Exploration Target.***

*The drilling and assay program at Jamieson Tank is sufficient in scale and detail to confirm the presence of manganese mineralisation and to define an Exploration Target that is compliant with JORC(2012) requirements. and is based on, and fairly represents, information and supporting documentation prepared Mr W Bollenhagen, as defined in the JORC Code.*

*The relationship of mineralised intersections from adjacent drill holes across strike is ambiguous and deeper drilling is required to confirm depth extent of mineralisation and further metallurgical test work before a higher confidence resource can be estimated.*



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## 7 OTHER EXPLORATION OPPORTUNITIES

In addition to the Exploration Target(s) described above, Mining One has reviewed other exploration opportunities on the Eyre Peninsula Project area excluding graphite, whose exploration rights are, as previously mentioned, specifically retained by Archer.

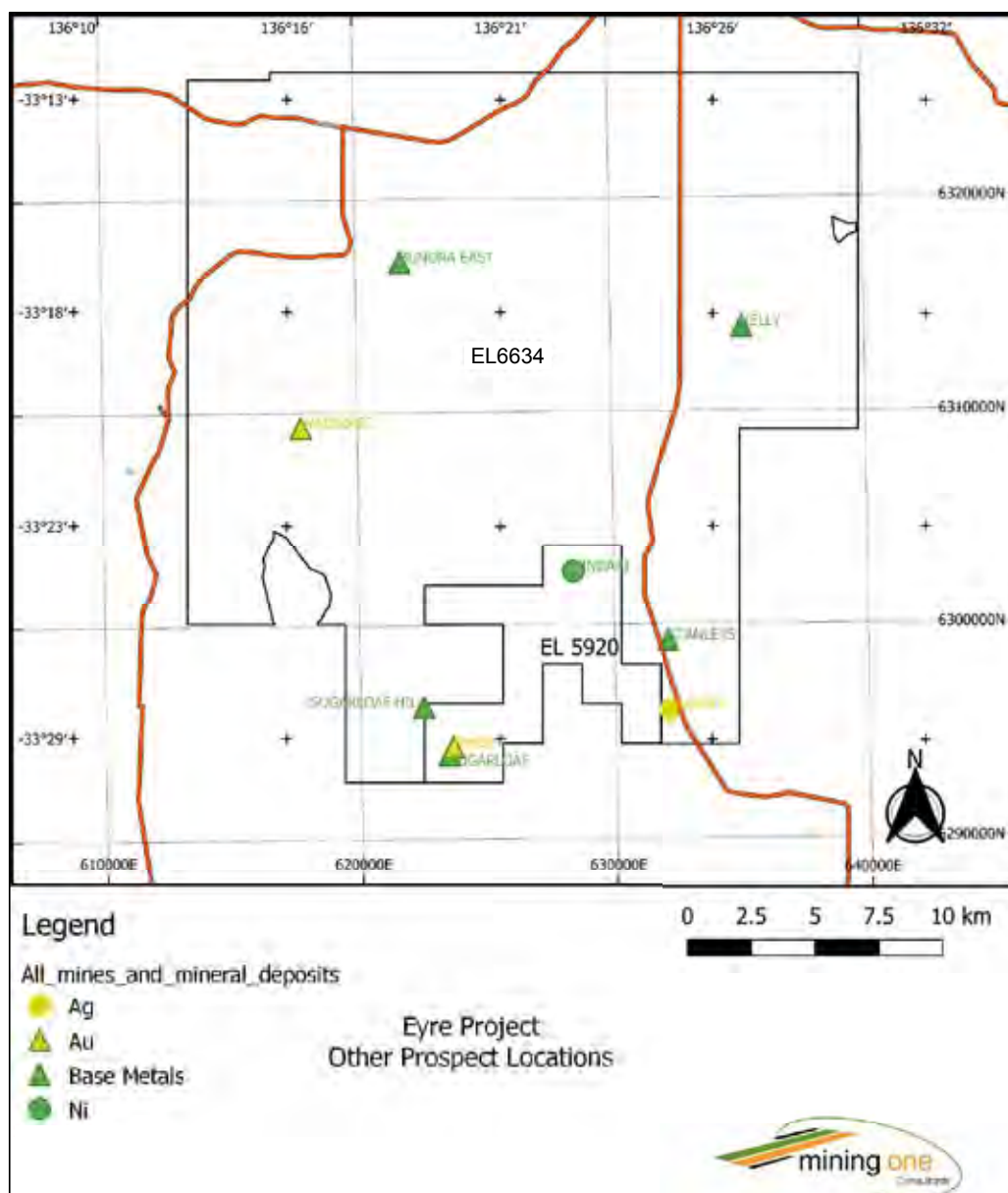


Figure 18 Eyre Peninsula Project - Other Prospect Locations

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## 7.1 Exploration Models

Banded iron formation (BIF) within the Palaeo-proterozoic Hutchison Group metasediments is prospective for iron ore and manganese mineralisation, as well as lead-zinc-silver mineralisation of the Broken Hill style or possibly of Meninnie Dam style. Meninnie Dam is now seen as related to an intrusive complex with iron oxide copper-gold (IOCG) characteristics. Base metal anomalism is widespread in the Hutchison Group rocks of Eyre Peninsula. The project area contains extensive strike lengths of BIF, evident as linear, strike-parallel magnetic and gravity features.

The project area contains large strike lengths of highly conductive subsurface material, which can be interpreted as graphite horizons, massive sulphides, clays, or saline ground water.

Major structures representing faults are evident in the magnetic data and may represent crustal scale discontinuities and could have provided conduits for mineralising solutions, particularly at the time of Hiltaba Suite granite intrusion. Whilst Hiltaba Suite granite does not outcrop in the project area, gravity data of Figure 6 contain lows that may reflect granites at depth. Locations where these structures intersect reactive strata, such as carbonate horizons, iron formations, or graphitic schists, are prospective for gold, copper, and uranium mineralisation.

The Carapee granite is host to minor shear zone related uranium mineralisation. While Carapee Hill is a conservation reserve, extensive paleochannel systems cross the tenement, which have the potential to host roll-front uranium mineralisation. There is also potential for both basement and unconformity style uranium mineralisation associated with other uranium rich Hutchinson Group lithologies and related shear zone structures.

## 7.2 Gold Prospects

In the late 1990's Minotaur Gold / Acacia Resources (Kimba JV) undertook gold exploration over a large area of the Eyre Peninsula which includes the Project area. The target was Olympic Dam style IOCG deposits in Hiltaba suite granites, and Tenant Creek style gold mineralisation within the Hutchison Group metasediments. At Waddikee, shown in Figure 18, a cluster of anomalous gold-in-calcrete values was drill tested and confirmed in 18 RC percussion holes. There was a strong bismuth-gold correlation within these intervals. The mineralisation was associated with elevated pyrrhotite and pyrite, traces of chalcopyrite and arsenopyrite in host biotite amphibole schist. Trial IP was carried out over the known mineralisation and proved effective in defining the sulphide zone.

Historical drilling and soil sampling by both Goldstream Mining (1997) and Helix Resources (2003) identified an extensive gold soil anomaly over an approximately 1km strike length at the Bender Prospect, located near Sugarloaf (Figure 18). Follow-up geochemistry by Archer in 2008 extended the strike length of Bender to 2km.

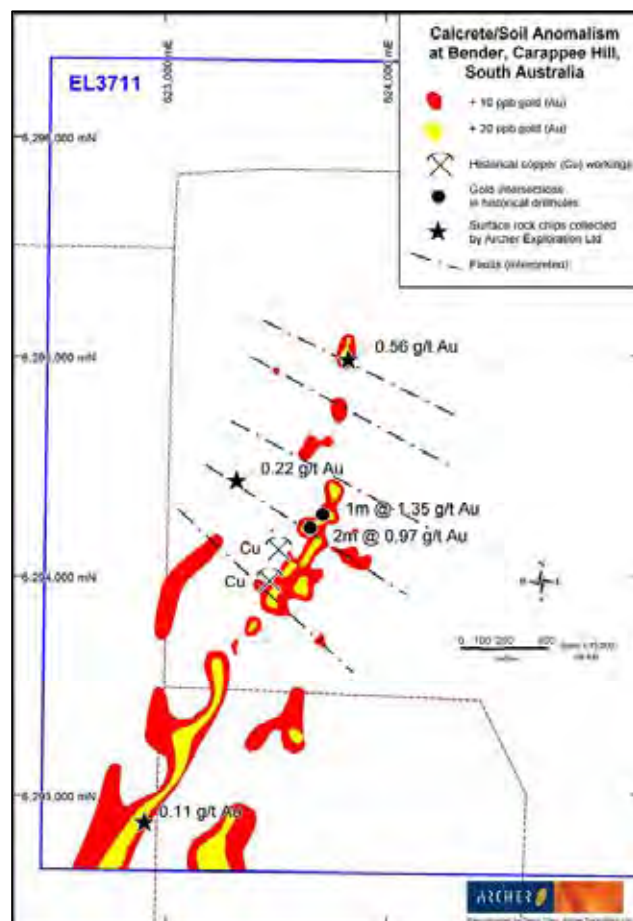
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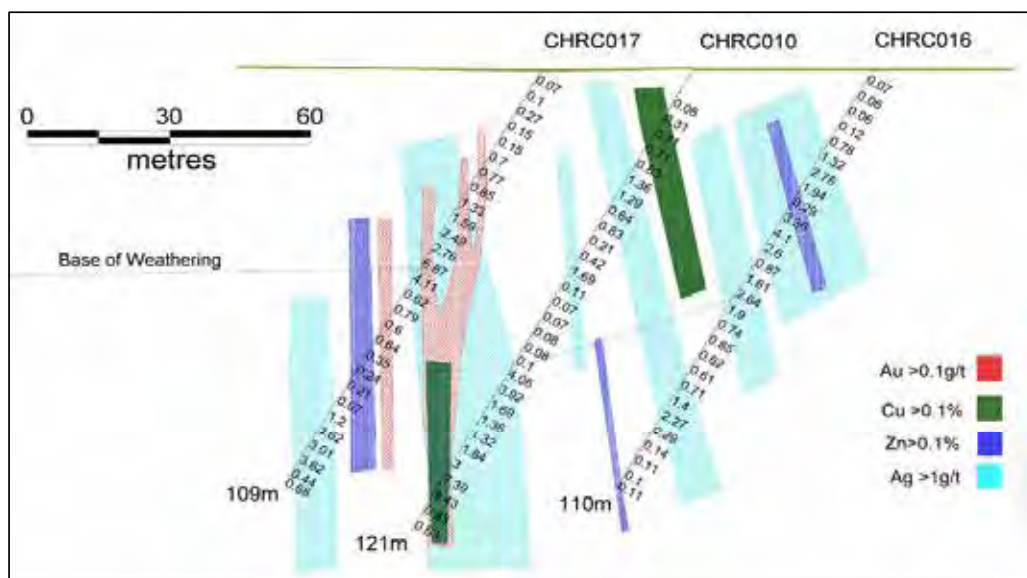


**Figure 19 Bender Gold Prospect Exploration Plan**

A series of holes was drilled to test the continuity of mineralisation and other anomalies. Considerable graphite, sulphides, and quartz stockwork veining were encountered in holes CHRC010, 016 and 017 as shown in Figure 20, where anomalous intersections of Au, Cu, Zn, Ag were identified. The mineralisation appears to lie in an alteration zone that comprises silica, chlorite, graphite, and felsic volcanic units. In 2010, a 206-hole aircore drilling survey took place to test bedrock geochemistry below the sand cover. Drilling was on a 100 x 100 grid and identified anomalous nickel – copper and chrome grades.



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**Figure 20 Cross Section Bender Au Prospect**  
(Source: Archer 2008)

### 7.3 Iron Prospects

In a drilling program comprising 83 holes for a total 4565m with 905 sample in proximity to the Jamieson Tank (Monax, 2010) reported encouraging, iron intersections (at a 20% cut-off) ranging from 2m @ 22.2% Fe to 6m @ 37.2% Fe and a thickest interval of 10m at 23.9% Fe from 60m to 70m downhole depth. The highest individual assay result was 1m @ 49.4% Fe from 18m depth downhole. Magnetic imagery shows the area as prominent highs with scope for on-strike extensions to mineralisation.

### 7.4 Base Metals Prospects

The Middleback subgroup on the eastern and central part of the Eyre Peninsula is an important economic target for base metals (copper, lead, zinc), silver and gold. (Drexel, Preiss, & Parker, 1993). There are numerous small copper-lead-zinc-silver mines and diggings throughout the eastern uplands beyond the Eyre Peninsula Project tenements.

A single iron rich occurrence occurs at the Kelly Tank locality (Figure 18) where an outcrop of surface enriched Middleback banded iron formation with anomalous base metals.

The SARIG database documents a historic copper workings at Sugarloaf. The workings developed in 1905 had 2 main shafts to 19m and 24m deep centred on graphitic schist and dolomite with minor copper. A drive extended 3m east at the 24m level. Graphitic schist and veinlets trending north-south returned best values of 1.6%Cu and 25.3%C. 1 tonne of handpicked ore assayed 11.8%Cu (pre-JORC). Exploration for base metals was completed by CRAE in the early to mid-1980s on the Sugarloaf Hill magnetic trend to the west of the old workings.

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An intensive search for possible banded iron formation - related Proterozoic stratiform lead-zinc mineralisation, of Gamsberg / Aggeneys / Broken Hill style, over an area surrounding Kimba on Eyre Peninsula, has included aerial magnetic and radiometric surveys, a trial INPUT EM survey, detailed BIF float and outcrop geological mapping, extensive rock chip and soil geochemical sampling, and reconnaissance and detailed ground magnetic, gravity and moving-loop Sirotem surveys. Some minor Pb, Zn, Cu and Ag intersections were recorded from bedrock at sites of geochemical and geophysical anomalies, in a major drilling programme of 628 rotary percussion holes totalling about 15,500 m. Best downhole assay results were obtained at the Cleve Road TEM anomaly, at the Goongoona TEM anomaly. Sphalerite and galena were seen in polished sections of graphitic schist drill cuttings from the latter hole.

At Bunora East a transient electromagnetic (TEM) anomaly tested in a single drill hole, which identified graphite schist was anomalous in Zn, Ag, Pb, and Cu.

The SARIG database identifies a nickel target at Pindari, centred around an intrusive. In 2008 Archer Exploration followed this up with a wide-spaced aircore drilling program to test bedrock geochemistry. A total of 8 holes detected anomalous nickel levels, coincident with elevated copper and chrome. Grades, chemical composition, and host rock were not typical of economic nickel occurrences and not followed-up.



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 9 GLOSSARY

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Aeromagnetic Survey	Airborne survey of the earth's magnetic field.
Aircore Drilling	A drilling method in soft ground conditions which bores samples and flushes them to surface with compressed air. Used when minimal contamination is required.
Archaean	A geologic period more than 2,500 million year before present.
Aassay	Chemical determination of metal content in a sample.
Base Metal	Non-ferrous metals excluding precious metals includes copper, lead, nickel zinc.
Carbonate	A mineral containing carbon.
Clastic	Composed of rock and mineral particles previously eroded.
Compositing	Combining of drill hole sample data to form a representative sample of the rock unit being tested.
Craton	Continental rock sequence.
Cryptomelane	A magnesium oxide ore mineral.
Exploration Target	A statement or estimate of exploration potential of a mineral deposit for which there is insufficient exploration to estimate a mineral resource.
Felsic	Rocks that are high in silicon, sodium, and potassium but low in iron.
Graphite	A flaky natural crystalline form of pure carbon.
Gravity survey	Geophysical survey method measuring minute changes in the earth gravitational force, an indicator of the density of the rocks beneath.
Goethite	A hydrated iron oxide mineral , commonly found in soils.
IP survey	Induced Polarisation geophysical survey which records the capacitance and resistivity characteristics of rocks.
JORC Code	Sets out the minimum standards for reporting of Exploration Results, Mineral Resources and Ore Reserves in Australia.
Halloysite	Tubular form of kaolinite, valued for high surface area & absorptive properties.
Kaolin	Clay containing a mixture of kaolinite and halloysite.
Kaolinite	A platy clay mineral containing aluminium, silicon and oxygen valued for its whiteness and/or chemical inert properties.
Laterization	a chemical weathering process in which silicon and aluminium are leached from rocks to leave an iron rich horizon.
Mafic	Igneous rocks that are low in silicon and high in iron and magnesium.
Metamorphic rock	A rock that since original emplacement has undergone change due to heat and pressure.
Mineralogy	Pertaining to the mineral composition of a rock or ore.

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Open-file	Data from past exploration programs retained by the geological survey.
Pyrite	A sulphide mineral of iron.
Radiometric	Pertaining to the radiation emitted from rocks.
Rhyolite	A volcanic rock with a high silica content, viscous at the time of eruption.
RC drilling	Is an exploration drilling method compressed air to obtain samples from the drill face using a percussive cutting method.
Silicate	A mineral containing silicon.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## 10 ABBREVIATIONS AND UNITS

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ADN	Andromeda Metal. An ASX listed company
Au, Ag	Gold, Silver
AEM	Airborne electromagnetic survey
AIG	Australasian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining & Metallurgy
BIF	Banded Iron Formation
BLEG	Bulk Leach Extractable gold geochemical survey method
Cu	Copper
EL(A)	Exploration Licence (Application)
EM	Electromagnetic survey method
EMD	Electrolytic Manganese Dioxide
Fe	Iron
Gneiss	A metamorphosed sedimentary rock
HPA	High Purity Alumina
HPM	High Purity Manganese
HNT	Halloysite nano tube
IP	Induced Polarisation. Ground geophysical prospecting technique
ITR	Independent Technical Report
IPO	Initial Public Offering
JORC(2012)	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 2012 Edition (current).
kV	Kilovolt
M, Ma, Mt	Million, million years, million tonnes
Mn	Manganese
Ni	Nickel
Orogeny	A mountain building period of time when rocks undergo metamorphism, folding and faulting
Paleoproterozoic	Geological time period between 1850 and 2400 million years ago
Pb	Lead
PGE	Platinum Group Elements
PSD	Particle Size Distribution

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Quaternary	The recent geological past up to 1.6 million years ago
SARIG	South Australian Resources Information Gateway. The digital platform that delivers South Australian geoscientific and special data
SEM	Scanning Electron Microscopy
TGC	Total Graphite Content
t	Metric tonne
µm	A micron - equivalent to one millionth of a meter.
VALMIN(2015)	Australasian code for public reporting of technical assessments and valuations of mineral assets. 2015 edition (current)
Valuation Report	Expresses an opinion as to the monetary value of a Mineral Asset
XRD	X-ray diffraction mineral identification method
Zn	Zinc



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Appendix A JORC (2012) Table 1 Reporting Exploration Results – Kelly Tank Kaolin

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Taken from Archer Exploration Limited ASX Announcement 19 August 2019.

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Wade Bollenhagen, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of iTech Minerals Limited (ACN 648 219 050).

Mr Bollenhagen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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. Bollenhagen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears below.

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**JORC Code, 2012 Edition – Table 1 Section 1 Sampling Techniques and Data** (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
<b>Sampling Techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>No details are reported on the sampling techniques provided.</li> <li>All historical work will need repeating for any resource reporting.</li> </ul>
<b>Drilling Techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Percussion drilling (Mahew 1000) with a cyclone and wet-dry splitter.</li> <li>No other details provided</li> </ul>
<b>Drill Sample Recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill sample recovery is unknown.</li> </ul>

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Criteria	JORC Code Explanation	Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Simple hand-written logs exist from the time of drilling and trenching.</li> <li>It is a quantitative in nature.</li> <li>It is assumed whole holes are logged.</li> <li>All drill samples were examined under binocular microscope for kaolin</li> </ul>
<b>Sub-Sampling Techniques and Sample Preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling methodology has not been exhaustively reviewed, it is believed that sub-sampling would have occurred at the drill rig, however the nature of this is unknown.</li> <li>Quality control measures are unknown, along with sample size being appropriate.</li> </ul>
<b>Quality of Assay Data and Laboratory Tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Considerable work was undertaken during 1969 to 1972 by Penchiney on the kaolin it discovered</li> <li>Particle size distribution and powder XRF was undertaken for mineralogy on drill and trench samples collected in 1969.</li> <li>Sept 1970, Amdel test work on the brightness of the 53 <math>\mu\text{m}</math> fractions of trench material determined a range of 86% to 96%.</li> <li>Nov-1971 to April_1972 Amdel work included size fractions and testing of size fractions of industrial clay use and by-product potential, these tests were directed at the 2 <math>\mu\text{m}</math> fraction.</li> <li>No modern-day work has been completed on the prospects.</li> </ul>

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Criteria	JORC Code Explanation	Commentary
<b>Verification of Sampling and Assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No verification of historical work has been undertaken by Archer.</li> <li>In 1993, the SA government undertook a review of the kaolin deposits on the Eyre peninsula, Report Book 93/57, where this historical work is summarised.</li> </ul>
<b>Location of Data Points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Data points were all originally recorded in AMG co-ordinates and cannot be used for resource estimation, all work will need to be replicated for accuracy.</li> </ul>
<b>Data Spacing and Distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Data spacing and accuracy is sufficient for an Exploration target, but is insufficient for any resource estimation.</li> <li>Compositing has occurred.</li> </ul>
<b>Orientation of Data in Relation to Geological Structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown if the drilling has introduced any bias, as there is too little information at this stage.</li> <li>The types of rocks that have been weathered to produce the kaolin cover very large aerial extents, far beyond the areas deemed exploration targets.</li> <li>Faults and other fracture type systems can enhance local weathering, ie deepen the system, it is unknown what influence if any these have played in the kaolin development.</li> </ul>
<b>Sample Security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Unknown for the time, best practices for the era are believed to have been used.</li> </ul>

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Criteria	JORC Code Explanation	Commentary
Audits or Reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits undertaken.</li> <li>One review by the SA government in 1993 and summarised in Report book 93/57.</li> </ul>



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
<b>Mineral Tenement and Land Tenure Status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Tenement status confirmed on SARIG</li> <li>All work being reported is from EL 5815 and ELA 2019/102, Archer Energy &amp; Resources Pty Ltd (a subsidiary of AXE) owns the tenement.</li> <li>The granted tenement is in good standing with no known impositions.</li> <li>It is unknown if the ELA will be granted, however no reason can be seen for it not to be.</li> </ul>
<b>Exploration Done by Other Parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Pechiney (1968 - 1971) and CSR (1971 - 1973).</li> <li>WMC (CRA) mid 1980's, exploring for base metals.</li> <li>Other explorers have held exploration licences over the ground up till the current date.</li> <li>Exploration has been for precious metals</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Deep weathering of the Cleve Uplands, south of Kimba on northern Eyre Peninsula, has resulted in widespread kaolinisation of early Proterozoic Hutchinson Group schist and Lincoln Complex.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



Criteria	JORC Code Explanation	Commentary
<b>Drillhole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>– Easting and northing of the drill hole collar</li> <li>– Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>– Dip and azimuth of the hole</li> <li>– Downhole length and interception depth</li> <li>– Hole length</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Collar data are presented as Appendix A to the release.</li> <li>All holes were drilled vertically.</li> <li>Elevations are unknown.</li> </ul>
<b>Data Aggregation Methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No drill assays are being reported, a Exploration target range for Kaolin is being presented as between 30 to 36 % AL<sub>2</sub>O<sub>3</sub>.</li> </ul>
<b>Relationship Between Mineralisation Widths and Intercept Lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown if there are relationships between hole angles (vertical) and the geometry of the weathered rocks containing kaolin.</li> <li>Only down hole lengths are known</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Plans are shown indicating drill holes in the area and those being used to influence the Exploration Target.</li> </ul>

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Criteria	JORC Code Explanation	Commentary
<b>Balanced Reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>The reporting is considered to be balanced.</li> </ul>
<b>Other Substantive Exploration Data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>None to report at this stage of the review.</li> </ul>
<b>Further Work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration work is required to confirm the historical work and advance the projects towards a more certain nature, which will hopefully lead to a confidence level where resources can be estimated.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Appendix B JORC (2012) Table 1 Reporting Exploration Results – Jamieson Tank Mn



## ANNEXURE A

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)

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### Competent Person Statement

The information in this report that relates to Exploration Results and an Exploration Target is based on information compiled by Mr Wade Bollenhagen, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of iTech Minerals Limited (ACN 648 219 050).

Mr Bollenhagen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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. Bollenhagen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data



Criteria	JORC Code Explanation	Commentary
<b>Sampling Techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>All work being reported is from 2008 to 2012 undertaken by Monax Mining (ASX:MOX), all inferences made to grades come from assay intervals analysed by Accredited Australian laboratories.</li> <li>No reference to sample representivity can be made, although the work undertaken was by professional individuals.</li> <li>The term Mineralisation is applied to material above 4% Mn, with continued metallurgical work, will show that cryptomelane material can be processed to make Electrolytic Manganese Dioxide.</li> <li>With additional work the methodologies of the analytical processes undertaken can be reported, i.e. the crushing, grinding, digest and analytic method of the sample can be reported. It is believed that since these samples have been analysed within the past 10 years in Australia, that an appropriate NATA laboratory would have been used as the results were reported to the ASX.</li> </ul>
<b>Drilling Techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>All references are to most holes were drilled as Rotary Air bore (RAB) with a smaller number as Air Core (AC) drilling, from 2008 to 2012.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
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Criteria	JORC Code Explanation	Commentary
<b>Drill Sample Recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>The recovery of the sample material is unknown.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The chip samples have been logged to a level of detail that could be used in a Mineral Resource estimate.</li> <li>Logging of the samples was undertaken in a qualitative and quantitative manner, no diamond drilling was undertaken.</li> </ul>
<b>Sub-Sampling Techniques and Sample Preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>It is understood that all material was riffle split.</li> <li>Although unknown, it is believed that Monax mining (MOX) would have undertaken the appropriate methodologies of taking the sample and analyses that was standard for the time.</li> <li>Duplicates do not appear to have been taken.</li> <li>Sample sizes have not been scrutinised at this stage.</li> </ul>

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Criteria	JORC Code Explanation	Commentary
<b>Quality of Assay Data and Laboratory Tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Unknown at this stage, though the company who undertook the work would have undertaken the appropriate procedures standard for the time.</li> <li>The use of quality controls is unknown at this time.</li> </ul>
<b>Verification of Sampling and Assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No verification has been undertaken at this point in time, this will be undertaken in the future.</li> </ul>
<b>Location of Data Points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>MGA94 Zone 53 grid coordinate system is used.</li> <li>A hand-held GPS was used to identify the drill hole location.</li> <li>Quality and adequacy is appropriate for this level of exploration.</li> </ul>
<b>Data Spacing and Distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The spacing of the drill lines is currently 200m apart, which is adequate for an Exploration Target, however it is not for Mineral Resource estimation.</li> <li>The current line spacing of 200m is too wide for an Inferred Resource Estimation.</li> <li>No compositing has been applied.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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Criteria	JORC Code Explanation	Commentary
<b>Orientation of Data in Relation to Geological Structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the drilling appears to be roughly orthogonal to the strike of mineralisation and has not introduced a bias.</li> </ul>
<b>Sample Security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>It is assumed that best practices were undertaken at the time</li> <li>All residual sample material is stored securely.</li> </ul>
<b>Audits or Reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>None undertaken.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)



Criteria	JORC Code Explanation	Commentary
<b>Mineral Tenement and Land Tenure Status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Tenement status confirmed on SARIG.</li> <li>All work being reported is from EL 5815 &amp; 5920 (owned by Pirie Resources Pty Ltd, a subsidiary of AXE).</li> <li>The tenement is in good standing with no known impediments.</li> </ul>
<b>Exploration Done by Other Parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Western Mining Corp (WMC) undertook drilling in 1994 targeting the Manganese units at Jamieson Tank with a limited RC drilling program.</li> <li>In 2008 Archer undertook a limited program of 3 holes to test the down dip extensions to the historical WMC drilling on EL 3711 (EL 5920).</li> <li>In 2009, MOX commenced reporting rock chip samples from EL 5815, with the first drilling undertaken in 2008 and the last holes reported on the 8<sup>th</sup> May 2012.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Manganese mineralisation is stratigraphically bound with elevated levels of Ba, this indicates a potential distal VMS environment.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



Criteria	JORC Code Explanation	Commentary
<b>Drillhole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>Easting and northing of the drill hole collar</li> <li>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>Dip and azimuth of the hole</li> <li>Downhole length and interception depth</li> <li>Hole length</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Monax have reported the drilling in releases dated, 15th March 2010, 24th June 2010, 16th July 2010, 9th May 2011 and 8th May 2012.</li> <li>Collar information such as Easting, Northing, Dip and Azimuth are reported in these releases along with what was considered significant mineralisation.</li> <li>For completeness of reporting the details are presented in Appendix 2 of this report.</li> </ul>
<b>Data Aggregation Methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No weighting of data has been undertaken, all discussion about sample intervals refers to single metre intervals.</li> <li>No metal equivalents are being used.</li> </ul>
<b>Relationship Between Mineralisation Widths and Intercept Lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>No relationship appears to occur between widths and lengths at this stage.</li> <li>All holes drilled appear to be orthogonal to the strike of the mineralisation.</li> <li>Any reference to lengths of mineralisation, this is referring to down hole only.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See main body of report.</li> </ul>

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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Criteria	JORC Code Explanation	Commentary
<b>Balanced Reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>The reporting is considered to be balanced.</li> </ul>
<b>Other Substantive Exploration Data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Considerable historical work was completed with geophysical surveys (IP, EM, gravity and magnetics) over the target area to assist in understanding the mineralisation. This work needs review.</li> <li>Additional regional targets have not been followed up.</li> </ul>
<b>Further Work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Figures in the body of this report highlight the gaps in the data.</li> <li>Additional interpretation of geophysical data, reviews and assessments of regional targets and infill/ extensional drilling at Jamieson Tank with a view to report a JORC compliant resource.</li> <li>Additional and ongoing metallurgical research work to refine the EMD process.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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## Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary																		
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>No resource is being reported, although there is considerable data, it is insufficient to be used for an Inferred Resource.</li> <li>Data collection and storage is of a high standard.</li> <li>No validation has been undertaken.</li> </ul>																		
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The competent person has visited the site.</li> </ul>																		
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>There is considerable work to be done to improve the geological model, as such a mineral resource cannot be reported. A lack of structural information prevents adequate geological interpretation, i.e. diamond drilling will reduce the uncertainty of the geological model.</li> <li>Broad assumptions are made about the general dip of the mineralisation and its relationship to the stratigraphy and its orientation in the area.</li> <li>There are a number of faults present in the area that have created off sets in the strike of the mineralisation, the location of these has not been defined by drilling.</li> <li>A Mineral Resource is not being reported, an Exploration target is reported and geology / mineralogy does guide the wireframing.</li> <li>Faulting in the area will affect continuity of grade and geology, this is still unknown.</li> </ul>																		
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being reported.</li> <li>A range is presented for the tonnage prediction, based upon the depth extent projected i.e. from 60m to 100m</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>Lower Range</th> <th>Upper Range</th> </tr> </thead> <tbody> <tr> <td>cumulative width (m)</td> <td>20</td> <td>20</td> </tr> <tr> <td>Strike (m)</td> <td>6600</td> <td>6600</td> </tr> <tr> <td>depth (m)</td> <td>60</td> <td>100</td> </tr> <tr> <td>SG</td> <td>1.9</td> <td>1.9</td> </tr> <tr> <td><b>tonnes</b></td> <td><b>15,000,000</b></td> <td><b>25,000,000</b></td> </tr> </tbody> </table>		Lower Range	Upper Range	cumulative width (m)	20	20	Strike (m)	6600	6600	depth (m)	60	100	SG	1.9	1.9	<b>tonnes</b>	<b>15,000,000</b>	<b>25,000,000</b>
	Lower Range	Upper Range																		
cumulative width (m)	20	20																		
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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Criteria	JORC Code explanation	Commentary
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>A grade estimate of 8-12% is given based upon the nature for the mineralisation to date, an actual estimation will need to be undertaken to provide a more accurate value for Mn%.</li> <li>There is no Mineral Resource Estimation being reported. No wireframes have been created, no statistical analysis of the mineralisation has been undertaken, no estimation of the grade has been undertaken into a block model.</li> <li>An Exploration target is being presented. Simple sectional interpretation has been undertaken on the Mn mineralisation, as such a cumulative width of 20m has been assigned to the sections over a strike of 6,600m.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Only an estimate of 1.9 has been used for the Exploration target, no mineral Resource is being reported.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



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Criteria	JORC Code explanation	Commentary
<p><b>Mining factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented</li> </ul>
<p><b>Metallurgical factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented.</li> <li>Test work to determine the validity of the material being discussed being converted into a commercial product was undertaken by a commercial laboratory Kemetco (based in Canada).</li> <li>Whereby a composite sample grading 12% Mn was leached using SO<sub>2</sub>, providing a pregnant liquor that was then processed to generate a material called Electrolytic Manganese Dioxide. Future work will be orientated to determine a cut off value for Mn to create this material.</li> </ul>
<p><b>Environmental factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented</li> </ul>

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Criteria	JORC Code explanation	Commentary
<p><b>Bulk density</b></p>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented.</li> </ul>
<p><b>Classification</b></p>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented.</li> </ul>
<p><b>Audits or reviews</b></p>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented.</li> </ul>
<p><b>Discussion of relative accuracy/ confidence</b></p>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul style="list-style-type: none"> <li>No Mineral Resource is being reported an Exploration target is being presented.</li> <li>Additional drilling is required to improve the confidence in the mineralisation such that a mineral resource can be reported to allow further studies on the EMD potential.</li> </ul>

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# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
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## Appendix C Assays Kelly Tank Exploration Target

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## Screened Assay results - Kelly Tank

Hole Id	From (m)	To (m)	Interval (m)	Head Grade	-45 micron fraction (%)				
					Al <sub>2</sub> O <sub>3</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)
KTAC20-001	0	5	5	17.82	33.9	0.63	49.2	1.15	40.7
KTAC20-001	5	9	4	19.7	36.1	0.39	47.5	0.55	49.3
KTAC20-001	9	14	5	22.6	35.1	0.43	47.2	1.58	54.1
KTAC20-001	14	19	5	20.8	35.3	0.33	47.4	1.63	54.2
KTAC20-001	19	36	17	No Sample (NS)					
KTAC20-002	1	4	3	18.5	33.7	0.7	49.5	1.44	45.6
KTAC20-002	4	6	2	19.6	33.9	0.69	49.2	1.77	40.7
KTAC20-002	6	8	2	20.9	34.1	0.61	46.4	1.6	53.8
KTAC20-002	8	30		NS					
KTAC20-003	0	3	3	19.1	33.6	0.64	46.8	1.61	50.3
KTAC20-003	3	6	3	18.8	34.4	0.92	48	1.67	43.5
KTAC20-003	6	30		NS					
KTAC20-004	0	2	2	16.2	35.3	0.87	48.6	0.85	40.6
KTAC20-004	2	7	5	19.5	34.8	0.85	48.4	0.82	46.9
KTAC20-004	7	11	4	20.1	33.9	0.39	48.9	1.58	32.8
KTAC20-004	11	15	4	21.4	34.8	0.33	46.7	1.18	59
KTAC20-004	15	33		NS					
KTAC20-005	1	5	4	23	35.9	0.46	46.9	1.82	55.6
KTAC20-005	5	27		NS					
KTAC20-006	0	5	5	17	30.2	1.59	51.7	1.06	35.1
KTAC20-006	5	10	5	20.3	31.1	1.13	50.1	2.02	31
KTAC20-006	10	14	4	18.8	33	1.12	48.6	1.25	38.1
KTAC20-006	14	16	2	20.4	31.7	1.11	48.8	2.27	37.8
KTAC20-006	16	33		NS					
KTAC20-007	1	6	5	20.1	34.8	0.36	48.2	1.56	51
KTAC20-007	6	11	5	21.9	35.1	0.39	47.7	1.74	53.3
KTAC20-007	11	16	5	22.2	35.5	0.33	47.7	1.6	52.6
KTAC20-007	16	33	17	NS					



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## Screened Assay Results - Bunora

Hole Id	From (m)	To (m)	Interval (m)	Head Grade	-45 micron fraction (%)				
					Al <sub>2</sub> O <sub>3</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)
BNAC20-001	1	3	2	19.3	35.1	0.8	49.2	0.61	30.8
BNAC20-001	3	9	6				NS		
BNAC20-001	9	13	4	19.8	32.1	1.07	48.4	1.51	44.8
BNAC20-001	13	17	4	15.4	30.3	0.78	51.5	1.02	37
BNAC20-001	17	18	1	13.8	27.9	0.85	54.6	0.74	26
BNAC20-001	18	27	9				NS		
BNAC20-002	0	17	17				NS		
BNAC20-003	1	3	2	14.4	29.9	1.39	52.9	1.29	24.7
BNAC20-003	3	7	4	19.5	35.4	0.85	47.6	0.87	41.8
BNAC20-003	7	12	5	19.7	35.8	0.43	46.7	1.02	49.2
BNAC20-003	12	16	4	24.4	35.4	0.7	46.5	1.89	59.1
BNAC20-003	16	20	4	23.4	34.4	2.97	45.2	1.75	58.1
BNAC20-003	20	27	7				NS		
BNAC20-004	0	8	8				NS		
BNAC20-005	0	21	21				NS		
BNAC20-006	0	4	4				NS		
BNAC20-006	4	8	4	20.4	35.2	0.8	47.5	1.14	42.1
BNAC20-006	8	11	3	18	36.1	0.39	47.6	0.96	43.9
BNAC20-006	11	13	2	27.8	35.9	0.49	46.2	1.68	63.3
BNAC20-006	13	17	4	21.1	36.2	0.21	47.1	1.04	57
BNAC20-006	17	21	4	21.4	36.8	0.13	46.8	0.78	57.1
BNAC20-006	21	27	6	17.3	35.1	0.42	48.7	0.98	44.6
BNAC20-006	27	36	9				NS		
BNAC20-007	0	4	4	17.7	29	2	53.4	0.81	25.5
BNAC20-007	4	12	8				NS		
BNAC20-008	1	3	2	14.5	31.8	3.32	48.7	0.98	30.8
BNAC20-008	3	18	15				NS		
BNAC20-009	0	8	8				NS		
BNAC20-009	8	11	2	16.7	30.3	2.27	50.5	0.78	30.7
BNAC20-010	0	3	3				NS		
BNAC20-010	3	4	1	17.3	32.3	1.23	51.2	0.78	28.6
BNAC20-010	4	6	2				NS		
BNAC20-010	6	9	4	20	36.1	0.71	47.4	0.63	50.5
BNAC20-010	9	10	1				NS		
BNAC20-010	10	15	5	20.6	36.3	0.67	47.2	0.61	53.5
BNAC20-010	15	20	5	27.3	36.6	0.49	46.2	1.04	71.2
BNAC20-010	20	25	5	20.7	33.5	0.38	49.1	1.28	51.8
BNAC20-010	25	30	5				NS		

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## Screened Assay Results – Bunora East

Hole Id	From (m)	To (m)	Interval (m)	Head Grade	-45 micron fraction (%)				
					Al <sub>2</sub> O <sub>3</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)
BALRC14-002	0	5	5	29.8	33.4	1	48.4	1.85	46.5
BALRC14-002	5	9	4	33.8	35.8	0.8	45.7	2.36	78.6
BALRC14-002	9	12	3	30.4	33	3.04	46.3	1.91	77.6
BALRC14-002	12	25	13	NS					
BALRC14-003	1	5	4	22.4	31.5	1.03	50.9	1.8	47.1
BALRC14-003	5	10	5	22.4	34.4	0.78	48.7	0.72	58.1
BALRC14-003	10	14	4	20.4	35.8	0.8	48.5	0.2	54.1
BALRC14-003	14	19	5	25.8	35.1	1.21	47.2	1.49	67.7
BALRC14-003	19	24	5	23.3	34.2	0.89	48.6	1.17	64.2
BALRC14-003	24	31	7	NS					
BALRC14-004	1	5	4	22.5	34.2	0.83	49.3	1.02	49.5
BALRC14-004	5	10	5	23	35	0.6	48.4	0.93	53.9
BALRC14-004	10	15	5	23.1	36.2	0.67	48.4	0.27	59.4
BALRC14-004	15	20	5	25.1	35.8	0.82	47.6	0.34	68.5
BALRC14-004	20	25	5	22.5	35.2	0.78	48.5	0.24	61.8
BLAC20-001	1	4	3	18.1	34.2	1.32	48.6	1.12	44.9
BLAC20-001	4	8	4	16.9	32	1.42	51.3	0.9	31.7
BLAC20-001	8	18	10	NS					
BLAC20-002	1	5	4	31.8	36.1	0.34	47.3	1.17	75.4
BLAC20-002	5	9	4	34.1	36.8	0.36	46.3	1.16	91.6
BLAC20-002	9	14	5	31.4	36.2	0.32	47.1	1.15	83.9
BLAC20-002	14	19	5	30.9	36.4	0.24	46.2	1.29	78.1
BLAC20-002	19	24	5	23.2	35	0.64	45.8	1.9	61
BLAC20-002	24	26	2	20.9	32.6	1.9	46.6	2.58	49.4
BLAC20-002	26	28	2	NS					
BLAC20-003	1	3	2	12.7	26.3	1.07	56.1	1.41	25.1
BLAC20-003	3	7	4	14.7	28	1.54	53.4	1.56	23.5
BLAC20-003	7	12	5	NS					

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



## Appendix D Drill Hole Data Jamieson Tank Mn

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
CHRC001	622600	6296040	RC	127	210	-60	270	06-Jun-08	Jamieson Tank
CHRC002	622809	6295938	RC	37	210	-60	270	20-Jun-08	Jamieson Tank
CHRC003	622819	6295932	RC	137	210	-60	285	21-Jun-08	Jamieson Tank
CHRC004	622991	6295847	RC	120	210	-60	282	22-Jun-08	Jamieson Tank
CHRC005	622962	6295864	RC	115	210	-60	285	23-Jun-08	Jamieson Tank
CHRC006	623024	6295835	RC	139	210	-60	279	23-Jun-08	Jamieson Tank
CHRC013	623151	6295785	RC	127	210	-60	270	30-Jun-08	Jamieson Tank
CHRC014	623077	6295660	RC	139	210	-60	270	30-Jun-08	Jamieson Tank
CHRC015	623112	6295568	RC	128	210	-60	270	01-Jul-08	Jamieson Tank
JTRC001	622358	6296608	RC	43	248	-60	290	21-May-08	Jamieson Tank
JTRC002	622379	6296594	RC	67	250	-60	290	21-May-08	Jamieson Tank
JTRC003	622400	6296586	RC	85	250	-60	290	24-May-08	Jamieson Tank
JTRC004	622411	6296778	RC	49	251	-60	290	29-May-08	Jamieson Tank
JTRC005	622433	6296768	RC	67	250	-60	290	29-May-08	Jamieson Tank
JTRC006	622454	6296759	RC	85	251	-60	290	27-May-08	Jamieson Tank
JTRC007	622473	6296750	RC	109	252	-60	290	25-May-08	Jamieson Tank
JTRC008	622494	6296740	RC	97	255	-60	290	30-May-08	Jamieson Tank
JTRC009	622518	6296730	RC	55	251	-60	290	30-May-08	Jamieson Tank
JTRC010	622533	6296722	RC	25	253	-60	290	31-May-08	Jamieson Tank
JTRC011	623151	6298056	RC	49	259	-60	290	31-May-08	Jamieson Tank
JTRC012	623172	6298047	RC	67	259	-60	290	31-May-08	Jamieson Tank
JTRC013	623195	6298040	RC	79	256	-60	290	01-Jun-08	Jamieson Tank
JTRC014	623216	6298029	RC	92	263	-60	290	01-Jun-08	Jamieson Tank
JTRC015	623236	6298022	RC	91	259	-60	290	02-Jun-08	Jamieson Tank
JTRC016	623723	6298047	RC	49	272	-60	290	03-Jun-08	Jamieson Tank
JTRC017	623742	6298035	RC	49	272	-60	290	03-Jun-08	Jamieson Tank
JTRC018	623762	6298025	RC	49	271	-60	290	03-Jun-08	Jamieson Tank
JTRC019	623782	6298013	RC	67	270	-60	290	03-Jun-08	Jamieson Tank
JTRC020	623802	6298002	RC	61	269	-60	290	03-Jun-08	Jamieson Tank
JTRC021	623815	6297995	RC	37	273	-60	290	03-Jun-08	Jamieson Tank
JTRC022	623836	6297982	RC	67	273	-60	290	04-Jun-08	Jamieson Tank
JTRC023	623902	6298115	RC	49	272	-60	290	04-Jun-08	Jamieson Tank
JTRC024	623923	6298105	RC	67	276	-60	290	04-Jun-08	Jamieson Tank
JTRC025	623944	6298095	RC	43	275	-60	290	04-Jun-08	Jamieson Tank
JTRC026	623965	6298085	RC	37	277	-60	290	05-Jun-08	Jamieson Tank
JTRC027	623987	6298075	RC	49	278	-60	290	05-Jun-08	Jamieson Tank
JTRC028	624004	6298066	RC	85	279	-60	290	05-Jun-08	Jamieson Tank
JTRC029	624035	6298499	RC	79	268	-60	290	05-Jun-08	Jamieson Tank
JTRC030	624043	6298495	RC	49	271	-60	290	06-Jun-08	Jamieson Tank

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
JTRC031	624051	6298490	RC	55	271	-60	290	06-Jun-08	Jamieson Tank
JTRC032	624054	6298490	RC	55	273	-90	0	06-Jun-08	Jamieson Tank
JTRC033	624038	6298470	RC	49	273	-60	290	08-Jun-08	Jamieson Tank
JTRC034	624046	6298466	RC	49	273	-60	290	09-Jun-08	Jamieson Tank
JTRC035	624048	6298492	RC	30	273	-60	20	09-Jun-08	Jamieson Tank
JTRC036	623609	6297159	RC	55	284	-60	110	10-Jun-08	Jamieson Tank
JTRC037	623588	6297169	RC	55	285	-60	110	10-Jun-08	Jamieson Tank
JTRC038	623565	6297181	RC	61	283	-60	110	11-Jun-08	Jamieson Tank
JTRC039	623546	6297192	RC	25	284	-60	110	11-Jun-08	Jamieson Tank
JTRC040	623124	6298001	RC	49	259	-60	290	11-Jun-08	Jamieson Tank
JTRC041	623144	6297991	RC	49	261	-60	290	11-Jun-08	Jamieson Tank
JTRC042	623163	6297980	RC	55	263	-60	290	12-Jun-08	Jamieson Tank
JTRC043	623183	6297970	RC	85	264	-60	290	12-Jun-08	Jamieson Tank
JTRC044	623204	6297960	RC	85	265	-60	290	12-Jun-08	Jamieson Tank
JTRC045	623901	6298901	RC	44	244	-60	270	06-May-10	Jamieson Tank
JTRC046	623925	6298903	RC	48	244	-60	270	06-May-10	Jamieson Tank
JTRC047	623952	6298903	AC	39	244	-60	270	07-May-10	Jamieson Tank
JTRC048	623962	6298904	AC	31	244	-60	270	07-May-10	Jamieson Tank
JTRC049	623952	6298701	RC	52	251	-60	270	07-May-10	Jamieson Tank
JTRC050	623973	6298704	RAB	49	257	-60	270	08-May-10	Jamieson Tank
JTRC051	623999	6298702	RAB	64	265	-60	270	08-May-10	Jamieson Tank
JTRC052	624029	6298443	RAB	58	281	-60	270	08-May-10	Jamieson Tank
JTRC053	624055	6298442	RAB	40	280	-60	270	08-May-10	Jamieson Tank
JTRC054	624056	6298443	RAB	46	280	-90	0	08-May-10	Jamieson Tank
JTRC055	623960	6298431	RAB	49	273	-60	270	09-May-10	Jamieson Tank
JTRC056	623933	6298431	RAB	46	272	-60	270	09-May-10	Jamieson Tank
JTRC057	623909	6298433	RAB	46	271	-60	270	09-May-10	Jamieson Tank
JTRC058	623985	6298431	RAB	79	273	-60	270	09-May-10	Jamieson Tank
JTRC059	623849	6298101	RAB	69	269	-60	270	09-May-10	Jamieson Tank
JTRC060	623873	6298100	RAB	70	270	-60	270	11-May-10	Jamieson Tank
JTRC061	623898	6298100	RAB	64	271	-60	270	11-May-10	Jamieson Tank
JTRC062	623723	6297901	RAB	49	275	-60	270	11-May-10	Jamieson Tank
JTRC063	623749	6297902	RAB	45	271	-60	270	11-May-10	Jamieson Tank
JTRC064	623773	6297899	RAB	58	267	-60	270	11-May-10	Jamieson Tank
JTRC065	623798	6297898	RAB	58	265	-60	270	11-May-10	Jamieson Tank
JTRC066	623874	6297900	RAB	58	271	-60	270	11-May-10	Jamieson Tank
JTRC067	623900	6297897	RAB	55	274	-60	270	12-May-10	Jamieson Tank
JTRC068	623924	6297899	RAB	52	279	-60	270	12-May-10	Jamieson Tank
JTRC069	623949	6297899	RAB	55	280	-60	270	12-May-10	Jamieson Tank

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
JTRC070	623976	6297901	RAB	52	283	-60	270	12-May-10	Jamieson Tank
JTRC071	623816	6297900	RAB	58	274	-60	270	12-May-10	Jamieson Tank
JTRC072	623672	6297700	RAB	50	262	-60	270	12-May-10	Jamieson Tank
JTRC073	623698	6297701	RAB	53	263	-60	270	13-May-10	Jamieson Tank
JTRC074	623723	6297699	RAB	56	269	-60	270	13-May-10	Jamieson Tank
JTRC075	623750	6297700	RAB	50	271	-60	270	13-May-10	Jamieson Tank
JTRC076	623802	6297702	RAB	49	272	-60	270	13-May-10	Jamieson Tank
JTRC077	623822	6297701	RAB	53	273	-60	270	13-May-10	Jamieson Tank
JTRC078	623849	6297704	RAB	58	267	-60	270	14-May-10	Jamieson Tank
JTRC079	623872	6297698	RAB	46	270	-60	270	14-May-10	Jamieson Tank
JTRC080	623388	6297503	RAB	61	268	-60	270	14-May-10	Jamieson Tank
JTRC081	623416	6297502	RAB	58	264	-60	270	14-May-10	Jamieson Tank
JTRC082	623599	6297501	RAB	52	268	-60	270	14-May-10	Jamieson Tank
JTRC083	623625	6297500	RAB	70	250	-60	270	15-May-10	Jamieson Tank
JTRC084	623648	6297501	RAB	61	253	-60	270	15-May-10	Jamieson Tank
JTRC085	623675	6297504	RAB	72	271	-60	270	15-May-10	Jamieson Tank
JTRC086	623726	6297502	RC	47	272	-60	270	15-May-10	Jamieson Tank
JTRC087	623750	6297500	RAB	73	269	-60	270	17-May-10	Jamieson Tank
JTRC088	623775	6297500	RAB	73	277	-60	270	17-May-10	Jamieson Tank
JTRC089	623798	6297505	RAB	73	280	-60	270	17-May-10	Jamieson Tank
JTRC090	623351	6297301	RAB	67	269	-60	270	17-May-10	Jamieson Tank
JTRC091	623374	6297299	RAB	61	276	-60	270	18-May-10	Jamieson Tank
JTRC092	623493	6297301	RAB	55	278	-60	270	18-May-10	Jamieson Tank
JTRC093	623524	6297301	RAB	58	287	-60	270	18-May-10	Jamieson Tank
JTRC094	623552	6297303	RAB	70	285	-60	270	18-May-10	Jamieson Tank
JTRC095	623572	6297304	RAB	67	274	-60	270	18-May-10	Jamieson Tank
JTRC096	623601	6297303	RAB	58	277	-60	270	19-May-10	Jamieson Tank
JTRC097	623624	6297302	RAB	47	274	-60	270	19-May-10	Jamieson Tank
JTRC098	623649	6297301	RAB	43	274	-60	270	19-May-10	Jamieson Tank
JTRC099	623675	6297301	RAB	49	271	-60	270	19-May-10	Jamieson Tank
JTRC100	623700	6297301	RAB	64	272	-60	270	19-May-10	Jamieson Tank
JTRC101	623724	6297300	RAB	61	273	-60	270	20-May-10	Jamieson Tank
JTRC102	623299	6297098	RAB	55	264	-60	270	20-May-10	Jamieson Tank
JTRC103	623326	6297102	RAB	52	266	-60	270	20-May-10	Jamieson Tank
JTRC104	623448	6297101	RAB	61	279	-60	270	20-May-10	Jamieson Tank
JTRC105	623473	6297101	RAB	23	280	-60	270	20-May-10	Jamieson Tank
JTRC106	623496	6297100	RAB	43	280	-60	270	20-May-10	Jamieson Tank
JTRC107	623524	6297101	RAB	49	279	-60	270	21-May-10	Jamieson Tank
JTRC108	623548	6297103	RAB	86	279	-60	270	21-May-10	Jamieson Tank



# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
JTRC109	623577	6297101	RAB	40	274	-60	270	27-May-10	Jamieson Tank
JTRC110	623601	6297103	RAB	40	274	-60	270	27-May-10	Jamieson Tank
JTRC111	623624	6297100	RAB	52	273	-60	270	27-May-10	Jamieson Tank
JTRC112	623654	6297101	RAB	25	267	-60	270	29-May-10	Jamieson Tank
JTRC113	623398	6296900	RAB	61	265	-60	270	29-May-10	Jamieson Tank
JTRC114	623428	6296902	RAB	70	265	-60	270	29-May-10	Jamieson Tank
JTRC115	623451	6296901	RAB	58	266	-60	270	29-May-10	Jamieson Tank
JTRC116	623469	6296900	RAB	58	266	-60	270	29-May-10	Jamieson Tank
JTRC117	623498	6296900	RAB	61	267	-60	270	30-May-10	Jamieson Tank
JTRC118	623525	6296902	RAB	58	267	-60	270	30-May-10	Jamieson Tank
JTRC119	623552	6296903	RAB	61	266	-60	270	30-May-10	Jamieson Tank
JTRC120	623574	6296902	RAB	70	265	-60	270	30-May-10	Jamieson Tank
JTRC121	623600	6296902	RAB	61	263	-60	270	02-Jun-10	Jamieson Tank
JTRC122	623625	6296903	RAB	50	263	-60	270	02-Jun-10	Jamieson Tank
JTRC123	623651	6296904	RAB	50	263	-60	270	02-Jun-10	Jamieson Tank
JTRC124	623337	6296632	RAB	58	244	-60	270	03-Jun-10	Jamieson Tank
JTRC125	623367	6296637	RAB	58	243	-60	270	03-Jun-10	Jamieson Tank
JTRC126	623429	6296640	RAB	48	243	-60	270	03-Jun-10	Jamieson Tank
JTRC127	623449	6296639	RAB	28	243	-60	270	04-Jun-10	Jamieson Tank
JTRC128	623227	6296299	RAB	52	242	-60	270	04-Jun-10	Jamieson Tank
JTRC129	623251	6296300	AC	42	243	-60	270	05-Jun-10	Jamieson Tank
JTRC130	623275	6296300	AC	48	244	-60	270	05-Jun-10	Jamieson Tank
JTRC131	623300	6296302	AC	30.5	245	-60	270	05-Jun-10	Jamieson Tank
JTRC132	623326	6296304	AC	35	246	-60	270	05-Jun-10	Jamieson Tank
JTRC133	623312	6296301	AC	36	245	-60	270	05-Jun-10	Jamieson Tank
JTRC134	623150	6296102	AC	51	249	-60	270	06-Jun-10	Jamieson Tank
JTRC135	623174	6296102	AC	37	249	-60	270	06-Jun-10	Jamieson Tank
JTRC136	623199	6296101	AC	46	249	-60	270	06-Jun-10	Jamieson Tank
JTRC137	623224	6296101	AC	53	250	-60	270	07-Jun-10	Jamieson Tank
JTRC138	623249	6296100	AC	46	251	-60	270	07-Jun-10	Jamieson Tank
JTRC139	623101	6295900	AC	51	247	-60	270	07-Jun-10	Jamieson Tank
JTRC140	623124	6295899	AC	51	248	-60	270	07-Jun-10	Jamieson Tank
JTRC141	623148	6295901	AC	45	248	-60	270	08-Jun-10	Jamieson Tank
JTRC142	623176	6295900	AC	46	249	-60	270	08-Jun-10	Jamieson Tank
JTRC143	623045	6295900	AC	15	247	-60	270	08-Jun-10	Jamieson Tank
JTRC144	622951	6295500	AC	21	254	-60	270	08-Jun-10	Jamieson Tank
JTRC145	622973	6295500	AC	33	255	-60	270	08-Jun-10	Jamieson Tank
JTRC146	621423	6293050	AC	49	240	-60	270	04-Mar-11	Jamieson Tank
JTRC147	621450	6293051	RAB	59	232	-60	270	04-Mar-11	Jamieson Tank

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
JTRC148	621473	6293048	AC	54	236	-60	270	05-Mar-11	Jamieson Tank
JTRC149	621499	6293049	RAB	40	241	-60	270	05-Mar-11	Jamieson Tank
JTRC150	621527	6293048	RAB	46	239	-60	270	05-Mar-11	Jamieson Tank
JTRC151	621550	6293047	RAB	49	240	-60	270	05-Mar-11	Jamieson Tank
JTRC152	621575	6293049	RAB	43	240	-60	270	06-Mar-11	Jamieson Tank
JTRC153	621599	6293050	RAB	16	239	-60	270	06-Mar-11	Jamieson Tank
JTRC153A	621600	6293050	RAB	60	239	-60	270	09-Mar-11	Jamieson Tank
JTRC154	621624	6293048	RAB	60	242	-60	270	09-Mar-11	Jamieson Tank
JTRC155	621651	6293050	RAB	60	240	-90	270	09-Mar-11	Jamieson Tank
JTRC156	621675	6293048	RAB	60	240	-60	270	09-Mar-11	Jamieson Tank
JTRC157	621700	6293050	RAB	61	237	-60	270	09-Mar-11	Jamieson Tank
JTRC158	621722	6293049	RAB	60	234	-60	270	10-Mar-11	Jamieson Tank
JTRC159	621750	6293049	RAB	60	240	-60	270	10-Mar-11	Jamieson Tank
JTRC160	621777	6293050	AC	60	239	-60	270	10-Mar-11	Jamieson Tank
JTRC161	622198	6294075	AC	37	242	-60	270	10-Mar-11	Jamieson Tank
JTRC162	622225	6294079	RC	54	237	-60	270	11-Mar-11	Jamieson Tank
JTRC163	622254	6294075	RAB	60	241	-60	270	11-Mar-11	Jamieson Tank
JTRC164	622275	6294077	RAB	60	239	-60	270	11-Mar-11	Jamieson Tank
JTRC165	622296	6294076	RAB	19	243	-60	270	11-Mar-11	Jamieson Tank
JTRC165A	622296	6294076	RAB	52	243	-60	270	11-Mar-11	Jamieson Tank
JTRC166	622324	6294076	RAB	52	243	-60	270	14-Mar-11	Jamieson Tank
JTRC167	622350	6294075	RAB	60	239	-60	270	18-Mar-11	Jamieson Tank
JTRC168	622375	6294079	RAB	58	246	-60	270	18-Mar-11	Jamieson Tank
JTRC169	622351	6294799	RAB	54	237	-60	270	20-Mar-11	Jamieson Tank
JTRC170	622372	6294794	RAB	60	245	-60	270	20-Mar-11	Jamieson Tank
JTRC171	622402	6294799	RAB	52	243	-60	270	20-Mar-11	Jamieson Tank
JTRC172	622427	6294798	RAB	50	240	-60	270	20-Mar-11	Jamieson Tank
JTRC173	622450	6294802	RAB	60	239	-60	270	21-Mar-11	Jamieson Tank
JTRC174	622475	6294802	RAB	66	243	-60	270	21-Mar-11	Jamieson Tank
JTRC175	622494	6294803	RAB	61	252	-60	270	21-Mar-11	Jamieson Tank
JTRC176	622526	6294803	RAB	60	252	-60	270	21-Mar-11	Jamieson Tank
JTRC177	622550	6294798	RAB	42	249	-60	270	21-Mar-11	Jamieson Tank
JTRC178	622575	6294800	RAB	49	244	-60	270	22-Mar-11	Jamieson Tank
JTRC179	622600	6294797	RAB	66	245	-60	270	22-Mar-11	Jamieson Tank
JTRC180	622628	6294802	RAB	60	249	-60	270	22-Mar-11	Jamieson Tank
JTRC181	622654	6294803	RAB	60	255	-60	270	22-Mar-11	Jamieson Tank
JTRC182	622849	6295192	RAB	60	243	-60	270	20-Mar-11	Jamieson Tank
JTRC183	622827	6295200	RAB	60	250	-60	270	19-Mar-11	Jamieson Tank
JTRC184	622799	6295198	RAB	60	243	-60	270	19-Mar-11	Jamieson Tank

# INDEPENDENT TECHNICAL REPORT (EYRE PENINSULA PROJECT) (CONT)



EYRE PROJECT  
INDEPENDENT TECHNICAL REPORT



Hole_ID	Easting	Northing	Type	Depth	RL	Dip	Azimuth	Date Drilled	Prospect
JTRC185	622948	6295396	RAB	60	245	-60	270	19-Mar-11	Jamieson Tank
JTRC186	622975	6295397	RAB	60	245	-60	270	19-Mar-11	Jamieson Tank
JTRC187	623001	6295396	RAB	60	246	-60	270	19-Mar-11	Jamieson Tank
JTRC188	622178	6294708	RC	31	239	-60	270	22-Mar-12	Jamieson Tank
JTRC189	622203	6294703	RC	39	234	-60	270	22-Mar-12	Jamieson Tank
JTRC190	622222	6294703	RC	49	233	-60	270	22-Mar-12	Jamieson Tank
JTRC191	622246	6294700	RC	49	236	-60	270	23-Mar-12	Jamieson Tank
JTRC192	622420	6298198	RC	61	245	-60	270	28-Mar-12	Jamieson Tank
JTRC193	622475	6298200	RC	51	239	-60	270	29-Mar-12	Jamieson Tank
JTRC194	622526	6298202	RC	51	245	-60	270	29-Mar-12	Jamieson Tank
JTRC195	623120	6298392	RC	51	235	-60	270	29-Mar-12	Jamieson Tank
JTRC196	623147	6298403	AC	51	247	-60	270	29-Mar-12	Jamieson Tank
JTRC197	623173	6298403	RC	51	247	-60	270	30-Mar-12	Jamieson Tank
JTRC198	624004	6299048	RC	51	258	-60	270	30-Mar-12	Jamieson Tank
JTRC199	624043	6299048	RC	46	259	-60	270	31-Mar-12	Jamieson Tank
JTRC200	624000	6297707	RC	51	271	-60	270	31-Mar-12	Jamieson Tank
JTRC201	621778	6293802	AC	45	231	-60	270	21-Mar-12	Jamieson Tank
JTRC202	621795	6293804	AC	42	230	-60	270	21-Mar-12	Jamieson Tank
JTRC203	621822	6293805	AC	51	233	-60	270	21-Mar-12	Jamieson Tank
JTRC204	621844	6293804	AC	51	231	-60	270	21-Mar-12	Jamieson Tank
JTRC205	621868	6293806	RC	49	234	-60	270	21-Mar-12	Jamieson Tank
JTRC206	621900	6293803	AC	60	237	-60	270	22-Mar-12	Jamieson Tank

# ANNEXURE B

## SOLICITOR'S REPORT ON TENEMENTS



**STEINPREIS PAGANIN**   
Lawyers & Consultants

Level 4  
50 Market Street  
Melbourne VIC 3000  
Telephone: +61 3 9111 9400  
Facsimile: +61 3 9111 9433  
Web: [www.steinpag.com.au](http://www.steinpag.com.au)

**Perth | Melbourne**

3 November 2021

Your Ref:  
Our Ref: MRH:5438-02  
Contact: Matthew Hawtin  
Partner  
[mhawtin@steinpag.com.au](mailto:mhawtin@steinpag.com.au)

The Directors  
ChemX Materials Limited  
Level 1, 1 Tully Road  
EAST PERTH WA 6004

Dear Directors,

### SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the initial public offer of 35,000,000 shares in the capital of ChemX Materials Limited (ACN 644 982 123) (Company) (with oversubscriptions of up to a further 5,000,000 shares) at an issue price of \$0.20 cents per share to raise up to \$8,000,000 (Prospectus).

#### 1. SCOPE

We have been requested to report on the following tenements in which the Company has an interest:

- (a) EL 6634; and
- (b) EL 5920.

(together, the Tenements).

The Tenements are located in South Australia. Details of the Tenements are set out in Part I of the schedule to this Report (Schedule).

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

This Report also contains information regarding the native title and other interests affecting the Tenements.



## ANNEXURE B

# SOLICITOR'S REPORT ON TENEMENTS (CONT)

ChemX Materials Limited  
3 November 2021

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### 2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (Searches):

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Department for Energy and Mining (DEM) (Tenement Searches). These searches were conducted on 11 June 2021 and on 22 October 2021. Key details on the status of the Tenements are set out in Part I of this Report;
- (b) we have obtained searches performed through the SARIG mapping portal maintained by the DEM (SARIG Searches) in relation to the Tenements. These searches were conducted on 13 July 2021, 14 July 2021 and 27 October 2021;
- (c) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (NNTT) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (ILUAs) that overlap or apply to the Tenements. This material was obtained on 11 June 2021 and 27 October 2021. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part II of the Schedule to this Report;
- (d) we have obtained searches of the Register of Aboriginal Sites and Objects kept under the *Aboriginal Heritage Act 1988* (SA) and maintained by the South Australian Department of the Premier and Cabinet for any Aboriginal sites registered over the Tenements (Heritage Searches). The searches were requested on 11 June 2021 and returned on 21 June 2021. Details of any Aboriginal heritage sites are set out in Part II of the Schedule to this Report; and
- (e) we have reviewed all material contracts relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms (details of which are set out in Part IV of the Schedule to this Report) (Material Contracts).

### 3. OPINION

As a result of our Searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches:

- (a) (Company's Interest): this Report provides an accurate statement as to the Company's interest in the Tenements;
- (b) (Good Standing): this Report provides an accurate statement as to the validity and good standing of the Tenements; and
- (c) (Third party interests): this Report provides an accurate statement as to third party interests, including encumbrances and dealings, in relation to the Tenements.

# ANNEXURE B

## SOLICITOR'S REPORT ON TENEMENTS (CONT)



ChemX Materials Limited  
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#### 4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

##### (a) Public land

The land the subject of the Tenements overlaps public land, including reserves. Further details are provided in Section 8 of this Report. The *National Parks and Wildlife Act 1972 (SA)* permits exploration and mining activities on certain mining tenements that overlap public land, provided all necessary approvals are obtained. Although the Company will be able to undertake its proposed activities on those parts of the granted Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should ensure that all necessary approvals are obtained before entering onto the land and commencing those activities.

##### (b) Private land

The Company has served notices of its intention to enter private land under section 58A(1) of the Mining Act in the form required under the Mining Regulations (Form 21A) to 9 private landowners.

In addition, the Company has also served 6 of the 9 private landowners with a notice of intention to commence advanced exploration operations that are not within the ambit of section 58A(1) of the Mining Act. The Company has done so in accordance with section 58A(2) of the Mining Act and in the form required under the Mining Regulations (Form 21B).

The Company has not as at the date of this Report received any notices of objection from these private landowners in respect of the Form 21A or Form 21B notices.

##### (c) Exempt Land

The Mining Act provides that some land is 'exempt' from mining and exploration (Exempt Land). The Company has identified areas of Exempt Land within the area of the Tenements to which the Company requires access as part of its current exploration program and has served notices on 6 private landowners in relation to their Exempt Land.

##### (d) Existing tenements within the area of the Tenements

The SARIG searches have identified the existence of a mining lease and two miscellaneous purposes licences within the area of the Tenements. The areas within these existing tenements are or are likely to be excluded from the Tenements.

##### (e) Material contracts

The Company (formerly NextGen Materials Pty Ltd) has entered into the following material contracts in relation to the Tenements:

- (i) a sale deed with Archer Energy and Resources Pty Ltd (Archer) to acquire 100% of the Tenements (Sale Deed). This agreement has





## ANNEXURE B

# SOLICITOR'S REPORT ON TENEMENTS (CONT)

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completed and the Tenements have accordingly been transferred to the Company;

- (ii) a mineral rights agreement with Pirie Resources Pty Ltd (Pirie) under which the Company has agreed to grant Pirie mineral rights and the right to explore and develop mining operations on the Tenements for the purpose of mining graphite (Mineral Rights Agreement); and
- (iii) a net smelter royalty agreement with Archer as a condition to completion of the Sale Deed and to record the terms on which a royalty will be paid to Archer (Net Smelter Royalty Agreement).

The material terms and conditions of these agreements are summarised in Part IV of the Schedule.

(f) Expenditure

There are currently no material issues with regards to expenditure requirements affecting the Tenements.

(g) Bonds

The Searches indicate that tenement EL 5920 was subject to bond 1020 (bank guarantee) (Bond 1020). Tenement EL 6634 is not subject to a bond.

Bond 1020 was granted pursuant to section 62 of the Mining Act to the Minister for Mineral Resources and Energy (Minister) in respect of any civil or statutory liability likely to be incurred in the course of carrying out mining operations on EL 5920, as well as any present and future obligations in relation to the rehabilitation of the land disturbed by mining operations.

Bond 1020 is unconditional.

We understand that a notice to enter into Bond 1020 was served on the previous holders of the Tenement and that the Company has no obligation in relation to these bonds. Bond 1020 was returned to the previous holders of the Tenement on 20 August 2021. The Company has not as at the date of this Report been served with a notice under section 62 of the Mining Act to enter into a bond in relation to the Tenements.

(h) Caveats

The Company lodged caveats over the Tenements on 18 February 2021 pursuant to the Sale Deed. The caveats were withdrawn by the Company on 10 June 2021.

(i) Native title and Aboriginal Tenements

The Tenements are within the external boundaries of a native title determination as specified in Part II of the Schedule.

### 5. DESCRIPTION OF THE TENEMENTS

The Tenements comprise two exploration licences granted under the *Mining Act 1971* (SA) (Mining Act). Part I of the Schedule provides a list of the Tenements. The Tenements are subject to the standard provisions under the Mining Act and the *Mining Regulations 2020* (SA) (Mining Regulations). We note that the *Statutes Amendment (Mineral*

# ANNEXURE B

## SOLICITOR'S REPORT ON TENEMENTS (CONT)



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*Resources) Act 2019 (SA)* (Amending Act) was introduced in October 2019 to amend the Mining Act as part of a major review of South Australia's mining laws, which commenced on 1 January 2021.

Section 5.1 provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

### 5.1 Exploration Licence

#### (a) Application

An exploration licence may be granted over an "exploration release area" or "open ground". "Exploration release area" is defined in the Mining Act as an area of relinquished ground that is identified as an exploration release area. "Open ground" refers to land that, among other things, is not subject to an existing mineral tenement.

A person may lodge an application for an exploration licence in accordance with the requirements in the Mining Act. If the application relates to an area over which an exploration licence has, among other things, expired, been cancelled or fully surrendered, and is made within the application period specified in a notice published in relation to the relinquished land, the application will be assessed in accordance with the Mining Act. If more than one application is received during the application period, the applications will be ranked according to their merits and the grant will be considered for either the highest ranked application or the application selected by ballot (if two or more applications are assessed as being of equal merit).

If the application relates to land that is not subject to an existing mineral tenement, the application may be made at any time and its determination will take priority over an application for an overlapping area lodged on a later day. If more than one application is received in relation to the same land, the applications will be ranked according to their merits and the grant will be considered for either the highest ranked application or the application selected by ballot (if two or more applications are assessed as being of equal merit).

#### (b) Rights

An exploration licence authorises the licensee to carry out exploratory operations of a kind described in the licence in respect of the land described, or referred to, in the licence. The license does not, however, permit the licensee to carry out exploratory operations for precious stones on land within a precious stones field that is outside an opal development area, or on land within an exclusion zone under the *Opal Mining Act 1995 (SA)*.

#### (c) Area

The area of an exploration licence must not exceed 1,000 square kilometres, unless the Minister considers there are justifiable reasons to allow a larger area. The Amending Act allows the holder of an exploration licence to apply to the Minister for approval to surrender a part of the area of the licence under an agreement that is intended to enable a third party to obtain a new exploration licence in relation to the surrendered land.

#### (d) Term, renewal and relinquishment



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An exploration licence is granted for a term of up to 6 years (and if for a lesser period, can be renewed so as not to exceed 6 years in aggregate during the initial term). An application for renewal of an exploration licence can be made on a 6-yearly basis (in aggregate) up to a maximum aggregate of 18 years, with the area of the exploration licence to be reduced by 50% at the 12<sup>th</sup> anniversary of the grant of the exploration licence. The Minister may make lesser reductions if retention status has been granted in relation to the exploration licence in accordance with the Mining Act.

(e) Retention status

The holder of an exploration licence may apply to the Minister for approval of retention status. The Minister may approve the application where either:

- (i) the tenement holder has been able to obtain 1 or more approvals under another Act or Acts that are required before the tenement holder can commence or continue exploration operations in relation to the land which is the subject of the exploration licence; or
- (ii) there is an identified mineral resource in or under the land that is the subject of the exploration licence and it is not commercially viable at present to mine the resource, but is reasonably likely to become commercially viable within the next 6 years; or
- (iii) there are other circumstances which justify the granting of retention status.

Where retention status is granted, the minimum expenditure requirements may be reduced in the year of grant, the reduction in the area of the licence in relation to a renewal may be lessened and the fees otherwise payable under the Mining Act may be reduced. However, the Minister has the right to impose a work program or require the holder to apply for a mining lease or a retention lease.

(f) Land access and notice requirements

A tenement holder may enter private land to undertake authorised exploration activities if the tenement holder has an agreement with the owner of the land so authorising the tenement holder. The holder of an exploration licence who intends to undertake low impact exploration operations must give written notice to landholders of the relevant land (including native title holders) at least 42 days before entering the land for exploration purposes and access arrangements must be entered into. A copy of such notice must also be served on the Mining Registrar for registration on the mining register.

A tenement holder who intends to undertake advanced exploration operations must also, within 42 days before commencing those operations, provide written notice to landholders of the relevant land (including native title holders) of their intention to commence those operations.

(g) Exempt Land

The Mining Act provides that some land is 'exempt' from mining and exploration (Exempt Land). Exempt Land includes, but is not limited to, land that is lawfully used as a yard, cultivated field or plantation, an airfield, railway or tramway, certain public land used for waterworks, forests, parcels less than

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2,000 square metres or land that is within 150 metres of a building or structure, a spring, well, reservoir or dam.

A tenement holder cannot conduct any activities on that land under its licence or lease in relation to Exempt Land unless the landowner agrees to waive the land exemption and reaches an agreement with the tenement holder about compensation and conditions of entry.

(h) Conditions

Exploration licences may be granted subject to such conditions as the Minister determines. Exploration licences are also issued subject to a standard schedule of general exclusions and conditions under the Mining Act, including environmental conditions, compliance with minimum expenditure, the payment of prescribed royalties and any compensation payable, and observance of environmental protection and reporting requirements. These standard conditions are detailed in Part I of the Schedule. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(i) Royalty

The Mining Act levies a royalty on all minerals recovered from mineral land equal to \$0.52 per tonne for extractive minerals as prescribed in the Mining Regulations and between 3.5% and 5% of the value of the minerals as determined by the Mining Act for minerals other than extractive minerals, which are payable to the State government. However, a royalty is not payable on minerals recovered from mineral land that are removed from the tenement area for the purpose of any testing of a kind approved by the Minister.

(j) Fees

The holder of an exploration licence must pay to the Minister annual fees as prescribed. From 1 July 2021, the annual fee for an exploration licence within Exploration Regulation Fee Zone 1 (in which the Tenements are situated) is currently \$565 or \$13.10 per square kilometre or part of a square kilometre, whichever is greater.

(k) Transfer

An exploration licence or a legal or proprietary interest in an exploration licence cannot be transferred, assigned, sublet or held subject to a trust, whether directly or indirectly, without the consent of the Minister. Such a transfer has no effect unless or until it is consented to by the Minister and is registered on the mining register.

(l) Right to apply for mining lease or retention lease

Under the Mining Act, the holder of an exploration licence may apply for a mining lease or a retention lease in relation to the same land that is the subject of the exploration licence.



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### 6. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenements.

We have undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements. No registered Aboriginal sites were identified from the Heritage Searches. However, there is no obligation under the relevant legislation to register sites or objects and the exact location of Aboriginal sites within the area of a known site cannot be ascertained from these searches.

It is important to note that an Aboriginal site may:

- (a) exist in any area of South Australia;
- (b) not have been recorded in the Register of Aboriginal Sites or elsewhere; and
- (c) not have been identified in previous heritage surveys or reports on that area,

but remains fully protected under the *Aboriginal Heritage Act 1988 (SA)* (SA Heritage Act). Therefore, the absence of any reference to an Aboriginal site of interest from the Aboriginal Heritage Inquiry System is not conclusive.

We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

#### 6.2 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* (Commonwealth Heritage Act) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

#### 6.3 South Australian legislation

The SA Heritage Act provides for the protection of Aboriginal heritage in South Australia.

All holders of interests under a tenement must observe the provisions of the SA Heritage Act in relation to operations on their tenements. The SA Heritage Act makes it an

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offence to damage, disturb, remove or interfere with any Aboriginal site or object of significance to Aboriginal tradition, archaeology, anthropology or history or Aboriginal remains.

The Minister administering the SA Heritage Act may issue a direction prohibiting or restricting access to or activities on the site, an area surrounding the site, the object or remains if the Minister is satisfied that it is necessary for the protection of an Aboriginal site, object or remains. This could theoretically include exploration or mining activities.

The discovery of any Aboriginal site, object or remains must, as soon as practicable, be reported to the Minister by the owner or occupier of the land along with particulars of the nature and location of the site, object or remains.

Aboriginal sites may be registered under the SA Heritage Act, however all registered and unregistered sites are protected. The Heritage Searches confirm that there are no entries for Aboriginal sites within the Tenement areas.

An Aboriginal heritage agreement may be entered into between the Minister and the owner of land on which an Aboriginal site, object or remains is situated which, once registered, will be noted on the relevant instrument. These agreements are in addition to agreements made under Part 9B of the Mining Act. The SA Heritage Act also provides that an Aboriginal heritage agreement between the Minister and landowner is binding on the occupier of the land.

The Tenement Searches confirm that there are no registered Aboriginal heritage agreements with respect to either of the Tenements. We are not able to confirm on the basis of our Searches whether the Company is subject to an Aboriginal heritage agreement as an occupier.

### 7. NATIVE TITLE

#### 7.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands<sup>1</sup>. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring "exclusive possession" such as a freehold interest in the land; or
- (b) in part by the grant of an interest conferring "non-exclusive possession" including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993* (Cth) (NTA):

- (a) provides a process for indigenous people to claim native title rights<sup>2</sup> and compensation<sup>3</sup>;

<sup>1</sup> *Mabo v Queensland (No 2)* (1992) 175 CLR 1

<sup>2</sup> Parts 3 and 4 of the NTA

<sup>3</sup> Part 3, Division 5 of the NTA





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- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments<sup>4</sup>; and
- (c) specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

The NTA has been substantially adopted in South Australia by the enactment of the *Native Title (South Australia) Act 1994* (SA) (NTSA Act). The NTSA Act amended the Mining Act to provide an alternate and complementary State-based system to validate past acts which largely replicates the operation of the right to negotiate process under the NTA in South Australia.

### 7.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (Section 29 Notice), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register.

### 7.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the State is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the "Future Act" procedures) include four alternatives:

1. the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
2. the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;

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<sup>4</sup> Part 2, Division 2 of the NTA

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3. an indigenous land use agreement; and
4. the infrastructure process.

Future Act procedures are provided below.

#### 7.4 Grant of tenements and compliance with the NTSA

Part 9B of the Mining Act provides an alternative State procedure for the validation of Future Acts in South Australia. Part 9B stipulates that the grant of a tenement confers no right to carry out mining operations, including exploring, prospecting or mining for minerals on native title land unless:

- (a) the mining operations do not affect native title (that is, they are not wholly or partly inconsistent with the continued existence, enjoyment or exercise of rights deriving from native title);
- (b) a declaration is made under the law of the State or the Commonwealth that the land is not subject to native title;
- (c) an indigenous land use agreement is registered under the NTA; or
- (d) a determination authorising the mining operations is made under Part 9B of the Mining Act.

As part of this procedure, the holder of an "exploration authority", which includes an exploration licence, can acquire the right to carry out mining operations on the land affected by native title by entering into an agreement with a native title holder or native title claimant authorising the operations.

The procedures relating to validation of Future Acts under South Australian law mirror those established under the NTA and are discussed below.

#### 7.5 Right to negotiate

The primary Future Act procedure prescribed by the NTA is the "right to negotiate".

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNTT, which then has six (6) months to determine whether the tenement can be granted and if so, on what conditions.

The applicable State legislation similarly establishes a procedure whereby a person who seeks a native title mining agreement may negotiate with the native title parties. Under the Mining Act, the person seeking to negotiate with native title parties must be either the tenement holder, the Minister or an association representing the interests of



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tenement holders. The NTSA Act provides that a right to negotiate notice may be served on native title holders in accordance with the NTSA Act.

### 7.6 Expedited procedure

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the State (Objection Period).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the expedited procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.

The NTSA largely replicates the expedited procedure established by the NTA, with the exception that, in the event that an objection is lodged, the Environment, Resources and Development Court must not make a determination to grant the tenement unless it is satisfied after giving the objectors an opportunity to be heard that the operations are in fact operations to which the expedited procedure may apply.

### 7.7 Indigenous land use agreement

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (ILUA) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

### 7.8 Infrastructure process

The right to negotiate and expedited procedures also do not apply for grants of tenements for the sole purpose of the construction of an infrastructure facility under the NTA.

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### 7.9 Renewals

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

### 7.10 Native title claims and determinations affecting the Tenements

Our searches indicate that the Tenements are within the external boundaries of the native title claims and determinations as specified in Part II of the Schedule.

### 7.11 Indigenous land use agreements affecting the Tenements

As at the date of this Report, there are no registered ILUA's in respect of the Tenements.

## 8. ACCESS RIGHTS

### 8.1 Public land – Reserves

Subject to the appropriate regulations for preventing undue interference with public use, the rights conferred by the Mining Act may be exercised in respect of any public road, reserve or place.

Our Searches identify areas of public land within the area of EL 6634, including parks and reserves, conservation parks, conservation reserves and regional reserves.

The land the subject of the tenement overlaps public land as set out in the table below.

Tenement	Public land	Location of overlap
EL 6634	National, Recreation and Conservation Parks	Peripheral
EL 6634	Restricted mineral exploration or production (parks and reserves)	Peripheral
EL 6634	Conservation Reserve	Central

These interests are described in detail at paragraph 11 of this Report below.

### 8.2 Private land

As outlined above at paragraph 5.1(f), a tenement holder may enter private land to undertake authorised exploration activities that are low impact exploration activities if the tenement holder has an agreement with the owner of the land so authorising the tenement holder or has given the owner of the land notice of their intention to enter the land under section 58A(1) of the Mining Act in the form required under the Mining Regulations (Form 21A).



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If a tenement holder intends to commence advanced exploration operations within the areas of the tenements that are not within the ambit of section 58A(1) of the Mining Act, the tenement holder must provide the owner of the land notice of their intention to undertake such operations under section 58A(2) of the Mining Act in the form required under the Mining Regulations (Form 21B).

An agreement between the tenement holder and landowner may involve the payment of compensation to a private landowner for any economic loss, hardship or inconvenience suffered by the owner in consequence of the authorised operations. Any such agreement, as well as a notice served in accordance with the Mining Act to enter the land, must be registered on the mining register.

Our SARIG Searches have identified numerous property boundaries within the areas of the Tenements. On 1 September 2021, the Company issued Form 21A notices to 9 private landowners within the area of the Tenements notifying them of the Company's intention to undertake low impact exploration operations 42 days from the date of service of the Form 21A. Copies of the Form 21A notices have been served on the Mining Registrar in accordance with the Mining Act. The Company has not as at the date of this Report received a notice of objection in respect of the Form 21A notices.

As a precaution, on 27 and 28 October 2021 the Company also served 6 of the 9 private landowners with a notice of intention to commence advanced exploration operations that are not within the ambit of section 58A(1) of the Mining Act. The Company has done so via the issue of Form 21B notices.

Our Tenement Searches have not identified any registered agreements with private landowners.

### 8.3 Exempt Land

As outlined above at paragraph 5.1(g) above, the Mining Act provides that some land is 'exempt' from mining and exploration (Exempt Land). Exempt Land includes (but is not limited to) land that is lawfully used as a yard, cultivated field or plantation, an airfield, railway or tramway, certain public land used for waterworks, forests, parcels less than 2,000 square metres or land that is within 150 metres of a building or structure, a spring, well, reservoir or dam.

A tenement holder cannot conduct any activities on that land under its licence or lease in relation to Exempt Land unless the landowner agrees to waive the land exemption and reaches an agreement with the tenement holder about compensation and conditions of entry.

If a tenement holder has been unable to reach an agreement to waive the benefit of an exemption with a landowner, the tenement holder may apply to the appropriate court for an order waiving the benefit of the exemption for the owner.

Exempt Land cannot be identified via the SARIG mapping portal maintained by the DEM. The Company has, however, identified that there are certain areas of Exempt Land within the areas of the Tenements to which the Company requires access as part of its current exploration program. As such, on or around 22 October 2021 and following the issue of the Form 21A notices, the Company provided written letters to 6 landowners in relation to their Exempt Land requesting that the owners enter into an agreement with the Company to waive the benefit of the exemption (Waiver Letter). The Company has attached to each of these letters a notice in the form required under the Mining Regulations (Form 23A).

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In addition to the Waiver Letters provided to landowners on 22 October 2021, the Company intends to issue a Waiver Letter to another landowner of Exempt Land once drill hole locations have been finalised.

An agreement between a tenement holder and a landowner to waive the benefit of an exemption is subject to a cooling-off period of 5 clear business days, commencing on the date on which the agreement is made (Cooling-off Period). A landowner who has entered into such agreement may rescind the agreement during the Cooling-off Period by giving the tenement holder written notice of their intention not to be bound by the agreement.

As we cannot obtain searches of Exempt Land through our SARIG Searches, we are not able to comment on whether Waiver Letters and Form 23A notices have been issued in relation to all Exempt Land affected by the Company's current exploration program.

#### 8.4 Excluded minerals and area – Mineral Rights Agreement

Pursuant to the Mineral Rights Agreement with Pirie, the Company has the right to explore for, mine or process minerals without restriction, with the exception of graphite. The Company must not conduct exploration for, mine or process graphite, unless Pirie consents in writing to the Company doing so.

The Company is also restricted under the Mineral Rights Agreement from exploring for, mining or processing minerals (other than graphite) within the Wilclo South excluded area contained within the Tenements (Wilclo South Excluded Area). A map of the Wilclo South Excluded Area is contained in Part III of the Schedule.

#### 8.5 Native Vegetation Heritage Agreement

A Native Vegetation Heritage Agreement is a conservation area on private land established between the landholder and the Minister for Environment and Water that contributes to protecting and restoring indigenous biodiversity. Native Vegetation Heritage Agreements are privately owned and legally recognised under the *Native Vegetation Act 1991* (SA). Public access is not permitted without the consent of the landowner.

Our SARIG Searches have identified that boundaries of Native Vegetation Heritage Agreements exist within the areas of the Tenements. Further, there are additional conditions imposed on the Tenements pertaining to Native Vegetation Heritage Agreement areas. Details of those conditions are contained in Part I of the Schedule.

Refer to Part III of the Schedule report for the results of our SARIG Searches identifying Native Vegetation Heritage Agreements. We have not investigated the nature or extent of the Native Vegetation Heritage Agreements, including the existence of any conditions, and cannot comment on whether all required consents (if any) have been obtained.

### 9. LAND SUBJECT TO EXISTING TENEMENTS

#### 9.1 Mining Lease

A mining lease confers on the holder of the lease an exclusive right to carry out mining operations subject to the terms and conditions of the lease for the recovery of minerals from the land and authorises the holder to sell, or dispose of, minerals recovered in the course of those mining operations. A mining lease may only be granted to the holder, or related body corporate of the holder of a registered mineral claim, exploration



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licence or retention lease, in respect of the whole or part of the land comprised in the claim, licence or lease.

Under the Mining Act and Mining Regulations, there are two classes of mining lease – an extractive minerals lease and a mineral lease.

The transitional provisions in the Mining Act provide that a mineral lease (including an extractive minerals lease) granted under the previous repealed mining legislation and in force prior to the commencement of the Mining Act shall be deemed to be a mining lease granted under the Mining Act for the remainder of the period for which it was granted.

Our SARIG Searches have identified the existence of extractive minerals lease EML 6243 within the area of EL 6634 held by R A Venning Nominees Pty Ltd. The details pertaining to the lease are set out in Part III of the Schedule.

The Mining Act does not allow for the grant of more than one mineral tenement simultaneously over an area of land. There are few exceptions to this rule, none of which apply to EL 6634. As such, the area within EML 6243 is excluded from EL 6634 and the Company does not and will not hold any mineral rights in respect of this area. The exclusion of the area within EML 6243 does not impact the Company's current exploration strategy in respect of the Tenements.

We have not obtained or reviewed the terms and conditions (if any) pertaining to the extractive minerals lease.

### 9.2 Miscellaneous Purposes Licence

A miscellaneous purposes licence is a mineral tenement that is granted for the purpose of undertaking operations that are ancillary to the carrying on of any business that may be conducive to the effective conduct of mining operations, or for the purpose of undertaking operations associated with providing amenities for persons engaged in the conduct of mining operations.

A miscellaneous purposes licence may be granted to any person in respect of mineral land.

Our SARIG Searches have identified the existence of miscellaneous purposes licence MPL 150 and MPL 151 within the area of the Tenements, both held by Pirie Resources Pty Ltd (Pirie). The miscellaneous purposes licences were granted to Pirie in December 2017 for the following purposes:

- (a) in respect of MPL 150, for the purpose of the construction, operation and rehabilitation of a crushing and processing facility, tailings storage facility and ancillary infrastructure directly related to the conduct of mining operations authorised under mining tenement ML 6470, a mining lease held by Pirie permitting the recovery of graphite; and
- (b) in respect of MPL 151, for the purpose of the construction, operation and rehabilitation of a water supply well field, water pipelines and ancillary water infrastructure.

The mineral rights granted under the miscellaneous purposes licences are consistent with, and ancillary to the exercise of, Pirie's rights under the Mineral Rights Agreement.

The details pertaining to the lease are set out in Part III of the Schedule.



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The Mining Act similarly precludes the exercise by the Company of any mineral rights over the area of the miscellaneous purposes licences which overlap the area of the Tenements, except where it has obtained the consent of Pirie or the approval of the Warden's Court. The rights conferred by the respective tenements shall then be modified according to the agreement of the parties or the order of the Warden's Court, as the case may require. Such consent has not been obtained by the Company and is not intended to be sought in the near future, as it is not required under the Company's current exploration program.

In the absence of such consent or approval from the Warden's Court, the area subject to the miscellaneous purposes licences will be excluded from the area of the Tenements, and there will be no overlap of the interests.

We have not obtained or reviewed the terms and conditions (if any) pertaining to the miscellaneous purposes licence.

### 10. ENVIRONMENT

#### 10.1 Environmental protection and rehabilitation

The holder of a mineral tenement must comply with their environmental obligations under the Mining Act in respect of authorised operations conducted over the land that is the subject of the tenement. Those obligations include (but are not limited to):

- (a) (Program): The Mining Act prohibits a person from carrying out operations unless a program is in force for those operations, which:
  - (i) specifies the operations that are proposed to be carried out;
  - (ii) sets out the environmental outcomes that are expected to occur as a result of the operations;
  - (iii) contains a statement of the criteria to be adopted to measure those environmental outcomes in a form prescribed by the Mining Regulations;
  - (iv) incorporates information about the ability of the tenement holder to achieve those environmental outcomes; and
  - (v) comply with any requirements prescribed by the Mining Regulations.

The program must be submitted to the Minister for approval. The Minister may approve, reject or require alterations to the program after consultation with the tenement holder in order to ensure the program complies with the Mining Act.

Mineral exploration programs generally begin with an initial 'low impact' exploration phase. As such, a Program for Environment Protection and Rehabilitation (PEPR) for the conduct of low impact exploration operations on all current and future exploration licences can be adopted in accordance with Ministerial Determination 001 (Generic PEPR). The tenement holder need only conduct activities in accordance with the Generic PEPR and no formal submission is required.

The Tenements have been granted subject to conditions relating to the adoption of a PEPR. The details of those conditions are contained in Part I of the Schedule.



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- (b) (Direction to prevent or minimise environmental harm): If authorised activities are being conducted in a way that results in undue damage to the environment, the Minister may direct the holder of a mineral tenement to take specified action to prevent or minimise environmental damage.

The Minister may, by written notice, direct that action be taken:

- (i) to rehabilitate the land in accordance with the requirements of a program; or
- (ii) to rehabilitate the land to a standard required to secure compliance with a condition of a mineral tenement.

The direction may apply to land outside the area of the mineral tenement.

- (c) (Rehabilitation fund): The Mining Rehabilitation Fund is established under the Mining Act and maintained by the Minister. The Minister may require a tenement holder, or former tenement holder, to pay an amount determined by the Minister into the fund.

The Company's operations on the Tenements are also subject to the provisions of the *Environment Protection Act 1933 (SA)*.

### 11. PARKS AND RESERVES

The *National Parks and Wildlife Act 1972 (SA)* (Parks Act) governs the establishment and management of reserves, including national parks, conservation parks, game reserves and recreational reserves, for public benefit and enjoyment. The Parks Act enables the Governor, by proclamation, to declare that, subject to any conditions specified, rights of entry, prospecting, exploration, or mining may be acquired and exercised in respect of land constituting a reserve or portion of a reserve (other than a regional reserve).

If a reserve is proclaimed with access for exploration and mining (referred to as a 'joint proclamation'), these rights are subject to any conditions specified within the proclamation. While the conditions may differ between reserves, the majority of joint proclamations:

- (a) allow for exploration and mining activities within the reserve;
- (b) require the approval of the Minister for Mineral Resources and Energy and the Minister for Sustainability, Environment Conservation for the exercise of rights that are to take place in relation to the reserve; and
- (c) require that the party undertaking the activity give the Minister for Sustainability, Environment and Conservation three months' notice of any drilling, excavation, vegetation clearance or the construction of any road or other structure.

The Parks Act also governs the management of regional reserves, which permit exploration and mining. Section 43A(1) of the Parks Act states that the relevant mining Minister must not grant an application for a mining tenement in relation to a regional reserve without first submitting the application to the Minister administering the Parks Act and considering his/her views. Section 43A(2) of the Parks Act states that the relevant mining Minister must not grant an application for a mining production tenement in relation to a regional reserve without the approval of the Minister administering the Parks Act.

# ANNEXURE B

## SOLICITOR'S REPORT ON TENEMENTS (CONT)



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Our SARIG Searches have identified the following reserves within the areas of the Tenements:

Name of reserve	Joint proclamation made	Tenement
Malgra Conservation Park	Yes	EL 6634
Caralue Bluff Conservation Park	Yes	EL 6634
Heggaton Conservation Park	Yes	EL 6634
Pinkawillinie Conservation Park	No	EL 6634
Carappee Hill Conservation Park	No	EL 6634
Lacroma Conservation Reserve	Yes	EL 6634

We have not reviewed the conditions for exercise of rights under the joint proclamations. We have not investigated the processes undertaken for accessing the reserves and cannot comment on whether all notice requirements (if any) have been complied with.

There are additional conditions imposed on the Tenements pertaining to exploration activities within reserve areas. Details of those conditions are contained in Part I of the Schedule.

### 12. ROYALTIES

We have reviewed the Net Smelter Royalty Agreement between the Company and Archer.

We have identified based on our due diligence investigations that a royalty equal to 2% of the gross proceeds received by the Company from the sale of minerals (excluding graphite) applies to the Tenements.

A summary of the Net Smelter Royalty Agreement is contained in Part IV of the Schedule.

### 13. OTHER INTERESTS AND AGREEMENTS – MINING REGISTER

A mining register is established under Part 2A of the Mining Act, pursuant to which the Mining Registrar under the Mining Act will register mineral tenements and related documents.

The registrations in relation to the Tenements are listed in Part V of the Schedule.

### 14. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;



## ANNEXURE B

# SOLICITOR'S REPORT ON TENEMENTS (CONT)

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- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) references in Parts I, II and III of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (i) the information in Parts I, II and III of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (j) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (k) we have not conducted searches of the Public Register maintained by the Environment Protection Authority;
- (l) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (m) Aboriginal heritage sites or objects (as defined in the SA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the SA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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15. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

STEINEPREIS PAGANIN

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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## SCHEDULE: PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	INTEREST	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (km <sup>2</sup> )	ANNUAL FEE	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
EL 6634	ChemX Materials Limited	100%	01/02/21	31/01/2026	664	No exemption granted. A fee of the amount specified at section 5.1 (j) of this Report applies to the Tenement.	Unless the Minister or Delegate directs otherwise, the Company must spend an amount of no less than \$200,000 on exploration over the Tenement area during the period 1 February 2021 to 31 January 2023.	N/A	See Part II
EL 5920	ChemX Materials Limited	100%	21/02/2019	19/02/2022	54	Exemption granted on 04/05/2020 exempting tenement holder from obligation to pay an annual fee between 01/03/2020 and 01/10/2020 on the condition that payment is deferred until 31/12/2020.	Expenditure commitment for the period 09/06/2021 to 19/02/2022 is \$43,400, as varied by the DEM on 19 October 2021.  Expenditure commitment for the period 20/02/2019 to 09/06/2021 has been satisfied under an amalgamated expenditure arrangement.	Caveat lodged by NextGen Materials Pty Ltd (formerly Baudin Minerals Pty Ltd) on 18/02/2021. Caveat withdrawn on 10/06/2021.  Bond 1020 (Unconditional Bank Guarantee) of \$10,000. This bond was returned on 20/08/2021.  Farm-in Agreement between OM (Manganese) Limited and Pirle Resources Pty	See Part II

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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



TENEMENT	REGISTERED HOLDER / APPLICANT	INTEREST	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (km <sup>2</sup> )	ANNUAL FEE	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
								<p>Ltd and Archer Exploration Limited. The Company has received confirmation that the Farm-in Agreement has since been terminated and is no longer in force.</p> <p>Royalty equal to 2% of the gross proceeds received by the Company from the sale of minerals (excluding graphite) to Archer Energy and Resources Pty Ltd under Net Smelter Royalty Agreement.</p>	

Key to Tenement Schedule

E - Exploration Licence

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus. Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

Notes:

EL 6634

Tenement conditions – general conditions

1. This Tenement confers no rights on the Tenement Holder to carry out authorised operations on native title land (as defined by the Mining Act) within the area of this tenement, other than in accordance with Part 9B of the Mining Act.



# SOLICITOR'S REPORT ON TENEMENTS (CONT)



2.	The Tenement Holder must comply with the laws in force in South Australia in the course of undertaking any operations pursuant to this tenement, including but not limited to the Aboriginal Heritage Act 1988, Environment Protection Act 1993, and Work Health and Safety Act 2012.
3.	Prior to commencing authorised exploration operations, the Tenement Holder must have a stakeholder engagement plan and keep records of consultation undertaken in connection with the authorised exploration operations.
4.	Prior to conducting authorised exploration operations other than the conduct of airborne surveys on this Tenement, an operating approval in the form of a Program for Environment Protection and Rehabilitation (PEPR) must be in force in accordance with Part 10A of the Mining Act and determinations made by the Minister. Failure to comply with an approved PEPR will constitute a failure to comply with the conditions of this Tenement.
5.	Prior to commencing an airborne survey including the use of a drone or unmanned aerial vehicle (UAV), the Tenement Holder must provide written notification to the Department in accordance with regulation 80 of the Mining Regulations using the form 'Notification of an airborne survey on a Mineral Exploration Licence' as determined by the Minister under subregulation 80(2) of the Mining Regulations.
6.	Prior to commencing construction of campsites, track networks, airstrips and other support facilities, those support facilities must be described in a PEPR in accordance with the requirements under Part 10A of the Mining Act and determinations made by the Minister.
7.	Prior to conducting authorised exploration operations other than the conduct of airborne surveys, a PEPR in accordance with Part 10A of the Mining Act and determinations made by the Minister must be submitted to the Department and be approved by the Minister or the Delegate in relation to the following: <ul style="list-style-type: none"> <li>• A Park, Reserve or Specially Protected Area</li> <li>• A wetland of International (RAMSAR) or National Importance</li> <li>• A Native Vegetation Heritage Agreement Area</li> <li>• A State Heritage Area / Place</li> <li>• Exploration operations over the seabed (seaward of low water mark)</li> <li>• Use of vehicles off existing tracks within 100m of a Park or Reserve under the National Parks and Wildlife Act 1972 (SA)</li> <li>• Drilling or use of vehicles off existing tracks within 5km of a Great Artesian Basin spring</li> </ul>
8.	The Tenement Holder must notify the Director of Mines in the event that drilling operations encounter previously unknown underground water in sufficient volumes or flow rates that suggest it has potential for future agricultural or industrial use. The notification must include the location of such underground water and report the analytical results of water samples in the Technical Exploration Report pursuant to the determination made by the Minister under subregulation 78(5)(c) of the Mining Regulations.
9.	The Tenement Holder must give written notice to the Department of a proposal to investigate the use of groundwater on the land for the purpose of water supplies, de-watering, in-situ leaching, waste disposal or other purpose, and provide the results of any such investigation in the Technical Exploration Report pursuant to the determination made by the Minister under subregulation 78(5)(c) of the Mining Regulations.
10.	At least fourteen (14) days prior to commencing drilling operations that are likely to intersect groundwater, the Tenement Holder must advise the Drilling Inspector of the Department for Environment and Water. In the event of artesian conditions being encountered during drilling, the Drilling Inspector must be contacted within twenty-four (24) hours.
11.	The Tenement Holder must submit technical exploration reports, compliance reports, incident reports, and geological samples to the Department during the term of the Tenement pursuant to the requirements of the Mining Act, Mining Regulations and determinations made by the Minister.



12.	This Tenement does not authorise the Tenement Holder to undertake any activities which may significantly deleteriously affect the potential for coal seam methane drainage or in situ gasification of coal within any overlapping Petroleum Exploration Licence, Petroleum Retention Licence or Petroleum Production Licence granted under the Petroleum and Geothermal Energy Act 2000, the application for which predates the application for this Tenement and any former related Tenement, without the agreement of the relevant Licence Holder under the Petroleum and Geothermal Energy Act 2000, or unless otherwise agreed by the Minister after consultation with the parties concerned.
13.	The landholder for the Caralue Bluff Conservation Park and Heggaton Conservation Park within the Tenement area is the Minister for Environment and Water. The 'Notice of Entry (Form 21)' must be sent to the Minister for Environment and Water.
14.	Prior to entering the Caralue Bluff Conservation Park or Heggaton Conservation Park in order to carry out on-ground exploration operations, a PEPR in accordance with Part 10A of the Mining Act and determinations made by the Minister must be submitted to the Department and be approved by the Minister or the Delegate (i.e., the Generic Low Impact PEPR does not apply within Parks and Reserves declared under the National Parks and Wildlife Act 1972 (SA)). In developing the PEPR, the Tenement Holder must have regard to the provisions of any plan of management in operation under section 38 of the National Parks and Wildlife Act 1972 (SA).
15.	Prior to entering the Lacrocha Conservation Reserve in order to carry out on-ground exploration operations, a PEPR in accordance with Part 10A of the Mining Act and determinations made by the Minister must be submitted to the Department and be approved by the Minister or the Delegate (i.e., the Generic Low Impact PEPR does not apply within Reserves).

## Tenement conditions – expenditure conditions

16.	Unless the Minister directs otherwise, the Licensee must expend an amount of no less than \$200,000.00 on exploration in the area comprised in the Licence during the term of the period 1 February 2021 to 31 January 2023.
17.	Pursuant to subsection 30AAA(3) of the Mining Act and regulation 25(c) of the Mining Regulations an Expenditure Return for this Tenement must be submitted within 60 days following the end of the expenditure period.
18.	The expenditure commitment for future expenditure periods will be set following review of the Expenditure Return and will be in accordance with the Exploration Expenditure Policy published from time to time, pursuant to the requirements of subsection 30AAA(5) of the Mining Act.

## EL 5920

## Tenement conditions – standard conditions

19.	The Licence confers no rights on the Licensee to carry out operations on "native title land" (as defined in the Native Title (South Australia) Act 1994) within the area of the Exploration Licence other than in accordance with Part 9B of the Act.
20.	The Licensee shall conduct operations so as not to disturb the environment except in so far as this may be necessary to undertake the programme of exploration required by this Licence.
21.	Unless otherwise specified under conditions of this licence, all low impact exploration activities must be undertaken in accordance with Ministerial Determination 001; Generic Program for Environment Protection and Rehabilitation – Low Impact Mineral Exploration in South Australia (Generic Low Impact Exploration PEPR).

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



22.	Prior to conducting any on-ground exploration activity outside of the scope of the Generic Low Impact Exploration PEPR, an application in accordance with Part 10A of the Act and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
23.	Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, an application in accordance with Part 10A of the Act and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
24.	Failure to comply with an approved PEPR will constitute a failure to comply with the conditions of this licence.
25.	The Licensee must comply with the laws in force in South Australia in the course of undertaking any activities pursuant to this Licence, including but not limited to the Aboriginal Heritage Act 1988, Environment Protection Act 1993, and Work Health and Safety Act 2012.
26.	The Minister (or delegate) may request the Licensee to review and resubmit a revised PEPR for further approval at any time during the term of this Licence (Part 10A of the Act).
27.	In the event that the Licensee encounters significant underground water during drilling operations the Licensee shall notify the exact location of such underground water to the Director of Mines and shall, if practicable, collect samples and forward to the Director of Mines.
28.	The Licensee must conduct exploratory operations in a manner that will prevent contamination or wastage of groundwater at all exploration drillhole sites and is required to complete all exploration drillholes in accordance with Information Sheet M21 – Mineral Exploration Drillholes – General specification for construction and backfilling, approved by the Director of Mines, or as amended from time to time.
29.	At least 14 days prior to commencing drilling operations that are likely to intersect significant groundwater, the Licensee must advise the Drilling Inspector. In the event of artesian conditions being encountered during drilling, the Drilling Inspector must be contacted within 24 hours. Drilling Inspector contact details can be found within the Department for Water, Environment and Natural Resources advice accompanying this Licence.
30.	The Licensee must provide a Six-Monthly Summary Report to the Director of Mines within 30 days after the expiry of each 6 calendar month period from the date this Licence is granted. The Report must contain information as required by the Mineral Exploration Reporting Guidelines – A guide to the preparation and submission of technical reports for exploration in South Australia approved by the Director of Mines, or as amended from time to time.
31.	The Licensee must provide an Annual Technical Report to the Director of Mines within 60 days after the expiry of each 12 calendar months from the date this Licence is granted, and a Final Annual Technical Report within 60 days after the expiry or surrender of the Licence. The Reports must contain information as required by the Mineral Exploration Reporting Guidelines - A guide to the preparation and submission of technical reports for exploration in South Australia approved by the Director of Mines, or as amended from time to time.
32.	In accordance with Regulation 47 and prescribed conditions of this Licence, in the event the Licensee requests the Minister to consider reducing the area of this Licence, the Licensee must submit a Partial Surrender Report within 60 days of making its application to the Minister. The Report must contain information about exploration undertaken in the proposed exclusion area and other information as required by the Mineral Exploration Reporting Guidelines - A guide to the preparation and submission of technical reports for exploration in South Australia approved by the Director of Mines, or as amended from time to time.
33.	Representative drillhole samples are offered to the Geological Survey of South Australia on completion of the program or expiry of the tenement as per the Department's Information Sheet MG18, Submission of Representative Samples for Mineral Exploration Drillholes.
34.	Exploration reports, data and samples required to be submitted under the Act by the Licensee must be in a manner and form acceptable to the Director of Mines.

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



35.	<p>The Minister will endeavour to keep exploration reports, data and samples submitted in accordance with the conditions of this Licence confidential while the Licence is in force except where:</p> <ul style="list-style-type: none"> <li>• the Licensee has agreed that reports may be released;</li> <li>• the reports deal with exploration conducted on areas that have ceased to be part of the licence under the Act;</li> <li>• the release will take place in accordance with Section 77D of the Act (for example data/samples that have been held for at least 5 years); or</li> <li>• documents must be released pursuant to the provisions of the Freedom of Information Act 1991.</li> </ul>
36.	<p>At the planning stage of any aerial survey, the licensee shall provide details to the Director of Mines of the type of airborne survey, area to be surveyed, flight-line spacing, flight height, and method by which landowners have been notified of low level surveys. The "Notification of an airborne survey on a Mineral Exploration Licence" form must be used for this notification.</p>

#### Tenement conditions – expenditure condition

37.	<p>Unless the Minister directs otherwise, the Licensee must expend an amount of no less than \$560,000.00 on exploration in the area comprised in the Licence during the term of this licence. The Company notes that this expenditure amount has been reduced to \$43,400 for the period 09/06/2021 – 19/02/2022 pursuant to correspondence received from the DEM on 19 October 2021.</p>
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#### Tenement conditions – additional conditions

38.	<p>Unless the Minister otherwise determines, if the expenditure commitment of the Licence is not satisfied, the area of land to which the current licence applies shall be reduced by at least 25% by the end of the current term. The boundaries of the reduced area must coincide with whole minutes of latitude and longitude.</p>
39.	<p>Prior to commencing any exploration activity involving the use of vehicles off existing roads/tracks, the use of declared equipment/drilling equipment within a Native Vegetation Heritage Agreement area, a PEPR in accordance with Part 10A of the Mining Act 1971 and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).</p>

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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## SCHEDULE: PART II – NATIVE TITLE & ABORIGINAL HERITAGE

### NATIVE TITLE DETERMINATION

TENEMENTS IMPACTED	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	DETERMINATION NAME	DETERMINATION OUTCOME	DETERMINATION DATE AND DATE OF EFFECT
EL 6634 and EL 5920	SCD2016/001	SAD6011/1998	Croft on behalf of the Barmgaria Native Title Claim Group v State of South Australia	Native title exists in part of the determination area.	06/04/2018

ILUAS

None.

### HERITAGE & COMPENSATION AGREEMENTS

None.

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# ANNEXURE B

## SOLICITOR'S REPORT ON TENEMENTS (CONT)



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SCHEDULE: PART III – SARIG INTERESTS

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WILCLO SOUTH EXCLUDED AREA

The Wilclo South Excluded Area is defined in Figures 1 and 2 below. The co-ordinates for the corner points for the Wilclo South Excluded Area are as follows (MGA94 Zone 53) of:

Northing	Easting
6,316,000	634,000
6,316,000	635,000
6,313,000	634,000
6,313,000	635,000

**Figure 1:** Wilclo South Excluded Area being the area within the red cross hatched rectangle set out below (being the same area as Figure 2):





# ANNEXURE B

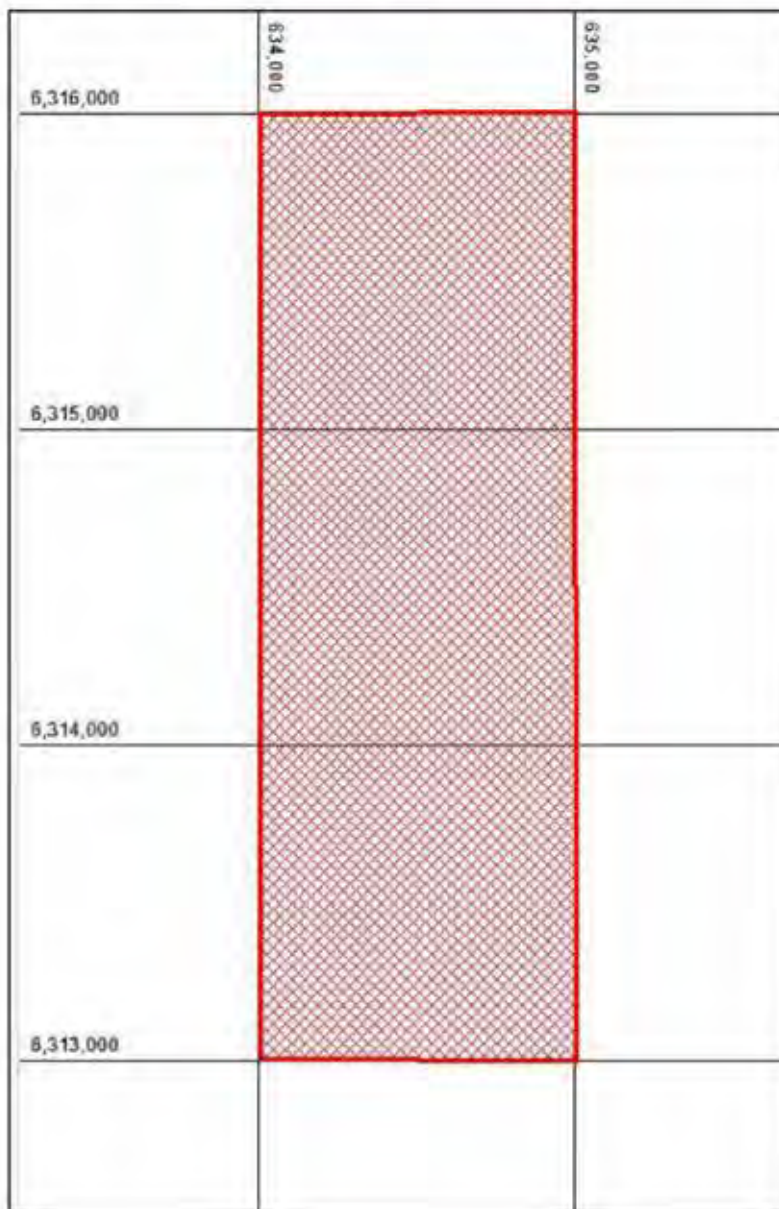
## SOLICITOR'S REPORT ON TENEMENTS (CONT)



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**Figure 2: Wilco South Excluded Area being the area within the red cross hatched rectangle set out below (being the same area as Figure 1):**



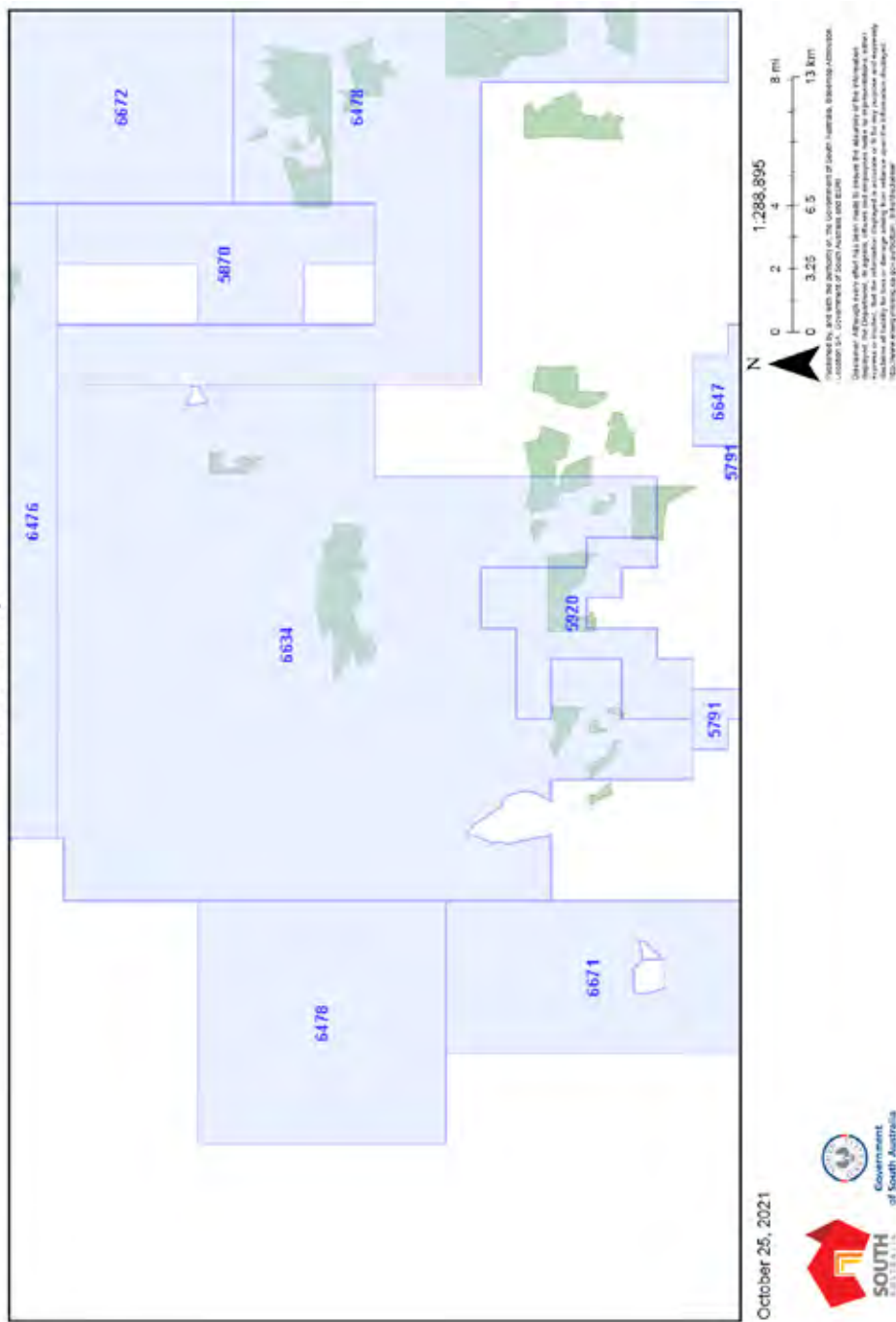


# ANNEXURE B SOLICITOR'S REPORT ON TENEMENTS (CONT)



## NATIVE VEGETATION HERITAGE AGREEMENTS

### SARIG Map



# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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## MINING LEASE

TENEMENT NUMBER	REGISTERED HOLDER	OPERATION NAME	GRANT DATE	EXPIRY DATE	AREA (Ha)	COMMODITY / PURPOSE	LOCATION
EML 6243	R A Venning Nominees Pty Ltd	Venning Sand Pit	20/11/2006	19/11/2034	5.6	Sand	Approx. 12km SW of Kimba

## MISCELLANEOUS PURPOSES LICENCE

TENEMENT NUMBER	REGISTERED HOLDER	OPERATION NAME	GRANT DATE	EXPIRY DATE	AREA (Ha)	COMMODITY / PURPOSE	LOCATION
MPL 150	Pirie Resources Pty Ltd	Campoona Graphite Project	05/12/2017	04/12/2038	499.21	Processing Facility for the refinement of graphite and tailings storage	Campoona area, approx. 25km NW of Cleve
MPL 151	Pirie Resources Pty Ltd	Campoona Graphite Project	05/12/2017	04/12/2038	239.56	Supporting water infrastructure incl pumps, bores and piping network for Sugarloaf site	Jamieson area, approx. 25km NW of Cleve

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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



## SCHEDULE: PART IV – MATERIAL CONTRACT SUMMARIES

### 1. SALE DEED – ARCHER ENERGY AND RESOURCES PTY LTD

The Company (formerly known as Baudin Minerals Pty Ltd) entered into a sale deed with Archer Energy and Resources Pty Ltd (Archer (Sale Deed) under which the Company has agreed to acquire 100% of the Eyre Peninsula Kaolin Project comprising the Tenements (Acquisition or Project) for a deposit of \$50,000, further payment of \$100,000, purchase price upon Completion of \$2,000,000 (Cash Amount) plus additional cash amount (being a dollar amount equal to 5% of the enterprise value of the Company upon listing (Additional Cash Amount) in cash or in shares in the Company upon the listing (Consideration Shares)) and a 2% net smelter royalty (NSR) on production from the Project (as detailed in the Net Smelter Royalty Agreement).

The material terms and conditions of the Sale Deed are summarised below:

Acquisition	<p>Archer agrees to sell all of its legal and beneficial interest in:</p> <p>(a) the tenements comprising the Eyre Peninsula Kaolin Project (being, EL 6634 and EL 5920) (Tenements) from Archer (the parties have acknowledged that EL 5815 had expired and that Archer lodged an application for a subsequent exploration licence (being EL 6634) in respect of the EL 5815 and all references in the Sale Deed to the obligation to sell and transfer EL 5815 to the Company shall be deemed to be a reference to EL 6634);</p> <p>(b) mining information to include all geological, geophysical, geochemical and other technical and non-technical information relating to the Tenements, including geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, maps and plans, relating to the Tenements (Mining Information); and</p> <p>(c) all samples from the Tenements that are in the possession or control of Archer as at the date of the Sale Deed or Completion, before completion of the sale and purchase of the Assets (Completion) (Samples), (together, the Assets).</p> <p>The Company must pay Archer \$50,000 in cleared funds as deposit payment on execution of the Sale Deed (Deposit). The Deposit is non-refundable other than if the Conditions Precedent are not satisfied by the required due date other than because of the default of the Company or the deed is terminated by the Company as a result of Archer having breached a material terms of the Sale Deed.</p>
Deposit	
Further payment and due diligence	<p>(a) From the date of the Deed until 5:00pm ACST on 15 March 2021 (Due Diligence End Date), Archer must provide the Company with all information about the Assets (including the Tenements) reasonably required by the</p>

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



	<p>Company for the purposes of assisting the Company to assess whether it wishes to proceed with the Acquisition promptly or within seven (7) days of any written request being made by the Company.</p> <p>(b) If the Company wishes to proceed with the Acquisition, it must provide to Archer notice in writing and pay \$100,000 (Further Payment) in cleared funds to Archer before 12:00 (noon) ACST on the Due Diligence End Date.</p> <p>(c) The Further Payment payable to Archer are non-refundable to the Company other than if the Condition Precedent in obtaining Ministerial Consent is not satisfied by the required due date other than because of the default of the Company or if this Sale Deed is terminated by the Company as a result of Archer having breached a material term of this Sale Deed and either the breach is incapable of being remedied or has not been remedied within seven (7) days of the Company providing written notice to Archer specifying the relevant breach.</p>
Conditions precedent	<p>The Sale Deed is subject to and conditional upon the satisfaction and waiver of the following conditions precedent on or before the date set out in the relevant conditions precedent, or where no date is specified, by 5:00pm ACST on the cut-off date, being 31 August 2021 (with a potential 2-month extension) as agreed by the parties by subsequent variation to the Sale Deed (Cut-Off Date):</p> <p>(a) (Due Diligence): The Company completing due diligence investigation in relation to the Tenements, given written notice to the Archer that it is satisfied with those due diligence investigation and decision to proceed with the Acquisition on or before the Due Diligence End Date;</p> <p>(b) (Ministerial Consent): The consent of the Minister being obtained under the Mining Act 1971 (SA) and the transactions contemplated by it, either unconditionally or on such conditions that are satisfactory to the parties acting reasonably by 5:00pm ACST on the Cut-Off Date;</p> <p>(c) (Capital Raising): The Company having completed a capital raising to raise not less than \$5,000,000; and</p> <p>(d) (Listing): A listing having occurred and the Company becoming a listed company (Listed-Co).</p>
Termination	<p>If the Conditions Precedent are not satisfied or waived, then the Company or Archer may by notice in writing to the other party, immediately terminate the Sale Deed.</p>
Extension of Cut-Off Date	<p>(a) The Company may extend the Cut-Off Date by:</p> <p>(i) a period of three (3) months by providing written notice to Archer and paying \$100,000 in cleared funds to Archer before 12:00 noon ACST on the then current Cut-Off Date; and</p>

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



	<p>(ii) a further period of three (3) months by providing written notice to Archer and paying a further \$100,000 in cleared funds to Archer before 12:00 noon ACST on the then current Cut-Off Date.</p> <p>(b) The amounts payable to Archer pursuant to this clause (Additional Payment) is not refundable to the Company in any circumstances other than if the Company has complied with its pre-completion obligations and the Ministerial Consent Condition Precedent is not satisfied by then then current Cut-Off Date, other than because of the default of the Company; or if the Sale Deed is terminated by the Company as a result of Archer having breached a material term of the Sale Deed and either the breach is incapable of being remedied or has not been remedied within seven (7) days of the Company providing written notice to Archer specifying the relevant breach.</p>
Pre-Completion	<p>Within 30 days of the date of the Sale Deed, the Company must apply to the South Australian Department for Energy and Mining for consent from the Minister to transfer the Tenements to the Company and the granting of the interests arising pursuant to the Mineral Rights Agreement (as summarised below) and the Net Smelter Royalty Agreement (as summarised below), by duly completing and submitting all necessary forms and supporting documentation required to obtain such approval.</p>
Completion	<p>(a) (Completion Time and Place): Completion will take place at 10:00am ACST on completion date, being the date that is the tenth (10th) Business Day after satisfaction or waiver of the Conditions Precedent or such other date agreed by the parties in writing (Completion Date) at the offices of Archer or at such other place or time as agreed between the parties in writing.</p> <p>(b) (Listing prior to Completion): If listing of the Company (Listing) has occurred on or before 5:00pm ACST on the Cut-Off Date, the Company may by notice in writing to Archer before 5:00pm ACST on the tenth (10th) Business Day prior to Completion, elect to satisfy all or part of the Cash Amount (excluding the Deposit and Further Payment which will have been paid by the Company prior to Completion) (Scrip Election) and the Additional Cash Amount by issuing or procuring the issue of Shares in Listed-Co to Archer, which notice must specify the dollar amount of each of the Cash Amount and Additional Cash Amount that the Company wishes to satisfy by the issue of Listed-Co Shares (Scrip Amount).</p> <p>(c) (Company's Completion Obligation):</p> <p>(i) On or before Completion, the Company must deliver to Archer the Mineral Rights Agreement and the Net Smelter Royalty Agreement duly executed by the Company.</p> <p>(iii) If a Listing has not occurred on or before 5:00pm ACST on the Cut-Off Date, pay the Cash Amount less the Deposit, Further Payment and any Additional Payments (if any) in cleared funds to Archer.</p> <p>(iv) If a Listing has occurred on or before 5:00pm ACST on the Cut-Off Date and the Company does not make a Scrip Election for the entirety of the Cash Amount and Additional Cash Amount, the</p>

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



Company must pay or procure payment of the Cash Amount plus the Additional Cash Amount, less the Scrip Amount (if any) and the Deposit and the Further Payment and any Additional Payments in cleared funds to Archer.

(v) If a Listing has occurred on or before 5:00pm ACST on the Cut-Off Date and the Company makes a Scrip Election, the Company must deliver or procure delivery of the following to Archer:

- (A) a share certificate in respect of the Consideration Shares that are issued in the name of Archer; and
- (B) an opinion of counsel to the Company, who must be duly qualified and acceptable to Archer, dated on or about the date of Completion, and addressed to and expressed to the benefit of Archer with respect to the incorporation and existence of the List-Co, that the List-Co has all requisite power and capacity to carry on its business as presently carried on and own its properties; the authorised share capital of List-Co; the valid issuance of the Consideration Shares; that the Consideration Shares have either been issued pursuant to a prospectus or an available prospectus exemption; and if applicable, the resale restrictions of the Consideration Shares and the fact that the relevant approved stock exchange has conditionally accepted the issuance of the Consideration Shares.

(d) (Archer's Completion Obligations): Subject to the Company completing its Completion obligations, Archer must at Completion:

- (i) deliver to the Company a completed Form 13 duly signed by Archer in respect of the transfer of each of the Tenements from Archer to the Company;
- (ii) deliver to the Company all existing instructions of title relating to the Tenements;
- (iii) transfer title to and all risks of the Assets to the Company on and from the date of Completion;
- (iv) deliver to the Company:
  - (A) the Minerals Rights Agreement duly executed by Pirie;
  - (B) the Net Smelter Royalty Agreement duly executed by the Seiler;
  - (C) all Mining Information in the material form the Mining Information is usually stored in;
  - (D) the Samples, by making them available for collection by the Company from the place at which they are ordinarily stored by Archer; and
  - (E) a release of any encumbrances over the Assets (if any), to the extent that the encumbrances limit or in any way prohibits Archer from transferring the Assets to the Company; and



# SOLICITOR'S REPORT ON TENEMENTS (CONT)



- (v) do all acts and things as may be reasonably required by the Company to vest title to the Assets in the Company and allow the Company full use and enjoyment of the Assets.
- (e) (Anti-Avoidance): If a Listing has not occurred by 5:00pm ACST on the Cut-Off Date but subsequently occurs within twelve (12) months of Completion occurring (Listing Period) and the Company has not disposed of the Tenements to Pirie in accordance with the Mineral Rights Agreement, the Company must or must procure that List-Co will pay to Archer the Additional Cash Amount within 15 Business Days of Listing occurring (Payment Date). The Company may, by notice in writing to Archer, on or before the Payment Date, elect to satisfy all or part of the Additional Cash Amount payable to Archer by:
- (i) issuing or procuring the issue of List-Co Shares to Archer, which shares shall be issued at the Issue Price of List-Co Shares under the initial public offering that equates to the dollar amount of the Additional Cash Amount that it wishes to satisfy via the issue of List-Co-Shares;
  - (ii) paying or procuring payment of the balance of the amount payable to Archer in cash; and
  - (iii) delivering or procuring delivery of the following to Archer:
    - (A) a share certificate in respect of the List-Co Shares that are issued in the name of Archer; and
    - (B) an opinion of counsel to the Company or the List-Co, who must be duly qualified and acceptable to Archer, dated on or about the date of Completion, and addressed to and expressed to the benefit of Archer with respect to the incorporation and existence of the List-Co, that the List-Co has all requisite power and capacity to carry on its business as presently carried on and own its properties; the authorised share capital of List-Co; the valid issuance of the Consideration Shares; that the Consideration Shares have either been issued pursuant to a prospectus or an available prospectus exemption; and if applicable, the resale restrictions of the Consideration Shares and the fact that the relevant approved stock exchange has conditionally accepted the issuance of the Consideration Shares
- (f) (Caveats): Any of the parties may lodge such caveats pursuant to the Mining Act 1971 (SA) as they think fit to protect their interests in the Tenements pursuant to this Sale Deed.

Capitalised terms in this summary have the same meaning and definition as those in the Sale Deed.

The Sale Deed otherwise contains terms and conditions, including warranties (given by both parties), indemnities, and obligations in respect of maintenance of the Tenements until Completion, which are considered standard for an agreement of its nature.



# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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2. MINERAL RIGHTS AGREEMENT – PIRIE RESOURCES PTY LTD

The Company (formerly known as Baudin Minerals Pty Ltd) entered into a Minerals Rights Agreement with Pirie Resources Pty Ltd (Pirie) under which the Company has agreed to grant Pirie Mineral Rights and allow Pirie the right to explore for and if warranted, develop mining operations on the Tenements comprising the Eyre Peninsula Kaolin Project (being, EL 6634 and EL 5920) (Tenements) for the mining of graphite (Minerals) (Minerals Rights Agreement).

The material terms and conditions of the Mineral Rights Agreement are summarised below:

Conditional upon Completion	The parties acknowledge and agree that this Minerals Rights Agreement is conditional upon Completion occurring under the Sale Deed. Where Completion does not occur, the Minerals Rights Agreement will immediately terminate.
Grant of Mineral Rights	The Company grants to Pirie Mineral Rights, being rights: (a) of access to the Tenements for the purposes of Exploring for and if applicable mining and Processing Minerals; and (b) to obtain all approvals required under the Mining Act 1971 (SA) and any other applicable laws and regulations to develop and operate mines and processing facilities for mining and Processing Minerals an all related infrastructure.
Grant of Licence	The Company grants to Pirie a non-exclusive, perpetual, worldwide, royalty-free licence to use, modify, reproduce and adapt the Company's New Information, being the geological, geophysical, geochemical and other technical and non-technical information relating to the Tenements (New Information) for any purpose connected with exploration for Minerals and the exploitation of any Minerals discovered. Pirie grants the Company a non-exclusive, perpetual, worldwide, royalty-free licence to use, modify, reproduce and adapt Pirie's New Information for any purpose.
Access Rights	(a) The Company grants Pirie the right to access the Tenements for the purposes of exploring for Minerals and for the purpose of mining and Processing Minerals which have been or may be Discovered within the Tenements. (b) The Company may not conduct Exploration for, mine or Process Minerals within the boundary of the Tenements, unless Pirie consents in writing to the Company doing so. (c) The Company may conduct Exploration for, mine and Process Excluded Minerals, being any minerals other than graphite (Excluded Minerals) on the Tenements without restriction, provided that the Company may not conduct exploration for, mine or process Excluded Minerals within the boundary of the Wilc0 South Excluded Area as shown in the map in Schedule 1 of the Minerals Rights Agreement.

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



Rehabilitation	Pirie undertakes and agrees that all obligations with respect to the rehabilitation of land subject to the Tenements, which arise in consequence of Pirie's activities or the activities of Pirie's employees, agents or contractors on the Tenements must be carried out on an ongoing and progressive basis.
Work Program	Not less than 21 days before commencing any activities on or accessing or entering the Tenements, Pirie must provide the Company with a detailed written Work Program in respect of those activities. The Company will have 21 days to review each Work Program submitted by Pirie and Pirie must carry out Exploration for Minerals on the Tenements in accordance with the approved Work Program.
Information	Pirie must furnish the Company with reports of its activities on the Tenements at least once every six (6) months or if the conditions to Tenement so require, at the more frequent intervals required in respect of the Tenement.
Costs	The Company must pay all Outgoings in relation to the Tenements promptly when the same falls due for payment. An Outgoing which is calculated by reference to or applies in respect of compensation to a land owner or occupier or native title parties, must be paid by the parties in proportion to the level of activity undertaken by a party to which the compensation relates and an activity (including any security deposit or bond required in connection with a mine management plan) must be paid by the party which engages in the activity giving rise to that Outgoing or its amount in each case, promptly when the same falls due for payment.
Restrictions on exercise of Mineral Rights	Pirie may not exercise the Mineral Rights under Pirie has obtained every Authorisation and every consent or approval required in order for Pirie to exercise the Mineral Rights in the manner and to the extent it intends to do so from time to time.
Transfer of Discovery Tenements	Pirie may in respect of any Mineral resource contained within the Wilclo South Excluded Area or after providing written notice of a Discovery in respect of Minerals to the Company, give notice in writing to the Company stating that it desires the part of the Tenements necessary for mining and Processing of the relevant Discovery to be transferred or sub-leased to Pirie (Transfer Notice). The Company may decline to transfer or sub-lease the Discovery Tenement only if there has been a Discovery of Excluded Minerals on that Discovery Tenement or the Company wishes to conduct further Exploration and assessment work in respect of the Discovery Tenement with a program and timetable for that Exploration and assessment work which is acceptable to Pirie acting reasonably and in good faith, and in any event, cannot decline such a transfer or sub-lease in respect of any Mineral resource contained within the Wilclo South Excluded Area.
Conflicting Development	If it is evident at any time that the Discovery Tenement contains the whole or part of Mineral resource of Minerals as well as the whole or part of a Mineral resource of Excluded Minerals, and Pirie and the Company wishes to proceed with the development of mining operations in respect of the Mineral resource, it must notify the other party in writing accordingly

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



<b>Termination</b>	<p>and the parties must then meet as soon as reasonably practicable to determine the manner in which both Mineral resources can be exploited, whether at the same time or consecutively and if consecutively, which is to have priority. Any Mineral resource in respect of the Wilc0 South Excluded Area shall take priority over any Mineral resource of Excluded Minerals.</p> <p>(a) The Mineral Rights Agreement may be terminated by written agreement of Pirie and the Company.</p> <p>(b) The Mineral Rights Agreement will automatically terminate if no Discovery is made by Pirie within 20 years of the date of the Mineral Rights Agreement or Pirie is placed in liquidation or provisional liquidation, dissolved without liquidation, placed in administration, enters into a scheme of arrangement or composition with its creditors or any class of them or a receiver or receiver and manager is appointed over any of its assets or undertaking.</p> <p>(c) Pirie or the Company may at any time and from time to time by not less than 14 days' written notice to the other determine that the Mineral Rights Agreement no longer apply or if either of the Tenements comprise more than one mining tenement, will no longer apply to the mining tenement specified in the notice, with the effect that the Notifying Party will thereafter have no further rights in respect of the Tenement or the mining tenement specified in the notice.</p>
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Capitalised terms in this summary have the same meaning and definition as those in the Mineral Rights Agreement.

The Mineral Rights Agreement otherwise contains terms and conditions, including undertakings and warranties (given by both parties), confidentiality provisions, indemnities, and obligations in respect of maintenance of the Tenements, which are considered standard for an agreement of its nature.

3. NET SMELTER ROYALTY AGREEMENT – ARCHER ENERGY AND RESOURCES PTY LTD

The Company (formerly known as Baudin Minerals Pty Ltd) entered into a Net Smelter Royalty Agreement with Archer Energy and Resources Pty Ltd (Archer) (Net Smelter Royalty Agreement) as a condition to Completion under the Sale Deed and to record the terms of the Royalty and the basis on which it is to be paid to Archer.

The material terms and conditions of the Net Smelter Royalty Agreement are summarised below:

<b>Condition Precedent</b>	The Net Smelter Royalty Agreement is subject to and conditional upon and shall not be binding unless and until, Completion as defined in the Sale Deed occurs.
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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



<p>Royalty Obligation</p>	<p>As from the date of Completion under the Sale Deed (Effective Date) or the date on which the extraction and recovery of any Mineral or metallic product extracted and recovered from the Ore from the Mining Area which is capable of being sold or otherwise disposed of, other than graphite (Product) (whichever is later) (Completion Date), for each Quarter in which any Product is produced and sold, removed or otherwise disposed of, the Company agrees to pay Archer Royalty calculated by multiplying the Royalty Percentage being 2% by the Net Smelter Return. The obligation to pay the Royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of Products.</p>
<p>Trading Arrangements</p>	<p>Each party acknowledges that the other party may engage in Trading Arrangements, being forward sale and/or purchase contracts, spot deferred contracts, futures trading and commodity option contracts and/or other price hedging and price protection arrangements and mechanisms and speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges (Trading Arrangements) which may involve the delivery or possible delivery of any mineral products and except as otherwise provided in the Net Smelter Royalty Agreement, the Company has no obligation to account to Archer for and Archer has no interest or right to participate in any profits or incur any losses of Trading Arrangements engaged in by the Company.</p>
<p>Relinquishment of Tenements</p>	<p>The Company must give Archer at least 30 days prior written notice of its intention for any reason to relinquish, surrender or not renew or extend the whole or any part of any of the Tenement (Relinquished Tenement) prior to that relinquishment, surrender or failure to renew or extend the Tenement.</p>
<p>Registration of Interest in Royalty</p>	<p>As soon as practicable after the Effective Date, the Company must do all things reasonably required by Archer to register or procure the registration of the Company's Royalty interest as granted pursuant to the Net Smelter Royalty Agreement on each of the Tenements.</p>
<p>Insurance</p>	<p>Prior to the date on which the extraction and recovery of any Product commences from the Mining Area, the Company must purchase or otherwise arrange at their own expense and keep in force at all times, insurance for the loss, theft or destruction of Products arising out of or resulting from the Mining Operations conducted on or relating to the Mining Area in such amounts as will adequately protect the Company and Archer. The cost of such insurance is an Allowable Deduction from Gross Revenue.</p>
<p>Assignment</p>	<p>The Company may not sell, transfer, grant, assign or otherwise dispose of (including by way of establishing a joint venture) (Transfer) all or part of its rights, title or interest in any of the Tenements, or any rights in relation to Products extracts and recovered or to be extracted and recovered from the Mining Area to a Third Party or any Related Entity or otherwise except:</p>

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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	<p>(a) by the sale of Products and if the terms of sale are not Arm's Length Terms or are sold pursuant to a Pre-paid Offtake or Stream, then the Company is deemed to receive a value;</p> <p>(b) if the proposed transferee has first executed and delivered to the Company an Assumption Deed in favour of Archer executed by the Company and the transferee of the interest and rights being the subject of the Transfer;</p> <p>(c) in the case of the Company's rights to graphite, but not any Minerals, pursuant to the Minerals Rights Agreement; or</p> <p>(d) by way of a Security Interest which is expressly subject to the Royalty and which is accompanied by an Assumption Deed in favour of Archer under which the Secured Party agrees to be bound by the terms of the Net Smelter Royalty Agreement in exercising the Secured Party's powers or remedies under the Security Interest, as if it was a party to this Net Smelter Royalty Agreement.</p>
<p>Payer release and survival</p>	<p>The Company is released from its obligations under this Net Smelter Royalty Agreement in respect of the interest the subject of the Transfer as from the date of the Transfer, but only if a Transfer is completed strictly in accordance with the Net Smelter Royalty Agreement, but without affecting its obligations arising prior to that date. The rights of Archer survive the Transfer and do not merge on or by virtue of completion and registration of the Transfer.</p>
<p>Sale of Interest</p>	<p>If Archer wishes to sell, assign, transfer or otherwise dispose of the whole or part of its rights under this Net Smelter Royalty Agreement (Available Interest), other than to a Related Transferee of Archer, Archer must first offer to sell the whole of the Available Interest to the Company for cash (Cash Consideration) and not for any other consideration.</p>

Capitalised terms in this summary have the same meaning and definition as those in the Net Smelter Royalty Agreement.

The Net Smelter Royalty Agreement otherwise contains terms and conditions, including representations, warranties and acknowledgments (given by both parties), confidentiality provisions, indemnities and obligations (including maintenance of tenements), which are considered standard for an agreement of its nature.

# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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## SCHEDULE: PART V – TENEMENT REGISTRATION DETAILS

NO.	INSTRUMENT CATEGORY / TYPE	INSTRUMENT SUB CATEGORY	START DATE / CONSENT DATE	DETAILS	COMMENT
EL 6634					
50473	Notice	Entry	02/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations – H501100 S 22 & 23 SJ & DL Pengelley	-
50472	Notice	Entry	02/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations - H501100 S 10, 11 & 12 John A & Michelle Cathro	-
50471	Notice	Entry	02/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations - H501100 S 19 JA & BJ Pengelley	-
50470	Notice	Entry	01/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations – D75015 A50 q51 & D23971 A1 KL and JA Allen	-
50469	Notice	Entry	02/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations - H501100 S 20, 25, 157, 195 & 207 MS & DK Kassebaum	-
50468	Notice	Entry	02/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations - H501100 S 17, 18, 26, 174 & 175 CB & TL Nottle	-

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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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50466	Notice	Entry	10/09/2021	Form 21A – Notice of entry on land – prospecting and low impact operations – F123892 A 12 & 13 BN & CM Humphries	-	
EL 5920						
50467	Notice	Entry		Form 21A – Notice of entry on land – prospecting and low impact operations – F2552 A3 Douglas M, Brodie S & Jamie W Pearson	-	
50466	Notice	Entry		Form 21A – Notice of entry on land – prospecting and low impact operations – F123892 A12 & 13 BN & CM Humphries	-	
50465	Notice	Entry		Form 21A – Notice of entry on land – prospecting and low impact operations – H530500 S 28 & 30 AD & TB Harris	-	
50334	Bond	Return	20/08/2021	Bond #1020 Unconditional Bank Guarantee – returned	-	
50268	Information	Change of name	06/07/2021	From NextGen Materials Pty Ltd to ChemX Materials Limited	-	
50214	Dealing	Transfer	10/06/2021	100% from Archer Energy & Resources Pty Ltd to Nextgen Materials Pty Ltd.	Steinepreis Paganin has reviewed this agreement	
50213	Caveat	Lapsed	10/06/2021	Caveat lapsed - withdrawn by the caveator - RI 50165	-	
50201	Information	Change of Address	01/06/2021	Postal address to PO Box 190 Belair SA 5052	-	

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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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50165	Caveat	Absolute	07/05/2021	Lodged by Baudin Minerals Pty Ltd on 18/02/2021 pursuant to Sale Deed – Eyre Peninsula Kaolin Project between Baudin Minerals Pty Ltd and Archer Energy and Resources Pty Ltd	Steinepreis Paganin has reviewed this agreement
43033	Memorandum of Exemption	-	23/04/2020	<p>EXEMPTION is hereby given pursuant to section 79 of the Mining Act 1971 to the holders of the exploration licences listed in the Schedule 1 attached hereto (tenement holders) as set out in this memorandum.</p> <p>I, Minister for Energy and Mining, being satisfied that circumstances exist to justify me in doing so, do hereby:</p> <p>EXEMPT the tenement holders from the obligation to comply with the expenditure commitment set out in Schedule B of their respective exploration licence conditions from the date of this memorandum for a period expiring on 31 March 2021.</p> <p>EXEMPT the tenement holders from the obligation to comply with subsection 31(1) of the Mining Act 1971 to 'pay to the Minister, annually and in advance' any exploration licence annual fee due between 1 March 2020 and 1 October 2020 on the condition that payment is deferred until 31 December 2020.</p>	Expires 31/03/2021
42352	Renewal	-	21/02/2019	3 year renewal. The conditions contained in the Exploration Licence with the following variation of Schedule B, 'The amount of \$840,000 is to be spent on exploration during the period 20/02/2019 to 19/02/2022', all previous exploration expenditure commitment being deemed to have been met.	<p>Expires 19/02/2022</p> <p>The Company has been advised by the DEM that the expenditure</p>

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# SOLICITOR'S REPORT ON TENEMENTS (CONT)



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42052	Transfer	-	10/08/2018	100% from Pirie Resources Pty Ltd to Archer Energy & Resources Pty Ltd.	Unless the minister otherwise determines, if the expenditure commitment of the licence is not satisfied, the area of land to which the current licence applies shall be reduced by at least 25% by the end of the current term. The boundaries of the reduced area must coincide with whole minutes of latitude and longitude.	commitment up until the date of transfer (being 9 June 2021) has been satisfied under an amalgamated expenditure arrangement. The Company's expenditure commitment for the period 09/06/21 to 19/02/22 is \$43,400, as varied by the DEM on 19 October 2021.
42051	Sale Agreement	-	10/08/2018	Tenement Sale and Purchase Agreement between Pirie Resources Pty Ltd and Archer Energy and Resources Pty Ltd.		-
39515	Bond - Current	-	05/12/2014	Bond 1020 - Unconditional Bank Guarantee \$10,000.		-
35309	Farm-In / Joint Venture	-	23/04/2010	Farm-In Agreement between OM (Manganese) Limited and Pirie Resources Pty Ltd and Archer Exploration Limited		Steinepreis Paganin has not been provided with and has not reviewed this agreement

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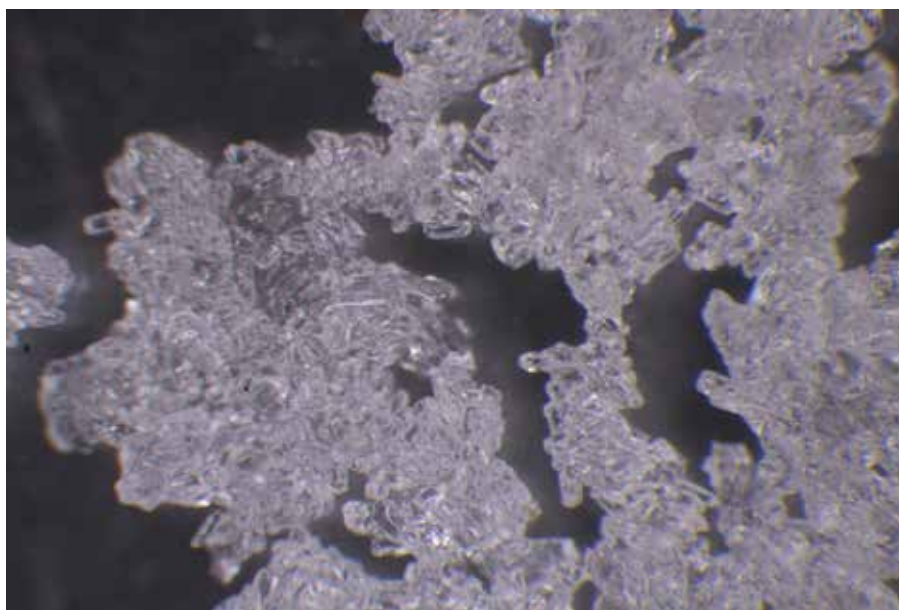
# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY



## ChemX-Materials Limited High Purity Alumina Technical Expert Report

Project: 1112-NXG-TR-001 Rev 5

Date: 15<sup>th</sup> October 2021



Microscope image of High Purity Alumina

#### Document Status

Revision	Issue Date	Written	Reviewed	Approved
DRAFT Rev 0	14 <sup>th</sup> June 2021	Steven Hoban	Tony McKay	Steven Hoban
Client Review		Nicholas Welham		Steven Hoban
Rev 1	18 <sup>th</sup> June 2021	Steven Hoban	Tony McKay	Steven Hoban
Rev 2	20 <sup>th</sup> June 2021	Steven Hoban	Tony McKay	Steven Hoban
Rev 3	12 <sup>th</sup> July 2021	Steven Hoban	Tony McKay	Steven Hoban
Rev 4	10 <sup>th</sup> September 2021	Steven Hoban	Tony McKay	Steven Hoban
Rev 5	15 <sup>th</sup> October 2021	Steven Hoban	Tony McKay	Steven Hoban

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



## Disclaimer

BHM Process Consultants Pty Ltd ("BHM") has executed this study along professional and thorough guidelines, within their scope of work. It is based largely and materially, however, on details, information and assumptions provided by others and BHM cannot therefore guarantee the correctness of the review or study.

The conclusions and recommendations in this study are believed to be prudent and reasonable in the context in which they are expressed and are founded on experience, preliminary calculations and information provided. The opinions expressed in this review are given in good faith but are not a substitute for your own evaluation and analysis of the information available. The opinions expressed are based solely on the information provided to BHM.

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



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# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



## 1. Introduction

This Independent Technical Expert's Report has been prepared by BHM Process Consultants Pty Ltd ("BHM") at the request of ChemX Materials Limited ACN 644 982 123 ("ChemX") for inclusion in a Prospectus to be lodged by ChemX with the Australian Securities and Investments Commission. This Report is current as at its date and is subject to the assumptions and qualifications set out herein.

BHM has had no involvement in the preparation of the Prospectus, other than in respect of this Report. BHM is considered independent of ChemX for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Prospectus in the form and context in which it is included.

ChemX Materials (ChemX) are focusing on the development of a novel processing route for production of High Purity Alumina (HPA) from a varying supply of feedstocks.

The HPA development space has been the focus of a number of companies over the last decade with a number of feasibility studies reported in the open market, predominantly utilising the technology developed by the United States Bureau of Mines process that was patented in the 1960's and developed in the 1980's.

ChemX have undertaken some preliminary metallurgical testwork utilising a revised process flowsheet and replaced the USBM process aluminium purification and precipitation stages with a completely alternate unit operation that they envisage will provide a significantly simpler operation, reduced capital and operating cost and many other key project benefits to a HPA production facility.

BHM Process Consultants Pty Ltd (BHM) were requested by ChemX to undertake an investigative review of the information they have available pertaining to their new processing route for HPA production and provide an independent technical expert report (ITER) on the subject.

BHM are a consulting firm based in Perth, Western Australia who have designed and undertaken metallurgical testwork programs for multiple clients, on a number of kaolin based feedstocks over the last 5 years and have significant experience and familiarity with the processes involved and the market space.

## 2. Information Reviewed

A number of preliminary internal reports were provided to BHM to base their assessment upon. A full sighter testwork report relating to the process effectiveness undertaken on a New South Wales aluminiferous clay resource is the basis for any metallurgical performance determinations.

A series of other technical, market and commodity price documents were reviewed to qualify the potential of the ChemX process utilising alternate aluminiferous feedstocks against the traditional owner operate kaolin mine principle that has been adopted by a majority of other current potential producers.

1. Proof of Concept Testwork Report.
2. Alternate feedstock assessments (internal).
3. Process mass balances to HPA product with and without reagent recovery.
4. Internal ChemX technical development reports.



### 3. Process Comparison – USBM versus ChemX

BHM have attempted to summarise and qualify the key differences between the proposed ChemX process route and that which would be considered the current industry standard to further evaluate the new technology.

HPA is presently produced by vertically integrated end-users predominantly derived from aluminium metal being converted back into an oxide form.

The USBM process is the basis for the only new HPA production facility under construction and that may be brought online in the foreseeable future subject to receiving funding, that being the Altech project in Malaysia. A number of attempts at piloting and proving the technology have been undertaken with mixed to poor results, a key example being the Orbite Technologies facility in Canada, now owned by Advanced Energy Minerals.

#### 3.1. Technical Evaluation – The USBM Process

The first step is to compare a new technology process purely from a chemistry and technical viability perspective against that which is considered the traditional processing route.

Most other potential producers own and obtain their feedstock from an operating kaolin mine providing a beneficiation product to the HPA facility. This kaolin is inert in its natural form and requires calcining at 700 °C to convert it to a reactive and soluble form, metakaolin in preparation for the USBM process.

The basis for the USBM process is that an aluminous feedstock is dissolved into hydrochloric acid (HCl) at high concentration for extraction of the aluminium into solution, typically at moderate temperature of 85-105 °C.

Once the aluminium is present in a chloride solution, HCl gas is bubbled through the solution to increase the chloride beyond normal saturation limits and provide a driving force for the precipitation of aluminium chloride hexahydrate, or ACH.

As the precipitation process occurs, the aluminium content of the solution decreases until it reaches equilibrium again and no more aluminium will precipitate. At the end of the precipitation process, other species can also form chloride complexes and co-precipitate on the ACH crystal surfaces.

Thus, the first stage of precipitation is considered a crude crystal and the ACH is re-dissolved in ultra-pure water and the process repeated 1-2 more times to achieve the necessary purity to achieve a final product pure enough to proceed to roasting and oxidation to form the oxide, or HPA product.

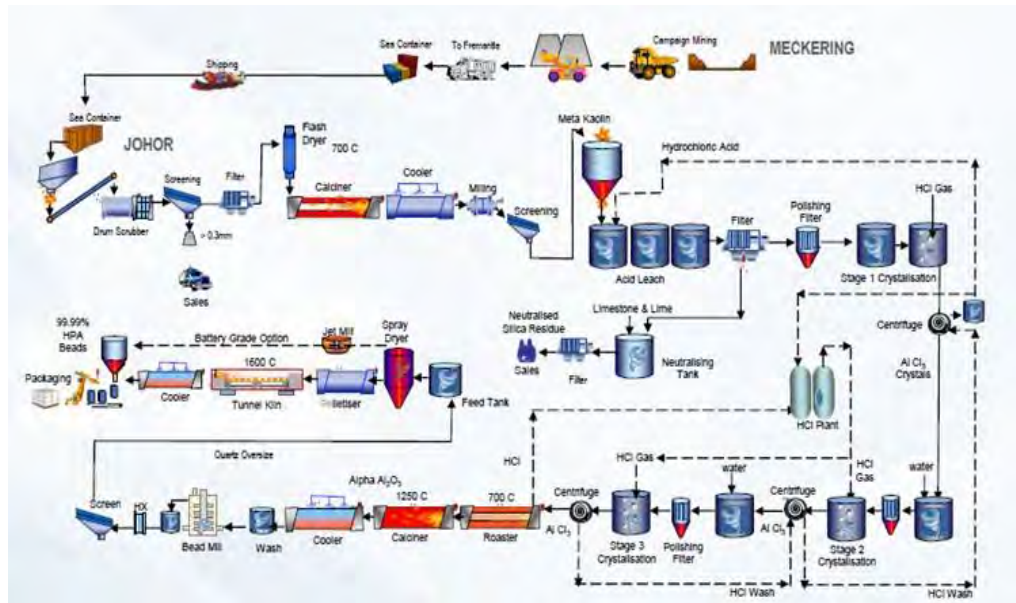
A pictorial view of the typical USBM process flowsheet is displayed below for clarification of the entire process.



# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



Figure 1 : USBM HPA Process Flowsheet as announced to ASX by Altech on 14 May 2021



The Stage 3 ACH crystals are considered at purity for conversion to HPA. The first stage 700 °C roaster is an intermediate step in order to drive off the chloride contained in ACH as hydrogen chloride gas and water. The ACH crystal itself is only 10% aluminium with the rest being comprised of 45 % Cl and the remainder water.

The depleted ACH is then fed directly into an oxidative roaster for conversion to the final HPA crystal, which is then jet milled and size reduced to market specification.

The process and the associated chemistry are sound from a theoretical and bench-scale perspective and has been demonstrated on many occasions, including within BHM managed testwork programs.

The upscale and continuity of such a process however has not been demonstrated in a continuous operating environment by which product purity is constantly maintained from such a dynamic system.

### 3.2. Technical Evaluation - The ChemX Process

The key difference of the ChemX process is that the HCL gas injection purification and precipitation stages are replaced with a much simpler intermediate process that can generate the required solution purity for proceeding to roasting within one simpler unit operation as opposed to three.

ChemX propose to eliminate the owner / operate mine scenario from the business case and obtain aluminiferous feedstocks from a number of potential sources, this will be further discussed in the next Section 4 – The ChemX Model.

In reference to Figure 1 above, all the equipment from Stage 1 crystallisation, up until the 1250 °C roaster is replaced with a series of smaller vessels and one precipitation tank and one centrifuge. This

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



includes the complete removal of the HCl Plant which will be elaborated in section 5 - Economic Impact.

The ChemX purification process, whilst novel in its inclusion within the HPA production environment, has been proven and is well utilised within other metal purification processes for many years.

The preliminary testwork undertaken also demonstrates this with the purified solution producing a final HPA solids grade of 99.993 % Al<sub>2</sub>O<sub>3</sub> or 4N product grade.

**Table 1 : Proof of Concept ChemX HPA Assays**

Element	ppm raw	ppm washed
Si	84.6	22.0
Fe	26.3	15.0
Na	20.9	2.7
K	11.7	4.2
Ca	6.5	4.1
S	10	10
Others	13.3	9.6
Total	173.2	67.7
Purity (%)	99.983	99.993

The result displayed in Table 1 is from a relatively unoptimized series of tests and a number of parameters remain open that can improve the results further.

The ChemX precipitation route also differs vastly from that of the USBM process. The USBM process is limited in that only aluminium generated from a chloride matrix may be entertained due to the nature of the hydrogen chloride gas inject precipitation method.

The ChemX purification process includes a final concentration step by which the solution matrix is manipulable and almost any anionic carrier can be entertained as it is simply a carrier of the aluminium from the purification stage to product via an intermediary salt species.

The presently entertained option is the use of caustic soda as NaOH which produces an intermediary salt of aluminium oxide hydroxide (AlOOH<sub>(s)</sub>) to present to HPA roasting meaning the dominant off-gas is water vapour and not hydrogen chloride gas, thereby greatly reducing gas capture requirements.



## 4. The ChemX Model

ChemX propose that outside of the use of their novel purification and precipitation process, there are opportunities in the business case to manipulate the front end of the process by obtaining alternate feedstocks to the traditional kaolin mined ore.

### 4.1. External Concentrate Supply

Kaolinite is one of the highest grade forms of aluminium containing 51.5 %  $\text{Al}_2\text{O}_3$  or 27.2% aluminium in a pure form chemical structure.

Many forms of aluminium bearing chemicals are available on the market as direct products, or opportunity / by-products of other chemical processes that can potentially replace kaolin as a feedstock to HPA production, at potentially significantly higher grades.

To put this into perspective, an acceptable feedstock kaolin concentrate has a price prediction of 130-160 \$US/t as of 2020. Owner operated mines do not in-situ have concentrate grade and beneficiation of the run of mine ore must be conducted to obtain an upgraded kaolin feedstock to feed the HPA facility. BHM have provided a generic production scenario below in an attempt to qualify the principle.

**Table 2 : Kaolin Concentrate Cost Scenario**

Product Stream	Figure	Unit	Inherent Value (\$US/t)
Run of Mine Ore	80,000	tpa	0
Kaolin Concentrate	30,000	tpa	160
HPA Produced	8,000	tpa	22000

Utilising figures from BHM's database and previous studies, BHM would estimate that an equivalent cost of \$AU 133/t of kaolin concentrate produced, which is equivalent to the lower end of projected prices for the material bought off the shelf.

### 4.2. Alternate Feedstocks

ChemX are also considering the purchase and use of alternate aluminium bearing feedstocks direct from marketed products and/or use of other process waste streams for conversion to HPA via their purification system.

Aluminous feed stocks can basically be summarised into the 3 main forms which impact the potential process and operating cost as:

1. Water Soluble – aluminium chemicals that dissolve in water or external process facility waste streams containing aluminium in solution.
2. Acid Soluble- aluminium chemicals, salts or solids that require acid to dissolve the aluminium content.

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



3. Semi-Refractory – feedstocks such as kaolin that require thermal and/or other degradation in order for the aluminium content to dissolve.

In an attempt to quantify the potential of these alternatives, BHM have summarised publicly available information on a mine to mill philosophy into a table of actions and unit operations to qualify the ChemX principle with respect to capital cost centres and complexity of the operation.

**Table 3 : Process Option Comparison**

Unit Operation	USBM	ChemX Ore Purchase	ChemX Acid Soluble	ChemX Water Soluble
Kaolin Mine	Critical	N/A	N/A	N/A
Port Facilities	Critical	N/A	N/A	N/A
Kaolin Preparation and Calcining	Critical	Critical	N/A	N/A
Leach Medium	32 % HCl	32 % HCl	32 % HCl	Pure Water
Tails Neutralisation and Disposal (tpa)	15000	10000	50	50
Purification Stages	3	1	1	1
Product Roasting Stages	2	1	1	1
Reagent Recovery	Critical	Optional	Optional	Optional

One such example is the use of industrial grade commercial aluminium salt that can be purchased as a water soluble feedstock. The cost of an aluminium salt is typically only marginally different in price than that of kaolin with bulk purchases costing in the order of \$137-180 US/t with an aluminium content of 17 %.

This is roughly the equivalent of a 60-65% kaolin concentrate in aluminium content. Most reference studies and commercial operations produce a kaolin concentrate grading 33 % Al<sub>2</sub>O<sub>3</sub>, which is directly equivalent to 65 % kaolin concentrate suggesting all the processing economics from an aluminium salt feed stock perspective should be very comparable to a standard kaolin concentrate without the necessity to dispose of any silica impurity.

BHM suggest that a full market review be undertaken by ChemX on all of the above options in order to quantify the supply and market risks associated. All appear to have technical viability and economic benefit.

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



## 5. Capital Cost Comparison

It is very clear from the market place that the Capital Cost of an all-in HPA production facility from the USBM process has been a poorly understood reality over the evolution of most studies available in the open market place.

An example would be the capital costing of Altech Meckering project. The first report in 2015 reported \$USD 79.8M and has grown to over \$USD 300M for the processing facility and nearer to \$USD 600 M as the all-in business case.

An estimated breakdown of the costs associated with a 5000-8000 tpa HPA production facility is highlighted in Table 4.

**Table 4 : USBM HPA Facility Capital Allocation**

Unit Operation	\$ US M	% Breakdown	ChemX Process
Kaolin Mine	32	10.83	Eliminated
Port Facilities	7.5	2.54	Eliminated
Kaolin Preparation and Calcining	16	5.41	Eliminated for non-kaolin feedstock
Leaching	8	2.70	Significantly reduced
Tails Neutralisation and Disposal	8	2.70	Significantly reduced
Purification Stages	10	3.38	Reduced
Product Roasting and Milling	32	10.83	
Off Gas and Reagent Recovery	75	25.38	Significantly reduced
Power and Infrastructure	62	20.98	Significantly reduced
Reagents	9	3.05	Significantly reduced
Indirects	21	7.10	Significantly reduced
Owners Cost and Preproduction	15	5.07	Significantly reduced
<b>Total</b>	<b>295.5</b>	<b>99.97</b>	

Whilst the purification and precipitation stages contribute only a minor amount to the capital cost, the reagent recovery based on the capture, recovery and regeneration of HCl gas contribute significantly to the CAPEX via over 50 % of the power generation requirement and 25 % of the project cost in direct equipment.

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



The USBM purification and precipitation process effectiveness is entirely dependent on supply of high quality HCl gas. In a laboratory testing environment this is achieved using bottle gas. A full scale production facility requires significant capital cost to provide and then recover the HCl reagent.

The evolution of HPA /USBM process capital costs has predominantly been driven by the need to recover the hydrogen chloride from the product roaster off-gas. The gas comes off wet as it is evolved and combined with significant water vapour. The off-gas requires further heating to effectively dry the gas stream and separate water vapour from the chlorine gas via significant energy input and being passed through a series of distillation columns to return the chlorine gas back to an acceptable concentration for re-use in the system.

In the event that the HCl is not returned to its highest purity for use in the precipitation reactors the precipitation efficiency will plummet. The purposes of the HCl gas is to super charge the chloride content in solution to its maximum solubility to provide the driving force for maximum aluminium precipitation. If wet HCl gas is introduced then the solution chloride concentration never reaches its maximum, soluble aluminium recycles back to the primary leach and over time inhibits the solubility there and ultimately sends aluminium in the solids out to tailings and recoveries drop. This can happen very quickly.

BHM would estimate that the ChemX purification process and reagent recovery system would cost as little as 25-33 % of that reported above for the combined purification, off gas capture and regeneration systems as well as cut the plant power capital requirements associated with the USBM process by 50 %.

Given that previously it has been suggested that an aluminium salt feedstock will provide comparable aluminium units, for a comparable acquisition price to kaolin, a further \$USD 56M associated with mining and ownership, logistics and in-feed calcination could be removed from the capital equation as well as the estimated \$USD80 M from the above purification benefits. The tailings neutralisation, handling and disposal is also removed from the equation under this scenario.

## 6. Operating Cost Comparison

It is difficult to quantify the impact the ChemX purification system may have against the figures reported in the market place.

The combination of project locations, local labour rates, power supply cost discrepancies and myriad factors come into play that are not easily, or directly associated with the process.

Available studies to date report on the low end a production cost of \$8000 US/t up to \$ 12000/t or annualised figures of \$ US 43-50 M/annum.

For all studies reviewed gas/energy makes up 25-30 % of the total figure and eliminating off-gas capture and HCl regeneration would appear to save approximately \$USD 5M per annum, and a further \$USD 3M in fresh hydrogen chloride gas supply as the process is not 100 % efficient.

Tailings neutralisation is also a considerable operating expense at approximately 16 % of the total Opex being contributed from lime neutralisation of acid tailings transport and disposal, the use of near fully soluble feedstocks is entertaining from both a mine/ feed cost perspective but also a significant reduction in operating expense at the end of the process.

# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



Every simplification of the process and unit operation that can be eliminated reduces labour significantly. With respect to Table 3, Column 4 – Water Soluble feedstock, nearly half of the entire production pathway has been eliminated from the process and a significantly decreased labour force would be expected to run the ChemX operation.

## 7. Commercial Operation

ChemX propose that the next phase of development is to undertake an engineering study pertaining to a 1000 tpa HPA equivalent production facility. This would allow further evaluation and refinement of capital and operating costs.

BHM would suggest that a water soluble feedstock pathway to intermediate aluminium salt production facility would require 5-7 months for lead time and construction at the completion of the study.

Certain key equipment items relating to final HPA production such as the final calcining kiln, jet milling ultra-fine grinding device and reagent recovery process equipment may take longer to acquire as they are extremely specific and largely not off the shelf.



# INDEPENDENT TECHNICAL EXPERT'S REPORT ON HPA TECHNOLOGY (CONT)



## 8. Summary

It is the view of BHM Process Consultants that the proposed pathway of purification and precipitation as presented by ChemX Materials has significant technical and economic advantages for High Purity Alumina production over the traditional and industry accepted USBM process route.

The process has been confirmed at laboratory scale to produce HPA. Further test work is required to optimise the process at a commercial scale and generate firm economic quantifications.

The process still requires further technical development that should only improve on the promising results currently displayed.

BHM recommend that the study and first phase construction / production should focus on producing HPA as a product to prove against competitors and guarantee the final product can be made while the potential for other products is progressed as a side study. At present, BHM would suggest that the kaolin or semi-refractory front end should be ignored as the process has been proven many times over, focusing on similar value/cost in feeds in the acid and water soluble space present the greatest opportunity.

An in-depth market assessment of potential feedstocks availability and costs should be undertaken as a pre-cursor to quantifying all the potential options and refining the strategy as an underlying basis for a Scoping and quantification engineering study as well as further metallurgical testwork on any and all materials the marketing study suggests as potential in-feeds and products.

Regards ,

Steven Hoban  
Principal Metallurgist  
BHM Process Consultants



## ANNEXURE D

# INDEPENDENT LIMITED ASSURANCE REPORT



9 November 2021

The Directors  
ChemX Materials Limited  
Suite 1, 1 Tully Road  
East Perth WA 6004

Dear Directors

### **Independent Limited Assurance Report on ChemX Materials Limited historical and pro forma historical financial information**

We have been engaged by ChemX Materials Limited (the "Company") to report on the historical financial information and pro forma historical financial information of the Company for inclusion in a Prospectus document dated on or around November 2021 and relating to the issue of a minimum of 35,000,000 shares, and up to a maximum of 40,000,000 shares in the Company (the "document").

Expressions and terms defined in the document have the same meaning in this report.

### **Scope**

#### *Historical Financial Information*

You have requested William Buck to review the following historical information of the Company (the responsible party) included in the public document:

- the Statement of Financial Performance for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021;
- the Statement of Financial Position as at 30 June 2021;
- the Statement of Changes in Equity for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021; and
- the Statement of Cash Flows for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The historical financial information has been extracted from the general-purpose financial report of the Company for the period ended 30 June 2021, which were audited by William Buck Audit (Vic) Pty Ltd ("William Buck") in accordance with the Australian Auditing Standards.

**ACCOUNTANTS & ADVISORS**  
Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.  
Liability limited by a scheme approved under Professional Standards Legislation.  
(West 2007)



# INDEPENDENT LIMITED ASSURANCE REPORT (CONT)



William Buck issued unmodified audit opinion on the financial report but with an emphasis of matter for the going concern assumption, as disclosed in the notes to the financial information presented in this Prospectus. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

#### *Pro Forma historical financial information*

You have requested William Buck to review the pro forma historical Statement of Financial Position as at 30 June 2021 referred to as “the pro forma historical financial information”.

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro forma adjustments relate, as described in the financial information section of the Prospectus document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical information does not represent the Company’s actual or prospective financial position or financial performance.

#### **Directors’ responsibility**

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and include in the pro forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

#### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

#### **Conclusions**

##### *Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the financial information section of the Prospectus

# INDEPENDENT LIMITED ASSURANCE REPORT (CONT)



document, and comprising:

- the Statement of Financial Performance for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021;
- the Statement of Financial Position as at 30 June 2021;
- the Statement of Changes in Equity for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021; and
- the Statement of Cash Flows for the period of the Company's incorporation on 19 October 2020 through to 30 June 2021...

... is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

#### *Pro Forma historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Statement of Financial Position as at 30 June 2021 is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

#### **Restriction on Use**

Without modifying our conclusions, we draw attention to the financial information section of the Prospectus document which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

William Buck has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

#### **Liability**

##### *Responsibility*

Consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears has been given but should not be taken as an endorsement of the Company or a recommendation by William Buck of any participation in the share issue by any intending investors. At the date of this report our consent has not been withdrawn.

##### *General Advice Limitation*

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

# INDEPENDENT LIMITED ASSURANCE REPORT (CONT)



## Declaration of Interest

William Buck does not have any interest in the outcome of the issue of shares other than in the preparation of this Investigating Accountant's Report for which normal professional fees will be received.

Yours faithfully

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

*N. S. Benbow*

**N. S. Benbow**  
Director

Dated in Melbourne, Australia this 9<sup>th</sup> day of November, 2021



**CHEMx**  
**MATERIALS**

[chemxmaterials.com.au](http://chemxmaterials.com.au)

Level 1, 1 Tully Road,  
East Perth, 6004

**T** +61 8 6374 2070

**E** [info@chemxmaterials.com.au](mailto:info@chemxmaterials.com.au)