



21 February 2023

Dear Shareholder,

I am pleased to offer you the opportunity to purchase new fully paid ordinary shares (**New Shares**) in Strategic Elements Limited (**Company** or **Strategic**) through a Share Purchase Plan (**SPP**). Capital raised will primarily be used to apply for competitive grant projects for Energy Ink™, a revolutionary new power source that generates electrical energy from moisture in the air.

Please check the latest price and announcements using the “SOR” ASX stock code.

As you are a current shareholder with a holding in the Company as at 5:00pm (AWST) on 17 February 2023 (**Record Date**) (**Eligible Shareholder**), you are eligible to purchase shares in the Company under our SPP in accordance with the Terms and Conditions set out in the Offer Booklet and summarised below:

1. Eligible Shareholders can apply to purchase New Shares at an issue price of **10.5 cents** per New Share (**Issue Price**) which represents a **19.2% discount** to the last closing price on which the Company's shares were traded on 17 February 2023 and a 19.2% discount to the 5 day volume-weighted average price (**VWAP**) for the Company's shares calculated over the last 5 days on which sales in the Company's shares were recorded before the day the offer was announced.
2. Eligible Shareholders may subscribe for a minimum of \$1,000 and a maximum of \$30,000 worth of New Shares.
3. The Company is aiming to raise a total of \$1,000,000 worth of New Shares, but may, in its absolute discretion, decide to accept applications (in whole or in part) that result in the Company raising more or less than this amount.
4. Applications will be accepted up to \$1,000,000 on a **first received** basis (with applications accepted at the Directors' discretion and subject to all legal and regulatory requirements).
5. The offer under the SPP is set to **close at 5:00pm (AWST) on 14 March 2023** however this may be varied at the Directors' discretion.
6. There is no need to fill out and post the application form. Your application is received **immediately** on the date your **BPAY** or **Electronic Funds Transfer (EFT)** payment is received. Please use the reference information printed on the attached application form for BPAY or EFT payments

Funds and Activities

Funds raised under the Offer will primarily be used to apply for competitive Federal Government and other grants for Energy Ink™, developed by 100% owned Australian Advanced Materials Pty Ltd (**AAM**).

Under these types of grant programs, agreements are formed between the funding body, a scientific organisation such as a university and a company, which contributes a portion of the overall budget. The Company places high value on winning competitive Federal grants that provide cash funding and access to otherwise unobtainable researcher expertise and multimillion-dollar equipment. Third-party technical due diligence by leading scientific peers is an underappreciated benefit.

AAM currently has an Energy Ink™ grant with the University of New South Wales under consideration from the Federal Government. The total budget for the project is \$2,789,275 and if successful, requires a cash contribution of \$800,000 from AAM. Under this project grant, Professor Chu, the original inventor of the technology, will be able to be engaged in a full-time capacity for four years. Energy Ink™ IP will be retained 100% by AAM. Successful applicants are expected to be notified in April 2023.

Energy Ink™ is still in development, and the fundamental upper limit of aspects such as maximum power output, duration and energy density remains unknown. Significantly, the team are consistently identifying multiple avenues that increase performance. It is accepted that the imperative for more innovative, renewable energy creation and power sources will continue to grow. Printed, environmentally friendly graphene-oxide-based cells that generate energy from airborne water molecules could potentially directly power a device, complement a battery by extending device life or providing energy for battery storage.

Funds raised under the Offer may also be used in part for AAM's existing, active development program for improvements in power management for use in wearable devices and R&D pathways for larger-scale Energy Ink™ systems.

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at www.strategicelements.com.au. You should read the attached Terms and Conditions carefully before participating in the SPP.

Pooled Development Fund

The Company's special registration by the Australian Federal Government as a Pooled Development Fund means some shareholders may not pay tax on capital gains when selling their shares. However, the tax implications of applying for New Shares under the SPP will depend on an applicant's individual circumstances.

You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs and seek your own independent financial and taxation advice prior to applying for New Shares under the SPP. An application will be made to quote the New Shares on the ASX.

Key Features

Under the SPP, Australian and New Zealand shareholders on the register as at 5:00pm (AWST) on 17 February 2023 can subscribe for up to \$30,000 worth of New Shares at the Issue Price **without** brokerage or other costs.

Key features of the SPP include:

- (a) Eligible Shareholders may subscribe for a minimum of \$1,000 and a maximum of \$30,000 worth

of New Shares in the following increments: \$30,000, \$20,000, \$17,500, \$15,000, \$12,500, \$10,000, \$7,500, \$5,000, \$2,500, \$2,000, \$1,500 or \$1,000;

- (b) applications are treated on a first-received basis up to a total of \$1,000,000;
- (c) the offer under the SPP closes at 5:00pm (AWST) on **14 March 2023**, unless the closing date is amended at the discretion of the Directors (subject to the requirements of the ASX Listing Rules and all other applicable law); and
- (d) New Shares under the SPP are expected to be issued on or about **15 March 2023**.

Payment Details

There is no need to fill out and post the application form back. Your application is received **immediately** on the date your payment is received. Please use the payment information printed on the enclosed application form.

Applications will be accepted on a first-received basis. If you wish to participate in the SPP, please submit your payment to the Company as soon as possible.

If you have any questions about how to participate in the SPP, please contact the Company's Share Registry, Automic, from 9:00am to 5:00pm (AWST) Monday to Friday on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

Yours sincerely,

Charles Murphy
Managing Director
Strategic Elements Ltd

**Strategic Elements Ltd (ASX:SOR)
Share Purchase Plan
Offer Booklet**

Please read this Offer Booklet in its entirety.

Strategic Elements Ltd (**SOR** or the **Company**) invites Eligible Shareholders to participate in the Strategic Elements Ltd Share Purchase Plan (**SPP**) by applying for up to \$30,000 worth of ordinary shares (**New Shares**) in the Company.

The SPP is open to all shareholders recorded as holding Shares on the Company's Register as at 5:00pm (AWST) on 17 February 2023 with a registered address in Australia or New Zealand.

If you have any questions in relation to how to participate in the SPP after reading this Offer Booklet, please contact the Company's Share Registry, Automic, from 9:00am to 5:00pm (AWST) Monday to Friday on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

This Offer Booklet is not for release or distribution in any other country other than Australia and New Zealand.

Important notice and disclaimer

The information in this Offer Booklet is not a recommendation to accept the Offer and does not constitute financial advice. This Offer Booklet has been prepared without taking account of any particular person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs and seek independent financial and taxation advice before making any investment decision in relation to this Offer Booklet.

The offer of New Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument 2019/547**) which provides relief from the requirement for the Company to issue a prospectus in relation to the SPP. This Offer Booklet is not a prospectus under Chapter 6D of the Corporations Act.

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Shares for sale in any other jurisdiction.

The New Shares being offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

This Offer Booklet does not, and is not intended to, constitute an offer of securities in any place outside Australia or New Zealand. In particular, this Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Because of these legal restrictions, you must not send copies of this Offer Booklet or any other material relating to the SPP to any person resident in the United States or elsewhere outside Australia and New Zealand.

THE OFFER

The Company invites Eligible Shareholders to apply for up to \$30,000 worth of New Shares under the SPP at an Issue Price per New Share of 10.5 cents being a 19.2% discount to the closing price of Shares of 13 cents on 17 February 2023 (the last day on which the Company's Shares traded prior to the announcement of the SPP) and a discount of 19.2% of the VWAP calculated over the last 5 days on which sales in Shares were recorded before the day on which the SPP was announced.

Eligible Shareholders may purchase a minimum parcel of New Shares with a dollar value of \$1,000 and a maximum parcel of New Shares with a dollar value of \$30,000. Further details are set out in section 5(a) of this Offer Booklet.

The Company intends to raise up to a total of **\$1,000,000** under the SPP but may, in its absolute discretion, decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount, but in any event, not exceeding \$30,000 per Eligible Shareholder or the 30% threshold imposed by Listing Rule 7.2 exception 5. If the total value of applications for New Shares under the SPP exceeds \$1,000,000 in aggregate, the Company may scale back applications under the SPP in its absolute discretion. Further details are set out in section 10 of this Offer Booklet.

The Company **reserves the right to place any New Shares not subscribed** for pursuant to the Offer, or any extensions to this offer, at a price no less than the price of New Shares offered under the SPP, to the extent any such placement can be made having regard to the ASX Listing Rules and the Corporations Act. Please carefully read the Terms relating to the Offer, as you will be bound by them.

Under ASIC Instrument 2019/547 the value of shares that can be issued to holders is restricted. Generally, no registered holder may be issued shares with an application price totaling more than \$30,000 in any consecutive 12 month period (excluding shares applied for but not issued).

All references to **\$** or **dollars** in this Offer Booklet are reference to Australian dollars unless otherwise indicated.

KEY DATES

Record Date	17/02/2023
Announcement of SPP and lodgement of Appendix 3B	20/02/2023
Opening Date	21/02/2023
Closing Date	14/03/2023
Last day to announce results of SPP, issue New Shares, and lodge Appendix 2A	15/03/2023

The above dates are indicative only and, subject to compliance with the Corporations Act and the ASX Listing Rules, may be changed at the Company's discretion by announcing a revised timetable on the ASX.

Terms of the SPP

This section outlines the terms and conditions of the Offer. By accepting the Offer, you agree to be bound by these Terms.

1. The Offer

- (a) The Company is offering each Eligible Shareholder the opportunity to purchase up to \$30,000 worth of New Shares under the SPP subject to and in accordance with the Terms (**Offer**).
- (b) The Offer opens at 9:00am (AWST) on 21 February 2023 (**Opening Date**) and closes at 5:00pm (AWST) on 14 March 2023 (**Closing Date**).
- (c) The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the Closing Date without prior notice to Shareholders. If the Closing Date is varied, subsequent dates may also be varied accordingly.
- (d) The Offer to Custodians is made on the same Terms as the Offer to Eligible Shareholders.
- (e) Participation in the Offer is optional.
- (f) Once the New Shares are issued, they will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements.

2. Eligible Shareholders

- (a) You are eligible to apply for New Shares under the Offer if:
 - (i) you were registered as a holder of Shares on the Register as at the Record Date;
 - (ii) your registered address, as recorded in the Register, is in Australia or New Zealand; and
 - (iii) you are not in the United States and are not acting for the account or benefit of a person in the United States.
- (b) Your rights under the Offer are personal to you and the Offer is non-renounceable, meaning you may not transfer your right to subscribe for New Shares to anyone else.

3. Joint holders and Custodians

- (a) If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.
- (b) Subject to the Terms, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf they hold Shares.
- (c) An Eligible Beneficiary is a person:
 - (i) on whose behalf a Custodian holds Shares as at the Record Date;
 - (ii) who has a registered address in Australia or New Zealand; and
 - (iii) who is not in the United States and is not acting for the account or benefit of a person in the United States.

4. Issue Price

- (a) The Issue Price for each New Share under the SPP is 10.5 cents, being a 19.2% discount to the VWAP for Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the SPP was announced.
- (b) The current market price of Shares can be obtained from the ASX at www.asx.com.au.

5. Applications for Shares

- (a) Eligible Shareholders may subscribe for a minimum of \$1,000 and a maximum of \$30,000 worth of New Shares in the following increments:
 - (i) \$1,000;
 - (ii) \$1,500;
 - (iii) \$2,000;
 - (iv) \$2,500;
 - (v) \$5,000;
 - (vi) \$7,500;
 - (vii) \$10,000;
 - (viii) \$12,500;
 - (ix) \$15,000;
 - (x) \$17,500;
 - (xi) \$20,000; and
 - (xii) \$30,000.
- (b) If your application is accepted, the Company will divide the value of your Application Monies by the Issue Price in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- (c) If this calculation produces a fractional number, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.
- (d) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply for New Shares under their various capacities but may not apply for New Shares with an aggregate value of more than \$30,000.
- (e) If you wish to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete a Custodian Certificate before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- (f) No brokerage, stamp duty or other costs are payable by applicants in respect of an application for New Shares.
- (g) The Company reserves the right, but is not obligated, to accept applications for New Shares that are received after the Closing Date.

6. Payment for New Shares

If you would like to participate in the SPP, you must:

- submit a BPAY[®] payment, if you are an Eligible Shareholder with a registered address in Australia; or
- pay by direct transfer, if you are an Eligible Shareholder with a registered address in New Zealand,

in accordance with the instructions outlined in the Offer Booklet and Application Form and using the personalised customer reference number which is required to identify your holding as shown on your Application Form.

If you make a payment by BPAY[®] or direct transfer (as applicable), you are taken to make the certifications, representations and warranties described in the Terms. Custodians applying for Eligible Beneficiaries must still complete and return a Custodian Certificate.

Please note that your financial institution may apply limits on the use of your BPAY[®] or direct transfers (as applicable) and that you should make enquiry about the limits that apply in your personal circumstances.

It is your responsibility to ensure that your BPAY[®] or direct transfer payment (as applicable) is received by no later than 5:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

7. Issue of New Shares

- (a) The New Shares are expected to be issued on 15 March 2023 or as soon as possible after that date.
- (b) The Share Registry will send to you a holding statement in due course following the Issue Date. You should confirm your holding before trading in any New Shares you believe have been allocated to you under the SPP.

8. Discretion regarding applications

- (a) The Company may accept or reject applications to purchase New Shares, including (but not limited to) cases where:
 - (i) an Application Form (or a Custodian Certificate, in the case of Custodians) is incorrectly completed, incomplete or is otherwise determined to be invalid by the Company;
 - (ii) a BPAY[®] or direct transfer payment is not received, or is incomplete or invalid;
 - (iii) an applicant appears to be applying for more than \$30,000 worth of New Shares (in aggregate);
 - (iv) a BPAY[®] or direct transfer payment, an Application Form or (in the case of Custodians) a custodian Certificate, is received after the Closing Date. While the Company has discretion to accept late Application Forms, BPAY[®] payments, direct transfer payments and Custodian Certificates, there is no assurance that it will do so. Late BPAY[®] or direct transfer payments, Application Forms and Custodian Certificates, if not processed, will be returned to you at your registered address or refunded;
 - (v) the Company considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with the requirements of ASIC Instrument 2019/547; or

- (vi) the Company believes an applicant is not an Eligible Shareholder or Custodian acting on behalf of an Eligible Beneficiary (subject to compliance with any applicable ASIC or ASX requirements);
- (b) If the amount of your BPAY[®] or direct transfer payment (as applicable) is not equal to one of the applicable increments set out in Section 5(a) of the Terms, the Company will, in its absolute discretion:
 - (i) refund in full your Application Monies and not allot any New Shares to you; or
 - (ii) allot to you the number of New Shares that would have been allotted had you submitted by BPAY[®] or direct transfer a payment for the highest designated amount that is less than the amount of your payment and refund to you the excess of your Application Monies.
- (c) The Company reserves the right to issue fewer New Shares than an Eligible Shareholder applies for under the SPP, or no New Shares, if the Company believes the issue of those New Shares to the applicant would contravene any law or the ASX Listing Rules or result in non-compliance with ASIC Instrument 2019/547, or if the Company undertakes a scale back of applications received under the SPP as set out in paragraph 10 below.
- (d) All Directors' decisions in connection with a refusal of an application are final.

9. Acknowledgements

By making a payment via BPAY[®] or by direct transfer (as applicable), you:

- (a) are deemed to have accepted the Offer and you irrevocably and unconditionally agree to the Terms and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) acknowledge that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) agree that your application is only effective when the Company receives cleared funds by BPAY[®] or direct transfer (as applicable);
- (e) warrant that you are an Eligible Shareholder and are eligible to lawfully participate in the SPP and apply for New Shares, in each case in accordance with these terms and conditions as well as any applicable laws;
- (f) acknowledge that no interest will be paid on any Application Monies held pending the issue of New Shares or subsequently refunded to you for any reason;
- (g) acknowledge that the Company and its officers and agents are not liable for any consequences on the exercise or non-exercise of its discretions referred to in the Terms;
- (h) agree to pay the Issue Price per New Share up to the maximum value of your BPAY[®] or direct transfer payment (as applicable);
- (i) acknowledge and agree that:
 - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares have not been, and will not be registered under the Securities Act or

- the securities laws of any state or other jurisdiction of the United States, and accordingly the New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- (iii) you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person in the United States or to any person located in any other country outside Australia and New Zealand; and
 - (iv) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent this Offer Booklet, or any materials relating to the SPP, to any person outside Australia and New Zealand;
- (j) If you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
- (i) you are not applying for more than \$30,000 worth of New Shares under the SPP (including by instructing a Custodian to acquire New Shares on your behalf under the SPP);
 - (ii) the total of the application price for the following does not exceed \$30,000 (irrespective of whether you may have received more than one Offer or received Offers in more than one capacity):
 - (A) the New Shares the subject of your application under the Offer;
 - (B) any other New Shares issued to you under the Offer or any other Shares issued to you under any similar arrangement in the 12 months before the application under the Offer;
 - (C) any other New Shares which you have instructed a Custodian to acquire on your behalf under the Offer; and
 - (D) any other Shares issued to a Custodian under an arrangement similar to the Offer in the 12 months before the application under the Offer as a result of an instruction you have given to a Custodian; and
- (k) If you are a Custodian and are applying for New Shares on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (i) you are a Custodian (as that term is defined in ASIC Instrument 2019/547);
 - (ii) you hold Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Offer Booklet;
 - (iii) you are not applying for New Shares on behalf of any Eligible Beneficiary with an application price of more than \$30,000 under the SPP;
 - (iv) your application will not be accepted unless you duly complete and submit a Custodian Certificate in accordance with Section 5(e);
 - (v) the information in the Custodian Certificate submitted by you is true, correct and not misleading;
- (l) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (m) are responsible for any dishonour fees or other costs the Company may incur in relation to

issuing a cheque for any refund that may be dispatched to you and which is dishonoured;

- (n) agree to be bound by the constitution of the Company (as amended and as it may be amended from time to time in the future);
- (o) acknowledge that neither the Company nor its officers, advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (p) acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
- (q) acknowledge that there are risks associated with acquiring and holding Shares;
- (r) acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (s) authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

10. Applications may be scaled back

- (a) The SPP aims to raise up to \$1,000,000. The Company may, in its absolute discretion, decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount.
- (b) Subject to all applicable legal and regulatory requirements, the Company may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including, but without limiting the Company's discretion, by taking into account, among other factors, the number of Eligible Shareholders participating, the size of your shareholding at the Record Date or the number of New Shares you have applied for under the SPP. Any decisions made by the Company will be final.
- (c) If there is a scale back, you may receive less than the number of New Shares for which you have applied. If a scale back produces a fractional number when applied to the number of New Shares for which you have applied, the number of New Shares issued to you will be rounded down to the nearest whole number of Shares.
- (d) If there is a scale back, the difference between the Application Monies received from you, and the number of New Shares issued to you multiplied by the Issue Price, will be refunded to you in full without interest.

11. ASIC relief

- (a) The offer of New Shares under the SPP is made in accordance with ASIC Instrument 2019/547, which grants relief from the requirement to prepare a disclosure document for the SPP subject to certain requirements.
- (b) The Company has, prior to the release of this Offer Booklet, given a notice to ASX that complies with the requirements of ASIC Instrument 2019/547.

12. Variation and termination

- (a) The Company reserves the right at any time to:
 - (i) amend or vary the Terms;

- (ii) waive strict compliance with any provision of the Terms;
 - (iii) withdraw or suspend or terminate the Offer;
 - (iv) vary the timetable for the Offer, including, without limitation, the Closing Date;
 - (v) vary the maximum amount raised;
 - (vi) extend the duration of Offer; and
 - (vii) not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries).
- (b) Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders and Custodians even where the Company does not notify you of that event.
 - (c) In the event that the Offer is withdrawn or terminated, all Application Monies will be refunded. No interest will be paid on any money returned to you.

13. Underwriting

The offer is not underwritten.

14. Transaction Costs

The only cost associated with the Offer is the Issue Price for the number of New Shares for which you wish to subscribe. You do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

15. Directors' Participation

Directors who are Eligible Shareholders may (without having to obtain prior Shareholder approval), participate in the Offer, on the same terms as all other Eligible Shareholders.

16. Dispute resolution

- (a) The Company may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant, or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- (b) The Company reserves its right to waive strict compliance with any provision of these Terms.
- (c) The powers of the Company under these Terms may be exercised by the directors of the Company or any delegate or representative of them.

17. Privacy

- (a) The Application Form requires you to provide personal information.
- (b) Chapter 2C of the Corporations Act requires information about a shareholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a shareholder.

- (c) The Company and the Share Registry may collect personal information to process your application, implement the SPP and administer your holding of New Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of New Shares), and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and Corporations Act.
- (d) Your personal information may be disclosed to joint investors, the Share Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of the Company and its agents and contractors, and the ASX and any other regulatory authorities, and in any case, where disclosure is required by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure.

18. Governing law and jurisdiction

The Terms are governed by the laws in force in Western Australia, Australia. Any dispute arising out of or in connection with the Terms, or the Offer, will be determined by the courts of Western Australia. By accepting the Offer, you agree to submit to the non-exclusive jurisdiction of the courts of Western Australia.

GLOSSARY

Application Form means the application form accompanying this Offer Booklet.

Application Monies means monies paid by Eligible Shareholders in respect of New Shares the subject of an application pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2019/547 means *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by ASIC (as amended from time to time).

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of the ASX (as amended from time to time).

AWST means Australian Western Standard Time.

Closing Date means 5:00pm (AWST) on 14 March 2023 (unless varied).

Company or **SOR** means Strategic Elements Ltd ACN 122 437 503.

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

Custodian means a custodian as defined in section 4 of ASIC Instrument 2019/547.

Custodian Certificate means a certificate complying with section 8 of ASIC Instrument 2019/547.

Directors means the directors of the Company from time to time.

Eligible Beneficiary has the meaning given to that term in paragraph 3(c) of the Terms.

Eligible Shareholder means a Shareholder who is eligible to participate in the Offer as defined in section 2 of this Offer Booklet

Issue Date means the date on which the Shares will be issued under the Offer, which as at the date of this Offer Booklet is intended to be 15 March 2023.

Issue Price means \$0.105 per New Share.

New Share means a Share to be issued in accordance with the Offer.

Offer means the offer of New Shares pursuant to the SPP.

Offer Booklet means this offer booklet under which the Offer is being made.

Opening Date means 9:00am (AWST) on 21 February 2023

Record Date means 5:00pm (AWST) on Friday, 17 February 2023.

Register means the share register maintained by or on behalf of the Company in Australia.

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

Share Registry means Automic Pty Ltd.

Shareholder means a registered holder of Shares.

Terms means the terms and conditions of the Offer as expressly prescribed in this Offer Booklet.

SAMPLE ONLY

SRN/HIN: [HolderNumberMasked]

ASX Code: SOR

Record Date: 5:00pm (AWST), 17 February 2023

SHARE PURCHASE PLAN APPLICATION FORM

**IMPORTANT: OFFER CLOSSES 5:00PM (AWST) ON TUESDAY, 14 MARCH 2023
(UNLESS VARIED)**

1: SUBSCRIPTION

This Offer entitles each Eligible Shareholder in Strategic Elements Limited (ASX: SOR) (**SOR** or the **Company**) to subscribe through the Company's Share Purchase Plan (**SPP**) for a maximum of \$30,000 worth of fully paid ordinary shares in the Company (**New Shares**). The Company announced the SPP to raise up to a total of **\$1,000,000**. The SPP is open to all shareholders recorded as holding fully paid ordinary shares (**Shares**) on the Company's Register as at the Record Date with a registered address in Australia or New Zealand. The issue price of the New Shares is \$0.105 (**Price**). Eligible Shareholders may subscribe for any one of the following parcels (*subject to a maximum band or any scale back*) described below by paying the applicable Subscription Amount in accordance with the payment instructions in section 2 of this Application Form:

	Application Amount	Number of New Shares
Offer A	\$1,000 (minimum)	9,523
Offer B	\$1,500	14,285
Offer C	\$2,000	19,047
Offer D	\$2,500	23,809
Offer E	\$5,000	47,619
Offer F	\$7,500	71,428
Offer G	\$10,000	95,238
Offer H	\$12,500	119,047
Offer I	\$15,000	142,857
Offer J	\$17,500	166,666
Offer K	\$20,000	190,476
Offer L	\$30,000 (maximum)	285,714

No fractions of Shares will be issued. Any fraction of a Share will be rounded down to the nearest whole number of Shares (where applicable).

2: PAYMENT - You can pay either by BPAY® or Electronic Funds Transfer "EFT"

Payment under the Share Purchase Plan can only be made by BPAY® or EFT.

Option A – BPAY®



Biller Code: TBC

Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.

Option B – Electronic Funds Transfer (EFT)

The unique Payment Reference which has been assigned to your Application is: [HolderId]-TBC-SOR

Funds are to be deposited directly to following bank account:

Account name: Automic Pty Ltd

Account BSB: TBC

Account number: TBC

Swift Code: WPACAU2S

IMPORTANT: You must quote your unique payment reference as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.

3: Elect to receive email communication

Return to Automic Group by email to corporate.actions@automicgroup.com.au

Telephone Number

()

Contact Name (PLEASE PRINT)

SOR[HolderId]

Please insert your email address if you wish to elect to be an e-Shareholder, and you consent to receiving communications from the Share Registry

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the SPP is optional and is offered exclusively to all Shareholders (including Custodians) who are registered as holders of fully paid ordinary shares in the capital of the Company on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholders**).

If the Company rejects or scales-back an application or purported applications, the Company will return to the Shareholder the relevant Application Monies, without interest.

HOW TO APPLY FOR SHARES UNDER THE SPP

1 Subscription

As an Eligible Shareholder, you can apply for up to a maximum of \$30,000 worth of Shares. Eligible Shareholders can select one of the parcels prescribed overleaf.

In order to comply with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, the maximum value of Shares each Eligible Shareholder (irrespective of the size of their shareholding) may apply for under this Offer is \$30,000 (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest(s)). This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of Shares or because you hold more than one shareholding under separate share accounts).

If the Company receives an amount that does not equal one of the amounts specified overleaf the Company may accept the payment at their discretion and refund any excess Application Money (without interest) to the Eligible Shareholder. If the Company receives a subscription of over \$30,000 worth of Shares by an Eligible Shareholder through multiple applications or joint holdings, the Company may refund any excess Application Money (without interest) to the Eligible Shareholder.

Any application made under the SPP Offer is not guaranteed to result in the Eligible Shareholder receiving any Shares that have been applied for. Applications may be scaled back at the absolute discretion of the Company.

2 Payment

By making a payment via BPAY or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by Automic Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AWST) on Tuesday, 14 March 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 2. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

If you make a payment by BPAY® or EFT and the Company receives an amount which is not equal to either \$30,000, \$20,000, \$17,500, \$15,000, \$12,500, \$10,000, \$7,500, \$5,000, \$2,500, \$2,000, \$1,500 or \$1,000 the Company may accept the payment at their discretion. Your payment must be for a minimum of \$1,000.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AEDT) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your 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.

3 Contact Details - Elect to receive email communication

As a valued shareholder in Strategic Elements Limited, the Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

IMPORTANT INFORMATION

- This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
- If you do not wish to purchase Shares under the SPP, there is no need to take action.
- Please ensure you have read and understood the terms and conditions of the SPP in the Offer Booklet accompanying this Application Form and this section entitled "Important Information" before making payment by BPAY® or EFT.
- The offer for Shares under the SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
- If you are a custodian, trustee or nominee within the meaning of "Custodian" as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, you must complete and submit an additional certificate that contains further certifications and details (**Custodian Certificate**) that must be provided before your application will be received. The Custodian Certificate can be obtained by contacting the Share Registry on the telephone number set out below. Applications received by Custodians that are not accompanied by the Custodian Certificate will be rejected. A completed Custodian Certificate must be emailed to: custodialcertificates@automicgroup.com.au, failure to do so will result in the Application being rejected.
- For applicants that are not required to complete the Custodian Certificate, by making payment by BPAY® or EFT, you certify that the aggregate of the payment paid by you for:
 - the parcel of Shares indicated on this Application Form or BPAY® or EFT; and
 - any other Shares applied for by you, or which you have instructed a custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to making payment by BPAY® or EFT does not exceed A\$30,000.
- The maximum subscription limitation of A\$30,000 will apply even if you have received more than one Application Form (whether in respect of a joint holding or because you have more than one holding under separate security accounts).
- You are not guaranteed to receive any Shares that you have applied for and the Company may, in its absolute and sole discretion:
 - scale back any applications made; and
 - reject your application, without limit.
- By making payment of application monies, you certify that:
 - you wish to apply for Shares under the SPP as indicated on this Application Form and acknowledge that your application is irrevocable and unconditional;
 - you received a copy of the Offer Booklet and you have read and understood the terms and conditions of the SPP;
 - you agree to be bound by the Constitution of the Company and the terms and conditions in the Offer Booklet;
 - you agree to accept any lesser number of Shares than the number of shares applied for; and
 - you are not in the United States and are not acting for the account or benefit of a person in the United States and have not sent any offering materials relating to the SPP offer to any person in the United States.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AWST).