

# TRANSACTION SPECIFIC PROSPECTUS (OPTIONS)

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**Strategic Elements Limited**  
(ACN 122 437 503)

## Offers

This Prospectus is being issued for the offer of:

- up to 21,875,000 new Options for nil consideration on the basis of one Option for every two Shares issued to Placement Participants under the Placement; and
- up to 3,500,000 new Options to the Consultant (or its nominees).

The Offers are not underwritten.

**This Prospectus has been prepared for the purposes of making the Offers and section 708A(11) of the Corporations Act to facilitate secondary trading of the Options and the Shares issued on the exercise of the Options.**

## IMPORTANT NOTICES

**This Prospectus contains important information about the Offers and should be read in its entirety.** If, after reading this Prospectus, you have any questions about the Options being offered under this Prospectus or any other matter relating to the Offers, then you should consult your professional adviser. An investment in the Options offered under this Prospectus should be considered speculative.

This Prospectus has been prepared in accordance with Section 713 of the Corporations Act.

# 1. Important Information

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## Introduction

This Prospectus is dated 2 August 2024. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus. No Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will not seek quotation of the Options offered under this Prospectus. ASX and ASIC take no responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

## Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website <https://www.strategicelements.com.au/investors/>. By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Applications for Options offered pursuant to this Prospectus can only be accepted in accordance with the relevant Application Form that accompanies this Prospectus.

Applications under the:

- Placement Options Offer can only be submitted by Placement Participants; and
- Consultant Options Offer can only be submitted by the Consultant (or its nominees).

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

## Risk factors

Before deciding whether or not to apply under the Offer, a potential Applicant should read the entire Prospectus and, in particular, in considering the Company's prospects, should consider the risk factors that could affect the Company's performance. Potential Applicants should carefully consider these factors in light of their own personal circumstances (including financial and taxation issues) and seek advice from their professional adviser before deciding to invest.

The key risks relating to participating in the Offer and making an investment in the Company are summarised in Section 9 of this Prospectus.

## Transaction specific prospectus

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act.

This Prospectus does not contain the same level of disclosure as a prospectus prepared pursuant to Section 710 of the Corporations Act for an initial public

offering. In making representations in this Prospectus, regard has been had to the fact that Strategic Elements Limited (the **Company** or **SOR**) is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX.

## Restrictions on distribution

The Company has not taken any action to register or qualify the Options or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and therefore persons outside those jurisdictions who obtain a copy of this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. The Company disclaims all liabilities to such persons.

This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The Options have not been, and will not be, registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in the United States in accordance with an available exemption from registration,

It is the Applicant's responsibility to ensure compliance with any laws of a country relevant to their application. By applying for Options, an Applicant represents and warrants that there has not been any breach of such laws.

## Prospectus availability

A copy of this Prospectus can be obtained during the Offer Period on the Company's website, <https://www.strategicelements.com.au/investors/> or by contacting the Company Secretary on +61 8 9278 2788 or the Share Registry on +61 8 9315 2333. Potential Applicants who access an electronic copy of this Prospectus should ensure that they download and read the entire Prospectus.

Potential Applicants will only be able to accept an Offer by completing the Application Form which accompanies this Prospectus. The electronic copy of this Prospectus available from the Company's website will not include an Application Form.

## Publicly available information

This Prospectus should be read in conjunction with the public announcements made by the Company which are available on the Company's website, <https://www.strategicelements.com.au/investors/>, as well as the ASX market announcements platform using the Company's ASX code 'SOR'.

These announcements do not contain all of the information that would be included in a prospectus or

other disclosure document, but still contain important information about the Company. Potential Applicants are encouraged to have regard to such announcements before making a decision whether or not to participate in an Offers. These announcements (and the contents of any websites on which they may be found) do not form part of this Prospectus.

The Company may release further announcements after the date of this Prospectus and throughout the Offer Period, which may be relevant to potential Applicants consideration of the Offers. Potential Applicants are encouraged to check whether any new announcements have been released by the Company after the date of this Prospectus before deciding on whether or not to participate in the Offers.

#### **No investment or financial product advice**

The information in this Prospectus and any information provided by the Company does not constitute investment or financial product advice and does not take into account the investment objectives, financial situation, taxation impact or particular needs of individual Applicants. The potential tax effects of the Offer will vary between Applicants. Potential Applicants should contact their stockbroker, accountant or other professional adviser if they have any questions regarding the Offers and investing in the Company.

#### **Disclaimer of representations**

The Company has not authorised any person to give any information, or to make any representation, in relation to the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company, and any such information or representation may not be relied on. Except and to the extent required by law, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on investment made pursuant to this Prospectus.

#### **Forward-looking statements**

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements have been prepared with all reasonable care and attention, based on an evaluation of current economic, financial and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this Prospectus, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control. They may be affected by matters such as those outlined in Section 9. This may result in the actual circumstances being materially different to those anticipated. Potential Applicants are cautioned not to place undue reliance on any forward-looking statements.

The Company and its Directors cannot and do 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 as and when stated. Except to the extent required by law (including the Listing Rules), the Company does not give any undertaking to update or revise any forward-looking statements after the date of this Prospectus to reflect any changes in expectations in relation to forward-looking statements or any change

in events, conditions or circumstances on which any such statement is based.

Potential Applicants should note that past performance (including past Share price performance) cannot be relied on as an indicator of, and does not provide any guidance as to, future performance, including future Share price performance.

#### **Privacy**

Potential Applicants who apply for Options will provide 'personal information' (within the meaning given to that term in the Privacy Act) to the Company and the Share Registry. By applying for Options under the Offers, an Applicant will be taken to have consented to the Company and the Share Registry collecting, holding and using the Applicant's personal information in order to assess their Application, process the Applications, service their needs as a Shareholder, provide facilities and services that the Applicant request, and carry out appropriate administrative functions. Corporate and taxation laws require the Company to collect some personal information. Applicants who do not provide the information requested may not have their Application processed efficiently, or at all.

#### **No cooling off rights apply to the Offers**

Cooling off rights do not apply to an investment pursuant to any of the Offers. This means that, in most circumstances, you cannot withdraw your Application Form once it has been lodged.

#### **Governing law**

This Prospectus and the accompanying Application Form are governed by the laws applicable in the State of Western Australia. Applicants submit to the non-exclusive jurisdiction of the courts of the State of Western Australia and the Commonwealth of Australia.

#### **Meaning of terms**

Capitalised terms and certain other terms used and not otherwise defined in this Prospectus have the meaning given to them in the Glossary in Section 12.

References to "our", "us" and "we" are references to the Company.

References to "I", "you" and "your" are references to an Applicant.

#### **Currency**

References to "\$" or "dollar" are references to Australian currency, unless otherwise stated.

#### **Time**

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

## 2. Corporate Directory

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### Directors

Charles Murphy	Managing Director
Matthew Howard	Executive Director
Elliot Nicholls	Executive Director

### Company Secretary

Matthew Howard

### Registered Office

138 Churchill Ave  
Subiaco WA 6008

Telephone: +61 8 9278 2788  
<http://www.strategicelements.com.au>

### Legal Adviser

Lavan  
Level 20, 1 William Street  
Perth, Western Australia 6000

### Share Registry\*

Automic Registry Services  
Level 5, 191 St George Terrace  
Perth WA 6000

Telephone: 1300 288 664  
[www.automicgroup.com.au](http://www.automicgroup.com.au)  
email: [hello@automic.com.au](mailto:hello@automic.com.au)

### Auditor\*

Nexia Audit Services Perth  
Level 3, 88 William Street  
Perth WA 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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### 3. Timetable

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#### Indicative Timetable

Event	Date
Lodgement of the Prospectus with ASIC and release to ASX	2 August 2024
Opening Date of the Offers	2 August 2024
Closing Date of the Offers (5:00pm (AWST))	9 August 2024
Issue of Options under the Offers	13 August 2024

**Note:** These dates are indicative only and subject to change. Subject to the Listing Rules and the Corporations Act, the Company may vary these dates, including to close the Offers early, extend the Offers, or accept late Applications, either generally or in particular cases, without notification. Persons who wish to apply under the Offers are encouraged to submit their Application Form as soon as possible after the Offers open as the Offers may close at any time without notice.

#### Key Details for the Offers

Event	Date
Exercise Price per Option	\$0.06
Maximum number of Options issued under this Prospectus	25,375,000
Maximum number of Options issued under the Placement Options Offer	21,875,000
Maximum number of Options issued under the Consultant Options Offer	3,500,000
Maximum proceeds from the Offers	No funds will be raised through the issue of Options under the Offers.

## 4. Overview of the Offers

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### 4.1 Offers

This section is intended to highlight key information for potential investors. It is an overview only. This Prospectus and all of its sections should be read and considered in its entirety before deciding to invest in the Options.

Question	Response	Further details
<b>What are the Offers being made under this Prospectus?</b>	By this Prospectus the Company is offering: <ul style="list-style-type: none"><li>• up to 21,875,000 new Options for nil consideration on the basis of one Option for every one Share issued to Placement Participants under the Placement; and</li><li>• up to 3,500,000 new Options to the Consultant (or its nominee).</li></ul>	Section 5.1
<b>What is the purpose of the Offers?</b>	The Offers are being made in accordance with the Company's announced intention to offer: <ul style="list-style-type: none"><li>• free attaching Options to Placement Participants; and</li><li>• Options to the Consultant for services rendered.</li></ul> This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the Options and to facilitate the secondary sale of the Options.	Sections 5.3 and 6.1
<b>Can I sell or transfer my entitlements?</b>	No. The Offers are non-renounceable. Accordingly, you cannot offer to sell or transfer your entitlement to subscribe for Options under either of the Offers.	Section 5.6
<b>Who is eligible to subscribe under the Offers?</b>	Only Placement Participants are eligible to participate in the Placement Options Offer. Placement Participants are those investors who participated in the Placement and were issued Shares under the Placement.  Only the Consultant (or its nominee) is eligible to participate in the Consultant Options Offer.	Section 5.2
<b>What are the key terms of the Options?</b>	The terms of the Options to be issued under the Offers are the same. The Options will have an exercise price of \$0.06 each and will expire on the date that is 3 years from the date of issue.  The full terms of the Options are set out in Section 8.2.	Section 8.2
<b>Use of funds</b>	No funds will be raised as a result of the Offers.	Section 5.4

<p><b>Is there a minimum or maximum subscription?</b></p>	<p>There is no minimum subscription under the Offers. Under the Placement Options Offer no person (or their nominee) may apply for (and the Company will not issue) Options in excess of the person's entitlement to Options which is one free attaching Option for every one Share subscribed for and issued under Placement, as applicable.</p> <p>The Consultant (or its nominee) may not apply for (and the Company will not issue) Options to the Consultant in excess of 3,500,000 Options.</p>	<p>Section 5.13</p>																				
<p><b>Are the Offers underwritten?</b></p>	<p>No, the Offers are not underwritten.</p>	<p>Section 5.10</p>																				
<p><b>Will the Options be quoted?</b></p>	<p>The Options are unlisted and therefore will not be quoted. However, the Options may be transferred off-market.</p>	<p>Section 5.11</p>																				
<p><b>What is the effect of the Offers?</b></p>	<p>The effect of the Offers on the capital structure is set out below (assuming no other securities are issued and no other existing securities are exercised):</p> <table border="1" data-bbox="552 898 1206 1861"> <thead> <tr> <th data-bbox="552 898 715 1010">Issued Capital</th> <th data-bbox="719 898 874 1010">Shares</th> <th data-bbox="879 898 1034 1010">Unquoted Options</th> <th data-bbox="1038 898 1206 1010">Unquoted Performance Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="552 1016 715 1182">Securities on issue as at the date of this Prospectus</td> <td data-bbox="719 1016 874 1182">468,808,437</td> <td data-bbox="879 1016 1034 1182">0</td> <td data-bbox="1038 1016 1206 1182">6,000,000</td> </tr> <tr> <td data-bbox="552 1189 715 1406">Maximum Options to be issued under the Placement Options Offer</td> <td data-bbox="719 1189 874 1406">-</td> <td data-bbox="879 1189 1034 1406">21,875,000</td> <td data-bbox="1038 1189 1206 1406">-</td> </tr> <tr> <td data-bbox="552 1413 715 1630">Maximum Options to be issued under the Consultant Options Offer</td> <td data-bbox="719 1413 874 1630">-</td> <td data-bbox="879 1413 1034 1630">3,500,000</td> <td data-bbox="1038 1413 1206 1630">-</td> </tr> <tr> <td data-bbox="552 1637 715 1861"><b>Total securities on issue if all Options under this Prospectus are issued</b></td> <td data-bbox="719 1637 874 1861"><b>468,808,437</b></td> <td data-bbox="879 1637 1034 1861"><b>25,375,000</b></td> <td data-bbox="1038 1637 1206 1861"><b>6,000,000</b></td> </tr> </tbody> </table> <p>Notes:</p> <p><sup>1</sup> The total Shares on issue includes the 21,875,000 Shares issued under the Placement on 10 July 2024.</p> <p>It is not expected that the Offers will have any effect on the control of the Company.</p>	Issued Capital	Shares	Unquoted Options	Unquoted Performance Rights	Securities on issue as at the date of this Prospectus	468,808,437	0	6,000,000	Maximum Options to be issued under the Placement Options Offer	-	21,875,000	-	Maximum Options to be issued under the Consultant Options Offer	-	3,500,000	-	<b>Total securities on issue if all Options under this Prospectus are issued</b>	<b>468,808,437</b>	<b>25,375,000</b>	<b>6,000,000</b>	<p>Section 6</p>
Issued Capital	Shares	Unquoted Options	Unquoted Performance Rights																			
Securities on issue as at the date of this Prospectus	468,808,437	0	6,000,000																			
Maximum Options to be issued under the Placement Options Offer	-	21,875,000	-																			
Maximum Options to be issued under the Consultant Options Offer	-	3,500,000	-																			
<b>Total securities on issue if all Options under this Prospectus are issued</b>	<b>468,808,437</b>	<b>25,375,000</b>	<b>6,000,000</b>																			

<b>Do I have to participate?</b>	No. Participation in the Offers is entirely voluntary. If you do not wish to participate in the Offers, do nothing even if you applied for and were issued Shares under the Placement. However, if you do not apply you will not be issued Options.	Section 7.2
<b>How do I apply for Options under the Offers?</b>	Placement Participants may apply for Options under the Placement Options Offer by completing the 'Placement Options Offer Application Form'.  The Consultant (or its nominee) may apply for Options under the Consultant Options Offer by completing the 'Consultant Application Form'.	Section 7.1
<b>Are Directors participating in the Offers?</b>	No. The Directors did not participate in the Placement and therefore are not entitled to apply for Options under the Placement Options Offer.	Section 10.7(b)
<b>How can I obtain further information?</b>	If you have any queries concerning the Offers please contact the Company's Secretary on 08 9278 2788 (within Australia) or +61 8 9278 2788 (outside Australia).	Section 7.6
<b>Risk Factors</b>	There are several risks associated with the acquisition of Options in the Company, including those relating to the Company's business, the regulatory environment, the industries in which the Company operates and general investment risks.	Section 9

## 5. Details of the Offers

### 5.1 Offers

#### Placement Options Offer

On 5 July 2024, the Company announced a placement comprising the issue of 21,875,000 Shares at \$0.04 per Share (**Placement**) pursuant to the Company's capacity under ASX Listing Rule 7.1 to raise up to \$875,000 (before costs). The issue of 21,875,000 Shares under the Placement occurred on 10 July 2024.

The offer of Options to Placement Participants is an offer of up to 21,875,000 new Options for nil consideration on the basis of one Option for every one Share issued to Placement Participants under the Placement (**Placement Options Offer**). Where the determination of a Placement Participant's entitlement to Options under the Placement Options Offer results in a fraction, such fraction will be rounded down to the nearest whole Option.

Based on the number of Shares issued under the Placement, 21,875,000 Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the Options.

The Options offered under the Placement Options Offer will be exercisable at \$0.06 each and will expire three years from the date of issue and are otherwise issued on the terms set out in Section 8.2.

All of the Shares issued upon exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 8.1 for further information regarding the rights and liabilities attaching to the Shares.

### Consultant Options Offer

The Company engaged the services of New Technology Capital Group, LLC (**Consultant**) to render advisory services in connection with potential technology investments by the Company. The Company agreed to issue the Consultant (or its nominee) 3,500,000 new Options in consideration of those services.

The offer of 3,500,000 new Options to the Consultant is made in accordance with the arrangement with the Consultant as consideration for services rendered to the Company (**Consultant Options Offer**). Only the Consultant (or its nominee) may accept the Consultant Options Offer, by using the relevant Application Form in relation to the Consultant Options Offer.

The Options offered under the Consultant Options Offer will be exercisable at \$0.06 each and will expire three years from the date of issue and are otherwise issued on the terms set out in Section 8.2.

No funds will be raised from the Consultant Options Offer as the Consultant Options are being issued as consideration for services provided to the Company by the Consultant.

## **5.2 Eligibility to participate in the Offers**

Only Placement Participants are eligible to participate in the Placement Options Offer.

Placement Participants are those investors who participated in the Placement and were issued Shares under the Placement.

Only the Consultant (or its nominee) is eligible to participate in the Consultant Options Offer.

There is no general public offer of Options under this Prospectus.

## **5.3 Purpose of the Offers**

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the Options as they are not in a class of securities that were quoted at all times in the last 3 months.

Consequently, the Company has issued this Prospectus for the offer of new Options to the Placement Participants and the Consultant (or their nominees, as applicable). This Prospectus has also been issued to facilitate secondary trading of the Options and the Shares to be issued on the exercise of the Options. Issuing the Options under this Prospectus will enable persons who are issued the Options to on-sell the Shares issued on exercise of the Options pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

Accordingly, the purpose of this Prospectus is to:

- make the offers of Options under the Offers; and
- ensure that the on-sale of the Options and Shares issued on conversion of the Options will not breach section 707(3) of the Corporations Act.

#### **5.4 Use of Funds**

No funds will be raised as a result of the Offers. However, the Company will receive \$0.06 for each Option exercised.

If all Options under the Offers are issued and exercised, the Company will receive approximately \$1,312,500 (before costs). There is no certainty that any of the Options will be exercised.

Funds raised from the exercise of the Options are intended to be applied towards working capital.

The application of funds will depend on when Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events 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 the funds are applied on this basis.

#### **5.5 Opening and Closing Date for Offers**

The Offers will open and the Company will accept Application Forms from 2 August 2024 (**Opening Date**) until 5.00pm (AWST) on 9 August 2024 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

#### **5.6 No transfer of entitlements under the Offers**

The Offers are non-renounceable and therefore Placement Participants and the Consultant (or their nominees, as applicable) cannot offer to sell or transfer any of their entitlement to participate in the Offers on ASX or via an off-market transfer (or any other exchange or privately transfer). If you do not take up your right to receive the relevant Options by the Closing Date, the relevant Offer to you will lapse.

#### **5.7 Transfer of Options**

The Options will be transferable off-market subject to the Corporations Act and the ASX Listing Rules.

#### **5.8 Issue Date**

It is expected that Options will be issued in accordance with the dates specified in the indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Options. Applicants who sell the Options before they receive their holding statements do so at their own risk.

#### **5.9 No cooling off rights**

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

#### **5.10 No Underwriting**

The Offers are not underwritten.

### 5.11 ASX Quotation

The Options are unlisted and therefore will not be quoted on the ASX.

### 5.12 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by either Placement Participants or the Consultant (or their nominees) on the issue of Options under this Prospectus.

### 5.13 Minimum and Maximum Subscription

There is no minimum subscription under the Offers.

Under the Placement Options Offer no person may apply for (and the Company will not issue) Options in excess of the person (or their nominee's) entitlement to Options, which is one free attaching Option for every one Share subscribed for and issued under the Placement, as applicable.

The Consultant (or its nominees) may not apply for (and the Company will not issue) Options in excess of 3,500,000 Options.

### 5.14 Application for Options

This Offer is not open to the general public and is only open to Placement Participants and the Consultant who are invited by the Company to subscribe for the Options. The Company may determine in its discretion whether to accept any or all Applications.

Applicants can only apply for Options using the Application Form which accompanies this Prospectus.

If an Application Form is not completed correctly, it may be treated by the Company as valid, at the Directors' discretion. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend, or complete a form is final.

Given there is no consideration payable for the Options, the Application Form does not need to be accompanied by any payment of funds.

Completed Application Forms and accompanying must be mailed or delivered to the Company before 5:00pm (AWST) on the Closing Date as follows:

By hand	By post	By email
138 Churchill Ave SUBIACO WA 6008	138 Churchill Ave SUBIACO WA 6008	admin@strategicelements.com.au

### 5.15 Withdrawal

The Company reserves the right to withdraw the Offer at any time before Options are issued.

### 5.16 Restriction on the distribution of this Prospectus

The distribution of this Prospectus outside Australia may be restricted by law.

This Prospectus does not constitute an offer of securities in any jurisdiction in which, or to any person to whom, it would be unlawful to issue the Prospectus or make the Offer.

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

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. Submitting a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

## 5.17 Enquiries

For enquiries concerning the Offer, please contact the Company Secretary on +61 8 9278 2788 at any time between 9:00am and 5:00pm (AWST) Monday to Friday until the Closing Date. Alternatively, please consult your stockbroker or other professional advisor.

## 6. Effect of the Offers

### 6.1 Purpose of the Offers

The Placement Options Offer is being made in accordance with the Company's announcement on 5 July 2024 to offer one Option for every one Share issued to Placement Participants under the Placement. The offer of 3,500,000 Options to the Consultant (or its nominees) is being made in accordance with the Consultant Options Offer as consideration for services provided to the Company by the Consultant.

This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued on exercise of the Options, and to facilitate the trading of the Options.

### 6.2 Effect on capital structure

The table below sets out the effect of the Offers on the Company's capital structure if all Options under the Offer are subscribed for.

Issued Capital	Shares	Unquoted Options	Performance Rights
Securities on issue as at the date of this Prospectus	468,808,437	-	6,000,000
Maximum Options to be issued under the Placement Options Offer	-	21,875,000	-
Maximum Options to be issued under the Consultant Options Offer	-	3,500,000	-
<b>Total securities on issue if all Options under this Prospectus are issued</b>	<b>468,808,437</b>	<b>25,375,000</b>	<b>6,000,000</b>

#### Notes:

<sup>1</sup> The total Shares on issue includes the 21,875,000 Shares issued as part of the Placement on 10 July 2024.

<sup>2</sup> The figures in the table above assume no other securities are issued prior to the close of the Offer.

### **6.3 Effect on control**

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have Voting Power greater than 20% as a result of the completion of the Offers and the exercise of any Options issued under the Offers.

The maximum number of Options proposed to be issued under the Offers is approximately 25,375,000. If all of these Options are exercised, the Shares issued on exercise will constitute approximately 5.41% of the Shares on issue following completion of the Offers and 5.07% on a fully diluted basis assuming the exercise of all convertible securities on issue and that no other securities are issued.

### **6.4 Effect on financial position**

The Company does not consider that the Offers will have a material effect on the financial position of the Company. No funds will be raised from the issue of the Options pursuant to this Prospectus.

If all Options are issued and exercised (which is not certain), it would have the effect on the Company's financial position of increasing the cash balance by approximately \$1,312,500 (before costs).

The expenses of the Offers will be met from the Company's existing cash reserves. The immediate financial effect of Offers will have an effect on the Company's financial position of reducing the cash balance by approximately \$16,706 (exclusive of GST). Please refer to Section 10.10 for further details on the estimated expenses of the Offers.

## **7. Application for Options**

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### **7.1 How to apply**

#### Placement Options Offer

A Placement Participant may only accept the Placement Options Offer on the basis of one Option for every one Placement Share subscribed for and issued pursuant to the Placement by completing and submitting the 'Placement Options Offer Application Form', which accompanies this Prospectus (and which will be provided to you by the Company).

#### Consultant Options Offer

The Consultant (or its nominees) may only accept the Consultant Options Offer for up to 3,500,000 new Options by completing and submitting the 'Consultant Application Form', which accompanies this Prospectus (and which will be provided by the Company).

### **7.2 Application process that applies to all Offers**

Participation in the Offers is voluntary for Placement Participants and the Consultant (and their nominees). However, if you do not apply you will not be issued Options.

The relevant Application Form must be completed in accordance with the instructions on the relevant Application Form. Please read the instructions carefully.

To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept. If the number of Options subscribed for under the Offers is more than the number of Options to which the Applicant is entitled under the Offers, the Company reserves the right to return the relevant Application Form and not issue any Options to the Applicant or to accept it in respect of the maximum number of Options which the Applicant is entitled to. Completed Application Forms must be returned to the email address or

physical address set out on the Application Form, by no later than 5:00pm (AWST) on the Closing Date.

No subscription monies are payable for the Options offered pursuant to this Prospectus under the Offers as the Options are either being issued on the basis of one free attaching Option for every one Share subscribed for and issued under the Placement or in consideration for services provided in respect of the Consultant Options Offer.

If you are in doubt as to the course of action, you should consult your professional advisor.

### **7.3 Application Form is binding**

Receipt of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Options accepted by the Company.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

### **7.4 Representations you will be taken to have made by accepting the Offers**

By returning an election or completing and returning your Application Form, you will be deemed to have represented that you are entitled to apply for Options under the Placement Options Offer or Consultant Options Offer (as applicable). In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you have:

- fully read and understood this Prospectus and the relevant Application Form in their entirety;
- agreed to be bound by the terms of the Placement Options Offer or Consultant Options Offer, as applicable, the provisions of this Prospectus and the Company's Constitution;
- declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the Placement Options Offer or Consultant Options Offer, as applicable and the relevant Application Form;
- authorised the Company to register you as the holder of the Options;
- acknowledged that once the Company receives your Application Form, you may not withdraw your application except as allowed by law;
- authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the Options to be issued to you;
- understood and acknowledged that the information contained in this Prospectus and Application Form is not investment advice nor a recommendation that the Options are suitable for you given your investment objectives, financial situation or circumstances;
- acknowledged that investment in the Company is subject to the risk factors outlined in Section 9 of this Prospectus;

- acknowledged that the Company or its Related Bodies Corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;
- authorise the Company to correct any errors in your Application Form or any other document provided to you;
- acknowledge that the Options have not, and will not be, registered under the securities laws in any jurisdictions outside of Australia; and
- represented and warranted that:
  - you are not in the United States and are not acting for the account or benefit of a person in the United States;
  - the Options 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 and accordingly, the Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
  - you have not and will not send any materials relating to the Offers to any person in the United States, or a person acting for the account or benefit of a person in the United States.

## 7.5 Privacy Act

If you complete an Application Form for Options, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed for purposes related to Shareholders' investments to the Company's agents and service providers, such as:

- to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry;
- the Share Registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the Options and for associated actions.

You can access, correct and update the personal information that we hold about you.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (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 Form, the Company may not be able to accept or process your application.

## 7.6 Queries concerning the Offers

If you have any queries concerning the Offers, please contact the Company on 08 9278 2788 (within Australia) or +61 8 9278 2788 (outside Australia).

## 8. Rights and Liabilities of Shares and Options

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### 8.1 attaching to the Shares

Full details of the rights and liabilities attaching to Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and the common law. Full details of the rights and liabilities attaching to the Shares are set out in the Company's Constitution, a copy of which is available for inspection free of charge at the Company's registered office during normal business hours or on request made to the Company Secretary.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to Shares:

(a) **Share capital**

All issued Shares rank equally in all respects.

(b) **Voting rights**

At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share (i.e. partly paid) held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.

(c) **Dividend rights**

Subject to the Corporations Act, the Listing Rules and any rights of persons entitled to Shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such Shares in proportion to the amount of capital paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid, unless the Share is issued on terms providing to the contrary.

(d) **Payment of dividends**

Dividends are payable out of the assets of the Company in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other securities of the Company.

(e) **Rights on winding-up**

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of the Company, 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 the liquidator 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.

(f) **Transfer of Shares**

Subject to the Constitution, Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

(g) **Refusal to transfer Shares**

The Directors may refuse to register a transfer of Shares (other than a Market Transfer) where:

- the Listing Rules or ASTC Settlement Rules permit the Company to do so; or
- the Listing Rules or ASTC Settlement Rules require the Company to do so.

Notwithstanding any other provisions contained in this Constitution, the Company may not prevent, delay or interfere with the registration of a Market Transfer where to do so would be contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules.

(h) **Further increases in capital**

Subject to the Constitution, the Corporations Act and the Listing Rules:

- Shares in the Company are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and
- the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration.

(i) **Variation of rights attaching to shares**

The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.

(j) **General meeting**

Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

(k) **Amending the Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% 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.

## 8.2 **Rights attaching to the Options**

The Options will be issued on the following terms:

(a) **Entitlement**

Each Option entitles the Applicant to subscribe for one Share in the Company upon payment of the Exercise Price for each Option.

(b) **No payment on grant**

The Applicant is not required to pay any amount upon the issue of the Options.

(c) **Exercise Price**

The exercise price of each Option is \$0.06.

(d) **Expiry date**

Each Option may be exercised at any time before 5.00pm (AWST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised prior to the Expiry Date will automatically expire.

(e) **Certificate or holding statement**

As soon as reasonably practicable after the date the Options have been issued, the Company must give the Applicant a certificate or holding statement stating:

- the number of Options issued to the Applicant;
- the exercise price of the Options; and
- the date of issue of the Options.

(f) **Quotation of Options**

The Company will not apply to ASX for quotation of the Options.

(g) **Quotation of Shares**

The Company will apply to ASX for quotation of Shares issued on exercise of the Options as soon as practicable after such Shares are issued.

(h) **Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Applicant (including the number of Options to which the Applicant is entitled to and the exercise price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and Applicant.

(i) **Notice of reorganisation**

The Company must, within a reasonable period, give to the Applicant notice of any change to the exercise price of any Options held by the Applicant or the number of Shares which the Applicant is entitled to subscribe for on exercise of an Option.

(j) **Notices**

The provisions of the constitution of the Company regarding notices to be given to holders of Shares shall apply mutatis mutandis to notices to be given to the Applicant.

(k) **Exercise of Options**

To exercise Options, the Applicant must give the Company or its share registry, at the same time:

- a written exercise notice (in the form approved by the Board of from time to time) specifying the number of Options being exercised and Shares to be issued;
- payment of the exercise price for the relevant Options the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Board; and
- any certificate for the Options.

The Applicant may only exercise Options in multiples of 10,000 Options unless the Applicant exercises all Options held by it.

Options will be deemed to have been exercised on the date the exercise notice and exercise price are received by the Company.

If an Applicant exercises less than the total number of Options registered in its name:

- the Applicant must surrender their Option certificate (if any); and
- the Company must cancel the Option certificate (if any) and issue the Applicant a new Option certificate or holding statement stating the remaining number of Options held by the Applicant.

(l) **Issue of Shares on exercise of Options**

Within 5 Business Days after receiving an application for exercise of Options and payment by the Subscriber of the exercise price, the Company must issue the Applicant the number of Shares validly specified in the application.

Subject to the constitution of the Company, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing Shares of the Company at the date of issue.

(m) **Options Transferable**

The Options are transferable subject to the provisions of the Corporations Act and ASX Listing Rules.

(n) **Governing law**

These terms and the rights and obligations of the Applicant in respect of the Options are governed by the laws of Western Australia. The Applicant irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Western Australia.

## **9. Risk Factors**

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### **9.1 Introduction**

The Options offered by this Prospectus are considered as speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to

consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

This Section 9 is not intended to be an exhaustive list of the considerations to be taken into account by potential Applicants in deciding whether or not to subscribe for Options nor all of the risk factors to which the Company is exposed. There are specific risks which relate directly to the Company's business. In addition, there are other general risks. Whilst some of these risks can be mitigated by using safeguards and appropriate systems and actions, many are outside the control of the Company and Directors and cannot be mitigated.

The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

Potential Applicants should carefully consider whether Options (and upon conversion, Shares) in the Company are an appropriate investment for them and should take into account that the price of the Company's securities can fall as well as rise.

There are risks associated with investing in any form of business and with investing in the share market generally. All potential Applicants should consult their professional advisers if they are in any doubt as to any aspect of this Prospectus, the Offers or any other matter relating to an investment in the Company.

## **9.2 Company specific risks**

The following risks have been identified as being key risks specific to the Group and an investment in the Company. These risks have the potential to have a significant adverse impact on the Company and may affect the Company's financial position, prospects and price of its quoted securities.

### **(a) Investment Company**

While the Company intends to invest in opportunities in accordance with its investment scope, there is a risk that it may not be able to do so at all, or on satisfactory terms. In addition, the Company may invest in projects that may ultimately not be as prospective as originally thought. Individual investments made by the Company may fall in value for many reasons such as changes in the investee company's operations, management or in its business environment.

### **(b) Status as a Pooled Development Fund**

The Company's status as a Pooled Development Fund is reliant upon the Company complying with the *Pooled Development Fund Act 1992* (Cth) (**PDF Act**) and the directions of Industry Innovation and Science Australia and the Australian Government keeping the program operational, although it is closed for new registrations. There is a risk that the Company may lose its status as a Pooled Development Fund if it fails to comply with these requirements or the legislative framework underpinning the tax concessional status of Pooled Development Funds changes. This may be detrimental to Applicants or Pooled Development Funds generally, including the Company. At the date of this Prospectus, the Company remains a registered and compliant Pooled Development Fund and is unaware of any information that would affect the Company's current registration as Pooled Development Fund.

### **(c) Government policy**

The tax benefits available to the Company as a Pooled Development Fund can be affected by changes in government policy that are beyond the control of the Company. There is a risk that such changes may affect the Company's financial performance and strategy moving forward.

(d) **Research and development**

There are inherent risks in research and development. The Company's future success is dependent on successful research and development (e.g. Energy Ink™ technology in AAM and research and development in Stealth Technologies). The Company has had initial early success with the development of Energy Ink™ technology but given Energy Ink™ is still an early-stage technology, it is susceptible to risks associated with any early-stage R&D such as the uncertainty of material science development. Some risks relevant to the Company include:

- commercial difficulties with research partners;
- uncertainty of further research including costs of further research and/or commercialisation;
- difficulties and delays in further research;
- lack of suitably experienced and qualified research personnel;
- general uncertainty relating to the scientific development and commercial application of any intellectual property the Company is able to develop;
- failure to secure adequate protection for intellectual property, failure of such protection - including patents - to provide the anticipated protection, or an inability to enforce protection due to jurisdiction issues or enforcement related costs;
- lack of suitable markets for commercialisation of technology or inability to attract suitable commercial partners
- lack of research institute capability;
- engineering challenges, including materials engineering;
- competition from other research groups;
- fabrication and deposition challenges;
- access to laboratory equipment; and
- problems scaling up lab based methods.

(e) **Business strategy**

There is a risk that management of the Group will not be able to implement its business strategy. The capacity of management to properly implement and manage the strategic direction of the Group may be impacted by operational and market matters outside of their control. This may affect the Group's operating and financial performance.

(f) **Nature of the Options**

The Company will not seek quotation for the Options however, the Options will be transferrable off-market. There is no certainty that Shares will trade above the exercise price and accordingly there is no certainty that Option holders will realise any value from the Options. In the event that Options are exercised, this will dilute the holdings of existing Shareholders.

(g) **Reliance on key personnel**

The Company is dependent on the experience of its Directors' and management team. Whilst the Board has sought to, and will continue to ensure that the management team and any key employees are appropriately incentivised, their services cannot be guaranteed. The loss of any of the Directors', senior management or key employees' services to the Company may have an adverse effect on the performance of the Company pending replacements being identified and retained by or appointed to the Board of the Company.

(h) **Contractual risk**

The ability of the Company to achieve its objectives will depend on the performance of other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(i) **Competition risk**

The industries in which the Company is involved are 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.

The Company's current and future potential competitors may include entities with greater financial and other resources than the Company which, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these entities.

(j) **Liquidity and future capital requirements**

The Company has no material operating revenue and is unlikely to generate any material operating revenue in the foreseeable future. Exploration, research, project development and evaluation costs will continue to use funds from the Company's current cash reserves.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Company prepares cash forecasts and maintains cash balances to meet short and long-term cash requirements. The Company's objective is to raise sufficient funds from equity and/or debt to finance its activities until its operations become profitable.

The Company's ability to continue its activities over time may depend in part on its ability to raise additional funds.

The future capital requirements of the Company will depend on many factors including its ability to develop and grow its investments. The Company believes its available cash following the Placement will be adequate to fund its business objectives in the short term, however, the Company may require further funding in the future.

In the event further funding is required to maintain operations, any additional equity financing may be dilutive to Shareholders or may be undertaken at lower prices than the then market price.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its activities, the Company may also not be able to take advantage of opportunities or respond to competitive pressures. An inability to obtain additional funding could also result in delays or reductions in further exploration, research, project development and evaluation activities which could have a material adverse effect on the Company's ability to continue as a going concern.

**(k) Regulatory framework**

The introduction of new legislation or amendments to existing legislation by government, and the decisions of courts and tribunals can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions in the countries in which the Company could conduct business, could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

**(l) Intellectual property risks**

While the Company intends to invest into investee companies that acquire and licence intellectual property as part of its investment scope, there is a risk that it may not be able to locate any suitable intellectual property or to acquire it on satisfactory terms. The value of intellectual property acquired by investee companies that the Company may invest in may not be realised as licensees for the intellectual property may not be found or licensing may not be possible on satisfactory terms. In addition, the Company may invest into investee companies with intellectual property that may ultimately not be as prospective as originally thought. The Company manages these risks by filing patents frequently, managing publication requests, engaging key intellectual property specialists in Australia and overseas, ensuring intellectual property is protected through agreements and monitoring background art in the development area.

**(m) Exploration and development risk**

The Company's projects are in various industries. Its exploration projects are at various stages of exploration, and potential investors should understand that mineral exploration and project development are high risk undertakings.

Maria Resources, and Strategic Materials conduct mineral exploration. The companies hold exploration permits (**Projects**) subject to the respective mineral programs for New Zealand and Western Australia. The Projects are conceptual in nature and are exposed to the typical risks associated with mineral exploration such as environmental challenges, project development disruption by activists, failure to identify economic mineralisation, geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties,

industrial and environmental accidents, and issues with landowners, local government authorities, federal authorities and traditional owners.

To mitigate these risks, the Maria Resources, and Strategic Materials maintains compliance with current mineral permits by developing strong technical work programmes that are adequately funded and involving technical experts such as geophysicists and experienced geologists. Where applicable, the Company engages with landowners, traditional owners and other key stakeholders at an early stage with the assistance of consultants.

(n) **Failure to satisfy expenditure commitments and licence conditions**

Each tenements/licence held by the Maria Resources, and Strategic Materials is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, there is a risk that the Company could lose title to or its interest in the tenements/licences if conditions are not met or if insufficient funds are available to meet expenditure commitments.

(o) **Forward-looking statements**

There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and development timeline estimates contained in materials published by the Company are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Company. Actual performance of the Company may materially differ from forecast performance.

### 9.3 Industry specific risks

The following risks have been identified as being key risks relevant to the industries in which the Group operates. These risks have the potential to have a significant adverse impact on the Group and may affect the Group's financial position, prospects and price of its quoted Shares.

#### Technology and Research

(a) **Technology**

The Group's success in executing its growth strategy will depend on its ability to successfully develop or acquire technology products suitable for a commercial market. This will require management to remain at the forefront of technological developments in the industries in which it operates. There can be no assurance that the Group will successfully develop and manufacture new products or that new products will be accepted in the marketplace. If the Group does not successfully develop new products, the business, operating results and financial condition of the Group may be adversely affected.

The Group endeavours to keep itself abreast of technological developments which may impact the Group's allocation of resources. It is difficult to predict which developments will have a major effect on the market. Some decisions the Group may make on the perceived significance of certain technology and its relevance to the market may be incorrect. If the Group does not direct its resources accordingly, its ability to compete in the future could be adversely affected.

(b) **Research and development**

The Company has several investments in early stage research and development businesses.

The Group makes no representations that any of its (or its investments) research into, or development of, new products will be successful, that the development milestones will be achieved, or that products that are commercially exploitable will be developed.

There are many risks inherent in the development of products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit or research may cease to be viable for a range of scientific and commercial reasons.

(c) **Cyber risk**

The Company's operations are and will continue to be reliant on various computer systems, data repositories and interfaces with networks and other systems. Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and negatively impact the Company's operations. Whilst the Company has barriers, continuity plans and risk management systems in place, there are inherent limits to such plans and systems. An example of this would include a global outage of a technology provider. Further, the Company has no control over the cyber security plans and systems of third parties with which it may interface or upon whose services the Company's operations are reliant.

(d) **Occupational health and safety**

Due to the nature of the industries in which the Group operates and the products it develops, there is a potential risk to the health and safety of the Group's employees, contractors, customers or members of the public. If the Group does not comply with its health and safety obligations, it may be subject to sanctions and penalties. A health and safety incident has the potential to damage the Group's reputation which could negatively affect its revenue and profitability.

(e) **Dependence on outside parties**

The Group heavily depends on the performance of third parties who have key roles in managing and operating its investments. The actions of these third parties are important to the overall success of the business. While the Group has processes to undertake a review of these third parties, there are risks that can significantly impact the Group's financial performance.

(f) **Project Delays**

Delays to the commencement or completion of work on projects have occurred from time-to-time. Delays beyond the control of the Group may occur in the future due to a variety of reasons, including changes in the scope of work, legal issues, supply of labour, scarcity of quality materials and equipment, sub-standard performance by subcontractors, accidents, natural disasters, inclement weather conditions, regulatory intervention, delays in necessary approvals, difficult site access, or industrial relations issues.

The Group's financial performance may be adversely impacted by these project delays where revenue may be recognised in a later period, or in certain circumstances the Group may be liable to the client for liquidated damages. Further, project delays may prevent or delay the Group's personnel and assets from being deployed to progress other projects.

## Mineral Exploration

### (g) **Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral systems or economic mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in economies of mining processes, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### (h) **Environmental risks**

The operations and proposed activities of the Company are subject to Australian and New Zealand laws and regulations in respect to 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. The Company is committed to complying with all environmental laws.

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 the Company's business activities and increase 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 noncompliance with environmental laws or regulations.

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. 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.

### (i) **Landowners and access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements/licences is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for mining and exploration purposes can be affected by land ownership including private (freehold) land, native and local title obligations, treaty settlements, heritage obligations, pastoral lease and regulatory requirements within the jurisdictions where the Company operates.

The Company will be required to negotiate access arrangements and pay compensation to landowners, local authorities, traditional land users and others

who may have an interest in the area covered by a mining tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company and any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions.

Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential. Any delays or costs in respect of conflicting third party rights (for example, in relation to the assignment of any access agreements or the relocation of existing infrastructure on any existing miscellaneous licences that overlap with a tenement), obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to retain the Projects and carry out exploration or mining activities within the affected areas.

Rights to mineral tenements/licences carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of third party interests, the environment and safety. Failure to observe these requirements could prejudice the right to maintain the access rights to a given area.

(j) **Native title claims and Aboriginal heritage**

In the future if the existence of native title claims occur over the area covered by any tenements in Western Australia, or a subsequent determination of native title over the area occurs, this will not impact the rights or interests of the holder provided any tenement has been or will be validly granted in accordance with the Native Title Act.

If any tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. The Company is not aware of any circumstances to indicate that any of its tenements in Western Australia were not or will not be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. The Directors will closely monitor the potential effect of native title claims involving any tenements in which the Company has or may have an interest.

There remains a risk that additional Aboriginal sites may exist on the land the subject of a tenement. The existence of such sites may preclude or limit mining activities in certain areas of the Company's tenements.

(k) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access its projects and therefore the Company's ability to carry out exploration activities.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(l) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company. While the Company has a strong commitment to achieving a safe performance on site a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(m) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

#### **9.4 General investment risks**

The business activities of the Group are subject to various general economic and investment risks that may impact the future performance of the Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Group and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

(a) **Future capital requirements**

The Group's ongoing activities may require further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders or may be undertaken at lower prices than the existing Share price. Any equity or debt financing may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, there cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Group or at all. Further, there is a risk that the financiers under existing finance arrangements may be adversely affected by economic or other matters outside of the Group's control which may delay or impede the drawdown of funds when required.

If the Group is unable to obtain additional financing or drawdown existing financing as needed, it may be required to reduce, delay or suspend its operations, which may result in a material adverse effect on the Group's activities and its ability to continue as a going concern.

(b) **Potential acquisitions**

The Company may pursue other strategic acquisitions in the course of its business. Growth through acquisition entails numerous operational and financial risks. These risks include, but are not limited to, poor integration of the acquired businesses, entry into market segments with more risk than existing operations, and loss of managerial focus on existing businesses. These risks may have an adverse impact on the Company's financial performance.

(c) **Growth strategy**

Future growth of sales is dependent upon many factors. There is no assurance of growth in sales is sustainable or indicative of future growth, profitability or ability to pay dividends; nor is there any assurance that the revenue will increase in response to research and development, marketing or promotional activities undertaken by the Group.

(d) **Liquidity and volatility**

There is a risk that, particularly in times of security market turbulence or negative investor sentiment, there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile.

This may result in holders wishing to sell their Shares in circumstances where they may receive considerably less than the price paid for the Shares.

(e) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Group. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Group's future possible revenues and securities prices can be affected by these factors, all of which are beyond the control of the Group and its Directors.

(f) **Equity market conditions**

Shares listed on a securities market, and in particular shares of small companies at earlier stages of commercial development, can experience price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Shares regardless of the Group's operating performance.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(g) **General changes in legislation and government policy**

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Group, and consequent returns to investors.

(h) **Investment risk**

The Options offered pursuant to this Prospectus should be considered speculative. There cannot be any assurance as to the Share price being at a level which makes the conversion of the Options commercially feasible.

Placement Participants and the Consultant must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate having regard to their own particular circumstances.

(i) **Insurance**

The Group adequately insures its operations in accordance with industry practice. However, in certain circumstances, the Group'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 only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the Group.

(j) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. These include, but are not limited to, acts of God, fire, flood, earthquakes, war and strikes. To the extent that force majeure events occur, they may adversely affect the Group's financial performance, the value and price of Shares and the Group's ability to operate.

(k) **Taxation**

The acquisition and disposal of Options and Shares will have tax consequences, which will differ depending on the individual financial affairs of each prospective investors. Investors are urged to obtain independent professional advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by the 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.

(l) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

## 10. Additional Information

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### 10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and is subject to regular reporting and disclosure obligations.

As a listed public company, the Company is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules which require it to notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to certain exceptions.

This Prospectus is a "transaction specific prospectus" to which the rules under section 713 of the Corporations Act apply. Accordingly, a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for Shares under this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) above and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

## 10.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company's latest annual financial report and before lodgement of this Prospectus with ASIC:

Date	Title of announcement
2 August 2024	Appendix 3B
31 July 2024	SOR Quarterly Update and Appendix 4C
10 July 2024	Cleansing Notice
10 July 2024	Application for quotation of securities – SOR
5 July 2024	Proposed issue of securities – SOR
5 July 2024	SOR Strategic Capital Raising
3 July 2024	Trading Halt
28 June 2024	SOR Company Update
30 April 2024	SOR Quarterly Update and Appendix 4C
12 April 2024	Notification of cessation of securities - SOR
29 February 2024	Interim Financial Report
29 February 2024	Appendix 4D
31 January 2024	SOR Quarterly Updated and Appendix 4C
21 December 2023	ARC Funds Electrical Energy from Moisture Innovation
7 December 2023	Appendix 3Y x 3
7 December 2023	Notification regarding unquoted securities – SOR
28 November 2023	Results of Meeting
28 November 2023	SOR AGM Presentation 2023
14 November 2023	SOR Reaches New Heights in Moisture-Based Energy
31 October 2023	SOR Quarterly Update and Appendix 4C
25 October 2023	Notice of Annual General Meeting/Proxy Form
3 October 2023	Change of Director's Interest Notice
18 September 2023	Change of Director's Interest Notice
11 September 2023	Change of Director's Interest Notice
4 September 2023	SOR Energy Ink – Energy from Moisture

Date	Title of announcement
30 August 2023	Annual Report 2023

Copies of all documents lodged with ASIC in relation to the Company may be inspected at, the registered office of the Company or an office of ASIC during normal office hours.

Copies of documents released to ASX in relation to the Company (listed above and any future announcements) may be obtained from the Company's website, <https://www.strategicelements.com.au/investors/>, or on the ASX market announcements platform using the Company's ASX code 'SOR'.

### 10.3 Design and distribution obligations

The product design and distributions obligations under the Corporations Act (**DDO Obligations**) took effect from 5 October 2021. The DDO Obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The DDO Obligations require product issuers to make publicly available a target market determination that explains the target market for certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination.

The Company has prepared a target market determination in respect of the Options which is available on the Company's website at <https://www.strategicelements.com.au/investors/>.

### 10.4 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Options.

### 10.5 Market prices of existing Shares on ASX

The highest and lowest closing market prices of the Shares on ASX during the three months of trading preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: 6.3 cents on 08 May 2024.

Lowest: 4.1 cents on 27 June 2024.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was 4.5 cents per Share on 2 August 2024.

### 10.6 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, no shareholders of the Company together with their Associates, have a relevant interest in 5% or more of the Shares on issue.

### 10.7 Directors' Interests

#### (a) Holdings

The table below sets out the Directors' relevant interests in the securities of the Company as at the date of this Prospectus:

<b>Name of Director</b>	<b>Shares</b>	<b>Performance Rights</b>
Charles Murphy	10,142,567	2,000,000
Elliot Nicholls	7,449,048	2,000,000
Matthew Howard	7,259,192	2,000,000

(b) **Participation in the Offer**

None of the Directors will participate in the Offers.

(c) **Remuneration**

The Company's Constitution provides that the Directors may be paid for their services as directors of the Company.

A Director may be paid fees or other amounts as the Directors determine, where that Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out-of-pocket expenses incurred because of their directorship or any special duties.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity as director of the Company.

The table below sets out the current remuneration payable to each Director as well as the aggregate remuneration paid by the Company to each Director in the past two financial years.

<b>Director</b>	<b>Current remuneration</b>	<b>2023 annual remuneration</b>	<b>2022 annual remuneration<sup>1</sup></b>
Charles Murphy	\$307,000 (\$282,000 fixed, \$25,000 variable)	\$307,000 (\$282,000 fixed, \$25,000 variable)	\$307,000 (\$282,000 fixed, \$25,000 variable)
Elliot Nicholls	237,000 (\$212,000 fixed, \$25,000 variable)	\$237,000 (\$212,000 fixed, \$25,000 variable)	\$237,000 (\$212,000 fixed, \$25,000 variable)
Matthew Howard	\$237,000 (\$212,000 fixed, \$25,000 variable)	\$237,000 (\$212,000 fixed, \$25,000 variable)	\$237,000 (\$212,000 fixed, \$25,000 variable)
<b>Total</b>	<b>\$781,000</b> <b>(\$706,000 fixed,</b> <b>\$75,000 variable)</b>	<b>\$781,000</b> <b>(\$706,000 fixed,</b> <b>\$75,000 variable)</b>	<b>\$781,000</b> <b>(\$706,000 fixed,</b> <b>\$75,000 variable)</b>

<sup>1</sup> SOR 2022 Annual Report

**Notes:**

1. All amounts in the table above are exclusive of superannuation.
2. Details of audited remuneration of the Directors were obtained from the Company's 2023 Annual Report and are comprised of remuneration for the financial years ended 30 June 2022 and 30 June 2023.

Further information on the remuneration and other benefits received by the Directors over the last two years is set out in the Company's 2022 and 2023 annual reports, copies of which are available from ASX market announcements platform (<https://www.asx.com.au/>) using the Company's ASX code 'SOR'.

(d) **Other interests**

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offers, and

no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

**10.8 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no 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 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) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (f) the Offer; and

no amounts have been paid or agreed to be paid (whether in cash, securities or otherwise), and no other benefit has been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offer.

Lavan has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Lavan \$13,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lavan has been paid fees totalling \$17,937 (excluding GST and disbursements) for legal services provided to the Company.

## 10.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Options), 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) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus, nor is any statement made in this Prospectus based on any statement by any of those parties other than as specified in this Section 10.9; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes 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 10.9.

Lavan has given its written consent to being named as the solicitors to the Company in this Prospectus. Lavan has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

## 10.10 Expenses of the Offer

The expenses of the Offer are expected to comprise the following estimated costs, exclusive of GST:

<b>Expense</b>	<b>Amount</b>
ASIC fees (not subject to GST)	\$3,206
Legal fees	\$13,500
<b>TOTAL</b>	<b>\$16,706</b>

### Notes:

1. The figures are exclusive of GST.

The estimated expenses will be paid out of the Company's existing cash reserves.

## 10.11 Litigation

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

## 10.12 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an

electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company Secretary on +61 8 9278 2788 or the Share Registry on +61 8 9315 2333 and the Company will send you, free of charge, either a hard copy or a further electronic copy of the Prospectus, or both.

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 Prospectus or any of those documents were incomplete or altered.

### **10.13 Privacy disclosure**

The Company will collect personal information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and rules including the ASX Settlement Operating Rules:

2. the Share Registry for ongoing administration of the Company's register;
3. persons inspecting the Company's register;
4. bidders for your securities;
5. the Company's Related Bodies Corporate, agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
6. the printers and the mailing house for the purposes of preparing and distributing holding statements and for the handling of mail.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the Company's register of Shareholders even if that person ceases to be a security holder of the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

An Applicant can request access to their personal information by writing to the Company through the Share Registry.

#### **10.14 Information excluded from continuous disclosure notices**

As at the date of this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

#### **10.15 Related Party Transactions**

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

#### **10.16 Financial Forecasts**

The Directors have considered the applicable laws and do not believe that they have a reasonable basis to include forecast future earnings in this Prospectus, on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast.

#### **10.17 Taxation**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Options.

#### **10.18 Pooled Development Fund**

The Company is a registered pooled development fund. The Pooled Development Fund Programme was established by the Australian Federal Government to develop the market for private venture capital for expanding small to medium enterprises (**Investee Companies**) and to provide a concessional tax regime to encourage such investments.

The Company as a Pooled Development Fund aims to invest capital in Australian small to medium exploration and materials companies, which represent a high risk, high return scenario. Investments by the Company will at all times be subject to the PDF Act and the Pooled Development Fund Registration Board (**PDF Board**). Most Pooled Development Fund shareholders are exempt from income and capital gains tax on any profit from the sale of their Pooled Development Fund shares. Additionally, despite the Pooled Development Fund tax rate concessions, Pooled Development Funds can pass on franking credits at the 30% tax rate, which allows the investors to benefit from additional franking credits.

Pooled Development Fund shareholders receiving franked dividends can choose to either be exempt from income tax (or forgo the franking credits) or assess the income in the normal fashion (including franking credits). Australian resident Pooled Development Fund shareholders are exempt from income tax on unfranked dividends. Non-resident Pooled Development Fund shareholders are exempt from withholding tax on PDF distributions. The cost of gearing into a Pooled Development Fund cannot be claimed as an investment expense for income tax purposes.

The extent of the above tax concessions and rebates to Pooled Development Funds and Pooled Development Fund shareholders depends upon a number of factors including, the source of the Pooled Development Fund income, the tax rate applicable to the Pooled Development Fund shareholder and the extent of franking on any dividends paid by the Pooled Development Fund.

The rules governing Pooled Development Funds are set out in the PDF Act, which provides for the registration of companies as Pooled Development Funds. If a Pooled Development Fund does not comply with these rules its registration as a Pooled Development Fund may be revoked by the PDF Board, in which case it and its shareholders will lose the tax concessions that attach to an investment in a Pooled Development Fund with effect from and including the beginning of the financial year in which the Pooled Development Fund's registration is cancelled. The Company has adopted these rules in its investment plan.

The main rules which a Pooled Development Fund company must comply with are as follows:

- a Pooled Development Fund must comply with an approved investment plan;
- no shareholder (together with that shareholder's associates) may hold more than 30% of the shares in a Pooled Development Fund without the approval of the PDF Board;
- a Pooled Development Fund must acquire not less than 10% of the issued shares in an Investee Company in which it invests;
- the Pooled Development Fund must not invest in retail sale operations, acquisition or disposal of an interest in land or development of land
- a Pooled Development Fund must not invest more than 30% of its total funds in any one Investee Company; and
- a Pooled Development Fund must not invest in businesses with over \$50,000,000 in assets.

In addition to these rules the PDF Act:

- permits Pooled Development Funds to buy-back their own shares and to return capital to their shareholders, subject to a waiting period of two years;
- permits Pooled Development Funds (subject to certain restrictions) to make loans to an Investee Company in which the Pooled Development Fund already holds shares, subject to a maximum of 20% of a Pooled Development Funds capital base;
- permits (subject to certain restrictions) Pooled Development Funds to invest in non-transferable options to acquire shares in Investee Companies in which the Pooled Development Fund already holds shares;
- provides the PDF Board with the power to revoke registration of Pooled Development Funds that do not comply with provisions of the PDF Act; and
- provides for compliance and performance monitoring of Pooled Development Funds by the PDF Board through regular and comprehensive reporting requirements.

In accordance with the objectives of the PDF Act, some constraints apply to investments which may be made by a Pooled Development Fund. These constraints are intended to provide some defence against risk and can be summarised as follows:

- unless the PDF Board otherwise approves, a Pooled Development Fund may invest only in newly issued ordinary shares in Australian companies. Alternatively, a Pooled Development Fund may invest in certain other unregulated investments (for example deposits and other investments with certain banks);

- a Pooled Development Fund must invest at least 65% of its capital within 5 years of the capital being raised;
- unless the PDF Board approves otherwise, immediately after the Pooled Development Fund makes an investment it must hold at least 10% of the capital of the Investee Company in which it has invested (or have invested a minimum of \$500,000); and
- a Pooled Development Fund may not borrow money.

Please refer to the PDF Act for more details.

#### **10.19 CHES**

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue.

Holding statements will be sent either by CHES (for security holders who elect to hold Securities on the CHES sub-register) or by the Company's share registry (for security holder who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHES sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

## **11. Directors' Statement**

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

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company:

**Matthew Howard**

Director

Date:

## 12. Glossary of Terms

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The following definitions apply in this Prospectus, unless the context requires otherwise:

<b>\$</b>	means Australian dollars.
<b>AAM</b>	Australian Advanced Materials Pty Ltd (ACN 145 449 878).
<b>Applicant</b>	means a person who applies for Options pursuant to the Offers.
<b>Application</b>	means a valid application for Options offered under this Prospectus.
<b>Application Form</b>	means an application form that accompanies this Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASTC</b>	means the ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).
<b>ASTC Settlement Rules</b>	means the operating rules of the ASTC.
<b>Associate</b>	has the meaning given to that term in sections 10 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Limited (ACN 008 624 691), including the financial market operated by it known as the Australian Securities Exchange.
<b>ASX Settlement</b>	means ASX Settlement Pty Limited (ACN 008 504 532).
<b>ASX Settlement Operating Rules</b>	means the settlement and operating rules of ASX Settlement, the securities clearing house which operates CHESS.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors of the Company unless the context indicates otherwise.
<b>Business Day</b>	has the meaning ascribed to it in the Listing Rules.
<b>Closing Date</b>	means the date specified in the timetable set out in Section 3 (unless varied).
<b>Cognition Engines</b>	Cognition Engines Pty Ltd (ACN 650 782 282).
<b>Company or SOR</b>	means Strategic Elements Limited (ACN 122 437 503).
<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Consultant</b>	has the meaning given in Section 5.1.
<b>Consultant Options Offer</b>	has the meaning given in Section 5.1.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).

<b>Company Secretary</b>	means the company secretary of the Company.
<b>Director</b>	means a director of the Company.
<b>Exercise Price</b>	means \$0.06 for each Option.
<b>Expiry Date</b>	has the meaning given in Section 8.2(d).
<b>Group</b>	means the corporate group comprising the Company, its wholly investee companies AAM, Stealth Technologies, Cognition Engines and Maria Resources, and any future subsidiaries.
<b>GST</b>	means Goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Investee Company</b>	has the meaning given to that term under Section 10.18.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>Maria Resources</b>	Maria Resources Pty Ltd (ACN 150 339 469).
<b>Market Transfer</b>	means: <ul style="list-style-type: none"> <li>(a) a transfer of shares in the Company where the transfer is pursuant to or connected with a transaction entered into on the stock market operated by the ASX and for the avoidance of doubt includes a proper ASTC transfer (as that term is defined in the <i>Corporations Regulations 2001</i> (Cth)); or</li> <li>(b) an allotment of Shares in the Company as a result of the exercise of any rights, options or convertible notes where such rights, options or notes are traded on a market operated by the ASX.</li> </ul>
<b>Native Title Act</b>	means the <i>Native Title Act 1993</i> (Cth).
<b>Offers</b>	means together the: <ul style="list-style-type: none"> <li>(a) Placement Options Offer;</li> <li>(b) Consultant Options Offer,</li> </ul> each an Offer.
<b>Offer Period</b>	means the period that the Offer is open, being the period between the Opening Date and the Closing Date.
<b>Opening Date</b>	means the date specified in the timetable set out in Section 3 unless varied.
<b>Option</b>	means an option issued under this Prospectus on the Option Terms.
<b>Option Terms</b>	means the terms applicable to the Options set out in Section 8.2.
<b>PDF Act</b>	has the meaning given to that term under Section 9.2(b).

<b>PDF Board</b>	has the meaning given to that term under Section 10.18.
<b>PDF Regulations</b>	means Pooled Development Funds Regulations 2018.
<b>Placement</b>	has the meaning given to that term under Section 5.1.
<b>Placement Options Offer</b>	has the meaning given to that term under Section 5.1.
<b>Placement Participant</b>	means investors who participated in the Placement and were issued Shares under the Placement.
<b>Pooled Development Fund</b>	means a company registered as a Pooled Development Fund under the PDF Act.
<b>Prospectus</b>	means this prospectus, including any supplementary or replacement prospectus issued in relation to it.
<b>Related Bodies Corporate</b>	has the meaning given to that term in the Corporations Act.
<b>Section</b>	means a section of this Prospectus.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a registered holder of a Share.
<b>Share Registry</b>	means Automic Registry Services
<b>Stealth Technologies</b>	Stealth Technologies Pty Ltd (ACN 609 056 797).
<b>Strategic Materials</b>	means Strategic Materials Pty Ltd (ACN 140 631 732)
<b>Timetable</b>	means the indicative timetable for the Offer as set out in Section 3.
<b>US Person</b>	means a person with a registered address in or normally resident in the United States.
<b>Voting Power</b>	has the meaning given to that term in the Corporations Act.