

K-TIG Limited
(to be renamed "Metal Powder Works Limited")
ACN 158 307 549

Prospectus

For an offer of a minimum of 35,000,000 Shares and up to 50,000,000 Shares at an issue price of \$0.20 each to raise between \$7,000,000 and \$10,000,000 (before costs).

This Prospectus also contains the Secondary Offers detailed in Section 2.2.

ASX Code

Current: KTG Proposed: MPW

Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

Conditional Offers

The Offers are conditional upon certain events occurring. Please refer to Section 2.4 for further information. The Offers are not underwritten.

IMPORTANT NOTICES

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus.

The Securities offered pursuant to this Prospectus should be considered as speculative.

This Prospectus may not be distributed in the United States except by the Company to Approved US Accredited Investors.



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Important Information

The Offers

This Prospectus is issued by K-TIG Limited (to be renamed 'Metal Powder Works Limited') (ACN 158 307 549) (**Company**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offers in this Prospectus comprise: (i) a public offering of up to 50,000,000 Shares at an issue price of \$0.20 each to raise up to \$10,000,000 (before costs) (**Public Offer**), as well as the Consideration Offer, Conversion Offer and Advisor Offer detailed in Section 2.2 (collectively, the **Offers**).

Lodgement and listing

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 17 January 2025 (**Prospectus Date**). Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Application will be made to ASX within seven days of the Prospectus Date for Official Quotation of the Shares the subject of the Offers.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Securities will be issued on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other professional

adviser before deciding whether to invest in the Company. See Section 5 for the key risks relating to an investment in the Company, noting there may be other risks relevant to your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in Securities made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offers.

Morgans Corporate Limited (ACN 010 539 607) (the **Lead Manager** or **Morgans Corporate**), has acted as the Lead Manager to the Public Offer. To the maximum extent permitted by law, the Lead Manager and its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may

result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No cooling-off rights

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

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Transaction will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the Official List. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and Applicants will be refunded their Application Monies (without interest). See Section 2.4 for further details on the conditions attaching to the Offers.

Target Market Determination

A target market determination has not been prepared in respect of the Consideration Offer or the Conversion Offer on the basis that the Consideration Offer and the Conversion Offer will not be marketed to the general public, and will only be available to select investors, none of which are retail investors.

Consolidation

The Company will seek Shareholder approval at the General Meeting to undertake a consolidation of its Share capital on a 13 to 1

basis (**Consolidation**). Unless stated otherwise, all references to Securities in this Prospectus are on a post-Consolidation basis.

Electronic Prospectus and Application Forms

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.k-tig.com. Application Forms will not be made available until after the Exposure Period has expired.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be resident in Australia and must only access this Prospectus from within Australia except to the extent permitted below.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Securities. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company (see the Corporate Directory for contact details).

Applications will only be accepted on the Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Public Offer should complete the relevant Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Notice to foreign investors

This document does not constitute an offer of Securities of the Company in any jurisdiction in which it would be unlawful. In particular, this

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

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

The distribution of this Prospectus in jurisdictions outside of Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

In particular, this document may not be distributed to any person, and the Shares and Performance Rights may not be offered or sold, in any country outside Australia except by the Company to the extent permitted below.

Canada

This Prospectus constitutes an offering of Shares and Performance Rights only in the Province of Ontario (the "Province"), only to persons to whom Shares and Performance Rights may be lawfully distributed in the Province, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Province. This Prospectus may only be distributed in the Province to persons that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Province has reviewed or in any way passed upon this Prospectus, the merits of the Shares and Performance Rights or the offering of Shares and Performance Rights and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Province with respect to the offering of Shares

and Performance Rights or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares and Performance Rights in the Province must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada

Statutory rights of action for damages and rescission. Securities legislation in certain Province may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares and Performance Rights should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares and Performance Rights as there are Canadian tax implications for investors in the Province.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares and Performance Rights have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may be distributed, and the Shares and Performance Rights may be offered and sold, in the United States solely by the Company to Approved US Accredited Investors.

Taxation

The acquisition and disposal of Securities under the Offers will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors and other officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Securities under this Prospectus. You should consult your own professional tax advisers in regard to tax implications of the Offers.

Past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

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

The Company does not undertake to, and does not intend to, update or revise any forward looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company, the Directors, the Company's management and the Lead Manager cannot and do not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Financial information presentation

Historical financial information, including the pro forma financial information, has been prepared and presented in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards (as adopted by the Australian Accounting Standards Board) (for K-TIG), International Financial Reporting Standards (issued by the International Accounting Standards Board) and applicable law (for Metal Powder Works) and the Companies' respective adopted accounting policies. The historical financial information also complies with the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Company website

Any references to documents included on the Company's website are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Third party statements

This Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon *ASIC Corporations (Consents to Statements) Instrument 2016/72* for the inclusion of these statements in this Prospectus without such consent having been obtained.

Photographs and diagrams

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

Disclaimer

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Company's management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Governing law

The Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Defined terms and interpretation

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 11.

Corporate directory

Directors, Proposed Directors & Key Management Personnel

Stuart Carmichael	Non-Executive Chair
John Barnes	Proposed Managing Director
Darryl Abotomey	Non-Executive Director
Bruno Campisi	Proposed Non-Executive Director
Anthony McIntosh	Non-Executive Director (resigning Director)
Chris Aldridge	MPW Chief Technology Officer

Company Secretary

Jack Rosagro

Stock Exchange Listing

Australian Securities Exchange (**ASX**)
Proposed ASX Code: MPW

Registered and Principal Office

Level 5, 191 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664
Email: investors@k-tig.com
Website – Current: www.k-tig.com
Website – Proposed:
www.metalpowderworks.com

Share Registry*

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000

Solicitors

Hamilton Locke Pty Ltd
Level 39, 152-158 St Georges Terrace
Perth WA 6000

Lead Manager

Morgans Corporate Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000

Auditor*

BDO Audit Pty Ltd
BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000

Investigating Accountant

BDO Corporate Finance Australia Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Corporate Advisors

White Hutt Pty Ltd
PO Box 92
Black Rock VIC 3193

Ventnor Equities & Advisory Pty Ltd
PO Box 902
West Perth WA 6872

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Letter from the Chairman

Dear Investor,

On behalf of the Board of K-TIG Limited (to be renamed “Metal Powder Works Limited”) (**Company**), I would like to invite you to become a shareholder of the Company.

MPW, based in Pennsylvania, USA, is a highly regarded additive powder manufacturing provider. MPW has developed a patented MPW DirectPowderSM Process, which converts premium bar stock into high-quality powder for a range of materials and for diverse applications in the additive manufacturing (**AM**) sector.

MPW powders are made via numerical control, enabling MPW to control size and shape allowing MPW to precisely produce a specific size range which is key to economics, yielding more consistent results in processing. The technology yields 95%+ of infeed material which compares favourably to current atomising technologies which yield approximately 30% depending on the metal.

The proprietary technology that is used to produce powder that is more energy-efficient and produces a higher yielding product compared to the traditional atomisation process.

The DirectPowderSM Process has the potential to reduce energy usage and CO₂ emissions by as much as 83% over gas atomisation and as much as 89% compared to water atomisation.

The Offers

On 17 December 2024, the Company announced the proposed acquisition of 100% of the issued capital in MPW (**Transaction**) and an associated public offer to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs) (**Public Offer**). Completion of the Transaction and Public Offer requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

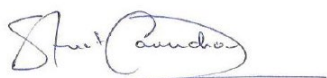
The Transaction and Public Offer are subject to a number of conditions, including obtaining the necessary Shareholder approvals, which are being sought at a General Meeting scheduled for 11 February 2025.

The proceeds of the Public Offer will be utilised to enable the Company to acquire MPW, to undertake market development and business development activities and to expand the Company’s market presence, industrial, design and engineering capabilities in the USA and international defence and aerospace sector.

An investment in the Company is speculative and subject to certain risks, a non-exhaustive list of which is highlighted in Section 5, including but not limited to reliance on key personnel, sales and marketing success, product quality risks, manufacturing risks, supplier risk and intellectual property risks. It is recommended that you consider the terms of the Offers contained in this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser.

On behalf of the Board of the Company, I commend this opportunity to you and look forward to welcoming you as a security holder.

Yours faithfully



Stuart Carmichael
Non-Executive Chair
K-TIG Limited

Key details of the Offers

	Minimum Subscription		Maximum Subscription		Performance Rights	Options
	Shares	%	Shares	%		
Securities currently on issue ¹	5,640,647	4.54	5,640,647	4.05	184,615	-
Public Offer Shares ²	35,000,000	28.15	50,000,000	35.88	-	-
Consideration Shares ³	55,000,000	44.23	55,000,000	39.47	50,000,000	-
Conversion Securities ⁴	25,072,116	20.16	25,072,116	17.99	-	15,384,616
Advisor Shares ⁵	3,241,211	2.61	3,421,211	2.46	-	-
Director Shares ⁶	384,616	0.31	384,616	0.28	-	-
Total on Reinstatement⁷	124,338,590	100.00	139,338,590	100.00	50,184,615	15,384,616
Indicative market capitalisation⁸	\$24,867,718		\$27,867,718			

Notes:

1. Post-Consolidation.
2. The Company is seeking to raise a minimum of \$7,000,000 (before costs) and a maximum of \$10,000,000 (before costs) under the Public Offer through an offer of a minimum of 35,000,000 and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share.
3. The consideration to be provided by the Company under the terms of the SPA and Minority MPW SPA is summarised in Section 1.4.
4. Securities to be issued on conversion of the MPW Notes, March 2023 Notes, June 2024 Notes, October 2024 Notes and summarised in Sections 1.4(c), 8.2(f)(i), 8.2(f)(ii) and 8.2(f)(iii).
5. Securities to be issued in accordance with the White Hutt Transaction Mandate, Ventnor Mandate and Powerhouse Ventures Agreement summarised in Sections 8.2(c), 8.2(d) and 8.2(e).
6. The Company will issue Shares to Directors Darryl Abotomey and Anthony McIntosh (or nominees) in lieu of cash compensation for certain unpaid fees and remuneration (subject to obtaining Shareholder approval) summarised in Section 9.1.
7. Assumes that the Convertible Notes are converted and that no further Securities are issued and no Performance Rights are converted into Shares.
8. Based on the Offer Price multiplied by the number of Shares on issue on Reinstatement. There is no guarantee that the Shares will trade at the Offer Price on or after Reinstatement.

Indicative timetable

Event	Date
Lodgement of this Prospectus with ASIC	Friday, 17 January 2025
Opening of the Offers	Saturday, 25 January 2025
General Meeting held to approve the Transaction and the Offers	Tuesday, 11 February 2025
Effective Date of Consolidation	Wednesday, 12 February 2025
Closing Date of Offers	Thursday, 13 February 2025
Settlement date of the Public Offer Completion of the Transaction Despatch of holding statements for Securities issued under the Public Offer	Thursday, 20 February 2025
Expected date for Reinstatement of Securities to trading on ASX	Friday, 28 February 2025

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. The Company reserves the right to vary the dates and times of the Offers (including, to vary the Opening Date and Closing Date) to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offers before the allocation of Securities in each case without notifying any recipient of this Prospectus or any Applicants, which may have a consequential effect on other dates. If the Offers are cancelled or withdrawn before the allotment of Securities, then all Application Monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act. Applicants are encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company. The Company's reinstatement to Official Quotation of its Securities is subject to the satisfaction of the conditions to the Offers set out in Section 2.4, which includes ASX providing the Company with, and the Company satisfying, the conditions to Reinstatement.

Investment overview

This investment overview is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
The Company, its business model and strategy		
Who is the issuer of the Prospectus?	K-TIG Limited (ACN 158 307 549) is an Australian incorporated company listed on ASX.	-
What is the Consolidation?	Subject to Shareholder approval at the General Meeting, the Company will undertake a consolidation of its Securities on a 13 to 1 basis.	Section 1.6
Who is the Company and what does it do?	<p>The Company was admitted to the Official List of ASX on 30 October 2012. Following a re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company was reinstated to Official Quotation on 9 October 2019 under its current name, K-TIG Limited.</p> <p>K-TIG is a welding business that seeks to change the economics of fabrication. The Company intends to continue to expand the K-TIG business.</p>	Section 1.3
What is the Transaction?	<p>The Company has entered into a binding share sale agreement with Metal Powders Inc (MPW) and its majority vendors on 13 December 2024 (as varied), whereby the Company has agreed to acquire 100% of the issued capital of MPW (Transaction).</p> <p>The Company has agreed to issue to the vendors of MPW (or their nominees) a total of 55,000,000 Shares and 50,000,000 Performance Rights as consideration for the acquisition of MPW.</p> <p>Metal Powder Works has developed a patented, non-thermal powder production process known as the MPW DirectPowderSM Process. This innovative method converts premium bar stock into high-quality powder for a variety of materials and applications, significantly improving yield and affordability.</p> <p>Metal Powder Works powders are made via numerical control, enabling Metal Powder Works to control size and shape allowing Metal Powder Works to precisely produce a specific size range which is key to economics, yielding more consistent results in processing. The technology yields 95%+ of infeed material which compares favourably to current atomising technologies which yield approximately 30% depending on the metal.</p>	Sections 1.1, 1.4, 4.1, 5.1 and 8.2(a)

Topic	Summary	More information
	<p>The proprietary technology that is used to produce powder that is more energy-efficient and produces a higher yielding product (circa +95%) compared to the traditional atomisation process.</p> <p>The DirectPowderSM Process has the potential to reduce energy usage and CO₂ emissions by as much as 83% over gas atomisation and as much as 89% compared to water atomisation.</p> <p>The Transaction will result in a material change in the nature and scale of the Company's activities and requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules.</p>	
Where does the Merged Company operate and what are its main business activities?	<p>Upon completion of the Transaction, completion of the Offers and the reinstatement to quotation of the Shares on the ASX, the Merged Company will manufacture high quality additive manufacturing powder and welding technology applications to a wide variety of market sectors including defence, aerospace, and nuclear sectors.</p> <p>The operations of the Merged Company will be conducted from its offices in Pittsburgh, USA, in Adelaide, South Australia, and in Rotherham, UK.</p>	Section 4.5
What is the Merged Company's strategy and how does it propose to achieve its objectives?	<p>Upon completion of the Transaction, completion of the Offers and the reinstatement to quotation of the Shares on the ASX, the Merged Company will proceed with the following business model:</p> <ul style="list-style-type: none"> (a) scaling to provide greater output; (b) increase the available materials on offer; (c) high level qualifications, reputation and experience that are required to operate in highly regulated markets; (d) ongoing investment in automation and digitisation, along with state-of-the-art equipment, such as advanced laser welding, large CNC machining and inspection scanning robots, and deep drawing capabilities backed by decades of engineering experience and techniques. 	Section 4.5
What are the key dependencies of the Merged Company's business model?	<p>The key dependencies of the Merged Company's business model include:</p> <ul style="list-style-type: none"> (a) the successful completion of the Transaction and the Public Offer; (b) continuing to extend the capabilities of its advanced manufacturing and welding technology; (c) retaining and recruiting key personnel skilled in the additive manufacturing and fabrication sectors; 	Section 4.7

Topic	Summary	More information
	<p>(d) access to capital to further research and develop the Company's technology and execute its business model and growth strategy; and</p> <p>(e) sufficient worldwide demand for the Merged Company's products.</p>	
What are the key advantages of an investment in the Merged Company?	<p>The Directors are of the view that an investment in the Merged Company provides the following non-exhaustive list of advantages:</p> <p>(a) Advanced manufacturing capability: the Merged Company delivers high integrity manufacturing solutions to a wide variety of market sectors including aerospace and defence;</p> <p>(b) Metal Powder Works technology: The proprietary technology that is used to produce powder that is more energy-efficient and produces a higher yield product (circa +95%) compared to the traditional atomisation process.</p> <p>(c) Scalable business model: Metal Powder Works believes it has the ability to scale its business model (both in terms of direct powder sales and machine sales) within multiple sectors and markets.</p> <p>(d) Highly credible management team: Metal Powder Works has a highly credible and experienced management team to progress the commercialisation and expansion of its technology.</p> <p>(e) Revenue generating with an operating subsidiary: The Merged Company is revenue generating, with K-TIG generating \$3,095,723 in revenue for the twelve months to 30 June 2023 and \$2,209,763 in revenue for the 12 months to 30 June 2024, and MPW generating USD\$111,892 (A\$167,003) of revenue in twelve months to 31 December 2022 and USD\$875,939 (A\$1,307,371) in the twelve months to 31 December 2023. Investors should refer to Sections 6 and 7 for further historical financial information of MPW.</p>	Section 4.6
How was the value of, and consideration for, the Transaction determined?	The Board considers that the quantum of the Consideration to be issued for the acquisition of MPW reflects reasonable value of MPW in view of the Company having conducted arm's length negotiations with representatives of MPW to arrive at the commercial terms of the Transaction.	Section 4.8

Topic	Summary	More information
	<p>In determining the Consideration, the Company also took into account the following considerations:</p> <ul style="list-style-type: none"> (a) recent-third party acquisitions and initial public offering transactions involving acquisitions of businesses of a similar size and stage of development including: <ul style="list-style-type: none"> (i) Titomic Limited (ASX:TTT); (ii) Amearo Limited (ASX:3DA); and (iii) Iperion X Limited (ASX:IPX). (b) MPW generating: <ul style="list-style-type: none"> (i) USD\$111,892 (A\$167,003) of revenue in 2022; (ii) USD\$875,939 (A\$1,307,371) of revenue in 2023; and (iii) USD\$397,766 (A\$593,681) of revenue in the six months to 30 June 2024; (c) the quality and future prospects of MPW's business based on the patented DirectPowderSM Process; (d) assessment of the costs incurred by the Company in its acquisition of MPW; (e) input from the Company's third party advisor, White Hutt, taking into account comparable trading peers, comparable transactions and indicative counter proposal received by MPW Vendors; and (f) an opinion from the Independent Expert (as set out in Annexure C on the whether or not the issue of the Performance Rights to the MPW Vendors is fair and reasonable). <p>The Company did not adopt a particular formal valuation methodology in respect of the Metal Powder Works business but rather the Company undertook a comparable transaction approach and was required to take into account qualitative factors such as those set out above in coming to a decision on price. This is also reflected in the structure of the Consideration, which contains a deferred component which is tied to the performance of MPW. The Board is of the opinion that the opportunity presented under the Transaction represents an opportunity that is in the best interests of current Shareholders of the Company and was involved in a lengthy negotiation process prior to executing the Share Purchase Agreement. The opportunity structured and presented under the Transaction presents Shareholders with the opportunity to hold a position in a unique business with the ability to generate revenue in an existing market with an opportunity for significant growth.</p>	

Topic	Summary	More information
Key risks		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors summarised in Section 5, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors may lose some or all of their investment.</p> <p>A non-exhaustive list of the key risk factors affecting the Company is provided below. Investors should refer to Section 5 for a more detailed summary of risks. The occurrence of any one of the risks below could adversely impact the Company's operating and financial performance and prospects.</p>		
Re-Quotation of Shares on ASX	<p>The Transaction constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.</p>	Section 5.1(a)
Dilution risk	There is a risk that the interests of Shareholders may be further diluted as a result of future capital raisings that may be required in order to fund the future development of the Company.	Section 5.1(b)
Future Capital Needs	<p>Although the Directors consider that the Company will, on Completion of the Public Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements set out in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding.</p> <p>The future capital requirements of the Company will depend on many factors, including the continuation of its current business and sales, and the Company may need to raise additional funds from time to time to finance its ongoing operations. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all.</p> <p>Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.</p> <p>In the event the Company is unable to meet the Minimum Subscription condition it will be unable to complete the Offers. Without the financing available from the Offers, the Company will be required to immediately seek additional funding in order to continue as a going concern. Such funding would likely be undertaken by way of a convertible note or Share issue and it is</p>	Section 5.2(a)

Topic	Summary	More information
	likely that such an issue would be dilutive to existing Shareholders. There are no guarantees that the Company would be able to raise funds through the issue of further convertible notes or Shares or that the Company would be successful in seeking quotation on ASX of its Shares under such circumstances.	
Going concern risk	<p>The Company's reviewed financial report for the year ended 30 June 2024 includes the following material uncertainty relating to going concern:</p> <p><i>'We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.'</i></p> <p>The Company's consolidated financial statements for the year ended 30 June 2024 were prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.</p> <p>The Board believes that on completion of the Offers, the Company will have sufficient funds to adequately meet the Company's current commitments and working capital requirements. However, there remains a risk that further funding will be required by the Company in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant uncertainty on the Company's ability to continue as a going concern.</p>	Section 5.2(b)
Reliance on key customers	A significant proportion of MPW's revenue is currently derived from its largest customers, being Toho Titanium and Solvus Global. Sales from Toho Titanium and Solvus Global represented approximately 64% of MPW's revenue in 2023. As products provided to Toho Titanium and Solvus Global comprise a material component of MPW's revenue, there would be material detriment to the affairs of MPW if Toho Titanium or Solvus Global do not continue to order MPW products.	Section 5.2(c)
Failure to attract new customers	The success of the Merged Company's business relies on its ability to attract new business from existing customers and attract new customers including in new jurisdictions. The capacity to attract new customers and attract new business from existing customers and new customers will be dependent on many factors including the capability, cost-effectiveness, customer support and value compared to competing products.	Section 5.2(d)

Topic	Summary	More information
Product quality risks	<p>Risks are involved in the ability to translate technical objectives into a solution that provides the expected quality of product in a cost-effective manner to support the price needed to make an impact in the marketplace. The products and technology supplied by the Merged Company may not be functional, may be faulty, or not meet customers' expectations. This may lead to requirements for the Merged Company to improve or refine its products, which may diminish operating margins or lead to losses.</p> <p>The products and technology supplied by the Merged Company, while extensively tested prior to collection, can be damaged in transit. While this risk is insurable, it may diminish operating margins.</p>	Section 5.2(e)
Manufacturing risks	The Merged Company's products may be subject to product quality risks. Risks are involved in the ability to translate the technology into a solution that provides the expected quality of product in a cost-effective manner to support the price needed to make an impact in the marketplace.	Section 5.2(f)
Competition	Whilst MPW currently has expertise to deliver a high-quality product, it is anticipated that the level of competition could increase rapidly. There is no assurance that competitors will not succeed in developing products more effective or economic than the products developed by the Merged Company which would render the Merged Company's products uncompetitive. The Company faces a range of risks including that existing competitors could increase their market share through aggressive sales and marketing campaigns, product, research and development or price discounting; and existing and potential competitors, who may have significantly more resources, develop new or superior products or improve existing products to compete with the Merged Company.	Section 5.2(g)
Key personnel risk	The Merged Company will depend on certain key personnel and the departure of any of them may lead to disruptions of customer relationships or delays in the manufacturing and product development efforts.	Section 5.2(h)
Intellectual Property Risk	<p>The Company undertakes measures to protect its know-how, commercially sensitive information and intellectual property, however, no assurance can be given that employees or third parties will not breach confidentiality agreements or infringe or misappropriate the Company's know how or commercially sensitive information.</p> <p>The Merged Company's ability to expand into new markets and jurisdictions will depend on securing and maintaining adequate intellectual property rights and permits in those areas. While the Merged Company will seek to protect its technologies by maintaining existing patents and obtaining additional patents (if</p>	Section 5.2(i)

Topic	Summary	More information
	<p>required) as the business expands, there is no guarantee that it will be able to secure such patents in a timely manner, if at all.</p> <p>Without patent protection, the Company's intellectual property may be vulnerable to imitation or unauthorised use by competitors, which could undermine the Company's competitive advantage and result in potential loss of market share.</p> <p>"DirectPowderSM" and "Powder by the HourSM" are not registered service marks and as such the Company does not have protection rights otherwise available to a registered service mark proprietor. Whilst MPW has made service mark applications in respect of each service mark which are currently pending in the United States Patent and Trademark Office, there can be no assurance that they will be registered.</p> <p>In the event the service marks mentioned above are granted, their grant provides no guarantee that MPW is entitled to freely use the marks in commerce in connection with its services. If third-party service mark registrations or applications thereon come to light that relate to service marks of third parties such that MPW's use of its marks may cause a likelihood of confusion with the third parties' rights, MPW could be enjoined from using its marks in connection with its services. MPW may be unable to obtain licenses to the third-party marks and registrations at a reasonable cost, if at all, and may also be unable to use any confusingly similar marks for these services. If such licenses cannot be obtained at a reasonable cost, the business could be significantly impacted.</p> <p>See the Intellectual Property Report at Annexure B for further information.</p>	
Development risks	The Company and MPW are currently investing into new research and development initiatives and new technologies that are still at an early stage of development and validation. While the Company is not presently aware of any potential problems, the commerciality of these new products is still uncertain.	Section 5.2(j)
Operating in multiple jurisdictions	The Merged Company will have operations in the United States, the United Kingdom and Australia. Each jurisdiction has distinct customer bases, operating practices and laws and regulations. Operating in multiple jurisdictions adds complexity to operations of the Company. However, the Merged Company's management team are familiar with operating in the United States, the United Kingdom and Australia and consider that they are appropriately resourced to manage operations in the relevant jurisdictions.	Section 5.2(k)
Supply chain risk	The MPW business depends on the supply of raw material in the form of bar and tooling inserts. The quality of the bar material and tooling inserts directly affects the quality of the MPW powder produced. While the bar material can be sourced from conventional sources, there is a small number of tooling	Section 5.2(l)

Topic	Summary	More information
	insert providers. A disruption to the supply of the materials which MPW requires would materially affect MPW's ability to produce products for its customers and potentially its ability to both comply with contractual obligations and produce revenue in the future.	
Contract risk	<p>A significant proportion of the Merged Company's revenue is generated from uncontracted customer relationships, using the Merged Company's or the customer's standard terms and conditions and purchase orders and invoices. By their nature these uncontracted customer relationships can be terminated at any time by the relevant customer so there is a risk that the Merged Company will be unable to maintain its uncontracted customers. If the Merged Company was to lose one or more of these customers, and the Merged Company is unable to add new customers, its business, and financial performance could be adversely impacted.</p> <p>There can also be no guarantee that these customers will continue to purchase the same, similar or greater quantities of the Merged Company's products as they have historically. In addition, there is no certainty as to the volume, price and frequency of any future sales from uncontracted customers.</p>	Section 5.2(m)
Workplace health and safety	The Company and MPW's staff work in an environment subject to heightened workplace health and safety risks. The Company and MPW and their respective staff must comply with various workplace health and safety laws. In the event that the Merged Company does not maintain its strict health and safety standards, it may give rise to claims against the Merged Company.	Section 5.2(n)
Regulatory risk	<p>Regulation in the specialist manufacturing industry is complex and subject to change. The Merged Company may be impacted by changes in regulations, laws or policies.</p> <p>The Company and MPW are subject to continuing regulation, including quality regulations applicable to the manufacture of its products and various reporting regulations. There can be no guarantee that the regulatory environment in which the Merged Company or its customers currently operates will not change in the future in a way that may impact on the Merged Company's products. The Company's products currently comply with welding certifications. Welding certifications in the future may change and the Company may not be able to meet such standards, which may have an adverse impact on the Company's product offering.</p> <p>Depending upon the severity of any failure of the Merged Company or its customers to comply with any applicable regulations, the Merged Company or its customers could be subject to enforcement actions, including but not limited to: warning letters, fines, injunctions, consent decrees, civil monetary penalties, recalls or seizures of its devices,</p>	Section 5.2(o)

Topic	Summary	More information
	manufacturing restrictions, closure of its manufacturing operations, modifications or revocations of any clearances and approvals that it already holds or will hold, and/or criminal prosecution. If any such sanctions are imposed against the Merged Company or its customers, such sanctions could harm the Merged Company's reputation, and depending upon the severity, could have significant adverse impact upon the Company's ability to provide services and on its financial condition.	
Delisting risk	<p>The Company's Securities have been suspended from Official Quotation since 27 January 2023 and as such the Company is a long-term suspended entity for the purposes of the ASX Listing Rules (notably ASX Guidance Note 33). The Company was scheduled to be delisted on 27 January 2025 but has been granted an extension by the ASX to enable the Company to hold its general meeting on or before 14 February 2025.</p> <p>Further, ASX has advised the Company that, should Shareholders approve the Transaction Resolutions, ASX will be likely to grant a further extension to the removal date to the end of the three-month prospectus quotation condition period under section 723(3) of the Corporations Act (ie. on or around 14 April 2025).</p> <p>Whilst the Company expects that ASX will grant the Company a subsequent extension to on or around 14 April 2025, there is no guarantee that such extension will be granted. In the event that a further extension is not granted and the Company is removed from the Official List, the Company intends to continue with the Offers and applying for re-admission.</p>	Section 5.2(r)
General risks	<p>The Company is subject to various general risks, including but not limited to:</p> <ul style="list-style-type: none"> (a) Discretion in use of capital; (b) Investment in capital markets; (c) General economic conditions; (d) Changes in government policies and legislation; (e) Unforeseen expenditure risk; (f) Taxation; and (g) Litigation risk. 	Section 5.3
Directors, key managers, interests, benefits and related party transactions		
Who are the Directors and key management personnel?	<p>As at the date of this Prospectus, the Board comprises:</p> <ul style="list-style-type: none"> (a) Stuart Carmichael – Non-Executive Chairman; (b) Darryl Abotomey – Non-Executive Director; and (c) Anthony McIntosh – Non-Executive Director. 	Sections 7.1, 7.2 and 7.3

Topic	Summary	More information																												
	<p>The Company intends to appoint John Barnes and Bruno Campisi as Directors at Completion, subject to prior Shareholder approval. Anthony McIntosh will retire.</p> <p>Chris Aldridge will remain as MPW’s Chief Technology Officer.</p>																													
What interests do the Directors and key management personnel have in the Securities of the Company?	<p>The Directors, Proposed Directors and key management personnel (and their respective related entities) have the following interests in Securities (on a pre-Consolidation basis):</p> <table><tr><th>Directors</th><th>Shares</th><th>%</th><th>Performance Rights</th></tr><tr><td>Stuart Carmichael¹</td><td>70,176</td><td>0.10</td><td>600,000</td></tr><tr><td>John Barnes</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Bruno Campisi</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Anthony McIntosh²</td><td>504,286</td><td>0.69</td><td>600,000</td></tr><tr><td>Darryl Abotomey³</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Chris Aldridge</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Notes:</p> <p>1. Mr Carmichael’s Securities are held as follows:</p> <p>(a) 31,579 Shares, 600,000 Performance Rights held indirectly through SBV Capital Pty Ltd; and</p> <p>(b) 38,597 Shares held indirectly through SJ & T Carmichael Superannuation Pty Ltd.</p> <p>Additionally, Mr Carmichael holds June 2024 Notes with a face value of \$25,000.</p> <p>2. Mr McIntosh’s Securities are held as follows:</p> <p>(a) 600,000 Performance Rights held indirectly through Mutual Trust Pty Ltd holds securities on behalf of Anthony McIntosh; and</p> <p>(b) 504,286 Shares held indirectly through Interdale Pty Ltd <Maple Super Fund>.</p> <p>Additionally, Mr McIntosh holds June 2024 Notes with a face value of \$25,000.</p> <p>3. Mr Abotomey holds June 2024 Notes with a face value of \$25,000.</p>	Directors	Shares	%	Performance Rights	Stuart Carmichael ¹	70,176	0.10	600,000	John Barnes	-	-	-	Bruno Campisi	-	-	-	Anthony McIntosh ²	504,286	0.69	600,000	Darryl Abotomey ³	-	-	-	Chris Aldridge	-	-	-	Section 7.5
Directors	Shares	%	Performance Rights																											
Stuart Carmichael ¹	70,176	0.10	600,000																											
John Barnes	-	-	-																											
Bruno Campisi	-	-	-																											
Anthony McIntosh ²	504,286	0.69	600,000																											
Darryl Abotomey ³	-	-	-																											
Chris Aldridge	-	-	-																											
What are the remuneration arrangements and benefits of the Directors?	<p>The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be determined by the Board.</p>	Section 7.7																												

Topic	Summary	More information												
	<p>Details of the Director's remuneration are set out in the table below:</p> <table><tr><th>Directors, Proposed Directors & KMP</th><th>Remuneration for the year ending 30 June 2024 (\$)</th><th>Remuneration for the year ending 30 June 2023 (\$)</th></tr><tr><td>Stuart Carmichael</td><td>-</td><td>42,499</td></tr><tr><td>Anthony McIntosh</td><td>-</td><td>30,000</td></tr><tr><td>Darryl Abotomey</td><td>-</td><td>27,500</td></tr></table>	Directors, Proposed Directors & KMP	Remuneration for the year ending 30 June 2024 (\$)	Remuneration for the year ending 30 June 2023 (\$)	Stuart Carmichael	-	42,499	Anthony McIntosh	-	30,000	Darryl Abotomey	-	27,500	
Directors, Proposed Directors & KMP	Remuneration for the year ending 30 June 2024 (\$)	Remuneration for the year ending 30 June 2023 (\$)												
Stuart Carmichael	-	42,499												
Anthony McIntosh	-	30,000												
Darryl Abotomey	-	27,500												
What important contracts and/or arrangements with related parties is the Merged Company a party to?	<p>The Company has entered into the following related party transactions on arm's length terms:</p> <p>(a) an executive services agreement with John Barnes (see Section 8.3(a));</p> <p>(b) letters of appointment with each of its Directors and Proposed Directors on standard terms (see Section 8.3);</p> <p>(c) deeds of indemnity, insurance and access with each of its Directors and Proposed Directors on standard terms (see Section 8.5);</p> <p>(d) a Communications Support Agreement (see Section 8.4);</p> <p>(e) the convertible note deeds under which Directors Stuart Carmichael, Darryl Abotomey and Anthony McIntosh and former Director Adrian Smith each subscribed for June 2024 Notes with a face value of \$25,000 (which convertible note deeds are on the same terms as for the other holders of June 2024 Notes) (see Section 8.2(f)(ii)); and</p> <p>(f) a corporate advisory mandate with Ventnor, an entity controlled by Director Stuart Carmichael (see Section 8.2(d)).</p>	Section 7.8												
Who will be the substantial holders of the Merged Company?	<p>Based on the information known as at the Prospectus Date, on Reinstatement the following Shareholder will have an interest of 5% or more of the Shares on issue (on a post-Consolidation basis):</p> <table><tr><th rowspan="2">Substantial Shareholder</th><th rowspan="2">Number of Shares</th><th colspan="2">%</th></tr><tr><th>Minimum Subscription</th><th>Maximum Subscription</th></tr><tr><td>John Barnes and related entities</td><td>19,262,184</td><td>15.49</td><td>13.82</td></tr></table>	Substantial Shareholder	Number of Shares	%		Minimum Subscription	Maximum Subscription	John Barnes and related entities	19,262,184	15.49	13.82	Section 9.8		
Substantial Shareholder	Number of Shares			%										
		Minimum Subscription	Maximum Subscription											
John Barnes and related entities	19,262,184	15.49	13.82											
What are the Lead Manager's interests in the	As at the Prospectus Date, neither the Lead Manager nor its associates have a relevant interest in any Securities.	Section 2.9(a)												

Topic	Summary	More information
Securities of the Company?		
Financial information		
What is the Company's financial position?	Investors should be aware that K-TIG is currently making a loss. A summary of the financial history of the Company and MPW is set out in the financial information section and Independent Limited Assurance Report in Section 6 and Annexure A respectively.	Section 6 and Annexure A
Are there any forecasts of future earnings?	In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.	Section 6
Will the Merged Company have sufficient funds for its stated objectives?	The Directors are satisfied that on completion of the Offers, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2.7
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. The Company cannot give any assurances in relation to the payment of dividends or franking credits.	Section 4.9
Summary of the Offers		
What are the Offers?	<p>The Offers in this Prospectus comprise:</p> <p>(a) a public offering of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$7,000,000 (before costs) (Public Offer);</p> <p>(b) separate offers of:</p> <p>(i) 105,000,000 Consideration Securities including:</p> <p>(A) 55,000,000 Consideration Shares; and</p>	Sections 2.1 and 2.2

Topic	Summary	More information
	<p>(B) 50,000,000 Consideration Performance Rights,</p> <p>to the MPW Vendors (or nominee/s) (Consideration Offer);</p> <p>(ii) up to 25,072,116 Shares and 15,384,616 Options to be issued on Completion upon conversion of convertible notes on issue in K-TIG and MPW (Conversion Offer); and</p> <p>(iii) 3,421,211 Shares to White Hutt, Ventnor and Powerhouse Ventures (or their respective nominee/s) (Advisor Offer).</p>	
What is the Offer Price?	\$0.20 per Share.	Section 2.1
Is there a Minimum Subscription?	The Minimum Subscription for the Public Offer is 35,000,000 Shares at \$0.20 per Share to raise \$7,000,000 before costs.	Section 2.5
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <p>(a) the Share Purchase Agreement becoming unconditional;</p> <p>(b) the Company obtaining approval of Shareholders of the Transaction Resolutions at the General Meeting;</p> <p>(c) the Company raising the Minimum Subscription, being \$7,000,000, under the Public Offer;</p> <p>(d) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement or being issued a restriction notice imposing restrictions on Securities as mandated by the Listing Rules; and</p> <p>(e) ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.</p>	Section 2.4
Why are the Offers being conducted and what are the proposed use of funds?	<p>The purposes of the Public Offer are to:</p> <p>(a) assist with the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules following a significant change to the nature and scale of the Company's activities; and</p> <p>(b) provide funding for the purposes outlined in Section 2.7.</p>	Section 2.7

What is the proposed capital structure of the Merged Company?	The proposed capital structure of the Company on Reinstatement is set out below:					Section 2.6
	Pro forma capital structure	Minimum Subscription		Maximum Subscription		
		Securities	%	Securities	%	
	Shares					
	Existing Shares on a pre-Consolidation basis	73,328,415	4.54	73,328,415	4.05	
	Existing Shares (post-Consolidation)	5,640,647	4.54	5,640,647	4.05	
	Public Offer Shares	35,000,000	28.15	50,000,000	35.88	
	Consideration Shares	55,000,000	44.23	55,000,000	39.47	
	Advisor Shares	3,241,211	2.61	3,241,211	2.33	
	March 2023 Conversion Shares	7,692,308	6.19	7,692,308	5.52	
	June 2024 Conversion Shares	7,692,308	6.19	7,692,308	5.52	
	October 2024 Conversion Shares	3,125,000	2.51	3,125,000	2.24	
	MPW Conversion Shares	6,562,500	5.28	6,562,500	4.71	
	Director Shares	384,616	0.31	384,616	0.28	
	Total Shares	124,338,590	100.00	139,338,590	100.00	
	Performance Rights					
	Existing Performance Rights on a pre-Consolidation basis	2,400,000	-	2,400,000	-	
	Existing Performance Rights (post-Consolidation)	184,615	-	184,615	-	
	Consideration Performance Rights	50,000,000	-	50,000,000	-	
	Total Performance Rights	50,184,615	-	50,184,615	-	

Topic	Summary					More information
	Options					
	March 2023 Conversion Options	7,692,308	-	7,692,308	-	
	June 2024 Conversion Options	7,692,308	-	7,692,308	-	
	Total Options	15,384,616	-	15,384,616	-	
	Total Securities	189,907,820	-	204,907,820	-	
How do I apply for Securities under the Public Offer?	<p>Applications for Shares under the Public Offer must be made using the Application Form (in respect to the Public Offer).</p> <p>Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).</p> <p>All Application Forms must be completed in accordance with the instructions accompanying the Application Form.</p>					Section 2.10
When will I know if my Application was successful?	<p>Holding statements confirming allocations under the Public Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 20 February 2025.</p>					Indicative Timetable on page 11
What are the terms of the Securities offered under the Offers?	<p>The rights and liabilities attaching to the Shares are further described in Section 9.2.</p> <p>Refer to Section 9.3 for a summary of the terms and conditions of the Consideration Performance Rights and Section 9.5 for a summary of the terms and conditions of the Existing Performance Rights.</p> <p>Refer to Section 9.6 for a summary of the terms and conditions of the Conversion Options.</p>					Sections 9.2, 9.3, 9.5 and 9.6
Is there a cooling off period?	<p>Cooling-off rights do not apply to an investment in the Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.</p>					N/A
Can the Offers be withdrawn?	<p>Yes. The Company reserves the right not to proceed with the Offers at any time before the issue of Shares to successful applicants. If the Offers do not proceed, Application Monies will be refunded (without interest).</p>					Section 2.13
Who is the Lead Manager?	<p>The Company has appointed Morgans Corporate Limited as Lead Manager to the Offers. Refer to Section 2.9(a)(i) for a summary of the fees payable to the Lead Manager and Section 8.2(b) for a summary of the Lead Manager Mandate.</p>					Sections 2.9(a) and 8.2(b)

Topic	Summary	More information
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 2.8
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offers be made to ASX no later than 7 days after the date of this Prospectus. The Options issued under the Conversion Offer will be unquoted.	Section 2.12
Are there any escrow arrangements?	<p>Subject to the Company's Shares being reinstated to trading on the ASX, certain Securities will be classified by ASX (in its absolute discretion) as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Securities likely to be subject to escrow (in their entirety or in part) are the Consideration Securities, Advisor Shares, June 2024 Conversion Shares, Conversion Options, MPW Conversion Shares and Director Shares. Shares offered under the Public Offer will not be subject to any escrow restrictions.</p> <p>The Company expects that upon Reinstatement approximately 37,130,411 Shares will be classified as restricted securities by ASX, which, on a Minimum Subscription basis, will comprise approximately 29.86% of the issued share capital on an undiluted basis, and approximately 19.55% on a fully diluted basis (assuming all Options and Performance Rights are issued and exercised and that no other Securities are issued).</p>	Section 2.18
Is there any brokerage, commission or stamp duty payable by Applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offers.</p> <p>The Company will pay the following fees to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate subject to the completion of the Public Offer:</p> <p>(a) a management fee of 2% of the proceeds from the Public Offer; and</p> <p>(b) a selling fee of 4% of the proceeds of the Public Offer.</p>	Sections 8.2(c)(i) and 8.2(b)
How can I find out more about the Prospectus or the Offers?	By speaking to your sharebroker, solicitor, accountant or other independent professional adviser or by contacting the Company Secretary on 1300 288 664.	Section 2.22

1. Transaction Overview

1.1 The Transaction

On 13 December 2024, the Company entered into a formal share purchase agreement (**Share Purchase Agreement** or **SPA**) with the major shareholders of Metal Powder Works, Inc. (Delaware State File Number: 6152735) (**MPW** or **Metal Powder Works**). According to the terms of the SPA and a separate share purchase agreement with the minority holders of MPW (**Minority MPW SPA**), the Company will acquire 100% of the issued capital in MPW upon the satisfaction of various conditions precedent (**Transaction**).

A summary of the material terms and conditions of the SPA and Minority MPW SPA is set out in Section 1.4. MPW will become a wholly owned subsidiary of the Company on completion of the Transaction.

The Company's Securities were suspended from Official Quotation at the request of the Company on 27 January 2023 and have remained suspended since that date.

1.2 About Metal Powder Works Inc.

Metal Powder Works has developed a patented, non-thermal powder production process, that results in extremely high yields, which makes it inherently affordable, and when compared to legacy methods like atomisation, significantly reduces energy consumption and CO₂ emissions that is presently used for most powder metallurgy and additive manufacturing processes.

Refer to Section 4 for further information about MPW.

1.3 Existing Activities of the Company

The Company was admitted to the Official List on 30 October 2012.

K-TIG is a welding business that seeks to change the economics of fabrication. K-TIG's high-speed precision welding technology welds up to 100 times faster than traditional TIG welding, achieving full penetration in a single pass in materials up to 16mm in thickness and typically operates at twice the speed of plasma welding. K-TIG works across a wide range of applications and is particularly well suited to corrosion-resistant materials such as stainless steel, nickel alloys, titanium alloys, carbon steels, and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass.

The K-TIG welding business will continue to operate post completion of the Transaction.

1.4 Share Purchase Agreement

The parties to the Share Purchase Agreement are the Company, MPW and several major shareholders of MPW who together hold the majority of MPW's issued capital. The key terms and conditions of the Share Purchase Agreement are as follows:

(a) **Consideration**

The total consideration to be provided by the Company under the terms of the SPA and Minority MPW SPA comprises the issue of the following securities (on a post-Consolidation basis) to the Shareholders of MPW:

- (i) 55,000,000 Shares (**Consideration Shares**); and
- (ii) 50,000,000 Performance Rights (**Consideration Performance Rights**), in two equal tranches subject to the following vesting conditions:

Tranche	Vesting Condition	MPW Revenue	% of vesting Performance Rights
Tranche 1 (25,000,000 Performance Rights)	Both of the following: (a) Metal Powder Works, Inc. achieving the specified MPW Revenue for calendar year 2026 (Vesting Condition 1A); and (b) following the satisfaction of Vesting Condition 1A, the first occurrence that 20 Day VWAP is equal to or greater than \$0.20.	Less than USD\$3,000,000	0%
		USD\$3,000,000-5,000,000	$(\text{MPW Revenue in 2026 calendar year} / \text{USD\$5,000,000}) \times 100$
		Greater than USD\$5,000,000	100%
Tranche 2 (25,000,000 Performance Rights)	Both of the following: (a) Metal Powder Works, Inc. achieving the specified MPW Revenue for calendar year 2026 or calendar year 2027 (Vesting Condition 2A); and (b) following the date of first satisfaction of Vesting Condition 2A, the 20 Day VWAP is equal to or greater than \$0.20 (Vesting Condition 2B).	Less than USD\$8,000,000	0%
		USD\$8,000,000-10,000,000	$(\text{MPW Revenue in 2026 or 2027 calendar year} / \text{USD\$10,000,000}) \times 100$
		Greater than USD\$10,000,000	100%

The Consideration Shares and Consideration Performance Rights (together, the **Consideration Securities**) will be issued to the shareholders of MPW (collectively, the **MPW Vendors**) in proportion to their respective interests in MPW on Completion.

The terms of the Consideration Performance Rights are in Section 9.3.

(b) **Conditions precedent**

Completion under the SPA remains subject to certain conditions precedent, including:

- (i) ASX providing a conditional reinstatement letter to the Company on terms satisfactory to the Company (acting reasonably);
- (ii) the Company's Shareholders approving the Transaction Resolutions; and
- (iii) the Company raising the Minimum Subscription of \$7,000,000 under the Public Offer,

(together, the **Conditions Precedent**).

(c) **Convertible Notes**

The Company acknowledged that MPW has convertible notes on issue with an aggregate face value of \$1,050,000 (**MPW Notes**) and agreed to issue 6,562,500 Shares (on a post-Consolidation basis) (**MPW Conversion Shares**) to the holders of the MPW Notes (**MPW Noteholders**) on Completion.

The key terms of the MPW Notes are summarised below:

- (i) (**Conversion**): on the earlier of:
 - (A) MPW completing its next capital raising of at least USD\$2,000,000 (**MPW Future Capital Raising**), the MPW Notes (including interest accrued) automatically convert at a conversion price equal to a 20% discount to the issue price of shares under the MPW Future Capital Raising; or
 - (B) a change of control in the ownership of MPW (**MPW Change of Control**), the face value of MPW Notes automatically convert at a conversion price equal to a 20% discount to the agreed value per share of common equity of the acquiring entity provided as consideration under the change of control transaction.
- (ii) (**Interest**): interest accrues at a rate equal to the lesser of 4%, and the short term applicable federal rate (United States) as at the date of the MPW Notes.

In the case of an MPW Change of Control, accrued interest is payable to the MPW Noteholders in cash on conversion.
- (iii) (**Maturity Date**): 24 months from the date of the MPW Notes.

(d) **Board Nominees**

On Completion, the MPW Vendors will have the right to nominate up to three Directors (**Board Nominees**), subject to there being two Australian resident Directors on the Board at all times.

The MPW Vendors have nominated John Barnes and Bruno Campisi as the Board Nominees.

(e) **Termination**

A party may elect to terminate the SPA in the event that:

- (i) the Conditions Precedent are not satisfied or waived within 120 days after the date of the SPA;
- (ii) an insolvency event occurs in respect of a counterparty or MPW; and
- (iii) a counterparty defaults in the performance of any of its obligations under the SPA and the default continues for 15 business days after receipt of notice in writing.

The parties to the Minority MPW SPA are the Company, MPW and the minority shareholders of MPW. The key terms and conditions of the Minority MPW SPA are the same as the SPA in respect of the consideration payable to each of those minority shareholders. The Minority MPW SPA terminates upon termination of the SPA.

1.5 Suspension and Reinstatement on ASX

The Transaction, if successfully completed, will represent a significant change in the nature and scale of the Company's activities and therefore requires the approval of Shareholders and the Company to re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules. The Company will seek to obtain Shareholder approval for the change in nature and scale (amongst other resolutions required to give effect to the Transaction) at the Company's extraordinary general meeting scheduled for 11 February 2025 (**General Meeting**).

The Company's Securities are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules and the Company obtains approval of Shareholders at the General Meeting for all resolutions required to implement the Transaction and the Offers (refer to Section 1.6 for further details).

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

It is expected that the conduct of the Public Offer pursuant to this Prospectus will allow the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Public Offer and will repay all Application Monies received by it in connection with this Prospectus (without interest).

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.6 General Meeting

The Company will hold the General Meeting primarily for the purpose of seeking the approval of Shareholders for a number of resolutions required to implement the Transaction and the Offers, including approval for the following:

- (a) **Consolidation:** the issued capital of the Company be consolidated on the basis that every 13 Shares be consolidated into 1 Share;
- (b) **Change in nature and scale of activities:** the Company changing the nature and scale of its activities as a result of the Transaction;
- (c) **Public Offer:** the issue of up to 50,000,000 Shares under the Public Offer (refer to Section 2.1);
- (d) **Consideration Securities:** the issue of 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights to the MPW Vendors (or nominees) (refer to Section 2.2(a));
- (e) **Advisor Securities:** the issue of a total of 3,421,211 Advisor Shares to White Hutt, Ventnor and Powerhouse Ventures (or their respective nominees) (refer to Section 2.2(c));
- (f) **Conversion Securities:** amendment of the terms of the March 2023 Notes and the issue of 25,072,116 Conversion Shares and 15,384,616 Conversion Options on conversion of the Convertible Notes (refer to Section 2.2(b));
- (g) **Appointment of Proposed Directors:** the appointment of Mr John Barnes and Mr Bruno Campisi as Directors (refer to Sections 7.1 and 7.2); and
- (h) **Director Shares:** the issue of up to an aggregate of 384,616 Director Shares to Darryl Abotomey and Anthony McIntosh (or nominees) in lieu of cash compensation for certain unpaid fees and remuneration,

(each a **Transaction Resolution**).

If any of the Transaction Resolutions are not approved by Shareholders at the General Meeting, the Transaction and the Offers under this Prospectus will not complete and this Prospectus will be withdrawn.

2. Details of the Offers

2.1 Public Offer

The Company is seeking to raise a minimum of \$7,000,000 (before costs) (**Minimum Subscription**) and a maximum of \$10,000,000 (before costs) (**Maximum Subscription**) through an offer of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share (on a post-Consolidation basis) (the **Public Offer**).

The Offers are made with disclosure under this Prospectus and are made on the terms, and are subject to the conditions, set out in this Prospectus.

Subject to the restrictions set out in Sections 2.16 and 2.17, the Public Offer is open to the general public in Australia only.

The Public Offer invites investors to apply for up to 50,000,000 Shares (**Public Offer Shares**) to be issued at \$0.20 per Share (**Offer Price**) to raise up to \$10,000,000 (before costs). Minimum Subscription under the Public Offer is \$7,000,000 (before costs).

The Company has appointed Morgans Corporate Limited (**Lead Manager** or **Morgans Corporate**) as lead manager to the Public Offer on the terms set out in Section 8.2(b).

The Shares to be issued by the Company pursuant to the Public Offer, are of the same class and will rank equally with the Company's existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 9.2.

2.2 Secondary Offers

The Company is also undertaking the Secondary Offers (described below) in connection with the Transaction. The Secondary Offers are being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Secondary Offers.

(a) **Consideration Offer**

The Prospectus includes a separate offer of 105,000,000 Consideration Securities under the Consideration Offer, comprising 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights to the MPW Vendors (or nominee/s), none of whom are a related party or a substantial Shareholder of the Company, other than the Proposed Directors John Barnes and Bruno Campisi who are related parties by virtue of being Proposed Directors.

The Shares to be issued pursuant to the Consideration Offer will be on the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.2 of the Prospectus.

Applications for Securities under the Consideration Offer may only be made by the MPW Vendors (or their nominees) on the Consideration Offer application form issued to the MPW Vendors together with a copy of this Prospectus, and must be completed and received by the Company on or before the Closing Date. The Company will only provide Considerations Offer application forms to persons entitled to participate in the Consideration Offer.

Only the MPW Vendors (or their respective nominees) may accept the Consideration Offer. An application form in relation to the Consideration Offer will be issued to the MPW Vendors together with a copy of this Prospectus.

(b) **Conversion Offer**

The Conversion Offer is a separate offer made under this Prospectus for the issue of up to 25,072,116 Shares (**Conversion Shares**) and 15,384,616 Options (**Conversion Options**) on Completion upon conversion of convertible notes on issue in K-TIG and MPW (**Convertible Notes**).

On 15 March 2023, the Company announced that it had raised \$2,000,000 (before costs) via the issue of convertible notes (**March 2023 Notes**). The March 2023 Notes are subject to the terms summarised in Section 8.2(f)(i) and will convert into a total of 7,692,308 Shares (**March 2023 Conversion Shares**) and 7,692,308 Options (**March 2023 Conversion Options**) on Completion.

On 2 July 2024, the Company announced that it had raised \$1,000,000 (before costs) through the issue of convertible notes (**June 2024 Notes**). The June 2024 Notes are subject to the terms summarised in Section 8.2(f)(ii) and will convert into a total of 7,692,308 Shares on Completion (**June 2024 Conversion Shares**) together with a 1-for-1 free attaching Option with an exercise price equal to the conversion price and an expiry date of 3 years from the date of conversion (**June 2024 Conversion Options**).

On 30 October 2024, the Company announced that it had raised \$500,000 (before costs) through the issue of convertible notes (**October 2024 Notes**). The October 2024 Notes are subject to the terms summarised in Section 8.2(f)(iii) and will convert into a total of 3,125,000 Shares on Completion (**October 2024 Conversion Shares**).

In November 2024, MPW raised \$1,050,000 (before costs) through the issue of the MPW Notes summarised in Section 1.4(c). The MPW Notes will convert directly into K-TIG Shares at a conversion price of \$0.16 each, resulting in the issue of 6,562,500 Shares on Completion.

The Conversion Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.2 of the Prospectus. A summary of the terms and conditions of the Conversion Options is at Section 9.6.

Only the Noteholders (or their respective nominees) may accept the Conversion Offer. An application form in relation to the Conversion Offer will be issued to the Noteholders together with a copy of this Prospectus.

(c) **Advisor Offer**

The Advisor Offer is a separate offer made under this Prospectus.

The Advisor Offer is made as part consideration for services in relation to the Transaction and is comprised of an offer of up to 3,421,211 Shares (**Advisor Shares**) to White Hutt, Ventnor and Powerhouse Ventures (or their respective nominees).

The terms and conditions of the mandates with the Advisors are summarised in Sections 8.2(c) to (e).

The Advisor Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.2 of the Prospectus.

Only the Advisors (or their respective nominees) may accept the Advisor Offer. An application form in relation to the Advisor Offer will be issued to the Advisors together with a copy of this Prospectus.

2.3 Allocation policy

The Public Offer Shares are proposed to be issued to participants in the Public Offer who will be determined by the Lead Manager, in consultation with the Board and in accordance with the allocation policy set out in the Prospectus. No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Public Offer;
- (c) the timeliness of the bid particular applicants;
- (d) the desire for a spread of investors, including institutional investors;
- (e) recognising the ongoing support of existing Shareholders;
- (f) the likelihood that particular Applicants will be long-term Shareholders;
- (g) the desire for an informed and active market for trading Shares following completion of the Public Offer;
- (h) ensuring an appropriate Shareholder base for the Company going forward; and
- (i) any other factors that the Company and the Lead Manager consider appropriate. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

2.4 Conditions to the Offers

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Share Purchase Agreement becoming unconditional (refer to Sections 1.4 and 8.2(a));
- (b) the Company obtaining approval of Shareholders of the Transaction Resolutions at the General Meeting (refer to Section 1.6);
- (c) the Company raising the Minimum Subscription, being \$7,000,000, under the Public Offer (refer to Section 2.5);
- (d) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement or being issued a restriction notice imposing restrictions on Securities as mandated by the Listing Rules; and
- (e) ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.

If any of these conditions are not satisfied the Company will not proceed with the Offers and the Company will repay all Application Monies received under the Public Offer to the Applicants (without interest) in accordance with the Corporations Act.

2.5 Minimum Subscription

The minimum subscription under the Public Offer is \$7,000,000 (before costs) (being the issue of a minimum of 35,000,000 new Shares).

None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. If the Minimum Subscription is not raised within four months of the Prospectus Date (or such period as varied by ASIC), the Company will not proceed with the Offers and will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

2.6 Capital structure on Reinstatement

The proposed capital structure of the Company on Reinstatement is set out below:

Pro forma capital structure ¹	Minimum Subscription		Maximum Subscription		Performance Rights ²	Options
	Shares	%	Shares	%		
Existing Securities on a pre-Consolidation basis	73,328,415	4.54	73,328,415	4.05	2,400,000	
Existing Securities ³	5,640,647	4.54	5,640,647	4.05	184,615	-
Public Offer Shares ⁴	35,000,000	28.15	50,000,000	35.88	-	-
Consideration Securities ⁵	55,000,000	44.23	55,000,000	39.47	50,000,000	-
Advisor Shares ⁶	3,241,211	2.61	3,241,211	2.33	-	-
March 2023 Conversion Shares ⁷	7,692,308	6.19	7,692,308	5.52	-	-
March 2023 Conversion Options ⁷	-	-	-	-	-	7,692,308
June 2024 Conversion Shares ⁸	7,692,308	6.19	7,692,308	5.52	-	-
June 2024 Conversion Options ⁸	-	-	-	-	-	7,692,308
October 2024 Conversion Shares ⁹	3,125,000	2.51	3,125,000	2.24	-	-
MPW Conversion Shares ¹⁰	6,562,500	5.28	6,562,500	4.71	-	-
Director Shares ¹¹	384,616	0.31	384,616	0.28	-	-

Total	124,338,590	100.00	139,338,590	100.00	50,184,615	15,384,616
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Notes:

1. On a Post-Consolidation basis unless otherwise stated.
2. The terms and conditions of the Performance Rights are summarised in Sections 9.3 and 9.4.
3. The Company intends to undertake a consolidation of its issued capital on a consolidation ratio of 13 to 1. The final number of Shares post-Consolidation may change as a result of rounding.
4. Refer to Section 2.1 for details of the Public Offer.
5. Refer to Section 1.4 for further details of the Share Purchase Agreement.
6. Comprising the White Hutt Shares, Ventnor Shares and Powerhouse Ventures Shares. Refer to Section 8.2(c) for a summary of the White Hutt Transaction Mandate, Section 8.2(d) for a summary of the Ventnor Mandate and Section 8.2(e) for a summary of the Powerhouse Ventures Agreement.
7. The terms and conditions of the March 2023 Notes are summarised in Section 8.2(f)(i).
8. The terms and conditions of the June 2024 Notes are summarised in Section 8.2(f)(ii).
9. The terms and conditions of the October 2024 Notes are summarised in Section 8.2(f)(iii).
10. The terms and conditions of the MPW Notes are summarised in Section 1.4(c).
11. Refer to Section 9.1 for details of the Director Shares.

The Company's free float at the time of Reinstatement will be not less than 20%.

2.7 Purpose of the Offers and proposed use of funds

The purposes of the Offers are to:

- (a) assist with the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules following a significant change to the nature and scale of the Company's activities; and
- (b) provide funding for the purposes outlined in this Section 2.7.

Following the Offers, it is anticipated that the following funds will be available to the Company:

Source of funds	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Existing cash ¹	660,000	8.62	660,000	6.19
Funds raised from the Public Offer	7,000,000	91.38	10,000,000	93.81
Total funds	7,660,000	100.00	10,660,000	100.00

Notes:

1. Based on the Company's cash balance as at 31 December 2024 of \$350,000 and MPW's cash at balance of USD\$190,000 (approximately A\$310,000 at USD:AUD exchange rate of 1.62 as at 14 January 2025).

The Company intends to use the funds raised under the Public Offer based on Minimum and Maximum Subscription, together with the Company's estimated existing cash reserves post-Transaction as follows:

Minimum Subscription	Year 1 (\$)	Year 2 (\$)	Total (\$)	%
Scale NextGen System ¹	750,000	500,000	1,250,000	16.32
Sales and marketing ²	750,000	750,000	1,500,000	19.58
Powder development production (Titanium, other alloys) ³	1,250,000	1,250,000	2,500,000	32.64
Market expansion assessment	250,000	-	250,000	3.26
Expenses of the Offers	820,000	-	820,000	10.70
Working Capital ⁴	660,000	680,000	1,340,000	17.49
Total funds	4,480,000	3,180,000	7,660,000	100.00

Notes:

1. Comprises the further refinement to the DirectPowderSM Process to further improve yield levels and metal compatibility.
2. Comprises sales and marketing costs associated with both the MPW business and the Company's existing business.
3. Metal Powder Works currently has 16 alloys in production. A key strategy is to expand the number of metal powders available for production to satisfy customer requirements.
4. Comprises of general administration expenses, including director fees, legal, ASX fees, accounting and book keeping costs, and general working capital associated with both the MPW business and the Company's existing business.

Maximum Subscription	Year 1 (\$)	Year 2 (\$)	Total (\$)	%
Scale NextGen System ¹	750,000	500,000	1,250,000	11.73
Sales and marketing ²	750,000	750,000	1,500,000	14.07
Powder development production (Titanium, other alloys) ³	2,250,000	2,250,000	4,500,000	42.21
Market expansion assessment	250,000	-	250,000	2.35
Expenses of the Offers	1,000,000	-	1,000,000	9.38
Working Capital ⁴	1,060,000	1,100,000	2,160,000	20.26
Total funds	6,060,000	4,600,000	10,660,000	100.00

Notes:

1. Comprises the further refinement to the DirectPowderSM Process to further improve yield levels and metal compatibility.
2. Comprises sales and marketing costs associated with both the MPW business and the Company's existing business.
3. Metal Powder Works currently has 16 alloys in production. A key strategy is to expand the number of metal powders available for production to satisfy customer requirements.
4. Comprises of general administration expenses, including director fees, legal, ASX fees, accounting and book keeping costs, and general working capital associated with both the MPW business and the Company's existing business.

The above table is a statement of the Board's current intentions as at the Prospectus Date. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including:

- (a) the risk factors outlined in Section 5; and
- (b) the outcome of operational activities, regulatory developments and market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Offers will provide the Company with sufficient funding for approximately the 24-month period following Reinstatement. The future capital requirements of the Company will depend on many factors including the timing and success of the Company's activities and whether any of the risks in Section 5 materialise. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business objectives in the short term as stated in this Prospectus, however, the Company may require further financing in the future. See Section 5 for discussion of the risks associated with the Company's future capital requirements.

2.8 Underwriting

The Offers are not underwritten.

2.9 Key advisors' interests in Securities

(a) **Lead Manager**

Morgans Corporate has been appointed as lead manager to the Public Offer. A summary of the key terms of Morgans Corporate's appointment as lead manager is set out in Section 8.2(b).

(i) **Fees payable to Morgans Corporate**

The Company has or will pay to the Lead Manager certain fees in connection with the Public Offer as summarised in Section 8.2(b).

(ii) **Morgans Corporate interests in Securities**

As at the Prospectus Date, the Lead Manager nor its associates have any relevant interest in any Securities.

(iii) **Participation in previous placements**

The Lead Manager has not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

(b) **Corporate Advisor**

The Company engaged White Hutt Pty Ltd (**White Hutt**) to provide corporate advisory services in connection with the Transaction. A summary of the key terms of the appointment is set out in Section 8.2(c).

(i) **Fees payable to White Hutt**

The Company has or will pay to White Hutt certain fees as summarised in Section 8.2(c).

(ii) **White Hutt's interests in Securities**

As at the Prospectus Date, White Hutt nor its associates have any interest in any Securities. On Completion, White Hutt is expected to hold a relevant interest in 1,346,154 Shares.

(iii) **Participation in previous placements**

White Hutt has not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

(c) **Ventnor Equities & Advisory Pty Ltd**

The Company engaged Ventnor Equities & Advisory Pty Ltd (**Ventnor**) to provide advisory services in connection with the Transaction. A summary of the key terms of the appointment is set out in Section 8.2(d).

(i) **Fees payable to Ventnor**

The Company has or will pay Ventnor certain fees as summarised in Section 8.2(d).

(ii) **Ventnor's interests in Securities**

As at the Prospectus Date, Ventnor nor its associates have any interest in any Securities. On Completion, Ventnor is expected to hold a relevant interest in 1,345,057 Shares.

(iii) **Participation in previous placements**

Ventnor has not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

Ventnor is an entity controlled by Director Stuart Carmichael, who holds interests in the Company as set out in Section 7.5.

(d) **Powerhouse Ventures Limited**

The Company engaged Powerhouse Ventures Limited (**Powerhouse Ventures**) to provide advisory services in connection with the Transaction and Public Offer. A summary of the key terms of the appointment is set out in Section 8.2(e).

(i) **Fees payable to Powerhouse Ventures**

The Company will pay Powerhouse certain fees as summarised in Section 8.2(e).

(ii) **Powerhouse Venture's interests in Securities**

As at the Prospectus Date, Powerhouse nor its associates have any relevant interest in any Securities. On Completion, Powerhouse is expected to hold a relevant interest in 1,800,000 Shares.

(iii) **Participation in previous placements**

Powerhouse Ventures has not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

2.10 Applications

(a) **Public Offer**

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the Form.

The Public Offer is open to the general public in Australia.

Applications for Securities under the Public Offer must be made by using the relevant Application Form at apply.automic.com.au/K-TIG and pay the application monies electronically.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate.

Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

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

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

The Company reserves the right to close the Public Offer early.

(b) **Acknowledgements**

If you do not provide the exact amount, the Company reserves the right to issue you a lesser number of Shares and (if necessary) return a portion of your funds. No interest

will be paid on money returned. No brokerage or stamp duty costs are payable by Applicants. The Application Form and related payment must be completed and received by no later than the Closing Date. The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) agreed to be bound by the terms of the Offers;
- (ii) agreed to be bound by the terms of the Constitution;
- (iii) irrevocably and unconditionally agree to the terms and conditions of the Offers and the terms and conditions set out in this Prospectus (having read the Prospectus in its entirety) and the Application Form;
- (iv) declares that all details and statements in the Application Form are complete and accurate;
- (v) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (vi) acknowledged that, once the Company receives an Application Form, it may not be withdrawn;
- (vii) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (viii) agreed to being allocated and issued or transferred the number of Securities applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- (ix) acknowledged that the Company may not pay dividends, or that any dividends paid may not be franked;
- (x) declared that the Applicant(s) is/are a resident of Australia or is otherwise eligible to participate in the Offers having regard to the restrictions in Sections 2.16 and 2.17;
- (xi) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (xii) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs;
- (xiii) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, and accordingly, the Shares 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 applicable securities laws;

- (xiv) acknowledged and agreed that the Offers may be withdrawn by the Company, or may otherwise not proceed in the circumstances described in this Prospectus; and
- (xv) acknowledged and agreed that if the listing does not occur for any reason, the Offers will not proceed.

(c) **Consideration Offer**

The Consideration Offer is open to the MPW Vendors and only the MPW Vendors (or their respective nominees) may apply for the Consideration Securities under the Consideration Offer. An application form in relation to the Consideration Offer will be issued to the MPW Vendors together with a copy of this Prospectus.

No monies are payable for the Consideration Securities to be issued pursuant to the Consideration Offer.

(d) **Conversion Offer**

The Conversion Offer is open to the Noteholders and only the Noteholders (or their respective nominees) may apply for the Conversion Securities under the Conversion Offer. An application form in relation to the Conversion Offer will be issued to the Noteholders together with a copy of this Prospectus.

No monies are payable for the securities to be issued pursuant to the Conversion Offer.

(e) **Advisor Offer**

The Advisor Offer is open to the Advisors and only the Advisors (or their respective nominees) may apply for the Advisor Shares under the Advisor Offer. An application form in relation to the Advisor Offer will be issued to the Advisors together with a copy of this Prospectus.

No monies are payable for the Advisor Shares to be issued pursuant to the Advisor Offer.

2.11 Application Monies to be held in trust

To the extent required by the Corporations Act, until the Securities are issued under the Prospectus, the Application Monies for Securities will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest. If the Shares to be issued under the Prospectus are not admitted to Official Quotation within three months after the Prospectus Date, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

2.12 Reinstatement and Official Quotation

Within seven days after the Prospectus Date, the Company will apply to ASX for re-admission to the Official List and for the Shares, including those offered by this Prospectus, to be reinstated to Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

Completion is conditional on ASX approving this application on conditions acceptable to the Company. If ASX does not grant permission within three months after the Prospectus Date (or any longer period permitted by law), the Offers will be withdrawn and all Application Monies will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.13 Discretion regarding the Offers

The Company may withdraw the Offers at any time before the issue of Securities to successful Applicants under the Offers. If the Offers, or any part of them, do not proceed, all relevant Application Monies will be refunded (without interest).

The Company also reserves the right to, subject to the Corporations Act, extend the Offers or any part of them, accept late Applications either generally or in particular cases, reject any Application or allocate to any Applicant fewer Securities than the amount applied for.

2.14 Commencement of trading

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

2.15 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities (where applicable) and the number of new Securities allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

2.16 Overseas applicants

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

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

If you are outside Australia, you may not participate in the Public Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.17 Notice to foreign investors

This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Securities under the Consideration Offer may not be offered or sold, in any country outside Australia except by the Company to the extent permitted below.

(a) **Notice to investors in Canada**

This Prospectus constitutes an offering of Shares and Performance Rights only in the Province of Ontario (the "Province"), only to persons to whom Shares and Performance Rights may be lawfully distributed in the Province, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Province. This Prospectus may only be distributed in the Province to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Province has reviewed or in any way passed upon this Prospectus, the merits of the Shares and Performance Rights or the offering of Shares and Performance Rights and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Province with respect to the offering of Shares and Performance Rights or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares and Performance Rights in the Province must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Statutory rights of action for damages and rescission. Securities legislation in certain Province may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares and Performance Rights should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares and Performance Rights as there are Canadian tax implications for investors in the Province.

(b) Notice to investors in the United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares and the Performance Rights have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may be distributed, and the Shares and the Performance Rights may be offered and sold, in the United States solely by the Company to Approved US Accredited Investors.

2.18 Escrow arrangements

Subject to the Company's Shares being reinstated to trading on the ASX, certain Securities will be classified by ASX (in its absolute discretion) as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Securities likely to be subject to escrow (in their entirety or in part) are the Consideration Securities, Advisor Shares, June 2024 Conversion Shares, Conversion Options, MPW Conversion Shares and Director Shares. Shares offered under the Public Offer will not be subject to any escrow restrictions.

The Company expects that upon Reinstatement approximately 37,130,411 Shares will be classified as restricted securities by ASX, which, on a Minimum Subscription basis, will comprise approximately 29.86% of the issued share capital on an undiluted basis, and approximately 19.55% on a fully diluted basis (assuming all Options and Performance Rights are issued and exercised and that no other Securities are issued).

The Company anticipates that upon Reinstatement, escrow will be applied as set out in the table below.

Escrow period	Shares	Options	Performance Rights
Securities expected to be classified as restricted securities by ASX for a	27,725,063	576,924	26,259,684

Escrow period	Shares	Options	Performance Rights
period of 24 months from the date of Admission			
Securities expected to be classified as restricted securities by ASX for a period of 12 months from the date of issue	9,405,348	14,807,696	23,740,350

Prior to the Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities or issue escrow notices in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

2.19 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.20 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.21 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. 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 email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this 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 replacement prospectus or any of those documents were

incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

2.22 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy Prospectus and Application Form should be directed to the Company Secretary on 1300 288 664 (within Australia).

2.23 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (Outside Australia) 8:30am to 5:00pm (AWST) Monday to Friday during the offer period.

3. Industry overview

The industry overview contained in Annexure D sets out an explanation of the industry that MPW operates in.

The industry overview provides an overview of the global metal powders industry with a contextual trends and structural overview of the space in which more advanced, specialised powders are currently being produced to support high growth technologies like additive manufacturing, metal injection moulding, and others. It also provides a detailed overview of the 'additive' metal powders market specifically, including key trends and growth projections for this area in particular.

Investors are urged to read the industry overview.

4. Company overview

4.1 Introduction

Metal Powder Works, LLC (current wholly owned subsidiary) was incorporated on 28 March 2016. The company converted to a Delaware C-Corporation company, Metal Powder Works Inc. on 9 August 2021.

Metal Powder Works, based in Pennsylvania, USA, specialises in the production of high quality metal powders for additive manufacturing and other advanced applications.

Metal Powder Works has developed a patented, non-thermal powder production process known as the MPW DirectPowderSM Process. This innovative method converts premium bar stock into high-quality powder for a variety of materials and applications, significantly improving yield and affordability.



Key Efficiencies

- Generates a yield of between 95%-100%
- Low-energy process with up to 90% reduction in CO₂ emissions compared to atomization
- In-line sieving allows for safe no-touch powder handling
- Reduces inventory costs and hazards by eliminating storage of large amounts of powder
- As this process does not require melting, a wide range of metals can be converted to powder
- Powder by the Hour[™] can be used onsite for direct feed of powder
- Expeditionary configuration possible



Metal Powder Works powders are made via numerical control, enabling Metal Powder Works to control size and shape allowing Metal Powder Works to precisely produce a specific size range which is key to economics, yielding more consistent results in processing. The

technology yields 95%+ of infeed material which compares favourably to current atomising technologies which yield approximately 30% depending on the metal.¹

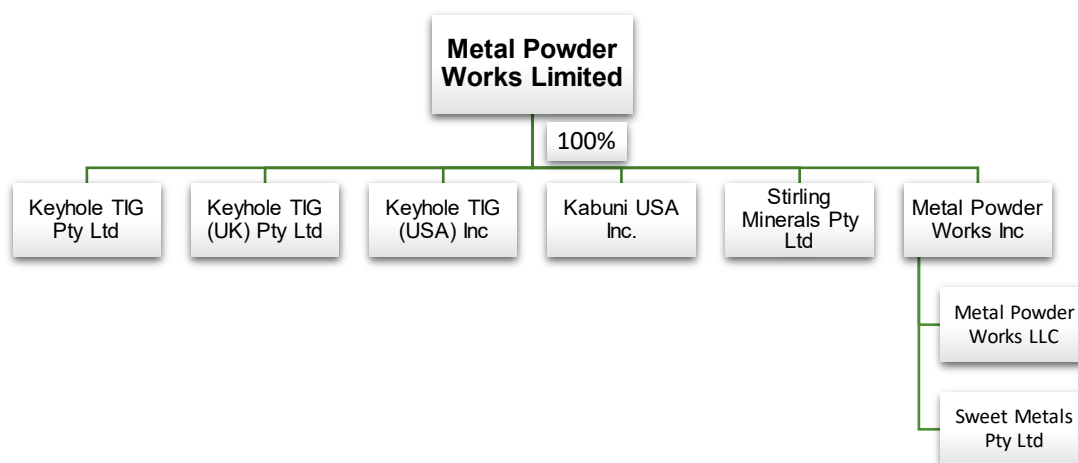
The proprietary technology that is used to produce powder that is more energy-efficient and produces a higher yield product (circa 95%+) compared to the traditional atomisation process.

The DirectPowderSM Process has the potential to reduce energy usage and CO₂ emissions by as much as 83% over gas atomisation and as much as 89% compared to water atomisation once tooling improvements are made and a 99% process yield is achieved.

4.2 Corporate Structure

The corporate structure group of Metal Powder Works comprises Metal Powder Works, Inc. and two wholly owned subsidiaries, Metal Powder Works, LLC and Sweet Metals Pty Ltd.

On Completion, Metal Powder Works will become a wholly owned subsidiary of the Company to form the Merged Company, and the Merged Company's main undertaking will be additive manufacturing powder production, in accordance with the strategy described in Section 4.3(h). A diagram setting out the corporate structure of the Merged Company is set out below:



Details of the Company's material subsidiaries are as follows:

- (a) Keyhole TIG Pty Ltd was incorporated in Australia on 10 December 2010. Its business is the Australian operating entity delivering advanced TIG welding technology.
- (b) Keyhole TIG (UK) Pty Ltd was incorporated in the United Kingdom on 12 July 2021. Its business is the Company's UK operating entity.
- (c) Keyhole TIG (USA) Inc. was incorporated in the United States on 11 August 2020. Its business is the Company's United States operating entity.
- (d) Metal Powder Works, Inc. was registered in the United States on 9 August 2021 and is the parent entity of Metal Powder Works LLC.
- (e) Metal Powder Works, LLC was registered in the United States on 28 March 2016 as the MPW business' operating entity.

¹ Li, X., Zhu, Q., Shu, S., Fan, J. and Zhang, S. (2019). Fine spherical powder production during gas atomization of pressurized melts through melt nozzles with a small inner diameter. Powder Technology, [online] 356, pp.759–768. The author has not provided their consent for the statement to be included in this Prospectus.

- (f) Sweet Metals Pty Ltd (in liquidation) was incorporated in Australia on 21 November 2017 and was a dormant entity when the decision was made by MPW to wind up the entity.

4.3 About Metal Powder Works

(a) **General overview - MPW's Direct Powder**

Metal Powder Works has developed a patented, non-thermal powder production process, that results in extremely high yields, which makes it inherently affordable, and when compared to legacy methods like atomisation, significantly reduces energy consumption and CO₂ emissions that is presently used for most powder metallurgy and additive manufacturing processes.

The MPW technology produces powder through a computer-controlled, mechanical process called the DirectPowderSM Process, resulting in very consistent particles from machine to machine or batch to batch. In this process, a round bar of feedstock is rotated at a prescribed speed, and particles of metals (or polymers) can be made to a size and/or shape requirement. In this manner, particles can be designed for the subsequent downstream processing condition whether that be based on sintering, deformation, melting, or used in energetics, chemical synthesis or conductive pastes. The numerical control of the process coupled with the tooling design ensures the consistency of particle size and morphology.





The MPW process has three main components that are connected:

- (i) materials science: how MPW heats, treats, conditions and cools the bar to improve productivity;
- (ii) tooling: the tooling material and geometry design and how that impacts the quality of the powder and process efficiency; and
- (iii) process dynamics: speed, rigidity, and other factors affecting the rotating equipment.



Features such as the size, shape, and distribution of particles can be controlled to create extremely consistent powder feedstocks.

The DirectPowderSM Process is different from other methods used to create metal powder. MPW can achieve powder with no satellites, no fines, and no possibility of inert gas entrapment or evaporation of high vapor pressure elements. In addition, the room temperature process ensures the produced powder retains any heat treatment or temper established in the bar feedstock. The highly controlled and continuous method produces powder with no defects, meaning there's no sifting through mass quantities of powder to obtain the right size cut and quality. This method also eliminates the risk of powder contamination.

The key to DirectPowderSM Process quality is the process is computer-controlled, allowing for highly precise size and morphology allowing it to be directly tailored to the user's requirements.

Metal Powder Works has the ability to grow new markets in the areas of solid propellant, hydrogen generation and chemicals that have not had a suitable feedstock process.

Key advantages of the Metal Powder Works process compared to gas atomisation process include:

Cost	Quality	Convenience
Narrow particle size distribution, fast production at any scale	Precision and consistency in morphology and particle size	Small and light footprint, versatile with manufacturing environments
Obviates high inventory, hazard management costs	Preservation of feedstock nanostructure, material remains in solid state	Library of dial-in parameters for optimal powder production
Low turnaround times (powder-on-demand)		Automated, low-touch operation

Metal Powder Works has 16 commercial materials currently available for sale, including high strength aluminium, Al-Sc, CuNi 7030, nickel aluminium bronzes, coppers, zirconium (where it is qualified for the nuclear industry), and titanium, with several more in development.

In 2024, Metal Powder Works was nominated for Material Company of the Year by 3D Printing Industry (3DPI) awards.

(b) **Metal Powder Works Range of Metal Powders**

The Metal Powder Works process converts premium bar stock into high-quality powder for a range of materials and for diverse applications. Metal Powder Works produces high yield, high quality powders starting from 20µm for use in advanced manufacturing processes.

Metal Powder Works provide a range of metal powders:

Metal Powder		Powder Overview	AM Application	Industry Application
Aluminum Alloys	Al-Sc	Aluminum-Scandium (Al-Sc) alloy powder, with a particle size range of 20-63 µm, is engineered for advanced manufacturing, offering a unique combination of high strength, excellent weldability, and improved corrosion resistance. This advanced alloy benefits from the addition of scandium, enhancing grain refinement and elevating mechanical properties, making it highly suitable for aerospace and automotive applications. Al-Sc's superior performance at high temperatures and its ability to undergo heat treatment make it a prime choice for components requiring strength and durability under extreme conditions.	Directed Energy Deposition Powder Bed Fusion	Aerospace Automotive

Metal Powder		Powder Overview	AM Application	Industry Application
Aluminum Alloys	7050	Aluminium 7050 is a heat treatable alloy. It has high toughness, high strength. It has high stress corrosion cracking resistance. It has electric conductivity of value having 40 percent of copper. 7050 aluminium is known as a commercial aerospace alloy.	Cold Spray	Defence, Aerospace
Aluminum Alloys	7075	Aluminum 7075 is an aluminium alloy with zinc as the primary alloying element. It has excellent mechanical properties and exhibits good ductility, high strength, toughness, and good resistance to fatigue. It is more susceptible to embrittlement than many other aluminium alloys because of microsegregation, but has significantly better corrosion resistance than the alloys from the 2000 series. It is one of the most commonly used aluminium alloys for highly stressed structural applications and has been extensively used in aircraft structural parts.	Cold Spray	Defence Aerospace Sport equipment
Aluminum Alloys	7A76	Aluminum 7A76 powder, with a particle size range of 20-63 μm , is specifically engineered for fusion-based additive manufacturing, bringing the high strength, durability, and fatigue resistance of 7xxx series alloys to laser powder bed and DED systems. Aluminum 7A76 incorporates grain refiners that inhibit solidification cracking, which allows for successful 3d printing of complex designs and lightweight assemblies for aerospace, defense, and automotive applications. Furthermore, the equiaxed particle shape facilitates excellent powder flowability and part density, which is crucial for achieving precise, high-quality prints.	Powder Bed Fusion Directed Energy Deposition	Defence Aerospace Automotive
Aluminum Alloys	6061	Aluminum 6061 powder, with a particle size range of 20-63 μm , is tailored for precision additive manufacturing, offering an ideal blend of mechanical properties, weldability, and corrosion resistance. This versatile	Cold Spray	Aerospace Automotive Marine

Metal Powder		Powder Overview	AM Application	Industry Application
		aluminum alloy is renowned for its structural strength and toughness, making it perfect for applications across aerospace, automotive, and marine industries, as well as for creating intricate consumer goods. Aluminum 6061's ability to withstand various environmental conditions, combined with its lightweight nature, ensures its position as a preferred material for innovative engineering and design projects.		Consumer goods
Aluminum Alloys	5083	Aluminum 5083 is known for its excellent corrosion resistance and high strength, making it a popular choice for several applications in advanced manufacturing. Its strength-to-weight ratio is particularly advantageous, allowing for the creation of lightweight yet durable parts. Aluminum 5083 can be easily machined and welded, enhancing its versatility in additive manufacturing processes.	Directed Energy Deposition	Advanced manufacturing
Aluminum Alloys	4032	Aluminum 4032 is valued for its combination of high-temperature resistance, wear resistance, and low thermal expansion, making it a preferred material for components in high-performance engines. Aluminum 4032 properties contribute to the production of high-quality, durable components used across aerospace, automotive, and other industries.	Directed Energy Deposition Powder Bed Fusion Cold Spray	Aerospace Automotive
Aluminum Alloys	2024	Aluminum 2024 is a high-strength alloy primarily composed of copper as well as other metals like magnesium and manganese. It's commonly used in aerospace and automotive applications due to its excellent strength-to-weight ratio, fatigue resistance, and corrosion resistance especially when cladded. Aluminum 2024 can be heat treated and easily machined, enhancing its versatility in additive manufacturing and post-processing.	Cold Spray	Aerospace Automotive

Metal Powder		Powder Overview	AM Application	Industry Application
Copper Alloys	Pure Cu (99.5%)	Pure Cu (99.5%), with a particle size range of 20-63 µm, is designed for advanced manufacturing with its combination of machinability, conductivity, and corrosion resistance, making it a versatile choice for many industries. High-purity copper is ideal for creating components in the electrical and electronics industries, where efficient energy transfer and heat dissipation are crucial. The addition of ~0.5% Tellurium (Te) greatly enhances the machinability of printed parts, allowing for easy machining of tight tolerances and surface finishes.	Directed Energy Deposition Powder Bed Fusion Cold Spray Binder Jetting	Electrical and electronics industries
Copper Alloys	C18150	C18150 is a copper-chromium-zirconium alloy known for its excellent thermal conductivity and resistance to deformation at high temperatures. In additive manufacturing, this material is often used in applications where heat dissipation is critical, such as in the production of heat sinks, cooling components for electronics, and moulds. C18150 is an excellent material choice across multiple industries, including space, automotive, electronics, and aerospace.	Directed Energy Deposition Powder Bed Fusion Cold Spray Binder Jetting	Space Automotive Electronics Aerospace
Copper Alloys	NiAl Bronze	Nickel Aluminum Bronze (NiAl Bronze) is known for its excellent mechanical properties and corrosion resistance, making it a popular choice for advanced manufacturing applications. Its notable characteristics include high strength, toughness, and resistance to wear and corrosion. NiAl Bronze can be used to produce parts for various industries, such as aerospace, automotive, and maritime. NAB's compatibility with additive manufacturing processes allows for complex geometries and customized designs, further expanding its potential applications.	Directed Energy Deposition Powder Bed Fusion Cold Spray Binder Jetting	Aerospace Automotive Maritime
Copper Alloys	CuNi 70/30	CuNi 70/30 copper alloy offers a unique combination of corrosion resistance, thermal stability,	Directed Energy Deposition	Maritime

Metal Powder		Powder Overview	AM Application	Industry Application
		electrical conductivity, mechanical strength, and antimicrobial properties, making it a versatile material for advanced manufacturing across various industries. One of the primary reasons CuNi 70/30 is used is its exceptional resistance to corrosion in seawater, brackish water, and various chemical environments. CuNi 70/30 also offers good mechanical strength, allowing it to withstand mechanical stresses and pressures in piping systems, fittings, and valves.	Powder Bed Fusion Cold Spray Binder Jetting	Advanced manufacturing across various industries
Copper Alloys	C72900	C72900 is a copper-nickel-tin alloy known for its exceptional hardness, wear resistance, and thermal conductivity. It is often used in demanding applications such as aerospace, automotive, and industrial machinery where durability and performance are critical. The alloy's composition provides a unique balance of mechanical strength and resistance to abrasion, making it ideal for components like bearings, bushings, and heat exchangers. Its ability to withstand high wear and thermal stress ensures long-lasting performance in high-impact environments.	Directed Energy Deposition Powder Bed Fusion Cold Spray Binder Jetting	Aerospace Automotive Industrial machinery
Titanium Alloys	CP Ti (Grade 2)	Commercially Pure or Grade 2 titanium is an unalloyed version of titanium. Titanium alone is a strong, light metal. Titanium has outstanding corrosion resistance to seawater, and thus is used in propeller shafts, rigging and other parts of boats that are exposed to seawater. Titanium and its alloys are used in airplanes, missiles, and rockets where strength, low weight, and resistance to high temperatures are important. Since titanium does not react within the human body, it and its alloys are used in artificial joints, screws, and plates for fractures, and for other biological implants.	Directed Energy Deposition Powder Bed Fusion Cold Spray Binder Jetting	Aerospace Maritime Defense Automotive Industrial machinery

(c) **Benefits of the MPW technology:**

- (i) **The DirectPowderSM Process is continuous and scalable:** Because the **DirectPowderSM Process** is continuous and highly efficient it enables the desired production quantity to be made simply by running the process for a fixed length of time. Additional material can be made by running longer. Users are not limited to individual batches as is traditionally done with gas atomisation. This can be beneficial when very large articles are being built, or when multiple items of the same design are being produced.

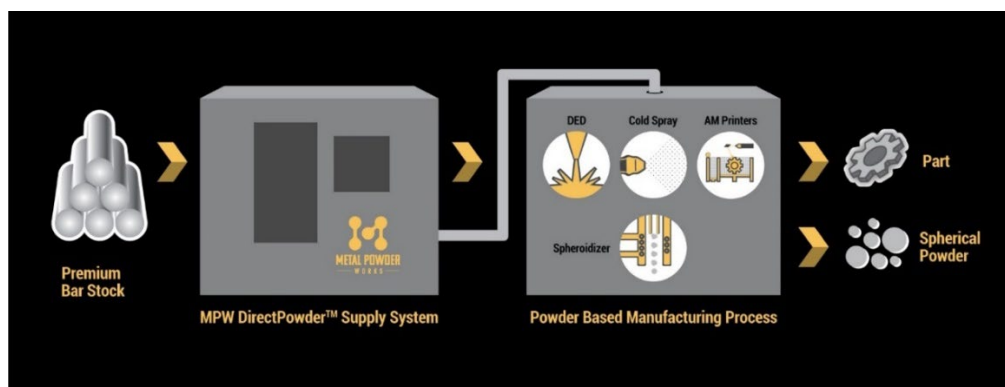
The DirectPowderSM Process produces powders at rates that are appropriate for additive manufacturing and powder metallurgy applications.

- (ii) **Cost of production:** The Metal Powder Works process costs less per pound of produced powder than gas atomized powder due to the high yields, low infrastructure, automation (low labour content), and reduced use of energy.
- (iii) **Reduced energy requirements for powder production:** Powder production can be energy intensive in processes such as gas atomisation with the potential to use large amounts of argon, superheating molten metal in order to capture proper flow and atomisation characteristics, and having loss in yields from improperly sized material. Metal Powder Works has developed powder production based on a mechanical method with no need for argon and without melting that greatly reduces the energy requirements for powder production, increases yields for processed material approaching 100%, and could be safely fabricated at any location.
- (iv) **Seamless on-site solution for metal powder production (Project Sidecar):** Metal Powder Works is developing seamless on-site solution for powder production and deposition where powder is fed directly from the DirectPowderSM Process to the Additive Manufacturing System. The Metal Powder Works system works with a variety of additive manufacturing technologies to create metal parts including cold spray, binder jetting, directed energy deposition, powder bed fusion.

The benefits of “Project Sidecar” include:

- (A) powder on Demand or Powder by the HourSM;
- (B) no powder shipping and storage;
- (C) low-cost bar stock; and
- (D) powder output is tied to printer demand.

Because of the small footprint of the DirectPowderSM Process, it can be utilized not only within company facilities, but in more deployable situations such as expeditionary manufacturing or Point of Need, which is manufacturing performed outside of a traditional facility such as on a forward location or while afloat on a ship.



For the manufacturer, this results in not having to buy and store powder, along with the environmental and safety issues that accompany powder production. It creates an opportunity to optimize part manufacturing for a set of inter-related requirements – technical, business, safety, workforce, inventory and sustainability.

This business model supports local manufacturing development and is directly linked to a better understanding of how underrepresented and/or impoverished communities could develop new business opportunities and supply chains operating decarbonized industrial processes at scale and realising clean energy production and goals.

(d) Customers

Metal Powder Works has worked with many of the leading additive manufacturing companies in the United States of America.

Metal Powder Works past or present customers include the following companies:

- (i) United States Navy (NAVAIR, Navy Postgraduate School, Bechtel & Fluor).
- (ii) Solvus Global/Powders on Demand: Solvus Global is a technology solution provider for materials and manufacturing specialising in the areas of additive manufacturing, machine learning and sustainable materials processing.
- (iii) 6K Additive: 6K Additive is a leader in sustainable production of premium metal powders by converting swarf, revert, used powder and scrap metals into premium metal products for additive manufacturing, alloys and ingot manufacturing.
- (iv) Toho Titanium: Toho Titanium is engaged in the manufacture and sale of titanium metal products such as sponge, ingot, high purity titanium, powder and fabricated titanium products, as well as products from materials obtained in the titanium production process.
- (v) Westinghouse Electric Co LLC: Westinghouse Electric Company is the world's leading supplier of safe and innovative nuclear technology. Westinghouse Electric provide utility customers around the world with the most reliable, dependable nuclear power plants, nuclear fuel, plant automation and operating plant products and services.

(e) Assets and Intellectual Property

Metal Powder Works does not need to acquire any material land, or further intellectual property rights to conduct its business following Completion.

A summary of the intellectual property held by Metal Powder Works is in the Intellectual Property Report in Annexure B.

The Intellectual Property Report has been prepared by Watershed IP Law, PLLC. Watershed IP Law, PLLC is a registered patent attorney. The Intellectual Property Report is not a legal opinion but provides background intellectual property information on a general nature, regarding the type and status of intellectual property (specifically patents and service marks) owned by Metal Powder Works.

The MPW patent portfolio consists of seventeen worldwide assets with eight grants and nine applications in prosecution. The technology described in the patents relate to methods and apparatus for producing powders with a narrow powder size distribution and particle uniformity and with low porosity to enhance efficiency of three-dimensional additive printing and manufacturing. Production of powders is accomplished by providing a ductile cast, wrought, or extrudable material in the form of an elongated workpiece or wrought metal rod comprised of steel, nickel, aluminum, titanium, platinum, rhenium, niobium, uranium, rare earth elements, and alloys thereof, polymers, or ceramics. The elongated workpiece is rotated or vibrated and exposed to multiple reciprocating cutters distributed radially or a rotating disk, that is repeatedly placed in contact with the workpiece at specified frequencies to attrit the workpiece and produce uniform low-porosity particles with 95% of the produced particles have a diameter or maximum dimension ranging from about 10 µm to about 200 µm.

The process conditions can be modified to form particles with a specified spheroid shape distribution. Additionally, the particles, when formed, can subsequently be further exposed to heat, abrasion, or chemicals resulting in processed particles with an appropriate spheroid or globular shape and distribution that exhibit tailored flow characteristics for enhanced efficiency and speed of production of additive manufactured products.

There are four issued United States patents, one pending United States patent application, two issued Japanese patents, two issued Indian patents, two pending Australian patent applications, two pending Brazilian patent applications, two pending European patent applications, and two pending South Korean patent applications.

Metal Powder Works has sought to protect these individual components of the Metal Powder Works system. Investors should note that not every component that comprises the MPW system (nor the MPW system as a whole) is patented. The Company has adopted a strategic balance between the cost and the benefit of patenting every component of the MPW system which the Company notes is not an uncommon intellectual property approach for businesses like Metal Powder Works. Refer to Section 5.2 for details of intellectual property risks associated with the Metal Powder Works business.

(f) **Financials**

Refer to Section 6 for further financial information in respect of MPW and the Merged Company.

(g) **Revenue model**

The versatility of Metal Power Works technology enables equipment to be installed in dynamic environments (configuration, form factor, footprint) with suitable commercial arrangements.

Metal Powder Works currently derives (or in the case of Section 4.3(g)(iii), plans to derive) revenue through the following revenue models:

- (i) **direct powder sales (in-house production):** MPW produces powder for sale at the Neighbourhood 91 campus location in Pittsburgh, PA;, which accounted for approximately 80% of the MPW's income from sales in 2023;
- (ii) **machine sales:** MPW has sold one machine to date and is in negotiations for a second, which accounted for approximately 20% of MPW's income from sales in 2023. These sales are to non-competitive users with a strategic relationship to MPW; and
- (iii) **pay per use machines located at customer sites, with minimum production requirements:** The Powder by the HourSM concept would work much like a flexible lease, where a customer would pay for 2,000 hours of use (minimum) and then if surge production is needed, pay for additional time.

(h) **Strategy**

Metal Powder Works intends to execute the following growth strategy:

- (i) Short term (1-2 years)
 - (A) Sales expansion: expand sales, initially targeting the US market, followed by Europe and Asia, as well as maintain and broaden alloy powder development collaborations with the defence sector; and
 - (B) Invest in sales and marketing: Expand sales and marketing team to sell capacity as well as drive revenue growth in copper, bronze and high strength aluminium markets;
 - (C) Leverage capacity: complete NextGen implementation to support CP Titanium opportunities; and
 - (D) Low-Rate Initial Production (LRIP) and Pilot-Scale Programs:
 - (1) conduct small-quantity production for customers to test products against application requirements, utilising these programs to refine machines and processes for mass production environments; and
 - (2) expand production output by leveraging MPW's ability to produce High Mix Low Volume metals which solve lead time and availability issues.
- (ii) Medium term (1-3 years)
 - (A) Resiliency and Cost Optimisation: enhance powder production resiliency and reduce costs by optimising unique aspects of MPW's processes (eg. surveying tooling manufacturing options, refining in-house grinding processes);
 - (B) Technology Licensing: License technologies that reduce waste and improve sales through vertical and horizontal expansion;
 - (C) Alloy and Tooling Range Expansion: expand the range of alloys and tooling with a library of machine settings for tuning alloy powder

properties suited to supply a wide range of production technologies, including:

- (1) reactive metals such as titanium and zirconium;
 - (2) C103; and
 - (3) copper alloys, bronze, and brass alloys; and
 - (D) Collaborative Development: expand collaborative development with industry and research institutions to develop more industrial applications of metal alloy powders.
- (iii) Long Term (1-5 years)
- (A) Large Scale Offtake Agreements;
 - (B) Industry Sector Strategy: Survey of industry sector landscape, develop and implement strategy to acquire technologies and companies to supply a significant market share of high growth, high value alloy powders with upstream and downstream process control; and
 - (C) Diverse Industry Engagement: Continue to engage with partners outside of additive manufacturing, exploring opportunities in industry segments such as hydrogen generation and energy production and storage.

The Company's use of funds covers its budgeted expenditure over the 24 month period following Reinstatement. Successful execution of MPW's medium and long-term growth strategy will be in part, dependent on the Company's ability to raise further capital after the Public Offer. For further information, please refer to Section 5.2(a).

4.4 Sources of revenue and expenses of the Merged Company

(a) Revenue

K-TIG's revenue model to date has been based on sales of the K-TIG system, a disruptive welding technology (**K-TIG System**). The K-TIG System is provided as a fully integrated welding cell comprised of the K-TIG 1000 controller, torch, power supply, water cooler, wire feeder, torch mount with compensating slide and travel speed feedback encoder.

K-TIG generated \$3,095,723 of sales revenue in 2023 and \$2,209,763 of sales revenue in 2024.

Metal Powder Works delivers high integrity manufacturing solutions to a wide variety of market sectors, including nuclear, aerospace, medical and security.

MPW generated USD\$111,892 (A\$167,003) of revenue in 2022 and USD\$875,939 (A\$1,307,371) of revenue in 2023. MPW generated USD\$397,766 (A\$593,681) of revenue in the six months to 30 June 2024.

Revenue from MPW's largest customers, Toho Titanium and Solvus Global represented approximately 64% of MPW's revenue in 2023. Other revenue is

generated from uncontracted customer relationships, using purchase orders and invoices.

Metal Powder Works has historically generated new sales through primarily powder sales, and with the sale of DirectPowderSM Process unit, and via contracted research and development (CRAD).

Investors should note that past performance is not a reliable indicator of future performance and there are various risks that may affect future performance (refer to the risk factors described in Section 5). Further historical financial information of K-TIG and MPW are provided in Section 6.

From Reinstatement, the Company's key sources of financing will consist of the \$10,000,000 (before costs) to be raised under the Public Offer (assuming the Public Offer is fully subscribed) in addition to its existing cash balance. The Company may be required to raise additional capital in the future to fund its operations (see Sections 2.7 and 5.2(a) for further details).

From Reinstatement, the Company intends to continue to generate revenue through the operation of both its existing operations and Metal Powder Works.

(b) Expenses

The main expenses for K-TIG and Metal Powder Works are salaries and wages, raw materials, equipment purchases, corporate expenses and marketing and business development.

4.5 Business model of the Merged Company

The business model of the Merged Company is based on delivering advanced engineering products to its customers. As a solutions-focused provider the Merged Company will target long-term and collaborative contracts with its customer base.

K-TIG has existing operations in the USA where it sells automated welding units to its customers. The acquisition of Metal Powder Works provides K-TIG with additive manufacturing powder production capabilities and strong existing relationships with highly regulated industry end users which are expected to benefit both companies.

Following Completion of the Share Purchase Agreement, MPW will continue to operate as a wholly owned subsidiary of K-TIG which will continue its current operations. The success of the Transaction is not predicated on the K-TIG's ability to identify operating synergies between K-TIG and Metal Powder Works, aside from cost savings that may be generated through the integration of K-TIG's and Metal Powder Works operations.

The Merged Company's business model is based on the following key fundamentals:

- (a) scaling to provide greater output;
- (b) increase the available materials on offer;
- (c) high level qualifications, reputation and experience that are required to operate in highly regulated markets;
- (d) ongoing investment in automation and digitisation, along with state-of-the-art equipment, such as advanced laser welding, large CNC machining and inspection scanning robots, and deep drawing capabilities backed by decades of engineering experience and techniques.

The operations of the Merged Company will be conducted from its offices in Pittsburgh, USA, in Adelaide, South Australia, and in Rotherham, UK.

The Merged Company will have 12 employees across its primary business locations.

4.6 Advantages of an investment in the Merged Company

Directors are of the view that an investment in the Merged Company provides the following non-exhaustive list of advantages:

- (a) **Advanced manufacturing capability:** the Merged Company delivers high integrity manufacturing solutions to a wide variety of market sectors including aerospace and defence;
- (b) **Metal Powder Works technology:** The proprietary technology that is used to produce powder that is more energy-efficient and produces a higher yield product (circa +95%) compared to the traditional atomisation process.
- (c) **Scalable business model:** Metal Powder Works believes it has the ability to scale its business model (both in terms of direct powder sales and machine sales) within multiple sectors and markets.
- (d) **Highly credible management team:** Metal Powder Works has a highly credible and experienced management team to progress the commercialisation and expansion of its technology.
- (e) **Revenue generating with an operating subsidiary:** The Merged Company is revenue generating, with K-TIG generating \$3,095,723 in revenue for the twelve months to 30 June 2023 and \$2,209,763 in revenue for the 12 months to 30 June 2024, and MPW generating USD\$111,892 (A\$167,003) of revenue in twelve months to 31 December 2022 and USD\$875,939 (A\$1,307,371) in the twelve months to 31 December 2023. Investors should refer to Sections 6 and 7 for further historical financial information of MPW.

4.7 Key business model dependencies

The key factors that the Merged Company will depend on to meet its objectives are:

- (a) the successful completion of the Transaction and the Public Offer;
- (b) continuing to extend the capabilities of its advanced manufacturing and welding technology;
- (c) retaining and recruiting key personnel skilled in the additive manufacturing and fabrication sectors;
- (d) access to capital to further research and develop the Company's technology and execute its business model and growth strategy; and
- (e) sufficient worldwide demand for the Merged Company's products.

Refer to Section 5 for a summary of key risks facing the Company and Merged Company.

4.8 MPW transaction value considerations

The Board considers that the quantum of the Consideration to be issued for the acquisition of Metal Powder Works reflects reasonable value of Metal Powder Works in view of the Company having conducted arm's length negotiations with representatives of Metal Powder Works to arrive at the commercial terms of the Transaction.

In determining the Consideration, the Company also took into account the following considerations:

- (a) recent-third party acquisitions and initial public offering transactions involving acquisitions of businesses of a similar size and stage of development including:
 - (i) Titomic Limited (ASX:TTT);
 - (ii) Amearo Limited (ASX:3DA); and
 - (iii) Iperion X Limited (ASX:IPX);
- (b) MPW generating:
 - (i) USD\$111,892 (A\$167,003) of revenue in 2022;
 - (ii) USD\$875,939 (A\$1,307,371) of revenue in 2023; and
 - (iii) USD\$397,766 (A\$593,681) of revenue in the six months to 30 June 2024;
- (c) the quality and future prospects of MPW's business based on the patented DirectPowderSM Process;
- (d) assessment of the costs incurred by the Company in its acquisition of MPW;
- (e) input from the Company's third party advisor, White Hutt, taking into account comparable trading peers, comparable transactions and indicative counter proposal received by MPW Vendors; and
- (f) an opinion from the Independent Expert (as set out in Annexure C on whether or not the issue of the Consideration Performance Rights to the MPW Vendors is fair and reasonable).

The Company did not adopt a particular formal valuation methodology in respect of the Metal Powder Works business but rather the Company undertook a comparable transaction approach and was required to take into account qualitative factors such as those set out above in coming to a decision on price. This is also reflected in the structure of the Consideration, which contains a deferred component which is tied to the performance of MPW. The Board is of the opinion that the opportunity presented under the Transaction represents an opportunity that is in the best interests of current Shareholders of the Company and was involved in a lengthy negotiation process prior to executing the Share Purchase Agreement. The opportunity structured and presented under the Transaction presents Shareholders with the opportunity to hold a position in a unique business with the ability to generate revenue in an existing market with an opportunity for significant growth.

4.9 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of

distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. The Company cannot give any assurances in relation to the payment of dividends or franking credits.

5. Risk factors

The Securities offered under this Prospectus are considered speculative. Before applying for Securities, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the Securities pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section 5.

This Section identifies the key dependencies and areas of risk associated with the Transaction, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Where relevant, the risks below assume completion of the Offers have occurred. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of the Shares.

5.1 Risks relating to the change in nature and/or scale of activities

(a) **Re-Quotation of Shares on ASX**

The Transaction constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) **Dilution risk**

As set out in Section 2.6, the Company currently has 73,328,415 Shares on issue (on a pre-Consolidation basis). On Completion (assuming that the Maximum Subscription is raised):

- (i) the existing Shareholders will retain approximately 4.05% of the Company's issued Share capital on an undiluted basis and 2.75% of the Company's issued Share capital on a fully diluted basis;
- (ii) the investors under the Public Offer will hold approximately 35.88% of the Company's issued Share capital on an undiluted basis and 24.40% of the Company's issued Share capital on a fully diluted basis.

There is a risk that the interests of Shareholders may be further diluted as a result of future capital raisings that may be required in order to fund the future development of the Company.

5.2 Specific risks applicable to the Merged Company

On Completion, Metal Powder Works will become a wholly owned subsidiary of the Company, and the Company's main undertaking will be specialist powder manufacturing in the additive manufacturing industry and other advanced applications. Set out below is a non-exhaustive list of key risks of operating the Company's business as owner of Metal Powder Works.

(a) **Future Capital Needs**

The MPW business is in a growth phase and has recorded negative cash flows from operating activities of USD\$922,385 in the year ended 31 December 2023 and USD\$154,579 in the six months ended 30 June 2024. The Company's existing business also produces negative cash flow.

Although the Directors consider that the Company will, on Completion of the Public Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements set out in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

The future capital requirements of the Company will depend on many factors, including the continuation of its current business and sales, and the Company may need to raise additional funds from time to time to finance its ongoing operations. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all.

Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

In the event the Company is unable to meet the Minimum Subscription condition it will be unable to complete the Offers. Without the financing available from the Offers, the Company will be required to immediately seek additional funding in order to continue as a going concern. Such funding would likely be undertaken by way of a convertible note or Share issue and it is likely that such an issue would be dilutive to existing Shareholders. There are no guarantees that the Company would be able to raise funds through the issue of further convertible notes or Shares or that the Company would be successful in seeking quotation on ASX of its Shares under such circumstances.

(b) **Going concern risk**

The Company's reviewed financial report for the year ended 30 June 2024 includes the following material uncertainty relating to going concern:

'We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.'

The Company's consolidated financial statements for the year ended 30 June 2024 were prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Board believes that on completion of the Offers, the Company will have sufficient funds to adequately meet the Company's current commitments and working capital requirements. However, there remains a risk that further funding will be required by the Company in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant uncertainty on the Company's ability to continue as a going concern.

(c) **Reliance on key customers**

A significant proportion of MPW's revenue is currently derived from its largest customers, being Toho Titanium and Solvus Global. Sales from Toho Titanium and Solvus Global represented approximately 64% of MPW's revenue in 2023. As products provided to Toho Titanium and Solvus Global comprise a material component of MPW's revenue, there would be material detriment to the affairs of MPW if Toho Titanium or Solvus Global do not continue to order MPW products.

(d) **Failure to attract new customers**

The success of the Merged Company's business relies on its ability to attract new business from existing customers and attract new customers including in new jurisdictions. The capacity to attract new customers and attract new business from existing customers and new customers will be dependent on many factors including the capability, cost-effectiveness, customer support and value compared to competing products.

(e) **Product quality risks**

Risks are involved in the ability to translate technical objectives into a solution that provides the expected quality of product in a cost-effective manner to support the price needed to make an impact in the marketplace. The products and technology supplied by the Merged Company may not be functional, may be faulty, or not meet customers' expectations. This may lead to requirements for the Merged Company to improve or refine its products, which may diminish operating margins or lead to losses.

The products and technology supplied by the Merged Company, while extensively tested prior to collection, can be damaged in transit. While this risk is insurable, it may diminish operating margins.

(f) **Manufacturing risks**

The Merged Company's products may be subject to product quality risks. Risks are involved in the ability to translate the technology into a solution that provides the expected quality of product in a cost-effective manner to support the price needed to make an impact in the marketplace.

(g) **Competition**

Whilst MPW currently has expertise to deliver a high-quality product, it is anticipated that the level of competition could increase rapidly. There is no assurance that competitors will not succeed in developing products more effective or economic than the products developed by the Merged Company which would render the Merged Company's products uncompetitive. The Company faces a range of risks including that existing competitors could increase their market share through aggressive sales and marketing campaigns, product, research and development or price discounting; and existing and potential competitors, who may have significantly more resources, develop new or superior products or improve existing products to compete with the Merged Company.

(h) **Key personnel risk**

The Merged Company will depend on certain key personnel and the departure of any of them may lead to disruptions of customer relationships or delays in the manufacturing and product development efforts.

(i) **Intellectual Property Risk**

The Company undertakes measures to protect its know how, commercially sensitive information and intellectual property, however, no assurance can be given that employees or third parties will not breach confidentiality agreements or infringe or misappropriate the Company's know how or commercially sensitive information.

The Merged Company's ability to expand into new markets and jurisdictions will depend on securing and maintaining adequate intellectual property rights and permits in those areas. While the Merged Company will seek to protect its technologies by maintaining existing patents and obtaining additional patents (if required) as the business expands, there is no guarantee that it will be able to secure such patents in a timely manner, if at all.

Without patent protection, the Company's intellectual property may be vulnerable to imitation or unauthorised use by competitors, which could undermine the Company's competitive advantage and result in potential loss of market share.

"DirectPowderSM" and "Powder by the HourSM" are not registered service marks and as such the Company does not have protection rights otherwise available to a registered service mark proprietor. Whilst MPW has made service mark applications in respect of each service mark which are currently pending in the United States Patent and Trademark Office, there can be no assurance that they will be registered.

In the event the service marks mentioned above are granted, their grant provides no guarantee that MPW is entitled to freely use the marks in commerce in connection with its services. If third-party service mark registrations or applications thereon come to light that relate to service marks of third parties such that MPW's use of its marks may cause a likelihood of confusion with the third parties' rights, MPW could be enjoined from using its marks in connection with its services. MPW may be unable to obtain licenses to the third-party marks and registrations at a reasonable cost, if at all,

and may also be unable to use any confusingly similar marks for these services. If such licenses cannot be obtained at a reasonable cost, the business could be significantly impacted.

(j) **Development risks**

The Company and MPW are currently investing into new research and development initiatives and new technologies that are still at an early stage of development and validation. While the Company is not presently aware of any potential problems, the commerciality of these new products is still uncertain.

(k) **Operating in multiple jurisdictions**

The Merged Company will have operations in the United States, the United Kingdom and Australia. Each jurisdiction has distinct customer bases, operating practices and laws and regulations. Operating in multiple jurisdictions adds complexity to operations of the Company. However, the Merged Company's management team are familiar with operating in the United States, United Kingdom and Australia and consider that they are appropriately resourced to manage operations in the relevant jurisdictions.

(l) **Supply chain risk**

The MPW business depends on the supply of raw material in the form of bar and tooling inserts. The quality of the bar material and tooling inserts directly affects the quality of the MPW powder produced. While the bar material can be sourced from conventional sources, there is a small number of tooling insert providers. A disruption to the supply of the materials which MPW requires would materially affect MPW's ability to produce products for its customers and potentially its ability to both comply with contractual obligations and produce revenue in the future.

(m) **Contract risk**

A significant proportion of the Merged Company's revenue is generated from uncontracted customer relationships, using the Merged Company's or the customer's standard terms and conditions and purchase orders and invoices. By their nature these uncontracted customer relationships can be terminated at any time by the relevant customer so there is a risk that the Merged Company will be unable to maintain its uncontracted customers. If the Merged Company was to lose one or more of these customers, and the Merged Company is unable to add new customers, its business, and financial performance could be adversely impacted.

There can also be no guarantee that these customers will continue to purchase the same, similar or greater quantities of the Merged Company's products as they have historically. In addition, there is no certainty as to the volume, price and frequency of any future sales from uncontracted customers.

(n) **Workplace health and safety**

The Company and MPW's staff work in an environment subject to heightened workplace health and safety risks. The Company and MPW and their respective staff must comply with various workplace health and safety laws. In the event that the Merged Company does not maintain its strict health and safety standards, it may give rise to claims against the Merged Company.

(o) **Regulatory risk**

Regulation in the specialist manufacturing industry is complex and subject to change. The Merged Company may be impacted by changes in regulations, laws or policies.

The Company and MPW are subject to continuing regulation, including quality regulations applicable to the manufacture of its products and various reporting regulations. There can be no guarantee that the regulatory environment in which the Merged Company or its customers currently operates will not change in the future in a way that may impact on the Merged Company's products. The Company's products currently comply with welding certifications. Welding certifications in the future may change and the Company may not be able to meet such standards, which may have an adverse impact on the Company's product offering.

Depending upon the severity of any failure of the Merged Company or its customers to comply with any applicable regulations, the Merged Company or its customers could be subject to enforcement actions, including but not limited to: warning letters, fines, injunctions, consent decrees, civil monetary penalties, recalls or seizures of its devices, manufacturing restrictions, closure of its manufacturing operations, modifications or revocations of any clearances and approvals that it already holds or will hold, and/or criminal prosecution. If any such sanctions are imposed against the Merged Company or its customers, such sanctions could harm the Merged Company's reputation, and depending upon the severity, could have significant adverse impact upon the Company's ability to provide services and on its financial condition.

(p) Product liability and warranty risk

The Company and MPW's products are subject to stringent safety and manufacturing standards. There is a risk that the Merged Company's products may have actual or perceived safety or quality failures or defects which could result in:

- (i) litigation or claims alleging negligence, product liability or breach of warranty against the Merged Company;
- (ii) regulatory authorities revoking or altering any approvals granted, or forcing the Merged Company to conduct a product recall;
- (iii) regulatory action;
- (iv) damage to the Merged Company's brand and reputation; or
- (v) the Merged Company being forced to terminate or delay sales or operations.

Despite best practice by the Merged Company with respect to the manufacture and supply of its products and any insurance that the Company may hold, the risk of defective products remains and may negatively impact the Merged Company's reputation, operations and financial prospects.

(q) Completion, counterparty and contractual risk

The Company has agreed to acquire 100% of the issued capital of MPW subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent for Completion will not be fulfilled and, in turn, that Completion will not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the MPW Vendors under the SPA and Minority MPW SPA. If any counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.

The Company is not currently engaged in any active litigation and is not aware of any threatened litigation.

(r) **Delisting risk**

The Company's Securities have been suspended from Official Quotation since 27 January 2023 and as such the Company is a long-term suspended entity for the purposes of the ASX Listing Rules (notably ASX Guidance Note 33). The Company was scheduled to be delisted on 27 January 2025 but has been granted an extension by the ASX to enable the Company to hold its general meeting on or before 14 February 2025.

Further, ASX has advised the Company that, should Shareholders approve the Transaction Resolutions, ASX will be likely to grant a further extension to the removal date to the end of the three-month prospectus quotation condition period under section 723(3) of the Corporations Act (ie. on or around 14 April 2025).

Whilst the Company expects that ASX will grant the Company a subsequent extension to on or around 14 April 2025, there is no guarantee that such extension will be granted. In the event that a further extension is not granted and the Company is removed from the Official List, the Company intends to continue with the Offers and applying for re-admission.

5.3 General risks

(a) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance.

(c) **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

(d) **Changes in government policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(e) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares.

(g) **Litigation risk**

The Company is exposed to possible litigation risks including regulatory, intellectual property, occupational health and safety and employee claims. Further, the Merged Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any active litigation and is not aware of any threatened litigation.

5.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

6. Financial information

6.1 Speculative investment

The Independent Limited Assurance Report contained in Annexure A sets out:

- (a) K-TIG's audited Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 30 June 2024, 30 June 2023 and 30 June 2022;
- (b) Metal Powder Works reviewed Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half year ended 30 June 2024 and audited Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 December 2023 and 31 December 2022; and
- (c) Metal Powder Works reviewed Statement of Financial Position as at 30 June 2024, (collectively referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus.

BDO Corporate Finance Australia Pty Ltd has prepared an Independent Limited Assurance Report and a copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A. Investors are urged to read the Independent Limited Assurance Report in full.

6.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

7. Board, management and corporate governance

7.1 Board of Directors

As at the date of this Prospectus, the Board consists of:

- (a) Stuart Carmichael – Non-Executive Chair;
- (b) Anthony McIntosh – Non-Executive Director; and
- (c) Darryl Abotomey – Non-Executive Director.

Anthony McIntosh will retire and, subject to Shareholder approval, it is proposed that John Barnes and Bruno Campisi will be appointed to the Board with effect from completion of the Transaction. Upon Completion, the proposed Board composition will be:

- (a) Stuart Carmichael – Non-Executive Chair;
- (b) John Barnes – Managing Director;
- (c) Darryl Abotomey – Non-Executive Director; and
- (d) Bruno Campisi – Non-Executive Director.

7.2 Directors' profiles

Details of the Company's directors following Completion are set out below:

(a) **Stuart Carmichael – Non-Executive Chair**

B Com, C.A (Aust)

Mr Carmichael has extensive international corporate advisory, mergers and acquisitions, and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG and KPMG Corporate Finance. Mr Carmichael has extensive corporate and operational experience across multiple geographies, having lived and worked in the US, UK, Europe, the Middle East and Australia.

Mr Carmichael's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant.

Mr Carmichael was previously a director of De.mem Limited (ASX: DEM), Schrole Group Limited (ASX:OCT), Swick Mining Services Limited (ASX:SWK), ClearVue Limited (ASX:CPV) and Orexplore Technologies Limited (ASX:OXT). He does not currently hold any other material directorships, other than as disclosed in this Prospectus.

Mr Carmichael is not considered to be an independent director as he controls Ventnor which provides advisory services to the Company.

(b) **John Barnes – Proposed Managing Director**

B.S and M.S in Materials Engineering (USA)

Mr Barnes has a 30+ year career in product development and aerospace with Honeywell, Lockheed Martin Skunk Works™, Australia's CSIRO, and Arconic. He's been involved in metal AM throughout his career since the late 1990s when he was part of the Sandia National Labs LENS™ CRADA. Since then, he has been in and around AM, working on technical and business cases for implementation and development efforts in materials, powders, processing, and printing to mature the technology for applications. Mr Barnes is recognized internationally for contributions to additive manufacturing, product development, and leadership in engineering.

Mr Barnes is a Materials Engineer by background but has developed expertise in manufacturing, airframe structures, gas turbines, and low observables. He has over 14 patents or patents in application. In 2014, he was Purdue University's Materials Engineer of the Year. His team won the Silver Medal in the U.S. Air Force AM Olympics in 2020. In 2017, he was invited to join the Additive Manufacturing Technical Community as an SME Advisor based on his active industry contributions, reputation, and personal commitment to expand the use of additive manufacturing. In 2022, he was named vice-chair of SME's AM Technical Leadership Committee.

Mr Barnes was previously a non-executive director of Titomic Limited (ASX:TTT). He does not currently hold any other material directorships, other than as disclosed in this Prospectus.

Mr Barnes will not be considered an independent director by virtue of his executive position.

(c) **Darryl Abotomey – Non-Executive Director**

B.Com, FCPA, MAICD

Mr Abotomey brings over 40 years of executive leadership and financial expertise having held Board and executive leadership roles across manufacturing, global paper and packaging distribution and automotive aftermarket industries. Mr Abotomey was most recently Chief Executive Officer and Managing Director of Bapcor Limited, Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions, where during his 10 years in that role he was instrumental to the successful growth and expansion of the business in line with its strategic growth plan.

Between 2006 and 2010, Mr Abotomey served as CFO/COO and Director of the Board of Exego Group Pty Limited (Repco) and as an independent director of CPI Group Ltd. From 2000, Mr Abotomey served as a Board Director and CFO of Paperlinx Limited, where he led the due diligence, funding and settlement negotiations for international acquisitions. He successfully transitioned the business involving multi-country legal, financial, statutory, business culture, cultural, tax and insurance issues. During his time at Amcor, Mr Abotomey was CFO of Sunclipse Inc, a subsidiary of Amcor based in the USA and held roles of regional and group general manager at Amcor Fibre Packaging and Amcor Printing Papers Group in Australia, where he was responsible for international trade, including logistics and supply chain. Mr Abotomey also gained extensive experience in strategy, business restructuring, information technology and product launching.

Mr Abotomey is also a non-executive director of Adrad Limited (ASX: AHL) and was previously a director of Tye Soon Limited (SGX: BFU). He does not currently hold any other material directorships, other than as disclosed in this Prospectus.

Mr Abotomey is considered by the Board (with Mr Abotomey abstaining) to be an independent Director. Mr Abotomey is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

(d) **Bruno Campisi – Proposed Non-Executive Director**

B.Bus (Accountng)

Mr Campisi has over 40 years' experience in business services and manufacturing and has a broad range of skills in strategic planning, implementation and business development. Mr Campisi has held senior positions in private enterprises, including Finance Director and later Managing Director roles.

Mr Campisi does not currently hold any other material directorships, other than as disclosed in this Prospectus.

Each Director has confirmed to the Company that they anticipate being available to perform their respective duties as a Director without constraint having regard to their other commitments.

Mr Campisi will not be considered an independent director by virtue of having previously acted as an advisor to MPW.

7.3 Key management personnel

Chris Aldridge – MPW Chief Technology Officer

Mr Aldridge has worked in advanced manufacturing process development and machine design for more than 15 years. During this time, he has led or managed projects in high precision machining, powder handling, and nearly all aspects of AM. Mr Aldridge started his career at Lockheed Martin Skunk Works, focusing on maturing AM from a prototyping tool to a production-capable technology. This early work created a foundational understanding of the challenges to overcome before the transformative promises of AM could be achieved. Mr Aldridge's work in the Offshore Oil and Gas field provided valuable experience in safety-critical machine design and greater insight into AM challenges to help achieve widespread adoption. At Arconic, Mr Aldridge had the opportunity to further progress the maturation of AM to a single qualified production process, but not before gaining hands-on experience in AM machine operation, powder handling, and process simulation.

Over the years, Mr Aldridge has had the opportunity to experience the AM industry as a designer, machine operator, and customer. This experience provides a uniquely valuable perspective to his current role at MPW, where we believe we can address some of the final roadblocks to AM adoption: material cost, selection, and quality.

7.4 Interests of Directors

Except as disclosed in this Prospectus, no Director or Proposed Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the Prospectus Date, any interests 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 of the Offers; and
- (c) the Offers; and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director or Proposed Director to induce to become, or to qualify as, a Director; and
- (e) any Director or Proposed Director of the Company for services which he (or an entity in which his is a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus.

7.5 Security holdings of Directors and key management personnel

The Directors, Proposed Directors and key management personnel (**KMP**) (and their respective related entities) have the following interests in Securities as at the date of this Prospectus (on a pre-Consolidation basis):

Directors, Proposed Directors & KMP	Shares	Voting power (%)	Performance Rights
Stuart Carmichael ¹	70,176	0.10	600,000
John Barnes	-	-	-
Bruno Campisi	-	-	-
Anthony McIntosh ²	504,286	0.69	600,000
Darryl Abotomey ³	-	-	-
Chris Aldridge	-	-	-

Notes:

1. Mr Carmichael's Securities are held as follows:
 - (a) 31,579 Shares, 600,000 Performance Rights held indirectly through SBV Capital Pty Ltd; and
 - (b) 38,597 Shares held indirectly through SJ & T Carmichael Superannuation Pty Ltd.Additionally, Mr Carmichael holds June 2024 Notes with a face value of \$25,000.
2. Mr McIntosh's Securities are held as follows:
 - (a) 600,000 Performance Rights held indirectly through Mutual Trust Pty Ltd holds securities on behalf of Anthony McIntosh; and
 - (b) 504,286 Shares held indirectly through Interdale Pty Ltd <Maple Super Fund>.Additionally, Mr McIntosh holds June 2024 Notes with a face value of \$25,000.

3. Mr Abotomey holds June 2024 Notes with a face value of \$25,000.

Based on the intentions of the Directors, Proposed Director and KMP as at the Prospectus Date in relation to the Offers, the Directors, Proposed Director and KMP and their related entities will have the following interests in Securities on Reinstatement:

Directors, Proposed Directors & KMP	Shares	% ¹		Performance Rights	Options
		Minimum Subscription	Maximum Subscription		
John Barnes ²	19,262,184	15.49	13.82	17,511,076	-
Bruno Campisi ³	6,701,165	5.39	4.81	5,239,696	
Stuart Carmichael ⁴	1,542,764	1.24	1.11	46,154	192,308
Anthony McIntosh ⁵	423,408	0.35	0.31	46,154	192,308
Darryl Abotomey ⁶	384,616	0.31	0.28	-	192,308
Chris Aldridge ⁷	3,860,806	3.11	2.77	3,509,825	-

Notes:

- On an undiluted basis and assumes that no further Shares are issued or Performance Rights exercised and converted into Shares.
- Mr Barnes' Securities will consist of:
 - 19,262,184 Consideration Shares; and
 - 17,511,076 Consideration Performance Rights.
- Mr Campisi's Securities will consist of:
 - 5,763,665 Consideration Shares;
 - 5,239,696 Consideration Performance Rights; and
 - 937,500 MPW Conversion Shares.
- Mr Carmichael's Securities will consist of:
 - 2,430 Shares, 46,154 Performance Rights held indirectly through SBV Capital Pty Ltd;
 - 2,969 Shares held indirectly through SJ & T Carmichael Superannuation Pty Ltd;
 - 1,345,057 Ventnor Shares; and
 - 192,308 June 2024 Conversion Shares; and
 - 192,308 June 2024 Conversion Options.
- Mr McIntosh's Securities will consist of:
 - 46,154 Performance Rights held indirectly through Mutual Trust Pty Ltd holds securities on behalf of Anthony McIntosh;
 - 38,792 Shares held indirectly through Interdale Pty Ltd <Maple Super Fund>; and
 - 192,308 June 2024 Conversion Shares;
 - 192,308 June 2024 Conversion Options; and
 - 192,308 Director Shares.

Mr McIntosh will resign on Completion.
- Mr Abotomey's Securities will consist of:
 - 192,308 June 2024 Conversion Shares;
 - 192,308 June 2024 Conversion Options; and
 - 192,308 Director Shares.
- Mr Aldridge's Securities will consist of:
 - 3,860,806 Consideration Shares; and
 - 3,509,825 Consideration Performance Rights.

7.6 Disclosure of Directors and key management personnel

No Director or KMP has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

On 21 February 2024 the Company entered voluntary administration and announced it had appointed administrators. The administrators were also appointed to wholly owned subsidiary Keyhole Tig Pty Ltd. The Deed of Company Arrangement was executed on 12 April 2024 and effectuated on 16 April 2024. Upon effectuation the companies exited external administration and control was returned to existing directors.

Other than as stated above, no Director or KMP has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

7.7 Remuneration of Directors and key management personnel

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be determined by the Board.

Details of the Director's remuneration are set out in the table below:

Directors, Proposed Directors & KMP	Remuneration for the year ending 30 June 2024 (\$)	Remuneration for the year ending 30 June 2023 ¹ (\$)
Stuart Carmichael	-	42,499
Anthony McIntosh	- ²	30,000
Darryl Abotomey	- ³	27,500

Notes:

1. All amounts include superannuation.
2. Subject to approval at the General Meeting, Anthony McIntosh will be issued 192,308 Shares in lieu of director fees for the period from 1 November 2022 to 11 February 2024.
3. Subject to approval at the General Meeting, Anthony McIntosh will be issued 192,308 Shares in lieu of director fees for the period from 1 November 2022 to 11 February 2024.

Ventnor, an entity controlled by Stuart Carmichael, will be issued the Ventnor Shares in relation for advisory services provided in relation to the Transaction (see Section 8.2(d)).

Mr Barnes was paid USD\$155,000 and USD\$160,167 in the years ending 31 December 2023 and 31 December 2024 respectively.

Mr Campisi has invoiced MPW \$50,000 in respect of consulting work undertaken over the course of calendar year 2024. The invoice is expected be paid out of MPW's existing working capital.

7.8 Related party transactions

The Company has entered into the following related party transactions on arm's length terms:

- (a) an executive services agreement with John Barnes (see Section 8.3(a));
- (b) letters of appointment with each of its Directors and Proposed Directors on standard terms (see Section 8.3);
- (c) deeds of indemnity, insurance and access with each of its Directors and Proposed Directors on standard terms (see Section 8.5);
- (d) a Communications Support Agreement summarised at Section 8.4;
- (e) the convertible note deeds under which Directors Stuart Carmichael, Darryl Abotomey and Anthony McIntosh and former Director Adrian Smith each subscribed for June 2024 Notes with a face value of \$25,000 (which convertible note deeds are on the same terms as for the other holders of June 2024 Notes) (see Section 8.2(f)(ii)); and
- (f) a corporate advisory mandate with Ventnor, an entity controlled by Director Stuart Carmichael (see Section 8.2(d)).

MPW is party to a convertible note agreement under which Metal Powder Holdings, LLC (an entity related to proposed Director John Barnes) subscribed for MPW Convertible Notes with a principal value of USD\$150,000. Under the SPA, MPW is required to effect conversion under this agreement before Completion, and as such the agreement will not have an effect on the Company's capital structure. Mr Barnes' interests in Securities on Reinstatement is set out in Section 7.5.

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Ventnor is an entity associated with Director Stuart Carmichael. The Board deemed that Shareholder approval pursuant to Chapter 2E of the Corporations Act was not required in respect of the Ventnor Mandate because the Ventnor Mandate is on market terms and was undertaken on a commercial and arm's length basis.

The letters of appointment, executive services agreements and/or consultancy agreements (as applicable) and deeds of indemnity, insurance and access entered with each of the Directors and Proposed Directors are considered to be on comparable terms with those entered by other companies of similar size and stage of development, and are considered by the non-interested Directors to be reasonable remuneration for the purpose of Chapter 2E of the Corporations Act.

At the Prospectus Date, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

7.9 ASX Corporate Governance Council Principles and Recommendations

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

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

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

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at <https://www.k-tiq.com/>.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the chief executive officer;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of three Non-Executive Directors. The Company considers that the Non-Executive Directors are independent. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

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

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

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

(f) **Remuneration arrangements**

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

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

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Securities trading policy**

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

(h) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(i) **Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) **External audit**

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

(k) **Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

(l) **Whistleblower policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

(m) **Anti-bribery and anti-corruption policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and

corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

7.10 Departures from Recommendations

Following Reinstatement, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the Prospectus Date are detailed in the table below.

Principles and Recommendations	Compliance (Yes / No / Partially)	Explanation for Departures
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) have a diversity policy; (b) through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	Partially	<p>The Company has adopted a Diversity Policy which can be viewed on the Company Website. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity.</p> <p>The Diversity policy outlines the requirements for the Board to develop objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives.</p> <p>To assist in fostering diversity, the policy includes the requirement for the Company to take diversity of background into account (in addition to candidates' skills and experience in a variety of the specified fields) when selecting new directors, senior management and employees.</p> <p>The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements and achieving these objectives in the future as director and senior executive positions become vacant and appropriately qualified candidates become available.</p> <p>The Company has not set and disclosed measurable objectives for achieving gender diversity and therefore has not complied with the recommendation to this extent. The Board will review this position on an annual basis and will implement measurable objectives for increasing diversity as and when the Directors find them to be in the Company's best interests.</p>
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board	Partially	<p>The Board considers that the composition of the existing Board is appropriate given the scope and size of the Company's operations and the skills matrix of the existing Board members. The skills matrix reflects the</p>

Principles and Recommendations	Compliance (Yes / No / Partially)	Explanation for Departures
currently has or is looking to achieve in its membership.		<p>Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, capital markets, risk, IT, policy and business development and international business and commercialisation.</p> <p>A profile of each Director setting out their skills, experience and period of office will be set out in the Directors' Report section of each annual report.</p> <p>The Company has not disclosed a Board skill matrix.</p>
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>	Partially	The Company states its values at its place of work but has not published these on the website.

8. Material contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Securities under the Offer. The provisions of such material contracts are summarised in this Section 8.

8.1 Metal Powder Works material contracts

(a) Toho Titanium

MPW has a multiple phase arrangement with Toho Titanium under which the parties intend to implement MPW's DirectPowderSM Process in Toho Titanium's production process.

Toho Titanium is major Japanese titanium producer, with sales of 28.4 billion Yen in the 2023 financial year, and is heavily focused on research and development within the sector.

Toho Titanium currently use a hydride-dehydride process for producing powder which is then used in paste to fabricate a porous sheet. The hydride-dehydride process produces an irregular morphology and size consistency and is inefficient to scale to the volume Toho Titanium require. MPW's DirectPowderSM Process delivers a consistent size and morphology and can be potentially scaled more efficiently.

The objective of the arrangement with Toho Titanium is to extend the DirectPowderSM Process to be able to process grade two commercially pure titanium for use in Toho Titanium's porous titanium sheet, WEBTi®.

In phase one, which ran during 2023 and early 2024, MPW received USD\$350,000 in respect of various technical and commercial tasks.

Phase two began in May 2024 and recently completed. In phase two, MPW advanced the technology to a technology readiness level of six, at which point a representative model or prototype system was tested in a relevant environment. This has been achieved and was a necessary milestone in order to sell commercial quantities of powder. MPW received a total of USD\$350,000 in respect of phase two, which was paid in monthly increments.

On 23 December 2024, the parties entered into an agreement under which MPW will undertake a further work program for Toho Titanium with a fixed cost of USD\$60,280, which is to be undertaken prior to the commencement of the phase three works set out below.

The parties have been discussing the terms for future arrangements between the parties with increased scale. Phase three will likely involve scaling the technology to be able to produce 90 metric tonnes of powder. However, as at the date of this Prospectus, discussions remain preliminary in nature and there can be no guarantee that further agreement will be reached with Toho Titanium on terms acceptable to the Company.

(b) **Solvus Global**

Solvus Global is a leading technology development firm with a focus on using technology to solve complex problems in the materials and manufacturing space. Solvus Global specialises in areas of machine learning, process controllers, cold spray application development, cold spray materials development and sustainable materials processing.

Under a purchase commitment dated 19 June 2023 (**Purchase Commitment**), purchases from Solvus Global have aggregated approximately USD\$215,000 in the period from June 2023 until the date of this Prospectus. MPW expects that Solvus Global will continue to make purchase orders, but there can be no guarantee this will be the case.

(c) **Other customers**

MPW has continued to expand its business in providing products to large scale engineering and material producers. This includes 6K Additive, an innovative engineering and metals production company based in Pennsylvania focused on the sustainable production of advanced metals.

(d) **Lease**

MPW is party to a lease agreement with The Buncher Company in relation to a premises referred to as Building 1A in the Neighbourhood 91 Park, Findlay Township, Pennsylvania, being the premises at which MPW conducts its operations.

MPW occupies approximately 10,780 rentable square feet. The lease commenced October 2022 and is for an initial period of five years with a further five-year term unless either party notifies the other in writing nine months prior to the expiry of the initial term. The annual rent is approximately USD\$120,000, increasing annually at a rate of 2%. MPW also pays real estate taxes of approximately USD\$13,500.

(e) **MPW Convertible Notes**

The terms of the MPW Convertible Notes are summarised in Section 1.4(c).

8.2 Company material contracts

(a) **Share Purchase Agreement**

The SPA and Minority MPW SPA are summarised in Section 1.4.

(b) **Lead Manager Mandate**

The Company entered into a lead manager mandate dated 29 October 2024 appointing Morgans Corporate as exclusive lead manager and broker to the Public Offer (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Lead Manager will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

The Company will pay the following fees to the Lead Manager (or nominee/s) pursuant to the Lead Manager Mandate subject to the successful completion of the Public Offer:

- (i) a management fee of 2% of the proceeds from the Public Offer; and



- (ii) a selling fee of 4% of the proceeds of the Public Offer.

The Lead Manager Mandate contains a \$20,000 break fee and additional provisions considered standard for agreements of this nature.

(c) **White Hutt Mandates**

(i) **White Hutt Convertible Note Mandate**

The Company entered into a mandate with White Hutt to act as lead manager and broker to a \$500,000 capital raising via the issue of the October 2024 Notes (before costs). The Company paid White Hutt a fee of 6% of the funds raised through the issue of the October 2024 Notes.

(ii) **White Hutt Transaction Mandate**

The Company entered into a mandate dated 4 November 2024 (**White Hutt Transaction Mandate**) engaging White Hutt to provide corporate advisory services in connection with the Transaction.

White Hutt's services under the White Hutt Transaction Mandate include:

- (A) identifying potential target businesses that align with the Company's strategic objectives and growth goals;
- (B) conducting financial and operational due diligence on target businesses to assess their value and potential risks;
- (C) negotiating and structuring deal terms; and
- (D) developing a detailed integration plan to smoothly transition the target business into the Company's operations post-acquisition.

The Company has agreed to pay White Hutt the following fees:

- (A) a success fee of 538,462 Shares (**White Hutt Transaction Shares**) if the Transaction and recommencement of quotation of the Company's securities is successful; and
- (B) a selling fee of 4% (or as negotiated with the lead manager) on any investors who are introduced by White Hutt and participate in the Public Offer.

The Company must reimburse White Hutt for all costs and expenses incurred by White Hutt in connection with the services performed under the White Hutt Transaction Mandate (up to a maximum of \$10,000 plus GST). White Hutt must obtain the Company's consent before incurring any cost which exceeds \$500.

The White Hutt Transaction Mandate can be terminated by either party giving one month's written notice to the other party.

The White Hutt Transaction Mandate contains additional provisions considered standard for agreements of this nature.

(iii) **White Hutt DOCA Mandate**

The Company entered into a mandate dated 1 October 2024 (**White Hutt DOCA Mandate**) engaging White Hutt to provide corporate services in in

relation to the Company's restructuring in connection with the Deed of Company Arrangement.

White Hutt's services under the White Hutt DOCA Mandate include:

- (A) assisting with the development of the Company's strategy and day-to-day operations;
- (B) analysing the Company's management and financial reporting;
- (C) making key strategic decisions, leading the management team and participating in board meetings;
- (D) overseeing cash flow and identification of strategies to optimise cash flow and working capital to ensure the business has the liquidity to meet its obligations; and
- (E) restructuring of the Company's business throughout to ensure sustainability.

The Company has agreed to pay White Hutt the following fees:

- (A) a monthly retainer of \$7,500 (excluding GST); and
- (B) the issue of 807,692 Shares (post-Consolidation) at a deemed issue price of \$0.16 per Share (to the value of \$175,000) (**White Hutt DOCA Shares**, together with the White Hutt Advisor Shares, the **White Hutt Shares**).

The Company must reimburse White Hutt for all costs and expenses incurred by White Hutt in connection with the services performed under the White Hutt DOCA Mandate (up to a maximum of \$10,000 plus GST). White Hutt must obtain the Company's consent before incurring any cost which exceeds \$500.

The White Hutt DOCA Mandate can be terminated by either party giving one month's written notice to the other party.

The White Hutt DOCA Mandate contains additional provisions considered standard for agreements of this nature.

(d) **Ventnor Mandate**

The Company entered into a mandate dated 8 November 2024 (**Ventnor Mandate**) engaging Ventnor to provide advisory services in connection with the Transaction.

Ventnor's services under the Ventnor Mandate include:

- (i) assisting the Company with corporate advisory services as required;
- (ii) transaction advice including regarding pricing and due diligence;
- (iii) project management of any transaction;
- (iv) assisting the Company in relation to any capital raising;
- (v) strategic, financial and tactical advice; and
- (vi) overall project management.

The Company has agreed to pay Ventnor:

- (i) 768,794 Shares as consideration for corporate advisory services provided in connection with the Transaction and Public Offer; and
- (ii) 576,263 Shares for advisory services in lieu of previous fees provided on arm's length terms,

being a total 1,345,057 Shares (**Ventnor Shares**).

The Company must reimburse the Ventnor for all reasonable costs and expenses incurred by the Ventnor in connection with the services performed under the Ventnor Mandate.

The term of the Ventnor Mandate is six months and can be terminated by either party giving written notice to the other party.

The Ventnor Mandate contains additional provisions considered standard for agreements of this nature.

Stuart Carmichael is a Director and shareholder of Ventnor.

(e) **Powerhouse Ventures Agreement**

The Company entered into a mandate with Powerhouse Ventures Limited (**Powerhouse Ventures**) dated 25 November 2024 (**Powerhouse Ventures Agreement**) under which the Company agreed to issue 550,000 Shares (**Powerhouse Ventures Shares**) to Powerhouse Ventures as a facilitation fee for introducing the Transaction to the Company. The issuance of Powerhouse Ventures Shares is subject to completion of the Transaction, including Shareholders approval at the General Meeting.

(f) **K-TIG Convertible Note Agreements**

The Company has 3 separate tranches of convertible notes on issue. Shareholder approval of the issue of securities on conversion of each tranche is a Transaction Resolution at the General Meeting, meaning it and each other Transaction Resolutions must be approved in order for it to proceed.

(i) **March 2023 Notes**

On 15 March 2023, the Company issued 2,000 convertible notes with a face value of \$1,000 each to raise \$2,000,000.

During the Company's voluntary administration in April 2024, the holders of the March 2023 Notes agreed to forbear taking action in relation to their outstanding debt position until such time as an equity conversion is achievable. The conversion price and exercise price of the options was amended in return. These amendments to the March 2023 Notes are a Transaction Resolution.

Subject to shareholder approval of the Transaction Resolutions, the March 2023 Notes automatically convert into the March 2023 Conversion Shares at a conversion price of \$0.26 (post-Consolidation) and the March 2023 Conversion Options, the terms and conditions of which are set out in Section 9.6.

(ii) **June 2024 Notes**

As announced by the Company on 2 July 2024, as part of the DOCA an amount of \$500,000 was made to the Deed of Company Arrangement Fund (administered by the Deed Administrator) by way of a convertible note subsequently issued by the Company post effectuation of the DOCA. Furthermore, under the DOCA, the Deed of Company Arrangement Proponent agreed to provide an amount of \$500,000, which was made to Deed Administrators to provide working capital to the Company, before effectuation of the DOCA.

The Company issued 1,000 convertible notes, each with a face value of \$1,000, post-effectuation of the DOCA.

The June 2024 Notes will convert on Completion with the number of June 2024 Conversion Shares to be determined based on a conversion price of \$0.13 per Share (post-Consolidation), together with a 1-for-1 free attaching June 2024 Conversion Option, the terms and conditions of which are set out in Section 9.6.

(iii) **October 2024 Notes**

On 30 October 2024, the Company announced a \$500,000 capital raising (before costs) via the issue of 500 convertible notes with a face value of \$1,000 each.

Subject to shareholder approval of the Transaction Resolutions, the October 2024 Notes convert into Shares at a conversion price of \$0.16 each, being a 20% discount to the issue price of Shares under the Public Offer. A total of 3,125,000 Shares will be issued on conversion of the October 2024 Note.

8.3 Executive Services Agreements and Letters of Appointment

(a) **Executive Services Agreement – John Barnes**

The Company has entered into an executive services agreement and a letter of appointment with Mr Barnes, pursuant to which Mr Barnes will serve as the Company's Managing Director from Completion (**Barnes Agreements**).

Mr Barnes is responsible for (amongst other things):

- (i) consulting with the Board to ensure that the Company strategy is executed at all levels of the Company's business;
- (ii) developing and setting business strategic goals that are measurable and attainable;
- (iii) assessing growth, expansion, and all other accretive opportunities for the Company; and
- (iv) communicating with relevant stakeholders on behalf of the Company.

The Company will pay Mr Barnes USD\$350,000 per annum (exclusive of superannuation). Mr Barnes will also receive a short-term incentive fee of up to 75% of the base salary.

The Board may, in its absolute discretion invite Mr Barnes to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act and Listing Rules.

The Barnes Agreements are for an indefinite term, continuing until terminated by either the Company or Mr Barnes giving not less than four month's written notice of termination (or shorter periods in limited circumstances).

Mr Barnes is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases on terms which are otherwise considered standard for agreements of this nature.

The Barnes Agreements contains additional provisions considered standard for agreements of this nature.

(b) Non-Executive Chair Letter of Appointment – Stuart Carmichael

The Company has entered into a non-executive director letter of appointment with Mr Stuart Carmichael pursuant to which the Company has agreed to pay Mr Carmichael \$100,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

The agreement contains additional provisions considered standard for agreements of this nature.

(c) Non-Executive Director Letter of Appointment – Anthony McIntosh

The Company has entered into a non-executive director letter of appointment with Anthony McIntosh effective 23 June 2020, pursuant to which the Company has agreed to pay Anthony McIntosh \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director, plus long term incentives summarised below.

The agreement contains additional provisions considered standard for agreements of this nature.

Anthony McIntosh will resign on Completion, with such resignation effective immediately.

(d) Non-Executive Director Letter of Appointment – Darryl Abotomey

The Company has entered into a non-executive director letter of appointment with Darryl Abotomey effective 22 March 2022, pursuant to which the Company has agreed to pay Mr Abotomey \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

The agreement contains additional provisions considered standard for agreements of this nature.

(e) Non-Executive Director Letter of Appointment – Bruno Campisi

The Company has entered into a non-executive director letter of appointment with Bruno Campisi effective upon Completion, pursuant to which the Company has agreed to pay Mr Campisi \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

The agreement contains additional provisions considered standard for agreements of this nature.

8.4 Communications Support Agreement

MPW is party to an agreement with Barnes Global Advisors LLC (**BGA**) under which the MPW provides engineering, project management, media and communications support (**Communications Support Agreement**). The agreement will continue until 1 July 2025.

The services which BGA provides under the Communications Support Agreement are project management and engineering, and communications strategy and execution. BGA advisers provide services to MPW at hourly fixed rates, but the total sum that is payable by MPW per year is capped at USD\$100,000.

Proposed Director John Barnes is the founder, shareholder and the President of BGA, and is one of the service providers under the agreement.

8.5 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

9. Additional information

9.1 Issue of Shares in lieu of fees to Directors

The Board has agreed, subject to obtaining Shareholder approval, to issue up to an aggregate of 384,616 Shares to Darryl Abotomey and Anthony McIntosh (or nominee/s) (**Related Parties**), in lieu of cash compensation for certain unpaid fees and remuneration on the terms and conditions set out below.

Subject to obtaining Shareholder approval, the Company will issue:

- (a) 192,308 Shares to Darryl Abotomey (or nominee/s); and
 - (b) 192,308 Shares to Anthony McIntosh (or nominee/s),
- (together, the **Director Shares**).

The Board had agreed to defer 100% of the Non-Executive Director fees for the period from 1 November 2022 to 11 February 2024 (**Applicable Period**).

The Board took these actions to preserve cash and to allow the Company to retain funds to be used for operations to the maximum extent possible. The number of Director Shares has been calculated based on a deemed issue price of \$0.26 per Share.

Director	Accrued Fees / Remuneration (\$)	Director Shares
Darryl Abotomey	50,000	192,308
Anthony McIntosh	50,000	192,308
TOTAL	100,000	384,616

9.2 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) (**Ranking of Shares**): At the Prospectus Date, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) (**Voting rights**): Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and

- (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.
- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.
- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

9.3 Terms and conditions of Consideration Performance Rights

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder (Holder), on conversion, to the issue of one Share.
- (b) **(Issue Price):** The Performance Rights are issued for nil cash consideration.

- (c) **(Vesting conditions):** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Tranche	Vesting Condition	Revenue	% of vesting Performance Rights
Tranche 1 (25,000,000 Performance Rights)	Both of the following: (a) Metal Powder Works, Inc. achieving the specified MPW Revenue for calendar year 2026 (Vesting Condition 1A); and (b) following the satisfaction of Vesting Condition 1A, the first occurrence that 20 Day VWAP is equal to or greater than \$0.20.	Less than USD\$3,000,000	0%
		USD\$3,000,000-5,000,000	$(MPW \text{ Revenue in } 2026 \text{ calendar year} / USD\$5,000,000) \times 100$
		Greater than USD\$5,000,000	100%
Tranche 2 (25,000,000 Performance Rights)	Both of the following: (a) Metal Powder Works, Inc. achieving the specified MPW Revenue for calendar year 2026 or calendar year 2027 (Vesting Condition 2A); and (b) following the date of first satisfaction of Vesting Condition 2A, the 20 Day VWAP is equal to or greater than \$0.20 (Vesting Condition 2B).	Less than USD\$8,000,000	0%
		USD\$8,000,000-10,000,000	$(MPW \text{ Revenue in } 2026 \text{ or } 2027 \text{ calendar year} / USD\$10,000,000) \times 100$
		Greater than USD\$10,000,000	100%

- (d) **(Vesting):** Subject to the satisfaction of the Vesting Condition, the Buyer will notify the holders of the Performance Right (**Holders**) in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
- (e) **(Exercise Price):** The exercise price of each vested Performance Right is nil.
- (f) **(Expiry Date):**
- (i) The Tranche 1 Performance Rights expire and lapse at 5:00pm (AWST) on 30 June 2027.
 - (ii) The Tranche 2 Performance Rights expire and lapse at 5:00pm (AWST) on 30 June 2028.

- (g) **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date, the Holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Buyer's Company Secretary (in a form provided by the Company Secretary). The Holder is not required to pay a fee to exercise the Performance Rights.
- (h) **(Issue of Shares):** Within 5 Business Days after the valid exercise of a vested Performance Right, the Buyer will:
 - (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (ii) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
 - (iii) if required, and subject to clause 9, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act;
 - (iv) deliver or cause to be delivered a holding statement in respect of the Shares to the holder;
 - (v) enter the holder into the register of members of the Buyer as the registered holder of the Shares issued to that holder; and
 - (vi) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
- (i) **(Restrictions on Transfer of Shares):** If the Buyer is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, the Buyer must on or within 20 Business Days after the allotment date of any shares issued on conversion of Performance Rights, lodge a 'cleansing prospectus' with ASIC pursuant to section 708A(11) of the Corporations Act.
- (j) **(Ranking):** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
- (k) **(Transferability of the Performance Rights):** The Performance Rights are not transferable, except with the prior written approval of the Buyer at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
- (l) **(Dividend rights):** A Performance Right does not entitle the holder to any dividends.
- (m) **(Voting rights):** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Buyer, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (n) **(Quotation of the Performance Rights):** The Buyer will not apply for quotation of the Performance Rights on any securities exchange.
- (o) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Buyer, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
- (p) **(Entitlements and bonus issues):** The Holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues. There will be no change to the number of Shares over which the Performance

Rights are exercisable in the event of the Buyer making a pro-rata issue of Shares or other securities to the holders of Shares in the Buyer.

- (q) **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (r) **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Buyer upon a winding up of the Buyer.
- (s) **(Takeovers prohibition):** The issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act. In the event that an issue of Shares on the exercise of Performance Rights would breach section 606(1), then the Exercise Notice will be valid only in respect of the maximum number of Shares that may be issued without breaching section 606(1) of the Corporations Act and the remaining Performance Rights will not be exercised (**Remaining Performance Rights**). In this instance, the Buyer must convene a meeting of its members to obtain the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of Shares on exercise of the Remaining Performance Rights (**PR Conversion Meeting**). If, at the PR Conversion Meeting, the members of the Buyer do not approve the issue of Shares on exercise of the Remaining Performance Rights, the Buyer must pay, within 5 Business Days after the date of the PR Conversion Meeting (Payment Date), the holder(s) of the Remaining Performance Rights a cash payment equal to the value of the Remaining Performance Rights in lieu of conversion of those Remaining Performance Rights (**Cash Payment**). The Cash Payment will be determined as follows:

$$\text{Cash Payment} = \text{Remaining Performance Rights} \times \text{Share Price}$$

where:

“Share Price” means the price per Share calculated at the volume weighted average price at which the Buyer’s ordinary shares traded on the ASX during the 20 trading days on which trades were recorded immediately preceding the date of the PR Conversion Meeting.

- (t) **(No other rights):** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (u) **(Amendments required by ASX):** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
- (v) **(Constitution):** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Buyer’s Constitution.

9.4 Listing Rule 6.1

ASX confirmed that the terms of the Consideration Performance Rights with a nil exercise price are appropriate and equitable for the purposes of Listing Rule 6.1, subject to several conditions, including that this Prospectus contains the following details in respect of the Consideration Performance Rights.

(a) **Recipients of Consideration Performance Rights**

The Consideration Performance Rights will be issued to the MPW Vendors (or their nominee/s) in proportion to their respective interests in MPW.

The MPW Vendors consist of:

- (i) Proposed Directors:
 - (A) John Barnes who has a 35.2% shareholding in MPW; and
 - (B) Bruno Campisi who has a 10.5% shareholding in MPW; and
- (ii) approximately 30 other MPW Vendors, none of whom are a related party or substantial Shareholder of the Company. Proposed directors John Barnes and Bruno Campisi (together, the **Proposed Directors**) will become related parties of the Company as a result of their appointment as Directors on Completion.

Other than Mr Barnes and Mr Campisi, none of the MPW Vendors, or their associates are or will be a related party of the Company.

(b) **Relationship of recipients with Company**

John Barnes and Bruno Campisi are MPW Vendors and also related parties of the Company as they are Proposed Directors. Chris Aldridge (current director and Chief Technology Officer of MPW) will remain MPW's Chief Technology Officer following completion. Kapil Talwar (current director of and consultant to MPW) is proposed to be an employee or consultant of the Company following Completion.

There are no other MPW Vendors who are a promoter, director, employee or security holder of, or adviser to the Company.

(c) **Issue of Consideration Performance Rights in connection with the acquisition**

The Consideration Performance Rights are being issued to the MPW Vendors as partial consideration for the acquisition of MPW under the Transaction.

(i) **Purpose**

The commercial goal of issuing the Consideration Performance Rights is to incorporate a performance-based component of the consideration to link the performance of MPW's business following Completion with the final consideration ultimately received by the MPW Vendors.

The use of revenue based vesting conditions (as opposed to paying all consideration upfront) aims to manage the risk of overpaying for the acquisition of MPW if the business ultimately underperforms. If the MPW business underperforms then the Consideration Performance Rights will not vest and existing Shareholders will not be diluted to the same extent.

(ii) **Undertaking being acquired**

An overview of MPW is in Section 4.3.

(iii) **Details of the MPW Vendors and their interest in MPW**

Details of the MPW Vendors is in Section 9.4(a).

(iv) **Determination of number of Consideration Performance Rights**

The Company determined the number of Consideration Performance Rights to be appropriate and equitable with consideration of the current and proposed capital structure of the Company, the value that achieving the performance milestone will provide the Company, an assessment of the overall importance of MPW to the Company's operations, the potential growth of the MPW business, and the requirements of Guidance Note 19.

(d) **Terms of Performance Rights**

The Consideration Performance Rights are subject to the terms and conditions in Section 9.3.

The Consideration Performance Rights will, subject to the achievement of the relevant performance milestones, convert into fully paid ordinary shares on a one for one basis.

A maximum of 50,000,000 Shares will be issued in the event that the Consideration Performance Rights vest and convert into Shares.

(e) **Effect on capital structure**

The effect on the Company's capital structure if the vesting conditions for the Consideration Performance Rights are satisfied and all Consideration Performance Rights convert into Shares is as follows:

Shares	Minimum Subscription		Maximum Subscription	
	Number	%	Number	%
Existing Securities	5,640,647	3.24	5,640,647	2.98
Public Offer Shares	35,000,000	20.08	50,000,000	26.41
Consideration Shares	55,000,000	31.55	55,000,000	29.05
Advisor Shares	3,241,211	1.86	3,241,211	1.71
March 2023 Conversion Shares	7,692,308	4.41	7,692,308	4.06
June 2024 Conversion Shares	7,692,308	4.41	7,692,308	4.06
October 2024 Conversion Shares	3,125,000	1.79	3,125,000	1.65
MPW Conversion Shares	6,562,500	3.76	6,562,500	3.47
Director Shares	384,616	0.22	384,616	0.20
Total	124,338,590	71.32	139,338,590	73.59
Shares to be issued on conversion of	50,000,000	28.68	50,000,000	26.41

Consideration Performance Rights				
Total	174,338,589	100.00	189,338,589	100.00

(f) **Independent Expert's Report**

The Independent Expert has concluded that the proposed issue of Consideration Performance Rights under this Prospectus is fair and reasonable to non-associated Shareholders. Further information is set out in Annexure C.

9.5 Terms and conditions of Existing Performance Rights

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right once vested entitles the holder (**Holder**), on conversion, to the issue of one Share.
- (b) **(Vesting conditions):** The Performance Rights have the following milestones attached to them (each referred to as a **Milestone**) and are subject to the milestone dates (**Milestone Dates**) set out below:

Class	Performance Milestone	Milestone Date	Expiry Date
A	The Company achieving a VWAP of at least \$0.35 over any twenty consecutive trading day period before the Milestone Date.	1 April 2021	5pm (WST) on the date that is 5 years from the date of issue.
B	The Company achieving a VWAP of at least \$0.50 over any twenty consecutive trading day period before the Milestone Date.	1 October 2022	5pm (WST) on the date that is 5 years from the date of issue.
C	The Company achieving a VWAP of at least \$0.75 over any twenty consecutive trading day period before the Milestone Date.	1 October 2022	5pm (WST) on the date that is 5 years from the date of issue.

- (c) **(Vesting):** The Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Milestone has been satisfied. For the avoidance of doubt, each Milestone can only be satisfied once.
- (d) **(Conversion):** Upon receipt of a Vesting Notice, the Holder may apply to convert the Performance Rights into Shares by delivering a signed notice of conversion to the Company Secretary (**Notice of Conversion**) prior to the date that is specified in the condition at (b) (**Expiry Date**).

- (e) **(Expiry Date):** Any Performance Rights that have not vested and been converted prior to the Expiry Date, will expire and lapse on the Expiry Date.
- (f) **(Transfer):** The Performance Rights are not transferable.
- (g) **(Entitlements and bonus issues):** Subject always to the rights under condition (h) (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (h) **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.
- (i) **(Right to receive notices and attend general meetings):** Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.
- (j) **(Voting rights):** A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (k) **(Dividend rights):** A Performance Right does not entitle the Holder to any dividends.
- (l) **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (m) **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (n) **(Change in control):** If prior to the earlier of the conversion of the Performance Rights or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share.

A Change of Control Event means:

- (i) takeover bid: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of the Shares and that takeover bid has become unconditional (except any condition in relation to the cancellation or conversion of the Performance Rights); or
- (ii) scheme of arrangement: the announcement by the Company that:
 - (A) the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, has approved the proposed scheme of arrangement.
- (o) **(Takeovers limitation):**

- (i) Notwithstanding any other provision of these terms, if the conversion of any Performance Rights would result in any person being in breach of section 606(1) of the Corporations Act, the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).
 - (ii) The Company will not be required to seek the approval of its Shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Share on the conversion of Performance Rights.
 - (iii) If the conversion of any Performance Rights is restricted by condition (o)(i) and the resultant Shares are not issued before the Expiry Date, the Performance Rights are to expire on the Expiry Date and the Holder will have no further rights and the Company will have no further obligations in respect to the expired Performance Rights or the underlying Shares.
- (p) **(Issue of Shares):** Within 5 Business Days after the date on which the Company receives a Notice of Conversion or the Performance Rights convert under conditions (n)(i) or (o)(ii), the Company will:
- (i) issue the Shares specified in the Notice of Conversion or pursuant to the conversion under conditions (n)(i) or (o)(ii);
 - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
 - (iii) apply for Official Quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If the Company is unable to deliver a notice under condition (p)(ii) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on conversion of the Performance Rights may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares.

- (q) **(Quotation):** Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance with condition (p)(iii).
- (r) **(No other rights):** A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Leaver):** Where the Holder (or the person who is entitled to be registered as the holder) of the Performance Rights is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unconverted and unvested Performance Rights will automatically lapse and be forfeited by the Holder, unless the Board otherwise determines in its discretion.

9.6 Terms and conditions of Conversion Options

The terms and conditions of the March 2023 Conversion Options and June 2024 Conversion Options, in this Schedule referred to as 'Options' (unless specified), are as follows:

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Expiry Date)**: Each Option will expire at 5:00pm (AWST) on the date that is three years from the date of conversion of the convertible notes (**Expiry Date**).
- (c) **(Exercise Period)**: The Options are exercisable at any time on or prior to the Expiry Date.
- (d) **(Exercise Price)**:
 - (i) The March 2023 Conversion Options have an exercise price of \$0.26 each (post-Consolidation).
 - (ii) The June 2024 Conversion Options have an exercise price of \$0.13 each (post-Consolidation).
- (e) **(Quotation of the Options)**: The Company will not apply for quotation of the Options on any securities exchange.
- (f) **(Transferability)**:
 - (i) (March 2023 Conversion Options): The Options are not transferable.
 - (ii) (June 2024 Conversion Options):
 - (A) an option holder may only transfer options:
 - (1) with the prior written consent of the Company, which consent will not be unreasonably withheld; or
 - (2) to a person in circumstances that would not require the Company or option holder to issue any form of prospectus or other disclosure document under the Corporations Act in Australia or in any other jurisdiction; and
 - (B) all transfers of options must be made in accordance with these terms and conditions and by an instrument in writing in common form or in such other form as the Company may approve.
- (g) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, if applicable, payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and, if applicable, the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (h) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which, if applicable, cleared funds have been received by the Company; and
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
- (i) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (j) **(Timing of application for quotation):** If admitted to the official list of ASX at the time, the Company must apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options within 5 Business Days after the Exercise Date.
- (k) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (l) **(Takeovers prohibition):**
 - (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (m) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
- (p) **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
- (q) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
- (r) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.
- (s) **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
- (t) **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's constitution.

9.7 Summary of the Company's Employee Securities Incentive Plan

Shareholders approved the Plan at the Company's annual general meeting held on 30 November 2022. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. Executive and Non-Executive Directors participate in the Plan.

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
 - (i) an employee or director of the Company or an individual who provides services to the Company;
 - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
 - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
 - (iv) a person prescribed by the relevant regulations for such purposes; or
 - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation):**
 - (i) The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where the total number of Plan Shares (as defined in paragraph (m) below) that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
 - (ii) The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 is 18,100,000 (or 1,392,308 on a post-Consolidation basis) (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX

Limit under the Plan, without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

- (iii) The Company will require prior Shareholder approval for the issue of Securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
- (c) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.
- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (Participant) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

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

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

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

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

- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

- (r) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period

or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

- (s) **(Employee Share Trust):** The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.

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

9.8 Effect of the Offers on control and substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold a relevant interest in 5% or more of the Shares on issue (on a pre-Consolidation basis):

Substantial Shareholder	Number of Shares	% of Shares
Advanced Science & Innovation Company (ASIC) LLC	7,886,828	10.76
HSBC Custody Nominees (Australia) Limited	7,174,135	9.78
Neil Garry Le Quesne <Stirling Group A/C>	4,784,963	6.53

Based on the information known as at the Prospectus Date, on Reinstatement the following Shareholder will have an interest of 5% or more of the Shares on issue (on a post-Consolidation basis):

Substantial Shareholder	Number of Shares	% of Shares	
		Minimum Subscription	Maximum Subscription
John Barnes and related entities	19,262,184	15.49	13.82

9.9 Voting power of K-TIG Shareholders

As detailed in Section 2.6, on Completion, assuming that the existing K-TIG Shareholders do not participate in the Public Offer and that Maximum Subscription is raised, it is expected that the existing K-TIG Shareholders will hold approximately 4.5% of the Company's issued Share capital on an undiluted basis and 4.0% of the Company's issued Share capital on a fully diluted basis.

No Shareholder (together with any associates) will hold more than 20% of the issued capital of the Company on Completion.

9.10 Independent Expert Report

The Consideration Performance Rights to be issued under the Consideration Offer would, if the applicable milestones are achieved, convert into a total of 50,000,000 Shares, being approximately 40.2% on a Minimum Subscription basis and 35.9% on a Maximum Subscription basis of the number of Shares that the Company intends to have on issue on re-admission to the Official List. Therefore, in accordance with section 13 of ASX Guidance Note 19 Performance Securities, the Company has engaged Stantons Corporate Finance Pty Ltd (**Independent Expert**) to prepare the Independent Expert Report to opine on whether the issue of the Consideration Performance Rights is fair and reasonable to non-participating security holders, which is set out in Annexure C.

The Independent Expert determined that the issue of the Consideration Performance Rights is fair and reasonable to non-associated Shareholders. For further information regarding the reasoning of the Independent Expert, please refer to the Independent Expert Report at Annexure C.

9.11 Listing Rule 10.13.5

ASX has granted a waiver of Listing Rule 10.13.5 to enable the Company to issue securities to Listing Rule 10.11 parties no later than 3 months after the date of the General Meeting, rather than within one month after the date of the General Meeting (as required by Listing Rule 10.13.5). This waiver applies to the Ventnor Shares, the Shares to be issued on conversion of the June 2024 Notes to Directors Stuart Carmichael, Darryl Abotomey and Anthony McIntosh, and former Director Adrian Smith, Shares to be issued to Proposed Director Bruno Campisi on conversion of the MPW Notes, and the Director Shares to be issued to Mr Abotomey and Mr McIntosh.

The reason for the Company seeking this waiver is to accord the time limit for issuing the above-mentioned securities with the 3-month time limit for issuing other Securities at completion of the Transaction, which is instead governed by Listing Rule 7.1. The waiver was granted on the following conditions:

- (a) the Securities are issued at the same time as other Securities to be issued under this Prospectus that the Company has issued or is proposing to issue as part of, or in connection with, the transaction;
- (b) the terms of the waiver are clearly disclosed in the notice of meeting and in this Prospectus; and
- (c) the notice for the General Meeting states the issue of the above Securities will occur no later than 3 months after the date of the General Meeting.

The waiver applies only to 28 March 2025 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.

9.12 Interests of Promoters, Experts and Advisers

(a) **No interest except as disclosed**

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

- (i) persons or entity 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; or
- (ii) promoter of the Company;

holds at the Prospectus Date, or has held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) **Share Registry**

Automic has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

BDO Audit Pty Ltd (**BDO Audit**) has been appointed to act as Auditor to the Company.

During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit has provided services as auditor to the Company and been paid an aggregate of approximately \$134,687 (excluding GST) for these services.

(d) **Solicitors**

Hamilton Locke Pty Ltd (**Hamilton Locke**) has acted as the Solicitors to the Company in relation to the Offers. The Company estimates it will pay Hamilton Locke \$200,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, Hamilton Locke has provided legal services to the Company, and been paid an aggregate of \$148,291 (excluding GST) for these services.

(e) **Investigating Accountant**

BDO Corporate Finance Australia Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in

Annexure A of this Prospectus. The Company estimates it will pay BDO Corporate Finance Australia Pty Ltd a total of \$20,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd provided services to the Company, the total value of these services was approximately \$22,000 (excluding GST). These services were in respect of the Company's prospectus lodged during 2023.

(f) **Lead Manager**

Morgans Corporate Limited has acted as the Lead Manager to the Public Offer. Details of the payments to be made to the Lead Manager are set out in Section 8.2.

During the 24 months preceding lodgement of this Prospectus with ASIC, Morgans Corporate has provided lead manager services to the Company, the total value of these services was approximately \$110,000 (excluding GST).

(g) **White Hutt**

White Hutt has provided corporate advisory services to the Company in connection with the Transaction. Details of the payments to be made to White Hutt are set out in Section 8.2.

During the 24 months preceding lodgement of this Prospectus with ASIC, White Hutt has provided corporate advisory services to the Company, the total value of these services was approximately \$80,000 (excluding GST).

(h) **Ventnor**

Ventnor has provided advisory services to the Company in connection with the Transaction. Details of the payments to be made to Ventnor are set out in Section 8.2.

During the 24 months preceding lodgement of this Prospectus with ASIC, Ventnor has not provided any other advisory services to the Company.

(i) **Powerhouse Ventures**

Powerhouse Ventures has provided advisory services to the Company in connection with the Transaction. Details of the payments to be made to Powerhouse Ventures are set out in Section 8.2.

During the 24 months preceding lodgement of this Prospectus with ASIC, Powerhouse Ventures has not provided any other advisory services to the Company.

(j) **Watershed IP Law, PLLC**

Watershed IP Law, PLLC prepared the Intellectual Property Report which is included in Annexure B of this Prospectus. The Company estimates it will pay Watershed IP Law, PLLC a total of \$7,500 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Watershed IP Law, PLLC has not provided any other services to the Company or MPW.

(k) **Independent Expert**

Stantons Corporate Finance Pty Ltd prepared the Independent Expert Report which is included in Annexure C of this Prospectus. The Company estimates it will pay

Stantons Corporate Finance Pty Ltd a total of \$20,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Stantons Corporate Finance Pty Ltd has not provided any advisory services to the Company.

(l) **Additive Manufacturing Research**

Additive Manufacturing Research prepared the industry overview which is included in Annexure C of this Prospectus. The Company estimates it will pay Additive Manufacturing Research a total of \$14,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Additive Manufacturing Research has not provided any advisory services to the Company or MPW.

9.13 Consents

(a) **Each of the parties referred to below:**

- (i) do not make the Offers and has not authorised or caused the issue of this Prospectus or the making of the Offers;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) 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 contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) **Share Registry**

Automic has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) **Auditor**

BDO Audit Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Auditor of the Company in the form and context in which it is named.

(d) **Investigating Accountant**

BDO Corporate Finance Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(e) **Independent Expert**

Stantons Corporate Finance Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the independent expert to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Expert Report in the form and context in which it is included.

(f) **Solicitors**

Hamilton Locke has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Solicitors to the Company in the form and context in which it is named.

(g) **Watershed IP Law, PLLC**

Watershed IP Law, PLLC has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Report in the form and context in which it is included.

(h) **Lead Manager**

Morgans Corporate has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Public Offer in the form and context in which it is named.

(i) **White Hutt**

White Hutt has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as a corporate advisor to the Company in the form and context in which it is named.

(j) **Ventnor**

Ventnor has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as an advisor to the Company in the form and context in which it is named.

(k) **Powerhouse Ventures**

Powerhouse Ventures has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as an advisor to the Company in the form and context in which it is named.

9.14 Expenses of Offers

The total approximate expenses of the Offers payable by the Company are:

	\$ (Minimum Subscription)	\$ (Maximum Subscription)
ASIC lodgement fee	3,206	3,206
ASX quotation fee	125,879	129,729

	\$ (Minimum Subscription)	\$ (Maximum Subscription)
Investigating Accountant fees	20,000	20,000
Independent Expert fees	20,000	20,000
Lead Managers' fees – cash ¹	420,000	600,000
Intellectual Property Report fees	7,500	7,500
Industry overview fees	14,000	14,000
Legal fees	200,000	200,000
Printing, postage and administration fees	9,000	9,000
Total	819,585	1,003,435

Notes:

1. See Section 8.2(b) for a summary of the Lead Manager Mandate.

9.15 Continuous Disclosure Obligations

As the Company is admitted to the Official List, the Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information is publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.16 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

9.17 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 9.13 of this Prospectus.

9.18 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

10. Authorisation

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

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

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in blue ink, appearing to read 'Stuart Carmichael', with a horizontal line extending to the right.

Stuart Carmichael
Non-Executive Chairman
Dated: 17 January 2025

11. Glossary of terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$ means Australian dollars.

Advisor Offer means the offer to the Advisors to apply for Advisor Shares.

Advisor Shares has the meaning given in Section 2.2(c).

Advisors means White Hutt, Ventnor and Powerhouse Ventures.

AM means additive manufacturing.

Applicable Period has the meaning given in Section 9.1.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares pursuant to this Prospectus.

Application Form means any or all of the application form attached to or accompanying this Prospectus in respect of the Public Offer (including any electronic form application form provided by an online application facility).

Application Monies means the amount of money submitted or made available by an Applicant in connection with an Application.

Approved US Accredited Investors means existing or former shareholders of Metal Powder Works, Inc. who are “accredited investors” (as defined in Rule 501(a) under the US Securities Act) and participating in the Consideration Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Barnes Agreement has the meaning given in Section 8.3(a).

BDO Audit means BDO Audit Pty Ltd (ACN 134 022 870).

BGA has the meaning given in Section 8.4.

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

Board Nominees has the meaning given in Section 1.4(d).

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date specified as the closing date of the Offer, or such other time and date as the Board determines.

CNC means computer numerated control.

Communications Support Agreement has the meaning given in Section 8.4.

Company or **K-TIG** means K-TIG Limited (ACN 158 307 549).

Completion means completion of the Transaction.

Conditions Precedent has the meaning given in Section 1.4(b).

Consideration means the Consideration Securities.

Consideration Offer means the offer to the MPW Vendors to apply for the Consideration Securities.

Consideration Performance Rights has the meaning given in Section 1.4(a)(ii).

Consideration Securities has the meaning given in Section 1.4(a)(ii).

Consideration Shares has the meaning given in Section 1.4(a)(i).

Consolidation means the 13 to 1 consolidation of the Company's issued capital which is subject to Shareholder approval at the General Meeting.

Constitution means the constitution of the Company.

Conversion Offer means the offer to the Noteholders to apply for the Conversion Shares and Conversion Options to be issued on conversion of the Convertible Notes.

Conversion Options has the meaning given in Section 2.2(b).

Conversion Shares has the meaning given in Section 2.2(b).

Conversion Securities means the Conversion Shares and Conversion Options.

Convertible Notes means the March 2023 Notes, June 2024 Notes, October 2024 Notes and MPW Notes.

Corporations Act means the Corporations Act 2001 (Cth), as amended from time to time.

Directors means the directors of the Company from time to time and includes the existing Directors and the Proposed Directors, as the context requires.

Director Shares has the meaning given in Section 9.1.

DirectPowder ProcessSM refers to the process which converts premium bar stock into high-quality powder for a range of materials and for diverse applications in the AM sector.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.k-tig.com.

Expiry Date means 13 months after the Prospectus Date.

Exposure Period means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.

Financial Information has the meaning given in Section 6.

General Meeting means an extraordinary general meeting of Shareholders at which the Company will seek the required approvals to give effect to the Transaction and the Offers.

Group means the Company and each of its subsidiaries.

Hamilton Locke means Hamilton Locke Pty Ltd.

Holders has the meaning given in Section 9.3(d).

Independent Expert means Stantons Corporate Finance Pty Ltd.

Independent Expert Report means the independent expert report at Annexure C.

Indicative Timetable means the indicative timetable for the Offer on page 11 of this Prospectus.

Intellectual Property Report means the intellectual property report at Annexure B.

June 2024 Conversion Options has the meaning given in Section 2.2(b).

June 2024 Conversion Shares has the meaning given in Section 2.2(b).

June 2024 Notes has the meaning given in Section 2.2(b).

K-TIG System has the meaning given in Section 4.4(a).

KMP means key management personnel.

Lead Manager Mandate means the mandate entered between the Company and Morgans Corporate dated 29 October 2024, pursuant to which Morgans Corporate has agreed to provide lead manager services and bookrunner services in respect of the Public Offer.

Lead Manager or **Morgans Corporate** means Morgans Corporate Limited (ACN 010 539 607) (AFSL 235407).

Listing Rules means the listing rules of ASX.

LRIP means Low-Rate Initial Production.

March 2023 Conversion Options has the meaning given in Section 2.2(b).

March 2023 Conversion Shares has the meaning given in Section 2.2(b).

March 2023 Notes has the meaning given in Section 2.2(b).

Maximum Subscription means the issue of 50,000,000 Shares under the Public Offer, to raise \$10,000,000 (before costs).

Merged Company means the Group on and from Completion, including MPW as a 100% subsidiary of the Company.

Metal Powder Works or **MPW** means Metal Powder Works, Inc. (Delaware State File Number: 6152735).

Minimum Subscription means the issue of 35,000,000 Shares under the Public Offer, to raise \$7,000,000 (before costs).

Minority MPW SPA has the meaning given in Section 1.1.

MPW Change of Control has the meaning given in Section 1.4(c)(i)(B).

MPW Conversion Shares has the meaning given in Section 1.4(c).

MPW Future Capital Raising has the meaning given in Section 1.4(c)(i)(A).

MPW Noteholders has the meaning given in Section 1.4(c).

MPW Notes has the meaning given in Section 1.4(c).

MPW Revenue means revenue generated by the business of MPW through continuing business operations as set out in the Company's audited financial statements (expressed in USD\$) but does not include the revenue generated from operations of any other businesses that may be acquired by MPW or the Company after Completion.

MPW Vendors has the meaning given in Section 1.4(a)(ii).

Noteholders means the holders of the Convertible Notes.

October 2024 Conversion Shares has the meaning given in Section 2.2(b).

October 2024 Notes has the meaning given in Section 2.2(b).

Offer Price means \$0.20 per Share.

Offers means any or all of the Public Offer, Consideration Offer, Conversion Offer and the Advisor Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share.

Plan means the K-TIG Limited Employee Securities Incentive Plan.

Powerhouse Ventures means Powerhouse Ventures Limited (ACN 612 076 169).

Powerhouse Ventures Agreement has the meaning given in Section 8.2(e).

Powerhouse Ventures Shares has the meaning given in Section 8.2(e).

Proposed Directors means proposed Directors John Barnes and Bruno Campisi.

Prospectus Date means the date on which a copy of this Prospectus was lodged with ASIC, being 17 January 2025.

Prospectus means this prospectus dated 17 January 2025.

Public Offer means the offer of up to 50,000,000 Shares to be issued at a price of \$0.20 per Share, to raise up to \$10,000,000 (before costs).

Public Offer Shares has the meaning given in Section 2.1.

Purchase Commitment has the meaning given in Section 8.1(b).

Recommendations means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Reinstatement means reinstatement of the Shares to quotation on ASX, following Completion and the Company satisfying the requirements set out in Chapters 1 and 2 of the Listing Rules.

Section means a section of this Prospectus.

Securities means any securities, including Shares, Options or Performance Options, issued or granted by the Company.

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

Share Registry or **Automic** means Automic Pty Ltd (ACN 152 260 814).

Shareholder means a holder of one or more Shares in the Company.

Share Purchase Agreement or **SPA** has the meaning given in Section 1.1.

Solvus Global means Solvus Global LLC.

TIG means tungsten inert gas, a welding process.

Toho Titanium means Toho Titanium Co, Ltd.

Transaction means the acquisition of 100% of the issued capital in MPW pursuant to the Share Purchase Agreement.

Transaction Resolution has the meaning given in Section 1.6.

US Securities Act means the United States Securities Act of 1933, as amended.

USA means United States of America.

USD\$ means US dollars.

Ventnor means Ventnor Equities & Advisory Pty Ltd (ACN 664 201 398).

Ventnor Mandate has the meaning given in Section 8.2(d).

Ventnor Shares has the meaning given in Section 8.2(d).

White Hutt means White Hutt Pty Ltd (ACN 669 945 484).

White Hutt DOCA Mandate has the meaning given in Section 8.2(c).

White Hutt DOCA Shares has the meaning given in Section 8.2(c).

White Hutt Shares has the meaning given in Section 8.2(c).

White Hutt Transaction Mandate has the meaning given in Section 8.2(c)(ii).

White Hutt Transaction Shares has the meaning given in Section 8.2(c)(ii).

Annexure A – Independent Limited Assurance Report

K-TIG Limited (to be renamed Metal Powder Works Limited)

Independent Limited Assurance Report

15 January 2025

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15 January 2025

The Directors
K-Tig Limited
Level 5, 191 St Georges Terrace
Perth WA 6000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance Australia Pty Ltd ('BDO') has been engaged by K-TIG Limited (to be renamed Metal Powder Works Limited) ('K-TIG' or '**the Company**') to prepare this Independent Limited Assurance Report ('**Report**') in relation to certain financial information of K-TIG, for inclusion in a Prospectus to be prepared by the directors of K-TIG.

On 17 December 2024, the Company entered into a Share Purchase Agreement ('**SPA**') to acquire 100% of the issued capital in Metal Powder Works Limited ('**Metal Powder Works**' or '**MPW**') from their respective shareholders for total consideration comprising 55,000,000 Shares ('**Consideration Shares**') and 50,000,000 Performance Rights ('**Consideration Performance Rights**') (together the '**Consideration Securities**'). The Consideration Securities will be issued to the shareholders of MPW in proportion to their respective interests in MPW on Completion, with Completion subject to certain conditions precedent as outlined in the SPA. As part of the proposed transaction, K-TIG will also undergo a consolidation of its issued capital on a 13 to 1 basis ('**the Consolidation**').

Broadly, on a post-Consolidation basis, the Prospectus will offer up to 50 million Shares at an issue price of A\$0.20 ('**Offer Price**') each to raise up to A\$10,000,000 before costs ('**the Public Offer**'). The Public Offer is subject to a minimum subscription level of 35 million Shares to raise A\$7,000,000 before costs ('**Minimum Subscription**').

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 247 420) and our Financial Services Guide ('**FSG**') has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Metal Powder Work's reporting currency is US dollars ('US\$' or 'USD'). The Company's reporting currency is Australian Dollars ('A\$', 'AUD' or '\$') and the Company will continue to report in AUD following the Public Offer. Transactions and balances referenced in our Report that are denominated in USD have been converted into AUD using the relevant USD:AUD exchange rates (USD:AUD rates at balance date for balance sheet items and period averages for income statement and cash flow statement items), sourced from Bloomberg.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards ('IFRS') and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the '**Historical Financial Information**') of K-TIG and MPW included in the Prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of K-TIG for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022;
- the audited historical Statement of Financial Position of K-TIG as at 30 June 2024;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of MPW for the half-year ended 30 June 2024 (and comparative half-year ended 30 June 2023) and the financial years ended 31 December 2022 and 31 December 2023; and
- the reviewed historical statement of Financial Position of MPW as at 30 June 2024.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies. The Historical Financial Information of K-TIG has been extracted from the financial report of K-TIG for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022 which was audited by BDO Audit Pty Ltd ('**BDO Audit**') in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial reports. In each of the audit and review conclusions, BDO Audit issued an emphasis of matter relating to the material uncertainty related to going concern. However, the review and audit conclusions were not modified in respect of this matter.

The Historical Financial Information of MPW has been extracted from the reviewed financial report of MPW for the half-year ended 30 June 2024 (and comparative period for the half year ended 30 June 2023), and the audited financial reports for the financial years ended 31 December 2023 and 31 December 2022 which was reviewed and audited by Grant Thornton Audit Pty Ltd ('**Grant Thornton**') in accordance with the International Auditing Standards. Grant Thornton issued an unmodified review conclusion and audit opinion on the financial reports. In each of the review and audit conclusions, Grant Thornton issued an emphasis of matter relating to the material uncertainty related to going concern. However, the review and audit conclusions were not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the ‘**Pro Forma Historical Financial Information**’) of K-TIG Limited included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2024.

The Pro Forma Historical Financial Information has been derived from the historical financial information of K-TIG and MPW, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by K-TIG to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on K-TIG’s financial position as at 30 June 2024. As part of this process, information about K-TIG’s and MPW’s financial position has been extracted by the Company from K-TIG’s and MPW’s financial statements for the period ended 30 June 2024.

3. Directors’ responsibility

The directors of K-TIG Limited are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of K-TIG for the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022;
- the audited historical Statement of Financial Position of K-TIG as at 30 June 2024;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of MPW for the half-year ended 30 June 2024 and the financial years ended 31 December 2022 and 31 December 2023; and
- the reviewed historical statement of Financial Position of MPW as at 30 June 2024.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position as at 30 June 2024.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to 30 June 2024:

- On 30 October 2024, K-TIG announced a A\$500,000 capital raising (before costs) (**‘October 2024 Notes’**) via the issue of 500 convertible notes with a face value of \$1,000 each. Subject to shareholder approval, the October 2024 Notes convert into shares at a conversion price of A\$0.16 each, being a 20% discount to the issue price under the Public Offer.
- In connection with the October 2024 Notes, the Company paid a fee equal to 6% of the gross proceeds which has been recognised as a reduction in cash and cash equivalents by A\$30,000 and corresponding increase in accumulated losses.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of K-TIG and MPW not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 4. This has been prepared based on the financial statements K-TIG and MPW as at 30 June 2024, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- Subject to Shareholder approval at the General Meeting, the Company will undertake a consolidation of its share capital on 13:1 basis (the '**Consolidation**'). The total number of Shares pre-consolidation was 73,328,415 and post consolidation was 5,640,647 respectively. K-TIG will also consolidate its performance rights on a 13 to 1 basis. The total number of performance rights on a pre-consolidation and post consolidation basis were 2,400,000 and 184,615 respectively;
- Subject to conditions precedent as outlined in the SPA, the Company will acquire 100% of the issued capital in MPW from their respective shareholders. The consideration to be paid by the Company comprises 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights.

There are milestone conditions which must be achieved for the Consideration Performance Rights to vest. These milestone conditions are detailed in section 9.3 of the Prospectus. In accordance with *AASB 2: Share based payment*, the value of the Performance Rights are to be expensed over the vesting period. Therefore, as at the pro-forma date, no adjustment has been made to account for the vesting of these Performance Rights.

The Acquisition of 100% of the issued capital in MPW is deemed to be a business combination as it falls within the scope of *AASB 3 Business Combinations*, with MPW considered to be the accounting parent due to the level of shareholding acquired under the proposed transaction. The purchase price is determined by reference to the number of Shares that MPW would have to issue to K-TIG for K-TIG to hold 9.3% of the combined group. This was calculated to be A\$1,128,129 based on the issue price of A\$0.20.

The net assets/(liabilities) of K-TIG as at 30 June 2024 was (A\$1,014,287), resulting in a goodwill balance of A\$2,142,416 recognised in intangible assets. The Acquisition has been provisionally accounted for and hence the fair value of identifiable intangibles, deferred taxes and fair value assessments of assets and liabilities are not assessed which may give rise to the difference between consideration and the carrying value of net assets acquired being recognised in goodwill.

- On 22 November 2024, MPW entered into a Convertible Note Agreement ('**MPW Notes**') to raise A\$1,050,000 with multiple parties. The MPW Notes have a maturity date of 24 months from the date the agreements were signed by the parties, are interest bearing at 4% per annum payable in arrears on redemption (with no interest applicable if converted to common shares) and are convertible into common shares at a conversion price equal to a 20% discount to the issue price of shares under the Public Offer. The proceeds from the MPW Notes has been recognised as an increase in cash and cash equivalents by A\$1,050,000 with a corresponding increase to convertible note liabilities;
 - The issue of 35,000,000 Shares at the Offer Price of A\$0.20 each to raise A\$7,000,000 before costs pursuant to the Prospectus. Oversubscriptions of up to 15,000,000 Shares at the Offer Price of A\$0.20 per share is to be accepted, equal to a further A\$3,000,000;
 - Costs of the Public Offer are estimated to be between A\$819,585 under the Minimum Subscription and A\$1,003,435 under the Maximum Subscription, with costs that are directly
-

attributable to the capital raising of A\$681,289 under the Minimum Subscription and A\$862,626 under the Maximum Subscription respectively offset against contributed equity. The remaining costs of the Public Offer which are not are not directly attributable to the capital raising will be expensed through accumulated losses;

- In April 2023 MPW issued convertible notes which had a face value of A\$482,252 at 30 June 2024. These notes will convert into 3,014,076 shares in MPW prior to Completion at a deemed value of A\$602,815. The difference between the face value at 30 June 2024 and the deemed value, being A\$120,563 has been reflected as a financing expense within accumulated losses;
 - Conversion of the following convertible notes into Shares in the Company on a post-consolidation basis (the '**Conversion Securities**'):
 - A\$1,050,000 MPW Notes into 6,562,500 Shares ('**MPW Conversion Shares**') at a conversion price of A\$0.16 each, being a 20% discount to the issue price under the Public Offer. The fair value of the Shares, being A\$1,312,500 has been reflected as an increase to issued capital, with the difference of A\$262,500 resulting from the extinguishment of the MPW Notes and the fair value of the MPW Conversion Shares reflected as a financing expense within accumulated losses;
 - A\$2,000,000 March 2023 Notes into 7,692,308 Shares ('**March 2023 Conversion Shares**') at a conversion price of A\$0.26 each, and 7,692,308 Options ('**March 2023 Conversion Options**') that have an expiry of three years after the date of Completion. The March 2023 Conversion Options have been valued at A\$734,200 using the Black Scholes Option Pricing Model. The fair value of the Shares, being A\$1,538,462 has been reflected as an increase to issued capital, with the value of the March 2023 Conversion Options reflected as increase to the share-based payment reserve. The difference of A\$272,662 resulting from the extinguishment of the March 2023 Notes and the value of the March 2023 Conversion Shares and March 2023 Conversion Options has been reflected as a financing expense within accumulated losses;
 - A\$1,000,000 June 2024 Notes into 7,692,308 Shares ('**June 2024 Conversion Shares**') at a conversion price of A\$0.13 each, and 7,692,308 Options ('**June 2024 Conversion Options**') that have an expiry of three years after the date of conversion. The June 2024 Conversion Options have been valued at A\$986,782 using the Black Scholes Option Pricing Model. The fair value of the Shares, being A\$1,538,462 has been reflected as an increase to issued capital, with the value of the June 2024 Conversion Options reflected as increase to the share-based payment reserve. The difference of A\$1,525,244 resulting from the extinguishment of the June 2024 Notes and the value of the June 2024 Conversion Shares and June 2024 Conversion Options has been reflected as a financing expense within accumulated losses; and
 - A\$500,000 October 2024 Notes into 3,125,000 Shares ('**October 2024 Conversion Shares**') at a conversion price of A\$0.16 each. The fair value of the Shares, being A\$625,000 has been reflected as an increase to issued capital, with the difference of A\$125,000 resulting from the extinguishment of the October 2024 Notes and the fair value of the October 2024 Conversion Shares reflected as a financing expense within accumulated losses.
 - The issue of 538,462 Shares to White Hutt ('**White Hutt Transaction Shares**') in connection for corporate advisory services provided to the Company relating to the proposed transaction. The fair value of the Shares, being A\$107,692 has been reflected as an increase to issued capital with a corresponding increase to accumulated losses;
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- The issue of 807,692 shares to White Hutt at a deemed issue price of A\$0.16 each, being a 20% discount to the issue price under the Public Offer in connection with the White Hutt DOCA Mandate entered into by the Company on 1 October 2024 (**'White Hutt DOCA Shares'**). The fair value of the Shares, being A\$161,538 has been reflected as an increase to issued capital, with a corresponding increase to accumulated losses;
- The issue of 1,345,057 Ventnor Shares (**'Ventnor Shares'**) as consideration for corporate advisory services and previous fees incurred by the Company relating to the proposed transaction and Public Offer. The fair value of the Shares, being A\$269,011 has been reflected as an increase to issued capital, with the cost directly offset against the Shares issued;
- The issue of 550,000 Powerhouse Ventures Shares (**'Powerhouse Ventures Shares'**) as consideration for a facilitation fee relating to the proposed transaction. The fair value of the Shares, being A\$110,000 has been reflected as an increase to issued capital, with the cost directly offset against the Shares issued; and
- The issue of 384,616 Director Shares (**'Director Shares'**) to two directors (or nominees) of the Company in lieu of cash compensation for certain unpaid fees and remuneration. The fair value of the Shares, being A\$76,923 has been reflected as an increase to issued capital, with a corresponding increase to accumulated losses.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offers other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance Australia Pty Ltd



Adam Myers
Director

APPENDIX 1
K-TIG LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 30-Jun-24 \$	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$
Sales revenue	2,209,763	3,095,723	3,702,512
Cost of sales	(1,385,789)	(1,503,759)	(1,427,035)
Gross profit/(loss)	823,974	1,591,964	2,275,477
Other income	82,848	653,925	190,583
Debt forgiven	1,714,489	-	-
Expenses			
Marketing expenses	(123,701)	(325,291)	(494,464)
Corporate expense	(1,150,004)	(821,497)	(1,381,117)
Service expense	(337,807)	(290,230)	(453,022)
Employee benefits expense	(1,908,490)	(4,601,726)	(5,544,729)
Office/workshop expense	(272,093)	(419,967)	(292,907)
Travel expense	(119,220)	(343,727)	(189,891)
R&D expense	(30,752)	(78,975)	(59,067)
Other expenses	166,430	(39,419)	(13,526)
Due diligence and pre-acquisition costs	-	(1,756,807)	-
Loss before income tax expense	(1,154,326)	(6,431,750)	(5,962,663)
Income tax benefit/(expense)	-	-	-
Loss after income tax expense for the year attributable to the owners of K-TIG Limited	(1,154,326)	(6,431,750)	(5,962,663)
Other comprehensive income/(expense)	847,722	330,012	18,474
Total comprehensive loss for the year	(306,604)	(6,101,738)	(5,944,188)

The statement of profit or loss and other comprehensive income shows the historical financial performance of K-TIG and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 1 (CONTINUED)

METAL POWDER WORKS INC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the half-year ended 30-Jun-24 USD\$	Reviewed for the half-year ended 30-Jun-23 USD\$	Audited for the year ended 31-Dec-23 USD\$	Audited for the year ended 31-Dec-22 USD\$
Revenue	397,766	22,480	875,939	111,892
Other income	517	4,059	22,760	28,874
Expenses				
Raw materials and consumables used	(284,722)	(78,284)	(272,972)	(123,693)
Employee benefits expense	(323,002)	(290,094)	(544,020)	(356,929)
Depreciation and amortisation expense	(94,618)	(95,520)	(191,252)	(141,244)
Legal and professional services	(45,667)	(40,815)	(78,285)	(129,815)
Contractors	(190,721)	(149,946)	(439,123)	(548,050)
Insurance expense	(13,952)	(15,495)	(28,195)	(9,205)
Research and development	(28,750)	(19,435)	(68,412)	(161,101)
Other expenses	(38,122)	(40,526)	(86,907)	(85,498)
Finance costs	(15,709)	(17,531)	(33,464)	(20,385)
Marketing	(7,509)	(7,551)	(41,075)	(19,906)
Occupancy	(21,608)	(8,691)	(6,906)	(14,238)
Loss before income tax expense	(666,097)	(737,349)	(891,912)	(1,469,298)
Income tax benefit/(expense)	-	-	-	-
Loss after income tax expense for the year attributable to the owners of Metal Powder Works Inc.	(666,097)	(737,349)	(891,912)	(1,469,298)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year attributable to the owners of Metal Powder Works Inc.	(666,097)	(737,349)	(891,912)	(1,469,298)

The statement of profit or loss and other comprehensive income shows the historical financial performance of MPW and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 1 (CONTINUED)

METAL POWDER WORKS INC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the half-year ended 30-Jun-24 \$	Reviewed for the half-year ended 30-Jun-23 \$	Audited for the year ended 31-Dec-23 \$	Audited for the year ended 31-Dec-22 \$
Revenue	604,167	33,275	1,319,339	161,359
Other income	785	6,008	34,281	41,639
Expenses	-	-	-	-
Raw materials and consumables used	(432,464)	(115,876)	(411,150)	(178,378)
Employee benefits expense	(490,608)	(429,397)	(819,403)	(514,727)
Depreciation and amortisation expense	(143,715)	(141,389)	(288,064)	(203,688)
Legal and professional services	(69,364)	(60,414)	(117,913)	(187,206)
Contractors	(289,686)	(221,950)	(661,407)	(790,343)
Insurance expense	(21,192)	(22,936)	(42,467)	(13,275)
Research and development	(43,668)	(28,768)	(103,042)	(232,324)
Other expenses	(57,904)	(59,987)	(130,899)	(123,297)
Finance costs	(23,860)	(25,949)	(50,403)	(29,397)
Marketing	(11,405)	(11,177)	(61,867)	(28,706)
Occupancy	(32,820)	(12,864)	(10,402)	(20,533)
Loss before income tax expense	(1,011,735)	(1,091,424)	(1,343,398)	(2,118,875)
Income tax benefit/(expense)	-	-	-	-
Loss after income tax expense for the year attributable to the owners of Metal Powder Works Inc.	(1,011,735)	(1,091,424)	(1,343,398)	(2,118,875)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year attributable to the owners of Metal Powder Works Inc.	(1,011,735)	(1,091,424)	(1,343,398)	(2,118,875)

The USD balances have been translated into AUD based on average rates for the periods shown the rates applied are 1.5189 (30 June 2024), 1.4802 (30 June 2023), 1.5062 (31 December 2023) and 1.4421 (31 December 2022).

The statement of profit or loss and other comprehensive income shows the historical financial performance of MPW and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2
K-TIG LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 30-Jun-24 \$	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$
Cash flows from operating activities			
Receipts from customers	2,929,953	3,202,171	4,068,951
Payments to suppliers and employees	(4,923,870)	(8,333,677)	(8,747,202)
Interest received	19,631	10,088	683
Other income	42,644	643,838	2,953
Interest and finance costs paid	(49,343)	(7,909)	(8,402)
Net cash flows used in operating activities	(1,980,985)	(4,485,489)	(4,683,017)
Cash flows from investing activities			
Payments for property, plant and equipment	(38,982)	(266,021)	(154,526)
Proceeds from disposal of property, plant and equipment	113,314	-	-
Proceeds from disposal of financial assets	35,000	-	-
Net cash flows provided/(used in) investing activities	109,332	(266,021)	(154,526)
Cash flows from financing activities			
Proceeds from issue of shares	-	150,000	3,585,570
Proceeds from convertible note	1,000,000	2,000,000	-
Proceeds for rights issue cost	-	(140,000)	-
Proceeds from DOCA Contribution	465,000	-	-
Repayment of lease liabilities	(112,420)	(126,376)	(88,920)
Net cash flows provided/(used in) financing activities	1,352,580	1,883,624	3,496,650
Net increase/(decrease) in cash and cash equivalents	(519,073)	(2,867,886)	(1,340,893)
Cash and cash equivalents at the beginning of the year/period	818,859	3,726,745	5,067,638
Effects of exchange rate changes on cash and cash equivalents	(3,553)	(40,000)	-
Cash and cash equivalents at the end of the period	296,233	818,859	3,726,745

The statement of consolidated cash flows shows the historical financial performance of K-TIG and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2 (CONTINUED)

METAL POWDER WORKS INC

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed for the half-year ended 30-Jun-24 USD\$	Reviewed for the half-year ended 30-Jun-23 USD\$	Audited for the year ended 31-Dec-23 USD\$	Audited for the year ended 31-Dec-22 USD\$
Cash flows from operating activities				
Receipts from customers	790,290	43,418	806,674	206,758
Payments to suppliers and employees	(944,869)	(754,915)	(1,729,059)	(1,636,662)
Net cash used in operating activities	(154,579)	(711,497)	(922,385)	(1,429,904)
Cash flows from investing activities				
Payments for property, plant and equipment	(3,680)	(4,198)	(25,748)	(108,581)
Payments for security deposits	(197,385)	-	-	-
Proceeds from disposal of property, plant and equipment	22,335	-	-	-
Proceeds from release of security deposits	-	26,093	241,717	20,607
Net cash from/(used in) investing activities	(178,730)	21,895	215,969	(87,974)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	1,245,202
Proceeds from borrowings	282,005	323,109	423,109	-
Net cash from financing activities	282,005	323,109	423,109	1,245,202
Net increase/(decrease) in cash and cash equivalents	(51,304)	(366,493)	(283,307)	(272,676)
Cash and cash equivalents at the beginning of the year/period	177,098	460,405	460,405	733,081
Cash and cash equivalents at the end of the year/period	125,794	93,912	177,098	460,405

The statement of consolidated cash flows shows the historical financial performance of MPW and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2 (CONTINUED)

METAL POWDER WORKS INC

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed for the half-year ended 30-Jun-24 \$	Reviewed for the half-year ended 30-Jun-23 \$	Audited for the year ended 31-Dec-23 \$	Audited for the year ended 31-Dec-22 \$
Cash flows from operating activities				
Receipts from customers	1,200,371	64,267	1,215,012	298,166
Payments to suppliers and employees	(1,435,162)	(1,117,425)	(2,604,309)	(2,360,230)
Net cash used in operating activities	(234,790)	(1,053,158)	(1,389,296)	(2,062,065)
Cash flows from investing activities				
Payments for property, plant and equipment	(5,590)	(6,214)	(38,782)	(156,585)
Payments for security deposits	(299,808)	-	-	-
Proceeds from disposal of property, plant and equipment	33,925	-	-	-
Proceeds from release of security deposits	-	38,623	364,074	29,717
Net cash from/(used in) investing activities	(271,473)	32,409	325,293	(126,867)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	1,795,706
Proceeds from borrowings	428,337	478,266	637,287	-
Net cash from financing activities	428,337	478,266	637,287	1,795,706
Net increase/(decrease) in cash and cash equivalents	(77,926)	(542,483)	(426,717)	(393,226)
Foreign currency translation	6,531	7,625	10,932	49,513
Cash and cash equivalents at the beginning of the year/period	259,998	675,782	675,782	1,019,496
Cash and cash equivalents at the end of the year/period	188,603	140,924	259,998	675,782

The USD balances have been translated into AUD based on average rates for the periods shown the rates applied are 1.5189 (30 June 2024), 1.4802 (30 June 2023), 1.5062 (31 December 2023) and 1.4421 (31 December 2022).

The statement of consolidated cash flows shows the historical financial performance of MPW and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 3
METAL POWDER WORKS INC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed as at 30-Jun-24 USD\$	Translated as at 30-Jun-24 AUD\$
CURRENT ASSETS		
Cash and cash equivalents	125,794	187,752
Trade and other receivables	95,413	142,407
TOTAL CURRENT ASSETS	221,207	330,160
NON CURRENT ASSETS		
Property, plant and equipment	339,644	506,931
Right-of-use assets	334,720	499,582
Intangibles	272,558	406,803
TOTAL NON CURRENT ASSETS	946,922	1,413,316
TOTAL ASSETS	1,168,129	1,743,476
CURRENT LIABILITIES		
Trade and other payables	170,438	254,385
Borrowings	382,005	570,157
Lease liabilities	99,693	148,796
Amounts received in advance	386,390	576,701
TOTAL CURRENT LIABILITIES	1,038,526	1,550,039
NON CURRENT LIABILITIES		
Lease liabilities	263,017	392,563
Convertible note	323,109	482,252
TOTAL NON CURRENT LIABILITIES	586,126	874,815
TOTAL LIABILITIES	1,624,652	2,424,854
NET ASSETS/(LIABILITIES)	(456,523)	(681,378)
EQUITY		
Issued capital	2,790,111	4,164,345
Accumulated losses	(3,246,634)	(4,845,722)
TOTAL EQUITY	(456,523)	(681,378)

The USD balances have been translated into AUD based on the closing spot rate at 30 June 2024 (1.4925). The consolidated statement of financial position shows the historical financial performance of MPW and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 4

K-TIG LIMITED (TO BE RENAMED TO METAL POWDER WORKS LIMITED)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited as at 30-Jun-24	Subsequent events	Pro-forma adjustments Min	Pro-forma adjustments Max	Pro-forma after issue Min	Pro-forma after issue Max
	Notes	\$	\$	\$	\$	\$	\$
CURRENT ASSETS							
Cash and cash equivalents	1	296,233	470,000	7,418,167	10,234,317	8,184,400	11,000,550
Trade and other receivables	2	249,551	-	142,407	142,407	391,958	391,958
Inventories		2,039,108	-	-	-	2,039,108	2,039,108
Other financial assets		5,000	-	-	-	5,000	5,000
TOTAL CURRENT ASSETS		2,589,892	470,000	7,560,575	10,376,725	10,620,467	13,436,617
NON CURRENT ASSETS							
Trade and other receivables		14,150	-	-	-	14,150	14,150
Property, plant and equipment	3	337,819	-	506,931	506,931	844,750	844,750
Right-of-use assets	4	524,821	-	499,582	499,582	1,024,403	1,024,403
Intangibles	5	13,324	-	2,549,219	2,549,219	2,562,543	2,562,543
TOTAL NON CURRENT ASSETS		890,114	-	3,555,733	3,555,733	4,445,847	4,445,847
TOTAL ASSETS		3,480,006	470,000	11,116,308	13,932,458	15,066,314	17,882,464
CURRENT LIABILITIES							
Trade and other payables	6	258,452	-	254,385	254,385	512,837	512,837
Borrowings	7	-	-	570,157	570,157	570,157	570,157
Lease liabilities	8	305,713	-	148,796	148,796	454,509	454,509
Employee benefits		53,490	-	-	-	53,490	53,490
Amounts received in advance	9	618,474	-	576,701	576,701	1,195,175	1,195,175
TOTAL CURRENT LIABILITIES		1,236,129	-	1,550,039	1,550,039	2,786,168	2,786,168

APPENDIX 4 (CONTINUED)

K-TIG LIMITED (TO BE RENAMED TO METAL POWDER WORKS LIMITED)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited as at 30-Jun-24	Subsequent events	Pro-forma adjustments Min	Pro-forma adjustments Max	Pro-forma after issue Min	Pro-forma after issue Max
	Notes	\$	\$	\$	\$	\$	\$
NON CURRENT LIABILITIES							
Lease liabilities	10	258,164	-	392,563	392,563	650,727	650,727
Convertible note	11	3,000,000	500,000	(3,500,000)	(3,500,000)	-	-
TOTAL NON CURRENT LIABILITIES		3,258,164	500,000	(3,107,437)	(3,107,437)	650,727	650,727
TOTAL LIABILITIES		4,494,293	500,000	(1,557,399)	(1,557,399)	3,436,894	3,436,894
NET ASSETS/(LIABILITIES)		(1,014,287)	(30,000)	12,673,706	15,489,856	11,629,419	14,445,569
EQUITY							
Issued capital	12	27,839,530	-	(10,264,953)	(7,446,290)	17,574,577	20,393,240
Other reserves	13	1,648,069	-	(1,648,069)	(1,648,069)	-	-
Share based payment reserve	14	2,207,652	-	(486,669)	(486,669)	1,720,983	1,720,983
Accumulated losses	15	(32,709,538)	(30,000)	25,073,397	25,070,884	(7,666,141)	(7,668,654)
TOTAL EQUITY		(1,014,287)	(30,000)	12,673,706	15,489,856	11,629,419	14,445,569

The pro-forma statement of financial position after the Public Offer is as per the statement of financial position before the Public Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5 and the prior year financial information set out in Appendices 1 to 3.

APPENDIX 5

K-TIG LIMITED (TO BE RENAMED TO METAL POWDER WORKS LIMITED) NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note s.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by K-TIG at the end of the reporting period. A controlled entity is any entity over which K-TIG has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than

half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the asset including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

e) Foreign currency translation

The historical financial information is presented in Australian dollars, which is K-TIG's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each

business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

f) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

h) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

i) Revenue Recognition

The consolidated group recognised revenue as follows:

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations based on the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

Revenue from government grants

Grant income is recognised in line with AASB 120, when there is a reasonable assurance that the consolidated group has complied with the conditions attached to the grant.

WaaS

Welding as a Service ('WaaS') revenue is recognised at an amount that reflects the greater of the minimum monthly charge or usage rate stipulated in the contract, which the consolidated group is expected to be entitled to under an operating lease in accordance with AASB 16. The minimum term of the license or lease period is generally three years. The licence or lease equipment is capitalised as an asset and depreciated over the expected useful life being five years. Upon signing of the license or lease

contract, the customer is generally required to make a prepayment which is recorded on the statement of financial position as “Amounts received in advance”. After deliver and commissioning of the WaaS asset, the prepayment is applied against the monthly fee until it is exhausted.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

k) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

n) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell

and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

o) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

p) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised

in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method.

Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

q) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired in business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management

considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

(r) BUSINESS COMBINATION

A summary of the acquisition details with respect to the proposed acquisition of MPW as included in our report is set out below, this results in a reverse acquisition of K-TIG with MPW becoming the accounting parent. These details have been determined for the purposes of the pro-forma adjustments as at 30 June 2024, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Details of the net assets acquired, purchase consideration and goodwill are as follows:

Purchase Consideration - \$1,128,129 Refer to Section 7 of our report for details

Net liabilities of K-TIG - \$1,104,287 Refer to Appendix 3 for details

Resulting goodwill \$2,142,416

(s) RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

(t) COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

	Audited 30-Jun-24	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 1. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	296,233	8,184,400	11,000,550
Audited balance of K-TIG at 30 June 2024		296,233	296,233
<i>Subsequent events:</i>			
Cash received by K-TIG from the October 2024 Notes		500,000	500,000
Cash costs paid by K-TIG relating to the October 2024 Notes		(30,000)	(30,000)
		470,000	470,000

	Audited 30-Jun-24	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 1. CASH AND CASH EQUIVALENTS	\$	\$	\$
<i>Pro-forma adjustments:</i>			
Translated reviewed balance of MPW at 30 June 2024		187,752	187,752
Cash received by MPW from the MPW Notes		1,050,000	1,050,000
Proceeds from Shares issued under this Prospectus		7,000,000	10,000,000
Costs of the Offer		(819,585)	(1,003,435)
		<u>7,418,167</u>	<u>10,234,317</u>
Pro-forma Balance		<u>8,184,400</u>	<u>11,000,550</u>

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 2. TRADE AND OTHER RECEIVABLES	\$	\$
Trade and other receivables	<u>249,551</u>	<u>391,958</u>
Audited balance of K-TIG at 30 June 2024		249,551
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		142,407
		<u>142,407</u>
Pro-forma Balance		<u>391,958</u>

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 3. PROPERTY, PLANT AND EQUIPMENT	\$	\$
Property, plant and equipment	<u>337,819</u>	<u>844,750</u>
Audited balance of K-TIG at 30 June 2024		337,819
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		506,931
		<u>506,931</u>
Pro-forma Balance		<u>844,750</u>

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 4. RIGHT-OF-USE ASSETS	\$	\$
Right-of-use assets	524,821	1,024,403
Audited balance of K-TIG at 30 June 2024		524,821
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		499,582
		499,582
Pro-forma Balance		1,024,403

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 5. INTANGIBLES	\$	\$
Intangibles	13,324	2,562,543
Audited balance of K-TIG at 30 June 2024		13,324
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		406,803
Goodwill arising upon proposed acquisition of MPW		2,142,416
		2,549,219
Pro-forma Balance		2,562,543

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 6. TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	258,452	512,837
Audited balance of K-TIG at 30 June 2024		258,452
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		254,385
		254,385
Pro-forma Balance		512,837

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 7. BORROWINGS	\$	\$
Borrowings	-	570,157
Audited balance of K-TIG at 30 June 2024		-
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		570,157
		570,157
Pro-forma Balance		570,157

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 8. LEASE LIABILITIES	\$	\$
Lease liabilities	305,713	454,509
Audited balance of K-TIG at 30 June 2024		305,713
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		148,796
		148,796
Pro-forma Balance		454,509

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 9. AMOUNTS RECEIVED IN ADVANCE	\$	\$
Amounts received in advance	618,474	1,195,175
Audited balance of K-TIG at 30 June 2024		618,474
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		576,701
		576,701
Pro-forma Balance		1,195,175

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 10. LEASE LIABILITIES	\$	\$
Lease liabilities	258,164	650,727
Audited balance of K-TIG at 30 June 2024		258,164
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		392,563
		392,563
Pro-forma Balance		650,727

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 11. CONVERTIBLE NOTE	\$	\$
Convertible note	3,000,000	-
Audited balance of K-TIG at 30 June 2024		3,000,000
<i>Subsequent events:</i>		
Proceeds from October 2024 Notes issued		500,000
		500,000
<i>Pro-forma adjustments:</i>		
Translated reviewed balance of MPW at 30 June 2024		482,252
Proceeds from MPW Notes issued		1,050,000
Conversion of MPW convertible notes issued in April 2023		(482,252)
Conversion of MPW Notes		(1,050,000)
Conversion of March 2023 Notes		(2,000,000)
Conversion of June 2024 Notes		(1,000,000)
Conversion of October 2024 Notes		(500,000)
		(3,500,000)
Pro-forma Balance		-

		Audited 30-Jun-24	Pro-forma after Offer Min	Pro-forma after Offer Max
		\$	\$	\$
NOTE 12. ISSUED CAPITAL				
Issued capital		27,839,530	17,574,577	20,393,240
	Number of shares (min)	Number of Shares (max)	\$	\$
Audited balance of K-TIG Limited at 30 June 2024	73,328,415	73,328,415	27,839,530	27,839,530
	73,328,415	73,328,415	27,839,530	27,839,530
<i>Pro-forma adjustments:</i>				
Translated reviewed balance of MPW at 30 June 2024	11,193,828	11,193,828	4,164,345	4,164,345
Consolidation of K-TIG Limited Shares (13:1)	(67,687,768)	(67,687,768)	-	-
Shares issued under the Prospectus	35,000,000	50,000,000	7,000,000	10,000,000
Consideration Shares	55,000,000	55,000,000	1,128,129	1,128,129
Issue of MPW shares on conversion of convertible notes issued in April 2023	-	-	602,815	602,815
Elimination of MPW issued capital upon acquisition	(11,193,828)	(11,193,828)	-	-
Elimination of K-TIG issued capital upon acquisition	-	-	(27,839,530)	(27,839,530)
Issue of March 2023 Conversion Shares on conversion of March 2023 Notes	7,692,308	7,692,308	1,538,462	1,538,462
Issue of June 2024 Conversion Shares on conversion of June 2024 Notes	7,692,308	7,692,308	1,538,462	1,538,462
Issue of October 2024 Conversion Shares on conversion of October 2024 Notes	3,125,000	3,125,000	625,000	625,000
Issue of MPW Conversion Shares on conversion of MPW Notes	6,562,500	6,562,500	1,312,500	1,312,500
Issue of White Hutt Transaction Shares	538,462	538,462	107,692	107,692
Issue of White Hutt DOCA Shares	807,692	807,692	161,538	161,538
Issue of Ventnor Shares	1,345,057	1,345,057	-	-
Issue of Powerhouse Ventures Shares	550,000	550,000	-	-
Issue of Director Shares	384,616	384,616	76,923	76,923
Capital raising costs capitalised	-	-	(681,289)	(862,626)
	51,010,175	66,010,175	(10,264,953)	(7,446,290)
Pro-forma Balance	124,338,590	139,338,590	17,574,577	20,393,240

	Audited 30-Jun-24	Pro-forma after Offer
	\$	\$
NOTE 13. OTHER RESERVES		
Other reserves	1,648,069	-
Audited balance of K-TIG at 30 June 2024		1,648,069
<i>Pro-forma adjustments:</i>		
Elimination of K-TIG balance upon acquisition		(1,648,069)
		(1,648,069)
Pro-forma Balance		-

	Audited 30-Jun-24	Pro-forma after Offer
NOTE 14. SHARE BASED PAYMENT RESERVE	\$	\$
Share based payment reserve	2,207,652	1,720,983
Audited balance of K-TIG at 30 June 2024		2,207,652
<i>Pro-forma adjustments:</i>		
Elimination of K-TIG balance upon acquisition		(2,207,652)
Issue of March 2023 Conversion Options		734,200
Issue of June 2024 Conversion Options		986,782
		(486,669)
Pro-forma Balance		1,720,983

Item	Conversion Options		Performance Rights	
	March 2023 Conversion Options	June 2024 Conversion Options	Tranche 1	Tranche 2
Number of Options	7,692,308	7,692,308	25,000,000	25,000,000
Underlying share price	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	\$0.26	\$0.13	Nil	Nil
Expected volatility	80%	80%	80%	80%
Life of the Options (years)	3.00	3.00	2.46	3.46
Expected dividends	Nil	Nil	Nil	Nil
Risk free rate	4.075%	4.075%	4.026%	4.075%
Value per Option	\$0.095	\$0.128	\$0.186	\$0.191
Total Fair Value	\$730,769	\$984,615	\$4,650,000	\$4,775,000

	Reviewed 30-Jun-24	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 15. ACCUMULATED LOSSES	\$	\$	\$
Accumulated losses	(32,709,538)	(7,666,141)	(7,668,654)
Audited balance of K-TIG at 30 June 2024		(32,709,538)	(32,709,538)
<i>Pro-forma adjustments:</i>			
Cash costs paid by K-TIG relating to the October 2024 Notes		(30,000)	(30,000)
<i>Pro-forma adjustments:</i>			
Translated reviewed balance of MPW at 30 June 2024		(4,845,722)	(4,845,722)
Elimination of K-TIG balance upon acquisition		32,709,538	32,709,538
Finance expense - MPW Conversion Shares		(262,500)	(262,500)
Finance expense - MPW shares on conversion of convertible notes issued in April 2023		(120,563)	(120,563)
Finance expense - March 2023 Conversion Shares		(272,662)	(272,662)
Finance expense - June 2024 Conversion Shares		(1,525,244)	(1,525,244)
Finance expense - October 2024 Conversion Shares		(125,000)	(125,000)

	Reviewed 30-Jun-24	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 15. ACCUMULATED LOSSES	\$	\$	\$
Finance expense - White Hutt Transaction Shares		(107,692)	(107,692)
Finance expense - White Hutt DOCA Shares		(161,538)	(161,538)
Director Shares		(76,923)	(76,923)
Costs of the Offer not directly attributable to the capital raising		(138,296)	(140,809)
		25,073,397	25,070,884
Pro-forma Balance		(7,666,141)	(7,668,654)

APPENDIX 6

FINANCIAL SERVICES GUIDE

Dated: 15 January 2025

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, we, us, our). The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$22,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

1300 138 991
www.bdo.com.au

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Annexure B – Intellectual Property Report

Intellectual Property Report



November 20, 2024

1. Intellectual Property Report

1.1 Introduction

Below is a report (the “Report”) providing details and statuses of the intellectual property currently owned by Metal Powder Works (MPW).

Section 1.2 provides the Background and Scope of the Report.

A general explanation of intellectual property and processes for obtaining intellectual property is provided in **Section 1.3** of the Report.

A summary of the intellectual property owned by MPW is provided in **Section 1.4** of the Report.

Section 1.5 addresses issues that may affect proprietorship of the relevant patent applications in the portfolio.

Section 1.6 provides general comments on Validity of Patents and provides general comments on MPW’s Freedom to Operate.

Section 1.7 outlines Limitations and Qualifications of this Report.

Section 1.8 provides a Statement of Independence by Watershed IP Law, PLLC (“Watershed”).

1.2 Background and Scope

This Report summarizes the status of MPW patents and patent applications.

In compiling this Report, the filing particulars have been confirmed and current status ascertained. The patents and patent applications set out in this section are currently in force, although they are subject to the payment of periodic (mainly annual) fees to maintain them in force.

Watershed has been instructed by MPW to prepare the Report for inclusion in a prospectus to be issued by MPW.

To the best of our knowledge the Report is accurate as of its date, subject to the limitations and qualifications set out in section 1.7. Watershed is not aware of any material changes expected to occur to the status of the matters outlined below, except where indicated.

1.3 Intellectual Property

1.3.1 Meaning of Intellectual Property

The term “intellectual property” refers to a group of registerable and non-registerable rights, including rights in patents, designs, trademarks, plant varieties, copyright, confidential information and trade secrets.

Intellectual property has many of the characteristics possessed by real and personal property. Intellectual property is an asset, which may be bought, sold, licensed, exchanged or otherwise transferred as other forms of property. Accordingly, an intellectual property owner has the right to prevent the unauthorized use or sale of its property by third parties.

This Report is only directed to the MPW intellectual property which is in the form of patents or patent applications.

1.3.2 Patents

Patents cover inventions and provide a temporary monopoly in exchange for an inventor’s full disclosure of the invention to the public. A patent provides protection for novel (new), inventive (non-obvious), and useful inventions for a fixed period, which is typically up to 20 years. For certain inventions, this period may be extended. To maintain a pending application or patent, it is necessary to pay renewal fees, usually on an annual basis. Patents may be granted in relation to a wide range of subject matters, such as new or improved products or new uses for products and methods. Such subject matter must, however, be industrially applicable.

A patent cannot yet be granted on a worldwide basis. Patents must be obtained in every country/jurisdiction/region where protection is required. Although there is a certain amount of harmonization between the patent granting procedures and standards throughout the world, there are differences regarding the test for patentability. Accordingly, patent scope may vary by jurisdiction, and indeed a patent may not be granted in a particular jurisdiction for failure to comply with the relevant standards.

1.3.3 Patenting Process

In most countries, the process of protecting patent rights begins with the submission of an initial patent application comprising a patent specification describing the invention. Filing a patent application (provisional or complete), or other initial patent application establishes a priority date for the invention.

A fundamental requirement of most patent systems is that the invention is novel and inventive (non-obvious) at the time of filing, relative to what was publicly known or used at the date of the application. Accordingly, it is imperative that the specification contains a full disclosure of the

invention. A patent specification generally consists of a description of the invention and claims that indicate the scope of the protection conferred, or protection sought, for the invention so disclosed.

Once the initial application has been filed, further applications in additional jurisdictions must be filed within twelve (12) months, pursuant to an international Treaty called the Paris Convention, otherwise rights to the invention may be lost in those jurisdictions. In this regard, the Paris Convention provides that the filing of an initial patent application establishes a priority date for the invention in all other jurisdictions which are party to this Convention, including countries such as the USA, Canada, Japan, China, South Korea and Australia, as well as regions such as Europe and Eurasia.

The filing of further patent applications in additional jurisdictions may be pursued individually or in some instances by filing an application with a regional patent office that does the work for several countries, such as the European Patent Office and the African Regional Industrial Property Organization. The Patent Cooperation Treaty (PCT) may also be utilized for the filing of a single international patent application (PCT application). The PCT application reserves the applicant's rights to file individual applications in over 150 countries. Filing individual applications following the filing of a PCT application is known as entering the national or regional phase. If protection is also desired in the relatively few countries not covered by a PCT application, the applicant can file complete applications directly in those countries in parallel with the PCT application.

Once a PCT application has been filed it is subjected to what is called an "international search", carried out by one of the major patent offices (i.e., USPTO, EPO, CIPO). The search results are then communicated to the patent applicant in an "International Search Report", which is a listing of published documents that might affect the patentability of the invention claimed in the international application. The International Search Report is accompanied by a "Written Opinion", setting out why the list of published documents are considered relevant. On the basis of the International Search Report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the International Search Report, published by the International Bureau.

If the applicant decides to continue with the PCT application, then, within thirty (30) months of the initial patent application filing date, the PCT application must enter the national or regional phase via filings at individual national or regional patent offices. In most jurisdictions (including Canada and the USA), the deadline is 30 months; in others (Australia and the European Union) it is 31 months. At national or regional phase entry, standard documentation and fee requirements need to be satisfied in each jurisdiction, and in non-English speaking jurisdictions that will likely include translating the PCT specification into the local language. Failure to enter the applicable

national or regional phase in a jurisdiction will typically result in abandonment of the ability to secure patent protection in such jurisdiction.

The national or regional applications progress under the jurisprudence and legislation of each jurisdiction. In most jurisdictions, such as Australia, Europe, United States, Canada, and Japan, examination by the relevant patent office comprises an examination of the art from which the invention pertains as it existed at the priority date of the application. Examination establishes what is referred to as the “state of the art”. The patent application is measured against the state of the art and an assessment is made regarding whether the invention described in the application is novel, inventive (non-obvious), useful and relates to patentable subject matter in that jurisdiction. Therefore, the time required to complete the process of examination differs by jurisdiction and the scope of protection may differ depending upon the local laws. In general, it will take several years from the date of application until the patent is actually granted/registered.

With respect to regional applications, like the European application, this involves filing a single application designating any of the countries that are signatories to the Convention covering that region. The single application is subjected to examination, and assuming that the application is allowed, it will proceed to the grant phase. The applicant can then elect to have patents validated in all or some of the originally designated countries, and the individual patents then function as though they were patents granted under standard national procedures.

As of June 1, 2023, a European patent may be registered in the EPO in the 18 EU Member States which have ratified the Agreement in a Unified Patent Court (UPC Agreement). The new Unitary Patent is based on the European patent granted by the EPO under the rules of the European Patent Convention (EPC). After a European patent is granted, the patent proprietor/applicant can request unitary effect, thereby getting a European patent with unitary effect (Unitary Patent) that provides uniform patent protection in the initial 18 EU Member States.

1.3.4 Granted Patents: Renewal Fees, Exploitation and Enforcement

It is generally necessary to pay renewal fees on a granted or registered patent, otherwise the patent will lapse.

A patent owner has the exclusive right to use the patented technology throughout the lifetime/term of a patent. This means that the owner can decide to exclusively use it for their own benefit and prevent others from using it. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid for the use of it.

Enforcement of patent rights vary from jurisdiction to jurisdiction. The remedies for unauthorized use, or patent infringement, available to the patent owner often include an injunction, which stops further infringement of the patent, damages or account of profits, and costs.

1.4 MPW Intellectual Property Portfolio

1.4.1 Overview of MPW Patented Technologies

The MPW patent portfolio consists of seventeen worldwide assets with eight grants and nine applications in prosecution. The technology described in the patents relate to methods and apparatus for producing powders with a narrow powder size distribution and particle uniformity and with low porosity to enhance efficiency of three-dimensional (3-D) additive printing and manufacturing. Production of powders is accomplished by providing a ductile cast, wrought, or extrudable material in the form of an elongated workpiece or wrought metal rod comprised of steel, nickel, aluminum, titanium, platinum, rhenium, niobium, uranium, rare earth elements, and alloys thereof, polymers, or ceramics. The elongated workpiece is rotated or vibrated and exposed to multiple reciprocating cutters distributed radially or a rotating disk, that is repeatedly placed in contact with the workpiece at specified frequencies to attrit the workpiece and produce uniform low-porosity particles with 95% of the produced particles have a diameter or maximum dimension ranging from about 10 μm to about 200 μm . The process conditions can be modified to form particles with a specified spheroid shape distribution. Additionally, the particles, when formed, can subsequently be further exposed to heat, abrasion, or chemicals resulting in processed particles with an appropriate spheroid or globular shape and distribution that exhibit tailored flow characteristics for enhanced efficiency and speed of production of additive manufactured products.

The identified MPW patents and patent applications have been assigned to MPW as of public record at the USPTO, and all foreign counterparts are covered by such assignments. Each of the MPW issued patents have been confirmed as active and in force and annuity fee payments are current. Each of the MPW pending patent applications have been confirmed as active and in prosecution in the respective worldwide patent offices.

There are four issued United States patents, one pending United States patent application, two issued Japanese patents, two issued Indian patents, two pending Australian patent applications, two pending Brazilian patent applications, two pending European patent applications, and two pending South Korean patent applications.

All of the MPW patents and patent applications claim the benefit of, and are related to, two United States Provisional patent applications filed on the same day, to wit, April 4, 2018. These two Provisional patent applications were assigned serial numbers 62/652,473 (“SYSTEM AND METHOD FOR MANUFACTURING DUCTILE METALLIC POWDER”) and 62/652,483 (“SYSTEM AND METHOD FOR MANUFACTURING METALLIC POWDER”). As is legally required under International Treaty and individual country and regional laws, these two United States Provisional patent applications were converted to United States utility patent applications one year from the filing dates of the Provisional patent applications, to wit, April 4, 2019.

Three such United States Utility patent applications were filed in the United States Patent and Trademark Office on April 4, 2019. A PCT application entitled “SYSTEM AND METHOD FOR MANUFACTURING POWDERS FROM DUCTILE MATERIALS” (assigned International Application Number PCT/US2019/052790, published as WO 2019/195550 A1), a PCT application entitled “SYSTEM AND METHOD FOR POWDER MANUFACTURING” (assigned International Application Number PCT/US2019/025805, published as WO 2019/195559 A1), and a United States Utility patent application entitled “SYSTEM AND METHOD FOR POWDER MANUFACTURING” (assigned United States serial number 16/375,168, published as United States Patent Application Publication US 2019/0308245, which issued as United States Patent number 11,559,837).

Other patent applications which properly claim the benefit of the two United States Provisional patent applications were filed in various countries on April 4, 2019, under the Paris Convention. These are MPW’s patent applications in Australia, Brazil, the European Patent Office, Japan, and Korea. Two Indian patent applications, which resulted in the two aforementioned Indian patents, were properly filed in the Indian Patent Office on October 23, 2020, which was in the 31st month from the filing of the United States Provisional applications and which further relied on the PCT applications also mentioned above.

Thus, all of the MPW patent applications on a worldwide basis satisfied the legal requirements for properly claiming the benefit of the filing date of the two United States Provisional patent applications.

1.4.2 Patent Summary

1.4.2.1 MPW Active Patent Assets

Country	Publication Number	Priority Date	Filed Date	Status
Australia	AU2019247379A1	4/4/18	4/4/19	Pending Application
Australia	AU2019247388A1	4/4/18	4/4/19	Pending Application
Brazil	BR112020020413A2	4/4/18	4/4/19	Pending Application
Brazil	BR112020020414A2	4/4/18	4/4/19	Pending Application
EPO	EP3781339A1	4/4/18	4/4/19	Pending Application
EPO	EP3774137A1	4/4/18	4/4/19	Pending Application
India	IN513747B	4/4/18	10/23/20	Issued Patent
India	IN523826B	4/4/18	10/23/20	Issued Patent
Japan	JP7335320B2	4/4/18	4/4/19	Issued Patent
Japan	JP7335321B2	4/4/18	4/4/19	Issued Patent
Korea	KR20200130457A	4/4/18	4/4/19	Pending Application
Korea	KR20200130458A	4/4/18	4/4/19	Pending Application
USA	US11559837B2	4/4/18	4/4/19	Issued Patent
USA	US11648610B2	4/4/18	4/4/19	Issued Patent
USA	US12059725B2	4/4/18	12/19/22	Issued Patent
USA	US12023731B2	4/4/18	4/6/23	Issued Patent
USA	US20240367224A1	4/4/18	7/16/24	Pending Application

1.4.2.2 Issued Patents

US 11,559,837

This patent contains twenty-one claims, including one independent claim. Independent claim 1 covers a method for powder production by providing an elongated workpiece comprising a first end, a second end, and a side surface extending between the first end and the second end; and repeatedly contacting the side surface of the elongated workpiece with a plurality of reciprocating cutters according to a predetermined at least one frequency to produce a powder comprising a plurality of particles. The plurality of reciprocating cutters are aligned parallel to a longitudinal axis of the elongated workpiece and move in a direction orthogonal to the longitudinal axis of the elongated workpiece, wherein the predetermined at least one frequency for the reciprocating cutters is at least 10 kHz, and wherein at least 95% of the produced particles have a diameter or maximum dimension ranging from about 10 μm to about 200 μm .

US 11,648,610

This patent contains twenty-five claims, including one independent claim. Independent claim 1 covers a method for producing powder by providing a plurality of elongated members comprising

a ductile metal material; providing a rotating or vibrating disk configured to repeatedly cut ends of the plurality of elongated members to produce particles, wherein the disk comprises a proximal surface, a distal surface, and a plurality of holes, each of which is configured to receive one of the plurality of elongated members. The longitudinal axes of the plurality of elongated members are transverse to the proximal surface or the distal surface of the rotating or vibrating disk, and the ends of the plurality of elongated members are advanced, or the disk is advanced towards the other of the ends of the plurality of elongated members, such that the ends of the plurality of elongated members are inserted through the plurality of holes of the disk in order to cut the particles from the ends of the plurality of elongated members to produce the powder. The powder comprises a plurality of particles having a diameter or maximum dimension ranging from about 10 μm to about 200 μm .

US 12,059,725

This patent contains twenty claims, including one independent claim. Independent claim 1 covers a system for producing a powder comprising a plurality of particles, the system comprising at least one cutter configured to contact a side surface of a wrought, cast, or extruded workpiece which is adapted to remove particles from the workpiece. The workpiece further comprises a first end, a second end, and the side surface extends therebetween. At least one driver mechanically coupled to the at least one cutter causes the cutter to reciprocally move into contact with and away from the workpiece at a selected frequency of at least 10 kHz. A controller electrically connected to the at least one driver comprises a visual display that provides a user interface, the controller being further configured to cause the at least one driver to move the at least one cutter reciprocally into contact with and away from the workpiece according to one or more operating parameters determined by the controller based on inputs received via the user interface, wherein the repeated contact between the workpiece and the at least one cutter produces the powder comprising the plurality of particles. At least 95% of the plurality of particles have a diameter ranging from about 10 μm to about 200 μm .

US 12,023,731

This patent contains twenty claims, including five independent claims (claims 1, 16, 17, 18 and 20). Each of the five independent claims is directed to a different embodiment of a system for producing powder comprising particles. The broadest of the independent claims is claim 18. Claim 1 is slightly narrower than claim 18 in that it requires a driver coupled to at least one cutter for vibrating the at least one cutter at a selected ultrasonic frequency comprising a tuned sonotrode (a device that creates ultrasonic vibrations that can be applied to materials) driven to resonance configured to cause the at least one cutter to oscillate back and forth at the selected vibration frequency. Claim 18 requires a driver but the driver of claim 18 is not limited to a tuned sonotrode driven to resonance. Claim 18 contains the limitation that a cutter comprises a plurality of holes

configured to receive a plurality of elongated members wherein the holes have a diameter or maximum dimension ranging from 10 μm to 200 μm . This limitation is not found in claim 1. Thus, independent claim 18 covers a system for producing powder comprising particles, the system comprising at least one cutter configured to repeatedly cut ends of a plurality of elongated members comprising a ductile material to produce the particles, wherein the at least one cutter comprises a proximal surface, a distal surface, and a plurality of holes, wherein the plurality of holes are configured to receive the plurality of elongated members and have a diameter or maximum dimension ranging from 10 μm to 200 μm . A driver is coupled to the at least one cutter for rotating or vibrating the at least one cutter at a selected frequency and a feed assembly is provided for advancing the plurality of elongated members towards the at least one cutter. At least one controller is in communication with the driver and the feed assembly, wherein the at least one controller is configured to cause the feed assembly to move the plurality of elongated members towards the at least one cutter at a selected feed rate and/or cause the driver to vibrate or rotate the at least one cutter at the selected frequency.

JP7335320

This Japanese patent contains twenty-three total claims, including two independent claims. Independent claims 1 and 16 cover methods and systems for producing powder containing a plurality of particles of metallic, ductile material from elongated members having a diameter or largest dimension in the range of 10 μm to 200 μm . The system to produce such particles comprises a proximal surface, a distal surface and a plurality of openings configured to repeatedly cut ends of the plurality of elongated members to produce particles, and vibrating or rotating discs each configured to receive one of said plurality of elongated members, said plurality of elongated members providing said vibrating or rotating disc with orthogonal, longitudinal axes. The ends of the plurality of elongated members are advanced toward the disc so that the ends of the plurality of elongated members are inserted into the plurality of openings in the disc and the particles are cut from the ends of the plurality of elongated members by advancing toward the ends of the shaped members to produce a powder comprising a plurality of particles.

JP7335321

This Japanese patent contains twenty-seven total claims, including two independent claims. Independent claims 1 and 20 cover shaped workpieces and a plurality of reciprocating cutters operating according to at least one predetermined frequency, for powder production, by providing an elongated workpiece comprising a first end, a second end, and a side surface extending between the first end and the second end. The side surface repeatedly contacts the plurality of reciprocating cutters, wherein the resulting powder comprises a plurality of particles such that at least 95% of the total number of the plurality of particles produced have a diameter or largest dimension in the range of 10 μm to 200 μm . The plurality of reciprocating cutters are aligned parallel to a

longitudinal axis of the elongated workpiece and move in a direction perpendicular to the longitudinal axis of the elongated workpiece. At least one predetermined number of oscillations of the plurality of reciprocating cutters is at least 10kHz.

IN513747

This Indian patent contains twenty-eight total claims, including two independent claims. Independent claims 1 and 21 cover systems and methods for powder production by providing a plurality of elongated members comprising a ductile material; providing a rotating or vibrating disk configured to repeatedly cut ends of the plurality of elongated members to produce particles, wherein the disk comprises a plurality of holes each of which is configured to receive one of the plurality of elongated members; and advancing The ends of the plurality of elongated members or the disk are advanced towards the other so that the ends of the plurality of elongated members are inserted through the plurality of holes of the disk in order to cut the particles from the ends of the plurality of elongated members to produce a powder. The powder comprises a plurality of particles having a diameter or maximum dimension ranging from about 10 μm to about 200 μm . The system further comprises a driver for vibrating or rotating the disk at a predetermined frequency, and a controller connected to the driver and to a linear actuator. This arrangement causes the linear actuator to move the plurality of elongated members towards the disk at a predetermined feed rate to cause the disk to vibrate or rotate at the predetermined frequency.

IN523826

This Indian patent contains thirty-three total claims, including two independent claims. Independent claims 1 and 26 cover systems and methods for powder production by providing an elongated workpiece comprising a first end, a second end, and a surface extending between the first end and the second end; and repeatedly contacting the surface of the elongated workpiece with a plurality of reciprocating cutters according to a predetermined at least one frequency to produce a powder comprising a plurality of particles. The plurality of reciprocating cutters are aligned parallel to a longitudinal axis of the elongated workpiece and move in a direction orthogonal to the longitudinal axis of the elongated workpiece, wherein the predetermined at least one frequency for the plurality of reciprocating cutters is at least 10 kHz, and wherein at least 95% of the produced particles have a diameter or maximum dimension ranging from about 10 μm to about 200 μm as determined by a sensor.

1.4.2.3 Pending Applications

US18/774,280

This United States patent application patent application (published as US20240367224 A1) covers systems for producing powder particles by providing at least one cutting tool comprising a flat, triangular shaped, or rounded leading edge configured to contact a surface of a workpiece to

produce powder particles, at least one tuned sonotrode excited to an ultrasonic frequency and mechanically coupled to the at least one cutting tool, and at least one controller electrically connected to the at least one tuned sonotrode configured to cause the at least one tuned sonotrode to move the at least one cutting tool reciprocally into contact with and away from the surface of the workpiece at the ultrasonic frequency.

EP19780849 A

This European patent application (published as EP3781339 A1) as filed covers systems and methods for powder production by providing at least one elongated member comprising a ductile material; providing a rotating or vibrating cutter configured to repeatedly cut an end of the at least one elongated member to produce particles; and advancing one of the at least one elongated member or the cutter towards the other of the at least one elongated member or the cutter to cut the particles from the at least one elongated member to produce a powder comprising a plurality of the particles having a diameter or maximum dimension ranging from about 10 μm to about 200 μm . This application contains claims that have been currently amended during prosecution.

EP19782177 A

This European patent application (published as EP3774137 A1) as filed covers systems and methods for powder production by providing an elongated workpiece; and repeatedly contacting an outer surface of the elongated workpiece with a reciprocating cutter according to a predetermined at least one frequency to produce a powder comprising a plurality of particles, wherein at least 95% of the produced particles have a diameter or maximum dimension ranging from about 10 μm to about 200 μm . This application contains claims that have been currently amended during prosecution.

KR202070305589 A

This Korean patent application (published as KR20200130457) as filed covers systems and methods for producing a powder by providing at least one elongated member comprising a soft material by providing a rotary or vibrating cutter configured to repeatedly cut an end of the at least one elongated member to produce particles. The powder preferably comprises a plurality of particles having a diameter or maximum dimension of about 10 μm to about 200 μm .

KR20207030590 A

This Korean patent application (published as KR20200130458) as filed covers systems and methods for producing a powder by repeatedly contacting an outer surface of an elongated workpiece with a reciprocating cutter according to at least one predetermined frequency to produce the powder containing a plurality of particles at least 95% of which have a diameter or maximum dimension of approximately 10 μm to about 200 μm .

AU2019247379 A

This Australian patent application (published as AU2019247379) as filed covers systems and methods for powder production by providing at least one elongated member comprising a ductile material; providing a rotating or vibrating cutter configured to repeatedly cut an end of the at least one elongated member to produce particles; and advancing one of the at least one elongated member or the cutter towards the other of the at least one elongated member or the cutter to cut the particles from the at least one elongated member to produce a powder comprising a plurality of the particles having a diameter or maximum dimension ranging from about 10 μm to about 200 μm . This application contains claims that have been currently amended during prosecution.

AU2019247338 A

This Australian patent application (published as AU2019247338) as filed covers systems and methods for powder production by providing an elongated workpiece; and repeatedly contacting an outer surface of the elongated workpiece with a reciprocating cutter according to a predetermined at least one frequency to produce a powder comprising a plurality of particles, wherein at least 95% of the produced particles have a diameter or maximum dimension ranging from about 10 μm to about 200 μm . This application contains claims that have been currently amended during prosecution.

BR112020020413 A

This Brazilian patent application (published as BR 112020020413) as filed covers systems and methods for powder production by repeatedly contacting an outer surface of an elongated workpiece with an alternating cutter according to at least one predetermined frequency to produce the powder containing a plurality of particles at least 95% of which have a diameter or maximum dimension of approximately 10 μm to about 200 μm .

BR112020020414 A

This Brazilian patent application (published as BR 112020020414) as filed covers systems and methods for powder production by providing at least one elongate member of a ductile material and cutting repeatedly one end of the at least one elongate, ductile material with a rotary or vibratory cutter to produce particles. Either the at least one elongate member or the cutter is advanced towards one another for cutting the particles of the at least one elongated member to produce a powder comprising a plurality of particles having a maximum diameter or size ranging from 10 μm to 200 μm .

1.5 Proprietorship – Chain of Title

Typically, a patent for an invention may only be granted to the inventor(s) or to a person who has entitlement to the invention by way of assignment, employment contract or other means. We have

reviewed publicly available assignment information and documents and any information provided by MPW, and are satisfied that the Company enjoys ownership of the above-noted patent applications.

It is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. We are not aware of any issues regarding the ownership or entitlement with respect to the intellectual property rights listed above.

1.6 Validity and Freedom to Operate

The ultimate validity of a patent cannot be guaranteed and various legal mechanisms exist to challenge their validity. For example, validity of patents (or patent applications) may be challenged in the following ways:

- I. during examination, or re-examination;
- II. in opposition proceedings after acceptance or grant;
- III. in court during revocation proceedings brought by a third party; or
- IV. in court during infringement proceedings initiated against an alleged infringer.

As at the date of this Report, we are not aware of any litigation being commenced with respect to any patent rights referred to in this Report. Assessments with respect to the validity of the MPW patents or the scope of the pending MPW patent applications have not been conducted. Additionally, freedom to operate searches and opinions have also not been conducted.

1.7 Report Limitations and Qualifications

1.7.1 Information Sources

In preparing this Report, in addition to reviewing the materials provided by MPW, we relied upon information contained in relevant publicly available databases and registers with respect to the intellectual property rights listed above. We are not responsible for the accuracy of the information available in public databases or registers and accordingly cannot guarantee the accuracy of this information.

1.7.2 Jurisdictional Requirements

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of a patent. For example, the assessment of patentability varies from jurisdiction to jurisdiction, and inventions, which may be granted and registerable in one jurisdiction, may be excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of protection obtained for the same patents in different jurisdictions. The outcome of examination of the patent application by the office of one jurisdiction

is not binding on the office of any other jurisdiction. Similarly, international PCT searches and examination reports are not binding on national patent applications during examination in the national phase.

In some jurisdictions there is a duty to disclose certain information to the relevant patent office. This information can include relevant prior art information known to the applicant or its agents, or search results issued in respect of corresponding foreign applications. Failure to disclose such information may adversely affect the validity and/or enforceability of the patent.

There may be changes to patent law and its interpretation by the courts in a particular jurisdiction from time-to-time, which may have an impact on patents in the relevant jurisdiction.

1.7.3 Patentability Search Limitations

A patentability search, such as those carried out by various patent offices, cannot be guaranteed to locate all prior art that may exist which is potentially relevant to the assessment of novelty and inventive step of a claimed invention. Such searches are generally computer-based searches and are dependent on the database search strategy and the coverage provided by the databases used. For example, the databases may not cover older published documents and/or certain jurisdictions. Further, patentability searching is subject to the accuracy of records, as well as the indexing and classification of the subject matter comprising the records. The scope of each search is also dependent on the search strategy utilized and, for example, the keyword(s) selected for the search.

Besides documentary prior art, commercialization of secret use of an invention by, or with the authority of, a patent applicant (or their predecessor in title), public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures.

Accordingly, although patentability searches provide a reasonable indication of patentability, it is not possible to guarantee that every relevant prior art record has been located and considered. As a result, any conclusions regarding the validity of the claims of a particular patent, based on patent office searches, should be regarded as indicative rather than conclusive.

Further, non-provisional patent applications are not normally published until at least 18 months from the earliest acceptable priority date. Accordingly, a patentability search would not normally identify any third party patent application that is potentially relevant to the assessment of patentability that has a priority date which is less than 18 months prior to the date of the patentability search. Delays between official publication and the incorporation of information into the relevant database can also occur, which means that some documents may not be located in a patentability search.

1.7.4 Freedom to Operate

The grant of patent rights as referred to in this Report provides no guarantee that MPW is entitled to freely use and commercialize its products or methods. If additional third party patents or patent applications are identified that contain claims or have a scope that is infringed by MPW and the claims are valid, MPW may be unable to obtain licenses to these patents or patent applications at a reasonable cost, if at all, and may also be unable to develop or obtain alternative technology. If such licenses cannot be obtained at a reasonable cost, the business could be significantly impacted.

1.8 Statement of Independence

Watershed IP Law, PLLC, established in 2015, is a high-tech firm focused on providing intellectual property counseling and services.

We have given our consent to the issue of the Prospectus with this Report appearing therein.

This is an independent report. When considering this Report, it should be noted that:

1. The involvement of Watershed in the preparation of the Prospectus is limited solely to the preparation of this Report.
2. Watershed and the writer have no interest in MPW. However, Watershed will be paid normal commercial fees for the preparation of this Report and those fees are not contingent upon the outcome of the Prospectus.
3. The giving of our consent to the inclusion of this Report in the Prospectus should not be taken as an endorsement by Watershed of MPW or the technologies covered by the patents and applications which is the subject of the Report, and is not a recommendation by Watershed of the merits of any investment in MPW.
4. Watershed gives no assurance or guarantee whatsoever in respect of the future success or financial returns associated with the acquiring the shares being offered pursuant to this Prospectus.

Yours sincerely,

Watershed IP Law, PLLC

David Sasso

/s/ Jeffrey Navon

Counsel

Annexure C – Independent Expert Report

10 January 2025

The Directors
K-TIG Limited
Level 5, 191 St Georges Tce
Perth WA 6000

Dear Directors,

Independent Expert's Report Relating to the Issue of Performance Securities

1 Executive Summary

Opinion

- 1.1 In our opinion, the issue of performance securities by K-TIG Limited (to be renamed Metal Powder Works Limited) ("**K-TIG**" or the "**Company**") as outlined in Resolution 4 of the Notice of Meeting ("**NoM**") is considered **FAIR** and **REASONABLE** to the non-participating security holders of K-TIG ("**Non-Participating Security Holders**") as at the date of this report.

Introduction

- 1.2 Stantons Corporate Finance Pty Ltd ("**Stantons**") were engaged by the directors of K-TIG to prepare an Independent Expert's Report ("**IER**") to express an opinion on the fairness and reasonableness of the issue of performance securities in the Company to Non-Participating Security Holders.
- 1.3 K-TIG is an Australian Securities Exchange ("**ASX**") listed company that has commercialised a high-speed welding technology. The Company offers fully integrated turnkey welding systems to clients across a range of industries globally. The Company has been suspended from trading on ASX since 27 January 2023, as it sought to undertake a transaction to acquire Graham Engineering Limited. The Graham Engineering Limited transaction ultimately did not complete, and the Company entered voluntary administration on 21 February 2024. A Deed of Company Arrangement was effectuated on 16 April 2024 (the "**DOCA**") and control was returned to the existing directors.
- 1.4 K-TIG has entered into a share purchase agreement ("**SPA**") with the major shareholders of Metal Powder Works, Inc ("**MPW**"), to acquire 100% of the issued capital of MPW (the "**Acquisition**"). MPW is a Pennsylvania, USA based company that specialises in the production of high-quality metal powders for additive manufacturing ("**AM**"), also referred to as 3D printing, and other advanced applications.
- 1.5 Prior to the Acquisition, the Company proposes to undertake a 13 to 1 consolidation of its existing capital (the "**Consolidation**"). Upon completion of the Consolidation, the Company will have 5,640,647¹ post-Consolidation ordinary shares on issue (the "**Existing Ordinary Shares**"). We note that all references to ordinary shares in this IER refer to post-consolidation ordinary shares unless otherwise specified.

¹ Subject to rounding

- 1.6 The consideration proposed to be issued to the vendors of MPW under the Acquisition comprises:
- i) 55,000,000 ordinary shares (the "**Consideration Shares**");
 - ii) 25,000,000 performance rights, a percentage of which vest based on MPW achieving revenue of at least US\$3,000,000 for the 2026 calendar year and the Company's shares achieving a 20-day volume weighted average price ("**VWAP**") of at least \$0.20 following achievement of the revenue condition ("**Tranche 1 Performance Rights**"); and
 - iii) 25,000,000 performance rights, a percentage of which vest based on MPW achieving revenue of at least US\$8,000,000 for either the 2026 calendar year or 2027 calendar year, and the Company's shares achieving a 20-day VWAP of at least \$0.20 following achievement of the revenue condition ("**Tranche 2 Performance Rights**").
- 1.7 The Acquisition is contingent upon shareholder approval being obtained for a number of inter-conditional resolutions, being Resolutions 1 to 4 (inclusive), Resolutions 8 to 17 (inclusive) and Resolution 19 (collectively, the "**Transaction Resolutions**"). Proposed new issues of securities that are the subject of the Transaction Resolutions ("**Required Security Issues**") comprise:
- i) a minimum of 35,000,000 ordinary shares under a public offer at \$0.20 per share, to raise at least \$7,000,000² before costs (the "**Public Offer**");
 - ii) 7,692,308 ordinary shares ("**March 2023 Conversion Shares**") and 7,692,308 options ("**March 2023 Conversion Options**") to be issued to the holders of 2,000 convertible notes issued by K-TIG on 15 March 2023, each with a face value of \$1,000 ("**March 2023 Notes**") upon conversion;
 - iii) 7,692,308 ordinary shares ("**June 2024 Conversion Shares**") and 7,692,308 options ("**June 2024 Conversion Options**") to be issued to the holders of 1,000 convertible notes issued post-effectuation of the DOCA, each with a face value of \$1,000 ("**June 2024 Notes**") upon conversion;
 - iv) 3,125,000 ordinary shares ("**October 2024 Conversion Shares**") to be issued to the holders of 500 convertible notes issued by K-TIG on 30 October 2024, each with a face value of \$1,000 ("**October 2024 Notes**") upon conversion; and
 - v) 6,562,500 ordinary shares ("**MPW Conversion Shares**") to be issued to holders of 1,050 convertible notes issued by MPW in November 2024, each with a face value of \$1,000 ("**MPW Notes**") upon conversion.
- 1.8 In addition to the Required Security Issues, the Company is also proposing, subject to shareholder approval, to issue the following securities ("**Other Security Issues**"):
- i) 1,346,154 ordinary shares to White Hutt Pty Ltd for providing corporate advisory services ("**White Hutt Shares**");
 - ii) 1,345,057 ordinary shares to Ventnor Equities & Advisory Pty Ltd for providing corporate advisory services ("**Ventnor Shares**");
 - iii) 550,000 ordinary shares to Powerhouse Ventures Limited as a facilitator fee for introducing the Acquisition ("**Powerhouse Ventures Shares**"); and
 - iv) 384,616 ordinary shares to directors of K-TIG in lieu of accrued directors' fees ("**Director Shares**").
- 1.9 Collectively, the Acquisition, Required Security Issues and Other Security Issues are referred to as the "**Transaction**".

² The maximum subscription under the Public Offer is 50,000,000 ordinary shares at \$0.20, to raise \$10,000,000 (before costs)

Purpose

- 1.10 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.
- 1.11 Pursuant to ASX Guidance Note 19 ("**GN19**"), with respect to the issue of performance securities, unless certain exceptions are applicable, ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtain a report from an independent expert that complies with the requirements in the Australian Securities and Investment Commission ("**ASIC**") Regulatory Guide 111 *Content of expert reports* ("**RG 111**").
- 1.12 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has, or proposes to have, performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.
- 1.13 If the Transaction completes, the Tranche 1 Performance Rights and Tranche 2 Performance Rights (collectively, the "**Performance Securities**") will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG's ordinary shares.
- 1.14 Accordingly, on re-admission to the ASX, K-TIG will have performance securities on issue exceeding 10% of its total issued capital at the date of re-admission.
- 1.15 This IER provides an opinion on the fairness and reasonableness of the issue of the Performance Securities.

Basis of Evaluation

- 1.16 With regard to ASIC's RG 111, we do not consider the issue of Performance Securities to be a control transaction, and we therefore consider the Performance Securities to be:
 - fair if the value of a K-TIG ordinary share at the time the milestones are achieved is greater than the value of an ordinary share on completion of the Transaction; and
 - reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Participating Security Holders to accept the Performance Securities terms.

Fairness Assessment

- 1.17 The fair value of a K-TIG share on completion of the Transaction was determined using a market based method based on the Company's proposed issue price of the Public Offer. Accordingly, we assessed the fair value on completion of the Transaction to be \$0.20.
- 1.18 The fair value of a K-TIG share as at the date of meeting all vesting conditions was assessed based on the expected market price upon the achievement of the vesting condition which is pre-determined by definition. Accordingly, the fair value was assessed as the VWAP hurdle price.

Table 1. K-TIG Fair Value on Achieving Milestones

Performance Security	Minimum value on achieving milestone (\$)
Tranche 1 Performance Rights	0.20
Tranche 2 Performance Rights	0.20

Source: Stantons analysis

- 1.19 Accordingly, as the assessed fair value of each tranche of Performance Rights on achieving the respective vesting condition is greater than or equal to the price as at completion of the Transaction, we consider the issue of the Performance Securities is **FAIR** to Non-Participating Security Holders.
- 1.20 We note the conversion of Performance Securities into ordinary shares will have a dilutive impact on the non-participating ordinary shareholders. We have not included a dilution factor adjustment in our fairness assessment as knowledge of the Performance Securities, and therefore their potential dilution impact, is incorporated in the Public Offer issue price.

Reasonableness Assessment

- 1.21 We considered the following likely advantages and disadvantages of the issue of Performance Securities to Non-Participating Security Holders.

Table 2. Reasonableness Assessment

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ The Transaction is considered fair ▪ Achievement of the revenue conditions may be value accretive to K-TIG ▪ Facilitates the Transaction ▪ Consideration is structured to align the interests of Non-Participating Security Holders with the vendors of MPW ▪ Issue of ordinary shares on conversion of the Performance Securities is contingent and deferred consideration rather than cash or upfront equity ▪ Reduces risk of Transaction 	<ul style="list-style-type: none"> ▪ Dilution of Non-Participating Security Holder's interests ▪ Eliminates possibility of receiving another superior offer

Source: Stantons analysis

Conclusion

- 1.22 In our opinion, the proposed issue of the Performance Securities is **FAIR** and **REASONABLE** to the Non-Participating Security Holders of K-TIG.

Table 3. Opinion Summary

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Performance Rights	Yes	Fair and reasonable
Tranche 2 Performance Rights	Yes	Fair and reasonable

Source: Stantons analysis

- 1.23 These opinions must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

Financial Services Guide

Dated 10 January 2025

Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be A\$20,000 exclusive of GST.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
40 Kings Park Road
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular, our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives/representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative/representative/employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

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2 Transaction Details

Transaction

- 2.1 K-TIG has entered into the SPA with vendors representing approximately 58% of the outstanding shares of MPW. Under the proposed Transaction, K-TIG will acquire a 100% interest in the issued capital of MPW for the following consideration:
- i) 55,000,000 Consideration Shares; and
 - ii) 50,000,000 Performance Securities, comprising:
 - a) 25,000,000 Tranche 1 Performance Rights, which vest based on:
 - revenue targets (refer to Table 4) for the period commencing on 1 January 2026 and ending on 31 December 2026 ("CY26"); and
 - following achievement of the revenue target, the Company's shares achieve a 20-day VWAP of at least \$0.20; and
 - b) 25,000,000 Tranche 2 Performance Rights, which vest based on:
 - revenue targets (refer to Table 4) for either CY26 or the period commencing on 1 January 2027 and ending on 31 December 2027 ("CY27"); and
 - following achievement of the revenue target, the Company's shares achieving a 20-day VWAP of at least \$0.20.
- 2.2 We note that revenue is defined in the SPA as "*revenue generated by MPW from the business of developing, manufacturing and selling metal powder and powder producing technology through continuing business operations as set out in K-TIG's audited financial statements (expressed in USD), but does not including the revenue generated from operations of any other businesses that may be acquired by MPW or K-TIG after completion of the Transaction*" ("**Revenue**").
- 2.3 Conditions precedent to completion of the SPA include:
- i) the Company completing due diligence on MPW to its satisfaction;
 - ii) the minority sellers of MPW entering into a minority shareholder agreement with the Company;
 - iii) the Company raising a minimum of \$7,000,000 under a public offer in connection with the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
 - iv) the Company obtaining all necessary regulatory approvals, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules and receiving a conditional reinstatement letter from the ASX;
 - v) the Company obtaining shareholder approval for all necessary resolutions to give effect to the Transaction;
 - vi) the Company receiving confirmation from MPW that no adverse change has occurred prior to completion of the Transaction;
 - vii) no breach of seller warranties;
 - viii) K-TIG completing the Consolidation of its issued capital;
 - ix) the parties obtaining all necessary third-party approvals, consents and waivers to allow completion of the Transaction; and
 - x) MPW cancelling all convertible securities, except for the MPW Notes.
- 2.4 On completion of the Transaction, the Company will be renamed Metal Powder Works Limited.

Terms of Performance Securities

- 2.5 As detailed in paragraph 2.1, the Transaction involves the issue of 50,000,000 Performance Securities. The Performance Securities are to be issued for nil consideration and each vested Performance Security is convertible into one ordinary share in K-TIG on or before the expiry date.

Table 4. Performance Securities Details

Security	Number	Exercise price	Expiry date	Vesting conditions	Revenue achieved	Percentage of rights vesting
Tranche 1 Performance Rights	25,000,000	nil	30 June 2027	a) Achievement of Revenue targets for CY26; and	Less than US\$3,000,000	0%
				b) following satisfaction of a), the Company's shares achieve a 20-day VWAP of at least \$0.20	Between US\$3,000,000 and US\$5,000,000	$\left(\frac{\text{CY26 Revenue}}{\text{US\$5,000,000}}\right) \times 100$
					Greater than US\$5,000,000	100%
Tranche 2 Performance Rights	25,000,000	nil	30 June 2028	a) Achievement of Revenue targets for CY26 or CY27 ³ ; and	Less than US\$8,000,000	0%
				b) following satisfaction of a), the Company's shares achieving a 20-day VWAP of at least \$0.20	Between US\$8,000,000 and US\$10,000,000	$\left(\frac{\text{CY26 or CY27 Revenue}}{\text{US\$10,000,000}}\right) \times 100$
					Greater than US\$10,000,000	100%

Source: SPA

- 2.6 Other relevant terms include that the Performance Securities:
- are not transferable, except with the prior written approval of K-TIG at its sole discretion and subject to compliance with the Corporations Act and ASX Listing Rules;
 - do not entitle the holder to receive dividends;
 - holder's rights will be varied in accordance with ASX Listing Rules if there is any reorganisation of the share capital of K-TIG;
 - do not entitle the holder to participate in new issues of capital offered to shareholders including bonus issues and entitlement issues, and there will be no change to the number of shares into which the Performance Securities may be exercised in the event of a pro-rata issue of ordinary shares or other securities to K-TIG shareholders;
 - do not confer any right to a return of capital;
 - do not entitle the holder to participate in the surplus profits or assets of the Company upon a winding up; and

³ To the extent that a Tranche 2 Performance Right is satisfied as a result of Revenue achieved for CY26, the balance of the Tranche 2 Performance Rights will remain on issue and may be satisfied as a result of revenue achieved for CY27.

- may only be exercised into ordinary shares if the holder would not breach section 606 of the Corporations Act, or else the Company must convene a meeting of its shareholders to obtain approval to issue shares for the purpose of item 7 of section 611 of the Corporations Act. If shareholder approval is not obtained to issue shares that would cause a holder to breach section 606 of the Corporations Act, the holder is entitled to a cash payment equal to the number of remaining Performance Rights multiplied by the volume weighted average price of K-TIG share traded on ASX during the 20 trading days on which trades were recorded immediately preceding the date of the shareholder meeting.

Capital Structure Impact

- 2.7 Completion of the Transaction will result in the following new ordinary shares and options being issued by K-TIG.
- i) 35,000,000⁴ ordinary shares to raise \$7,000,000 under the Public Offer;
 - ii) 7,692,308 March 2023 Conversion Shares and 7,692,308 March 2023 Conversion Options to be issued on conversion to the holders of March 2023 Notes;
 - iii) 7,692,308 June 2024 Conversion Shares and 7,692,308 June 2024 Conversion Options to be issued on conversion to the holders of June 2024 Notes;
 - iv) 3,125,000 October 2024 Conversion Shares to be issued on conversion to the holders of October 2024 Notes;
 - v) 6,562,500 MPW Conversion Shares to be issued on conversion to the holders of MPW Notes;
 - vi) 1,346,154 White Hutt Shares;
 - vii) 1,345,057 Ventnor Shares;
 - viii) 550,000 Powerhouse Ventures Shares; and
 - ix) 384,616 Director Shares to K-TIG directors, comprising:
 - a) 192,308 Director Shares to Darryl Abotomey; and
 - b) 192,308 Director Shares to Anthony McIntosh.
- 2.8 The terms of the options are:
- i) March 2023 Conversion Options are each exercisable into 1 ordinary share at an exercise price of \$0.26 (post-consolidation) and have an expiry date of 3 years from the date of conversion of the March 2023 Notes.
 - ii) June 2024 Conversion Options are each exercisable into 1 ordinary share at an exercise price of \$0.13 (post-consolidation) and have an expiry date of 3 years from the date of conversion of the June 2024 Notes.
- 2.9 We have considered the Minimum Subscription for the purpose of the Transaction as this is the scenario that represents the situation of the maximum interest of the Performance Securities.

⁴ Minimum subscription



- 2.10 Accordingly, the Company's proposed capital structure on Completion of the Transaction based on the Minimum Subscription is as set out below.

Table 5. Capital Structure Impact of the Transaction

Security	Number	Undiluted percentage (%)	Partially diluted percentage (%)	Fully diluted percentage (%)
Ordinary shares				
Existing Ordinary Shares	5,640,647	4.54%	3.24%	2.97%
Consideration Shares	55,000,000	44.23%	31.55%	28.96%
Public Offer shares (minimum subscription)	35,000,000	28.15%	20.08%	18.43%
March 2023 Conversion Shares	7,692,308	6.19%	4.41%	4.05%
June 2024 Conversion Shares	7,692,308	6.19%	4.41%	4.05%
October 2024 Conversion Shares	3,125,000	2.51%	1.79%	1.65%
MPW Conversion Shares	6,562,500	5.28%	3.76%	3.46%
White Hutt Shares	1,346,154	1.08%	0.77%	0.71%
Ventnor Shares	1,345,057	1.08%	0.77%	0.71%
Powerhouse Ventures Shares	550,000	0.44%	0.32%	0.29%
Director Shares	384,616	0.31%	0.22%	0.20%
Total new ordinary shares	118,697,943	95.46%	68.08%	62.50%
Total post-Transaction ordinary shares	124,338,590	100.00%	71.32%	65.47%
Performance Securities				
Tranche 1 Performance Rights	25,000,000		14.34%	13.16%
Tranche 2 Performance Rights	25,000,000		14.34%	13.16%
Total Performance Securities	50,000,000		28.68%	26.33%
Total ordinary shares and Performance Securities	174,338,590		100.00%	91.80%
Options				
March 2023 Conversion Options	7,692,308			4.05%
June 2024 Conversion Options	7,692,308			4.05%
Total options	15,384,616			8.10%
Existing performance rights (post-Consolidation)	184,615			0.10%
Total fully diluted ordinary shares	189,907,821			100.00%

Source: NoM, Stantons analysis

3 Scope

Purpose of the Report

- 3.1 If issued, the Performance Securities will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG's ordinary shares on issue at the time of readmission to quotation on ASX, assuming the Minimum Subscription amount is raised under the Public Offer. At the Maximum Subscription amount, the Performance Securities would represent 26.41% of K-TIG's ordinary shares.
- 3.2 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.
- 3.3 Pursuant to ASX GN19, with respect to performance securities, unless certain exceptions are applicable ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtains a report from an independent expert that complies with the requirements in ASIC's RG 111.
- 3.4 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has or proposes to have performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.
- 3.5 ASX GN19 defines a performance security as:

"...a security that converts, or may convert, into a given number of ordinary shares with all the usual rights attached if and when a nominated performance milestone is achieved.

...

An agreement by an entity to issue or transfer ordinary shares in the future if a nominated performance milestone is achieved has the same economic substance and effect as a deliverable performance right and is treated by ASX as if it were a performance security for the purpose of the Guidance Note. This applies even though the parties to the agreement may choose to describe the right to receive ordinary shares under the agreement as something other than "performance right" such as a right to receive "future consideration", "contingent consideration" or "deferred consideration". It also applies even though the agreement may not exhibit the usual hallmarks of a traditional security."

- 3.6 Accordingly, the Performance Securities meet the definition of performance securities under ASX GN19, irrespective of whether actual securities are issued as at the date of the Prospectus.
- 3.7 If the Transaction completes, the Performance Securities will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG's ordinary shares.
- 3.8 This IER provides an opinion on the fairness and reasonableness of the issue of Performance Securities and is attached to the NoM.

Basis of Evaluation

- 3.9 In determining the fairness and reasonableness of the issue of Performance Securities, we have had regard to the guidelines set out by ASIC's RG111.
- 3.10 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.11 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.
- 3.12 We do not consider the issue of the Performance Securities to be a control transaction for the purpose of RG111.

Fairness

- 3.13 To assess whether the proposed issue of Performance Securities is fair in accordance with RG111, we sought to compare:
- the fair market value of a K-TIG ordinary share on completion of the Transaction; with
 - the value of a K-TIG share at the time the performance conditions on the Performance Securities are met.
- 3.14 We note that as the issue of Performance Securities is not a control transaction, no control premium should be applied to the valuation.
- 3.15 Fair market value is defined by the International Glossary of Business Valuation Terms as:
- "The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*
- 3.16 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.
- 3.17 In considering the fairness of the issue of Performance Securities, we have had regard to ASX's GN 19, which states:
- "... ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances."*
- ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue."*

Reasonableness

- 3.18 In accordance with RG111.12, we have defined the proposed Performance Securities issue as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Participating Security Holders to accept the proposal.
- 3.19 We considered whether the advantages to Non-Participating Security Holders of accepting the Performance Securities issue outweigh the disadvantages.

Individual Circumstances

- 3.20 We have evaluated the proposed issue of Performance Securities for Non-Participating Security Holders generically. We have not considered the effect on the circumstances of individual investors. Due to their personal circumstances, individual investors may place different emphasis on various aspects of the proposed issue of Performance Securities from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the proposed issue of Performance Securities is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the proposed issue of Performance Securities on their specific financial circumstances.

4 Profile of K-TIG

History and Principal Activities

Background

- 4.1 K-TIG is an ASX listed technology company that develops, manufactures and supplies high-speed precision welding technology. The Company owns all rights, title and interest in patented Keyhole Tungsten Inert Gas technology that was originally developed by the Commonwealth Scientific & Industrial Research Organisation. K-TIG's welding system improves the efficiency of fabrication processes for clients in a wide variety of industries including aerospace, defence, nuclear, oil & gas and power generation.
- 4.2 The securities of K-TIG were placed into a trading halt on 24 January 2023 pending the release of an announcement and have remained in suspension since.
- 4.3 On 27 January 2023, K-TIG announced that it had entered into a binding agreement to acquire 100% of Graham Engineering Limited, subject to certain conditions precedent (the "**Graham Acquisition**"). Graham Engineering Limited is a UK based specialist advanced manufacturer of highly engineered large scale metal fabrications to the UK nuclear decommissioning sector. Consideration for the Graham Acquisition was proposed to be up to £18,000,000, to be partially funded by a capital raising of \$20,000,000 under a full form prospectus. As a result of the Graham Acquisition, the Company was required to re-comply with ASX Listing Rules 1 and 2.
- 4.4 The Company released a prospectus to raise a minimum of \$20,000,000 and a maximum of \$25,000,000 at \$0.20 per share on 12 May 2023. Following an amendment to the transaction terms the Company issued a supplementary prospectus on 24 July 2024, which included decreasing the minimum subscription to \$13,000,000. K-TIG advised on 16 February 2024 that as a result of market volatility caused by macroeconomic events and the underlying trading performance of Graham Engineering Limited, the Graham Acquisition did not proceed.
- 4.5 On 16 February 2024, K-TIG announced that it had terminated the agreement and would no longer proceed with the Graham Acquisition. K-TIG and its subsidiary, Keyhole TIG Pty Ltd entered into voluntary administration on 21 February 2024.
- 4.6 During the voluntary administration, K-TIG and its subsidiary Keyhole TIG Pty Ltd were formally offered for sale to the market. Administrators received 16 expressions of interest, which eventually led to two DOCA proposals. No offers were made for the business as a going concern.
- 4.7 The DOCA proposal was effectuated on 16 April 2024, with the Company being removed from external administration and control being returned to the existing directors. As part of the DOCA proposal, the proponent provided \$500,000 to the DOCA fund and provided the Company with \$500,000 to fund working capital. Post effectuation of the DOCA this contribution was structured by way of the June 2024 Notes.

Corporate Structure

- 4.8 K-TIG holds the following wholly owned subsidiaries:
- Keyhole TIG Pty Ltd, K-TIG's main Australian-based operating entity that purchases components and assembles them into finished goods for sale to related and third parties. It also performs research and development activities relating to welding and software development.
 - Keyhole TIG USA Inc., a USA based entity that purchased finished goods from related and third parties and on-sells these products with services including technical support.
 - Keyhole TIG (UK) Pty Ltd, a UK based entity that purchased finished goods from related and third parties and on-sells these products with services including technical support.
 - Kabuni USA Inc, a dormant USA-based entity.
 - Stirling Minerals Pty Ltd, a dormant Australian-based entity.

Corporate History

4.9 The most recent capital raisings completed by the Company are the following:

- On 16 March 2023, the Company announced that it had raised \$2,000,000 (before costs) via the issue of 2,000 March 2023 Notes each with a face value of \$1,000. The March 2023 Notes were raised in conjunction with the Graham Acquisition and were anticipated to be converted into ordinary shares on completion of that transaction.
- In June 2024, in relation to the effectuation of the DOCA, the Company issued the June 2024 Notes. The proponent made contribution of \$1,000,000 in total and received 1,000 June 2024 Notes each with a face value of \$1,000.
- On 30 October 2024 raised \$500,000 via the issue of 500 October 2024 Notes each with a face value of \$1,000.

Board of Directors

4.10 The current board of directors of K-TIG, as at 10 January 2025, is as follows.

Table 6. K-TIG Board of Directors

Director	Position	Date Appointed	Details
Stuart Carmichael	Non-Executive Chairman	2 July 2017	Mr Carmichael has an extensive international corporate advisory, mergers and acquisitions and operational experience. He has held various senior executive positions with UGL, DTZ, AJG and KPMG Corporate Finance. He has previously held a number of Non-Executive Director positions at ASX listed companies.
Darryl Abotomey	Non-Executive Director	6 April 2022	Mr Abotomey has over 40 years of executive leadership and financial expertise having held board and executive roles across manufacturing, global paper and packaging distribution and automotive aftermarket industries. He was most recently Chief Executive Officer and Managing Director of Bapcor Limited. He is also a Non-Executive Director of ASX listed Adrad Ltd.
Anthony McIntosh	Non-Executive Director	25 June 2020	Mr McIntosh has extensive experience in investment marketing, investor relations and strategic planning, with a focus on small caps, as well as a strong and well-established network of stockbroking and investment fund managers. He is also a Non-Executive Director of ASX listing companies Strategic Energy Resources Ltd, Copper Strike Resources Ltd and Koonenberry Gold Ltd.

Source: Annual Report

4.11 On completion of the Transaction, it is proposed that Mr Anthony McIntosh will resign as a director of the Company. Pursuant to shareholder approval for Resolutions 15, 16 and 17 of the NoM, MPW nominated directors Mr John Barnes, Mr Leo Christodoulou and Mr Bruno Campisi will be elected to the K-TIG Board (refer to Table 12 for further details).

Financial Performance

- 4.12 K-TIG's audited consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial year to 30 June 2022, 30 June 2023 and 30 June 2024 are set out below.

Table 7. K-TIG Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Audited year to 30 June 2022 (\$)	Audited year to 30 June 2023 (\$)	Audited year to 30 June 2024 (\$)
Revenue			
Sales revenue	3,702,512	3,095,723	2,209,763
Cost of sales	(1,427,035)	(1,503,759)	(1,385,789)
Gross profit	2,275,477	1,591,964	823,974
Other income	190,583	653,925	82,848
Debt forgiven	-	-	1,714,489
Expenses			
Employee benefits expense	(5,544,729)	(4,601,726)	(1,908,490)
Other expenses	(13,526)	(39,419)	166,430
Marketing expense	(494,464)	(325,291)	(123,701)
Corporate expense	(1,381,117)	(821,497)	(1,150,004)
Service expense	(453,022)	(290,230)	(337,807)
Office/workshop expense	(292,907)	(419,967)	(272,093)
Travel expense	(189,891)	(343,727)	(119,220)
R&D expense	(59,067)	(78,975)	(30,752)
Due diligence and pre-acquisition costs	-	(1,756,807)	-
Profit/(loss) before income tax	(5,962,663)	(6,431,750)	(1,154,326)
Income tax expense	-	-	-
Loss for the year attributable to owners of K-TIG	(5,962,663)	(6,431,750)	(1,154,326)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	18,474	330,012	847,722
Other comprehensive income for the year, net of tax	18,474	330,012	847,722
Total comprehensive loss for the year attributable to the owners of K-TIG	(5,944,189)	(6,101,738)	(306,604)

Source: K-TIG Annual Reports for the financial years ended 30 June 2023 and 30 June 2024

Financial Position

- 4.13 Set out below is the audited consolidated Statement of Financial Position of K-TIG as at 30 June 2024.

Table 8. K-TIG Consolidated Statement of Financial Position

Audited as at 30 June 2024 (\$)	
Current assets	
Cash and cash equivalents	296,233
Trade and other receivables	249,551
Inventories	2,039,108
Other financial assets	5,000
Total current assets	2,589,892
Non-current assets	
Trade and other receivables	14,150
Property, plant and equipment	337,819
Right-of-use assets	524,821
Intangibles	13,324
Total non-current assets	890,114
Total assets	3,480,006
Current liabilities	
Trade and other payables	(258,452)
Lease liabilities	(305,713)
Financial liabilities	(3,000,000)
Employee benefits	(53,490)
Amounts received in advance	(618,474)
Total current liabilities	(4,236,129)
Non-current liabilities	
Lease liabilities	(258,164)
Total non-current liabilities	(258,164)
Total liabilities	(4,494,293)
Total net liabilities	(1,014,287)
Equity	
Issued capital	27,839,530
Other reserves	1,648,069
Share based payment reserves	2,207,652
Accumulated losses	(32,709,538)
Total equity	(1,014,287)

Source: K-TIG Annual Report for the financial year ended 30 June 2024

Capital Structure

Ordinary Shares

- 4.14 K-TIG has 73,328,415 pre-Consolidation ordinary shares on issue, with the top 20 shareholders as at 30 September 2024 being as follows.

Table 9. K-TIG Top 20 Shareholders

Shareholder	Number held	Percentage (%)
Advanced Science & Innovation Company (ASIC) LLC	7,886,828	10.76%
HSBC Custody Nominees (Australia) Limited	7,174,135	9.78%
Neil le Quesne <Stirling Group A/C>	4,784,963	6.53%
Buttonwood Nominees Pty Ltd	2,323,572	3.17%
Richard Smith	2,060,000	2.81%
Citicorp Nominees Pty Ltd	2,051,558	2.80%
Syed Shueb	1,011,262	1.38%
Sydac Nominees Pty Ltd <The Adrian Smith Family A/C>	1,000,000	1.36%
Karen Jarvis	965,123	1.32%
SRG Partners Pty Ltd	948,000	1.29%
Great Plains Holding Company Pty Ltd <Great Plains Investment A/C>	849,320	1.16%
Lynette Sharman & Michael Sharman <M&L Sharman Family A/C>	763,446	1.04%
SWHL Investments Pty Ltd <SWHL Family A/C>	710,334	0.97%
Grayson Nominees Pty Ltd <Grayson Investment A/C>	600,000	0.82%
Netwealth Investments Limited <Wrap Services A/C>	538,967	0.74%
Wigtown Pty Ltd	500,000	0.68%
BBR Holdings Pty Ltd <Brawlin Investment A/C>	477,134	0.65%
Jagen Pty Ltd	460,000	0.63%
Garden Enterprises Pty Ltd <The Specialty Metals SU A/C>	451,947	0.62%
Wigtown Pty Ltd	400,000	0.55%
Total top 20 shareholders	35,956,589	49.04%
Non-top 20 shareholders	37,371,826	50.96%
Total ordinary shares (as at 30 September 2024)	73,328,415	100.00%

Source: K-TIG Annual Report for the year to 30 June 2024

Performance Rights

- 4.15 As at 23 December 2024, the Company had 2,400,000 pre-Consolidation performance rights on issue, which are held by directors and previous directors of the Company. Each performance right is exercisable into one ordinary share for nil consideration. Details of the performance rights are as follows.

Table 10. Performance Rights Details

Class	Number	Vesting condition	Expiry date
Class A	800,000	The Company's shares achieving a volume weighted average price ("VWAP") of at least \$0.35 over any 20 consecutive trading days prior to 1 April 2021	22 December 2025
Class B	800,000	The Company's shares achieving a VWAP of at least \$0.50 over any 20 consecutive trading days prior to 1 October 2021	22 December 2025
Class C	800,000	The Company's shares achieving a VWAP of at least \$0.75 over any 20 consecutive trading days prior to 1 October 2022	22 December 2025

Source: ASX announcements

- 4.16 We note that the vesting conditions for all classes of performance rights have been met and accordingly, may be converted into ordinary shares in the Company at each holder's election at any time up to the expiry date.

March 2023 Notes

- 4.17 The March 2023 Notes have a total face value of \$2,000,000. Key terms of the March 2024 Notes include:

- Maturity date is 3 March 2025
- Simple, non-compounding interest payable at 10% per annum, accrued daily and payable on conversion or redemption
- Automatically convert (subject to shareholder approval) on the Company completing a capital raising of at least \$4,000,000
- If conversion conditions are not met, the Company must seek shareholder approval to issue 10,000 redemption options for each March 2023 Note, each with an exercise price equal to the 20-day VWAP of the Company's share at the date of the shareholder meeting
- Conversion price equal to the issue price of shares under the capital raising
- Holders are entitled to receive 1 option for every share issued on conversion, with an exercise price equal to the conversion price and expiring 36 months from the conversion date

- 4.18 As part of the DOCA proposal, the March 2023 Noteholders agreed to convert their debt to equity. The following amendments are proposed to terms of the March 2023 Notes, subject to shareholder approval for Resolution 8 of the NoM:

- Each March 2023 Note holder forbears taking action in relation to their outstanding debt position until such time as an equity conversion is achievable, for a period up to 12 April 2026
- Noteholders will have no entitlement to interest or redemption options
- March 2023 Note holders will convert the principal amount into ordinary shares at a conversion price of \$0.02 (pre-Consolidation) and will be issued with one option for each ordinary share, with an exercise price of \$0.02 (pre-Consolidation) and expiry date 3 years from the date of conversion

June 2024 Notes

4.19 The June 2024 Notes have a total face value of \$1,000,000. Key terms of the June 2024 Notes include:

- Maturity date is 36 months from effectuation of the DOCA
- No interest payable
- Automatically convertible into ordinary shares at a conversion price of \$0.01 at the next capital raising subject to shareholder approval
- Holders entitled to receive one option for each share issued on conversion, with an exercise price of \$0.01 and expiring 3 years from the conversion date
- Repayable at the maturity date if not converted prior

October 2024 Notes

4.20 The October 2024 Notes have a total face value of \$500,000. Key terms of the October 2024 Notes include:

- No interest is payable
- Non-redeemable
- Converts automatically into ordinary shares at a 20% discount to the next capital raise price subject to shareholder approval
- Maturity date 24 months from issue
- Repayable at the maturity date if not converted prior

Capital Structure Summary

4.21 The existing capital structure of K-TIG on a pre-Consolidation and post-Consolidation basis, including the ordinary shares the holders of convertible notes would be entitled to receive, is as follows.

Table 11. K-TIG Existing Capital Structure

Security	Number pre-Consolidation	Number post-Consolidation
Ordinary shares	73,328,415	5,640,647
Performance rights	2,400,000	184,615
March 2023 Conversion Shares	100,000,000	7,692,308
June 2024 Conversion Shares	100,000,000	7,692,308
October 2024 Conversion Shares	40,625,000	3,125,000
March 2023 Conversion Options	100,000,000	7,692,308
June 2024 Conversion Options	100,000,000	7,692,308

Source: ASX announcements

5 Profile of MPW

History and Principal Activities

Background

- 5.1 MPW is a Pennsylvania, USA based company that specialises in the production of high-quality metal powders for AM and other advanced applications. MPW has developed a technology process called DirectPowder, a non-thermal powder production process. MPW derives revenue through producing powder for sale and has plans for an additional revenue stream from implementing pay per use machines located at customer sites.
- 5.2 MPW has 2 wholly owned subsidiaries, Metal Powder Works LLC and Sweet Metals Pty Ltd. Metal Powder works LLC is an operating entity for MPW business in the USA. Sweet Metals Pty Ltd is a dormant entity incorporated in Australia which is in the process of being wound up.

Recent Corporate Events

- 5.3 In November 2024, MPW issued the MPW Notes that have a total face value of \$1,050,000. Key terms of the MPW Notes include:
- the maturity date is 24 months from issue;
 - interest accrues at the lesser of 4% per annum and the short term applicable federal rate as at the issue date, to be repaid in cash on conversion; and
 - convert automatically into ordinary share on an equity financing event of at least US\$2,000,000 or a change of control event. In a change of control event, the conversion price is a 20% discount to the agreed value per share of the acquiring entity
- 5.4 In relation to the Transaction, MPW appointed New Electric Partners International Pte Ltd (“NEP”) as an advisor. As part of the agreement with NEP, the MPW will issue ordinary shares representing 5% of its fully diluted outstanding capital to NEP immediately prior to completion of the Transaction.

Board of Directors

- 5.5 The current board of directors of MPW, as at 10 January 2025, is as follows.

Table 12. MPW Board of Directors

Director	Position	Details
John Barnes	Chairman and Chief Executive Officer	Mr Barnes has more than 30 years' experience in product development and aerospace with Honeywell, Lockheed Martin Skunk Works, Australia's CSIRO and Arconic. He has been involved with AM technical and business cases in materials powders, processing and printing to mature the technology for applications.
Chris Aldridge	Executive Director and Chief Technology Officer	Mr Aldridge has worked in AM process development and machine design for more than 15 years. He has led projects in high precision machining, powder handling and nearly all aspects of AM. At Lockheed Martin Skunk Works and Arconic's production facility, he worked on maturing AM from a prototyping tool to a production capable technology.
Leo Christodoulou	Non-Executive Director	Mr Chistodoulou is the Chief Technologist of The Boeing Company, leading the implementation and assessment of AM and leading the companywide strategy and technology maturation for AM. Previously, he was head of the Advanced Manufacturing Office of the US Department of Energy and co-chairman of the Inter-Agency Working Group on the White House's Advanced Manufacturing Partnership Initiative.
Bruno Campisi	Non-Executive Director	Mr Campisi has over 40 years' experience in business services and manufacturing and has a broad range of skills in strategic planning, implementation and business development. He has held senior positions in private enterprises, including Finance Director and Managing Director roles.
Kapil Talwar	Non-Executive Director	Mr Talwar has over 25 years' management experience across start-ups, SMEs and R&D organisations. He is currently an Executive Director of Huntly Common Pty Ltd.
Rob Gorham	Non-Executive Director	Mr Gorham is Chief Executive Officer of BlueForge Alliance, an organisation that integrates US Navy efforts to sustain the submarine industrial base.

Source: MPW Annual Report for the year ended 31 December 2023



- 5.6 On completion of the Transaction, it is proposed that John Barnes, Leo Christodoulou and Bruno Campisi will be appointed as MPE representatives on the K-TIG Board. Chris Aldridge is proposed to be appointed as Chief Technology Officer of K-TIG.
- 5.7 We note that Mr John Barnes is the top shareholder in MPW with an interest of 35.2% and is the only MPW shareholder who would become a significant shareholder in K-TIG on completion of the Transaction.

Financial Performance

- 5.8 MPW's audited consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial years to 31 December 2021, 31 December 2022 and 31 December 2023 are set out below.

Table 13. MPW Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Audited 12 months to 31 December 2021 (US\$)	Audited 12 months to 31 December 2022 (US\$)	Audited 12 months to 31 December 2023 (US\$)
Revenue	129,219	111,892	875,939
Other income	20,668	28,874	22,760
Total income	149,887	140,766	898,699
Expenses			
Raw materials and consumables used	(79,843)	(123,693)	(272,972)
Employee benefits expense	-	(356,929)	(544,020)
Depreciation and amortisation expense	(107,891)	(141,244)	(191,252)
Legal & professional services	(84,053)	(129,815)	(78,285)
Contractors	(379,197)	(548,050)	(439,123)
Insurance expense	(1,791)	(9,205)	(28,195)
Research & development	(1,800)	(161,101)	(68,412)
Other expenses	(7,942)	(85,498)	(86,907)
Finance costs	(3,931)	(20,385)	(33,464)
Marketing	(11,030)	(19,906)	(41,075)
Occupancy	(24,155)	(14,238)	(6,906)
Loss before income tax expense	(551,746)	(1,469,298)	(891,912)
Income tax expense	-	-	-
Loss after income tax expense for the year attributable to owners of MPW	(551,746)	(1,469,298)	(891,912)
Other comprehensive income for the year, net of tax	-	-	-
Total	(551,746)	(1,469,298)	(891,912)

Source: MPW Annual Report for the years ended 31 December 2022 and 31 December 2023

Financial Position

- 5.9 Set out below is the audited consolidated Statement of Financial Position of MPW as at 31 December 2023.

Table 14. MPW Consolidated Statement of Financial Position

Audited as at 31 December 2023 (US\$)	
Current assets	
Cash and cash equivalents	177,098
Trade and other receivables	101,030
Total current assets	278,128
Non-current assets	
Trade and other receivables	6,705
Property, plant and equipment	393,702
Right-of-use assets	386,216
Intangibles	286,186
Total non-current assets	1,072,809
Total assets	1,350,937
Current liabilities	
Trade and other payables	(309,308)
Borrowings	(100,000)
Lease liabilities	(94,844)
Total current liabilities	(504,152)
Non-current liabilities	
Lease liabilities	(314,102)
Convertible note	(323,109)
Total non-current liabilities	(637,211)
Total liabilities	(1,141,363)
Total net assets	209,574
Equity	
Issued capital	2,790,111
Accumulated losses	(2,580,537)
Total equity	209,574

Source: MPW Annual Report for the year ended 31 December 2023

6 Valuation Methodology

Available Methodologies

- 6.1 In consideration of our fairness assessment of K-TIG, we considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.
- Capitalisation of future maintainable earnings
 - Discounted future cash flows
 - Asset-based methods
 - Quoted market prices or analysis of traded share prices
 - Common industry rule-based methodologies
- 6.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information.

Valuation Considerations

- 6.3 We note the Performance Rights vest only after achieving both a non-market (Revenue) based condition and a market based VWAP condition. As the VWAP condition must be met after the Revenue based condition in order to vest, we believe there are reasonable grounds to establish a value based on a market price based methodology, though there are insufficient reasonable grounds to assess the value under a FME, DCF or Net Assets based methodology.
- 6.4 Accordingly, we assessed and compared the value of K-TIG shares upon the vesting conditions being met, with the value of K-Tig shares upon completion of the Transaction (using a market-based methodology based on the proposed value under the Public Offer).

7 Fairness Evaluation

Value of K-TIG Shares upon completion of the Transaction

- 7.1 We used a market based valuation methodology to value K-TIG shares as at the date of completion of the Transaction. We consider the proposed issue price under the Public Offer to represent market value.
- 7.2 The Public Offer will seek to raise at least \$7,000,000 (before costs) and up to \$10,000,000 (before costs) through the issue of a minimum of 35,000,000 ordinary shares and a maximum of 50,000,000 ordinary shares at an issue price of \$0.20 per share. Assuming the Transaction completes, at the minimum subscription the Public Offer shares would represent a 28.15% interest in K-TIG on an undiluted basis, or an 18.43% interest on a fully diluted basis (refer to Table 5).
- 7.3 We note that completion of the minimum subscription under the Public Offer is a condition precedent to the overall Transaction, and accordingly, the Performance Securities will not be issued if of the minimum subscriptions is not met.
- 7.4 Accordingly, we assessed the fair value of a K-TIG share as at completion of the Transaction to be \$0.20.

Fairness Assessment

Value of K-TIG shares upon achievement of Performance Security milestones

- 7.5 In determining whether the proposed issue of Performance Securities is fair to the Non-Participating Security Holders of K-TIG, we have considered guidance contained in ASIC RG 111 (refer to Paragraphs 3.17).
- 7.6 To assess the fairness of the issue of Performance Securities, the fair market value of a K-TIG ordinary share must be assessed before and after the issue of the Performance Securities.
- 7.7 The milestone conditions relating to the vesting of the Tranche 1 Performance Rights and Tranche 2 Performance Rights are based on future Revenues of MPW's business for CY26 and CY27, and the achievement of a 20-day VWAP condition following achievement of the Revenue condition(s), as follows.

Table 15. Performance Security Milestone Conditions

Security	Milestone 1	Revenue achieved	Percentage of rights vesting	Milestone 2
Tranche 1 Performance Rights	Achievement of Revenue targets for CY26	Less than US\$3,000,000	0%	Achievement of a 20-day VWAP of K-TIG shares of at least \$0.20
		Between US\$3,000,000 and US\$5,000,000	$\left(\frac{\text{CY26 Revenue}}{\text{US\$5,000,000}}\right) \times 100$	
		Greater than US\$5,000,000	100%	
Tranche 2 Performance Rights	Achievement of Revenue targets for CY26 or CY27	Less than US\$8,000,000	0%	Achievement of a 20-day VWAP of K-TIG shares of at least \$0.20
		Between US\$8,000,000 and US\$10,000,000	$\left(\frac{\text{CY26 or CY27 Revenue}}{\text{US\$10,000,000}}\right) \times 100$	
		Greater than US\$10,000,000	100%	

Source: SPA

- 7.8 We note that both milestones must be achieved in order for the Performance Securities to vest.
- 7.9 As the vesting of the Tranche 1 Performance Rights is based on the traded market share price on ASX, we consider the VWAP hurdle value to be an accurate representation of value as at the time that both vesting conditions are met.

- 7.10 Accordingly, we consider that the minimum value of a K-TIG ordinary share upon the Performance Rights milestones being met are as follows.

Table 16. K-TIG Fair Value on Achieving Milestones

Performance Security	Minimum value on milestone achievement (\$)
Tranche 1 Performance Rights	0.20
Tranche 2 Performance Rights	0.20

Source: Stantons analysis

- 7.11 Accordingly, we consider the value of a K-TIG share on the vesting of both the Tranche 1 Performance Rights and Tranche 2 Performance Rights to be \$0.20.

Fairness conclusion

- 7.12 As the fair value of a K-TIG ordinary share upon the achievement of both milestones for each of the Tranche 1 Performance Rights and Tranche 2 Performance Rights are equal to the value of a K-TIG ordinary share on completion of the Transaction, we consider the issue of Performance Securities is **FAIR** to the Non-Participating Security Holders of K-TIG, pursuant to ASIC's RG 111.

8 Reasonableness Evaluation

- 8.1 Under RG111, a transaction is considered “reasonable” if it is “fair”, or if despite being not fair there are sufficient reasons to accept the proposal.
- 8.2 As the issue of Performance Securities is considered to be **FAIR** to the Non-Participating Security Holder, it is also considered to be **REASONABLE**.
- 8.3 For informative purposes, we have considered the following advantages, disadvantages and other factors in assessing the reasonableness of the issue of Performance Securities.

Advantages

The issue of Performance Securities is considered fair

- 8.4 As detailed in our assessment in Section 7, the issue of Performance Securities is fair to Non-Participating Security Holders of K-TIG.

Achievement of the Revenue conditions may be value accretive to K-TIG

- 8.5 As MPW is currently in the growth stage, achievement of the Revenue milestones is in line with the company's business objectives. If the Company was to successfully achieve the Revenue milestones, it would likely mean that the Company has been successful in commercialising the MPW technology. Whilst we cannot determine a specific value, it is likely that significant growth in Revenue would result in an increase in value for the Non-Participating Shareholders. As the Performance Securities must subsequently meet a VWAP condition equal to the value as at completion of the Transaction, Non-Participating Security Holders will not be diluted in the event that achievement of the Revenue condition does not translate to value accretion for shareholders.

Facilitates the Transaction

- 8.6 The issue of Performance Securities is a required component of the Transaction. If Non-Participating Security Holders do not approve the issue of Performance Securities, the Transaction will not proceed. There are a number of benefits in completing the Transaction, including:
- facilitates the re-admission of the Company's shares to ASX. K-TIG has been suspended from trading since 27 January 2023. Pursuant to ASX's policy on long-term suspended entities, the Company's shares will be removed from the Official List after 2 years continuous suspension. Re-admission to ASX will create a liquid market for the Non-Participating Shareholders to trade their shares;
 - raises much needed working capital to allow the Company to continue operating its business;
 - diversifies the Company's operations;
 - the Company has been through a competitive sale process as part of the DOCA process and did not attract any offers for the business as a going concern. The directors have assessed the merits of the Transaction and believe that this is the best available offer for the Company; and
 - if the Transaction is not completed, the convertible notes holders may elect to redeem. Since the Company does not have the funds available to repay to noteholders and is in a position of net liabilities, the Company would not be in a position to repay without an alternative capital raising. This may result in the Company being liquidated, which would likely result in Non-Participating Security Holders receiving nil value.

Consideration is structured to align interests of Non-Participating Security Holders and the vendors of MPW

- 8.7 The milestones on the Performance Securities are structured in such a way that contingent and deferred consideration is linked to events that represent successful development of MPW's business and are required to at least maintain the share price on completion of the Transaction. This structure is designed to align the interests of Non-Participating Security Holders and the vendors of MPW.

Issue of ordinary shares on conversion of the Performance Securities is contingent and deferred consideration rather than cash or upfront equity

- 8.8 The Performance Securities are contingent and deferred equity consideration. If the Company were not to offer Performance Securities as the component of the Transaction, it would likely be required to include additional Consideration Shares or cash in its consideration. This would have the effect of being either more dilutive to Non-Participating Security Holders or reducing the Company's available working capital.

Reduces risk of Transaction

- 8.9 Including Performance Securities in the Transaction consideration reduces the risk of the Transaction as the full consideration will only be paid if MPW achieves its business objectives. If the MPW business underperforms, the Company will not be required to pay the full consideration.

Disadvantages

Dilution of security holder's interests

- 8.10 On completion of the Transaction, Non-Participating Security Holders will retain an interest of 4.54% in the ordinary shares of K-TIG. If the Performance Securities are converted into ordinary shares (assuming no other ordinary shares are issued), the Non-Participating Security Holders would be further diluted to a 3.24% interest.

Removes possibility of potentially superior offer

- 8.11 Completing the Transaction would remove the possibility of a potentially superior transaction. However, we note that the Company underwent a competitive sale process under the DOCA and had attempted to undertake the Graham Acquisition unsuccessfully. Accordingly, the Company has spent significant time assessing its options and the directors believe the Transaction to be the best available.

Conclusion

- 8.12 As the proposed issue of Performance Securities is considered to be **FAIR**, it is also considered to be **REASONABLE** to the Non-Participating Security Holders of K-TIG.

9 Conclusion

Opinion

- 9.1 The proposed issue of Performance Securities to the vendors of MPW is considered **FAIR** and **REASONABLE** to the Non-Participating Security Holders of K-TIG as at the date of this report.

Table 17. Opinion Summary

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Performance Rights	Yes	Fair and reasonable
Tranche 2 Performance Rights	Yes	Fair and reasonable

Source: Stantons analysis

Non-Participating Security Holders Decision

- 9.2 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to issue Performance Securities is fair and reasonable and to state reasons for that opinion. Stantons has not been engaged to provide a recommendation to Non-Participating Security Holders as to whether to approve the Transaction.
- 9.3 The decision of whether to approve Resolution 4 is a matter for individual investors based on their views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposal, investors should consult their professional advisor.
- 9.4 Similarly, it is a matter for individual investors as to whether to buy, hold or sell shares in K-TIG. This is an investment decision upon which Stantons does not offer an opinion and is independent on whether to accept the proposal under Resolution 4. Investors should consult their professional advisor in this regard.

Source Information

- 9.5 In making our assessment as to whether the proposed issue of Performance Securities is fair and reasonable to Non-Participating Security Holders, we have reviewed available information from the Company that is relevant to the current circumstances. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of K-TIG.
- 9.6 Information we have received includes, but is not limited to:
- Drafts of the NoM and ES to shareholders of K-TIG to 10 January 2024
 - ASX announcements of K-TIG to 10 January 2025
 - The Share Sale Agreement between K-TIG and majority vendors of MPW
 - K-TIG's Annual Reports for the financial years ended 30 June 2023 and 30 June 2024
 - MPW's Annual Reports for the years ended 31 December 2022 and 31 December 2023
 - Sample Convertible Note Deeds for each of the March 2023 Notes, June 2024 Notes, October 2024 Notes and MPW Notes, and Deed of Amendment to the March 2023 Notes
 - The Administrator's Report to Creditors of K-TIG and Keyhole TIG Pty Ltd prepared by KordaMentha dated 20 March 2024
- 9.7 Our report includes the appendices, our declarations, and our Financial Services Guide.

Yours Faithfully

STANTONS CORPORATE FINANCE PTY LTD



James Turnbull, CFA
Authorised Representative

APPENDIX A

GLOSSARY

Term/Abbreviation	Definition
Acquisition	The Acquisition of a 100% interest in the outstanding capital of MPW by K-TIG and issue of the Consideration Shares and Performance Securities
AFCA	Australian Financial Complaints Authority
AM	Additive Manufacturing (also called 3D printing)
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Company	K-TIG Limited (to be renamed Metal Powder Works Limited)
Consideration Shares	55,000,000 ordinary shares to be issued to the vendors of MPW under the Acquisition
Consolidation	The 13 to 1 consolidation of K-TIG outstanding capital
CY26	The calendar year from 1 January 2026 to 31 December 2026
CY27	The calendar year from 1 January 2027 to 31 December 2027
Director shares	384,165 ordinary shares proposed to be issued to directors of K-TIG
DOCA	The Deed of Company Arrangement K-TIG effectuated on 16 April 2024
Existing Ordinary Shares	The existing ordinary shares in K-TIG, being 5,640,647 on a post-Consolidation basis
FSG	Financial Services Guide
Graham Acquisition	K-TIG's announced acquisition of Graham Engineering Limited on 27 January 2023
GN19	ASX Guidance Note 19
IER	Independent Expert's Report
June 2024 Conversion Options	7,692,308 options to be issued by K-TIG on conversion of the June 2024 Notes
June 2024 Conversion Shares	7,692,308 ordinary shares to be issued by K-TIG on conversion of the June 2024 Notes
June 2024 Notes	1,000 convertible notes each with a face value of \$1,000 issued in June 2024 as part of the DOCA proposal
K-TIG	K-TIG Limited (to be renamed Metal Powder Works Limited)
March 2023 Conversion Options	7,692,308 options to be issued by K-TIG on conversion of the March 2023 Notes
March 2023 Conversion Shares	7,692,308 ordinary shares to be issued by K-TIG on conversion of the March 2023 Notes
March 2023 Notes	2,000 convertible notes each with a face value of \$1,000 issued in March 2023
MPW	Metal Powder Works, Inc
MPW Conversion Shares	6,562,500 ordinary shares to be issued by K-TIG on conversion of the MPW Notes
MPW Notes	1,050 convertible notes each with a face value of \$1,000 issued by MPW in November 2024
NED	New Electric Partners International Pte Ltd
Net Assets	Asset-based valuation methodologies
NoM	Notice of Meeting
Non-Participating Security Holders	K-TIG security holders who are not entitled to receive Performance Securities
October 2024 Conversion Shares	3,125,000 ordinary shares to be issued by K-TIG on conversion of the October 2024 Notes
October 2024 Notes	500 convertible notes each with a face value of \$1,000 issued in October 2024
Other Security Issues	Non-essential security issues that form part of the Transaction, being the White Hutt Shares, Ventnor Shares, Powerhouse Ventures Shares and Director Shares
Performance Securities	The Tranche 1 Performance Rights and Tranche 2 Performance Rights
Powerhouse Ventures Shares	550,000 ordinary shares to be issued to Powerhouse Ventures Limited for introducing the Acquisition

Term/Abbreviation (cont.)	Definition (cont.)
Public Offer	35,000,000 ordinary shares to be issued at \$0.20 to raise \$7,000,000 under a public offer, being the minimum subscription under a prospectus
Required Security Issues	Security issues that are required for the Transaction, being the minimum subscription under the Public Offer, March 2023 Conversion Shares, March 2023 Conversion Options, June 2024 Conversion Shares, June 2024 Conversion Options, October 2024 Conversion Shares and MPW Conversion Shares
Revenue	Revenue generated by MPW from the business of developing, manufacturing and selling metal powder and powder producing technology through continuing business operations as set out in K-TIG's audited financial statements (expressed in USD), but does not including the revenue generated from operations of any other businesses that may be acquired by MPW or K-TIG after completion of the Transaction
RG 111	ASIC Regulatory Guide 111: <i>Content of Expert Reports</i>
RG 170	ASIC's Regulatory Guide 170 <i>Prospective Financial Information</i>
SPA	The Share Purchase Agreement between K-TIG and the majority vendors of MPW
Stantons	Stantons Corporate Finance Pty Ltd
Tranche 1 Performance Rights	25,000,000 performance rights to be issued to the vendors of MPW, a percentage of which are convertible into ordinary shares based on achieving Revenue targets for CY26
Tranche 2 Performance Rights	25,000,000 performance rights to be issued to the vendors of MPW, a percentage of which are convertible into ordinary shares based on achieving Revenue targets for CY27
Transaction	The Acquisition, Required Security Issues and Other Security Issues
Transaction Resolutions	The resolutions of the NoM required to pass for the Transaction to complete, being Resolutions 1 to 4 (inclusive), Resolutions 8 to 17 (inclusive) and Resolution 19
Ventnor Shares	1,345,057 ordinary shares to be issued to Ventnor Equities & Advisory Pty Ltd as compensation for advisory services
VWAP	Volume Weighted Average Price
White Hutt Shares	1,346,154 ordinary shares to be issued to White Hutt Pty Ltd as compensation for advisory services

APPENDIX B

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 10 January 2025, relating to the Performance Shares proposed to be issued by K-TIG.

At the date of this report, Stantons Corporate Finance does not have any interest in the outcome of the proposal. There are no relationships with K-TIG or MPW other than Stantons Corporate Finance acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance and the parties participating in the issue of Performance Securities detailed in this report which would affect our ability to provide an independent opinion. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out-of-pocket expenses. Our fee for preparing this report is expected to be A\$20,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in K-TIG. There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice of Meeting.

QUALIFICATIONS

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of K-TIG to assist Non-Participating Security Holders of K-TIG to assess the merits of the issue of Performance Securities to which this report relates. This report has been prepared for the benefit of K-TIG security holders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance's opinion as to the longer-term value of K-TIG, its subsidiaries and/or assets. Stantons Corporate Finance does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of K-TIG or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd ("**SIAC**"), the parent company of Stantons Corporate Finance, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons Corporate Finance may rely on information provided by K-TIG and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), K-TIG has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and SIAC) to recover any loss or damage which K-TIG may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by K-TIG; and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from K-TIG, or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of K-TIG or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A final draft of this report was presented to K-TIG for a review of factual information contained in the report. Comments received relating to factual matters were considered, however, the valuation methodologies and conclusions did not change as a result of any feedback from K-TIG.

Annexure D – Industry Overview

Additive Manufacturing Research

Metal Powders Market Analysis for Additive Manufacturing

A CUSTOM PROSPECTUS PIECE FOR KTIG

PUBLISHED NOVEMBER 2024

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This report describes the market for metal powders used in manufacturing processes with a specific focus on specialized advanced powder-based manufacturing techniques such as additive manufacturing. The report is intended to provide an overview of the global metal powders industry with a contextual trends and structural overview of the space in which more advanced, specialized powders are currently being produced to support high growth technologies like additive manufacturing, metal injection molding, and others. It also will provide a detailed overview of the 'additive' metal powders market specifically, including key trends and growth projections for this area in particular.

This report was commissioned from Additive Manufacturing Research by K-TIG, a specialized provider of advanced welding systems to support a public offering process. The information in this report is a collection of published research from Additive Manufacturing Research with input sources from powder metal industry trade organizations around the world, as well as primary research conducted by AM Research and published in its own advisory services and research reports to the additive manufacturing industry.

Section 1 – Metal Powders Industry Overview

Metal powders have been used to manufacture solid metal parts for a century, through a number of differentiated processes that all share the common step of heating powder compacted into the shape of a part to just below its melting point, so that permanent bonds are formed and densification into a semi-solid or solid shape occurs. This specific process of the solidification of powders is often referred to as sintering. The collective technical processes and real-world industrial universe of manufacturing parts with metal powders through sintering is commonly referred to as powder metallurgy (PM) or the powder metallurgy industry.

There are numerous dynamics at play within the overall scope of the powder metallurgy industry worldwide, as metallurgists continue to reinvent the industry through advanced powder-forming processes that have kept the use of powder metal relevant — and increased its relevancy significantly in recent years — compared to other conventional methods of forming metal parts such as casting, forging, and machining.

The macro characteristics of the powder metallurgy industry are based around the use of what is known as the traditional 'press and sinter' for forming metal parts for the automotive industry using ferrous metal powders.

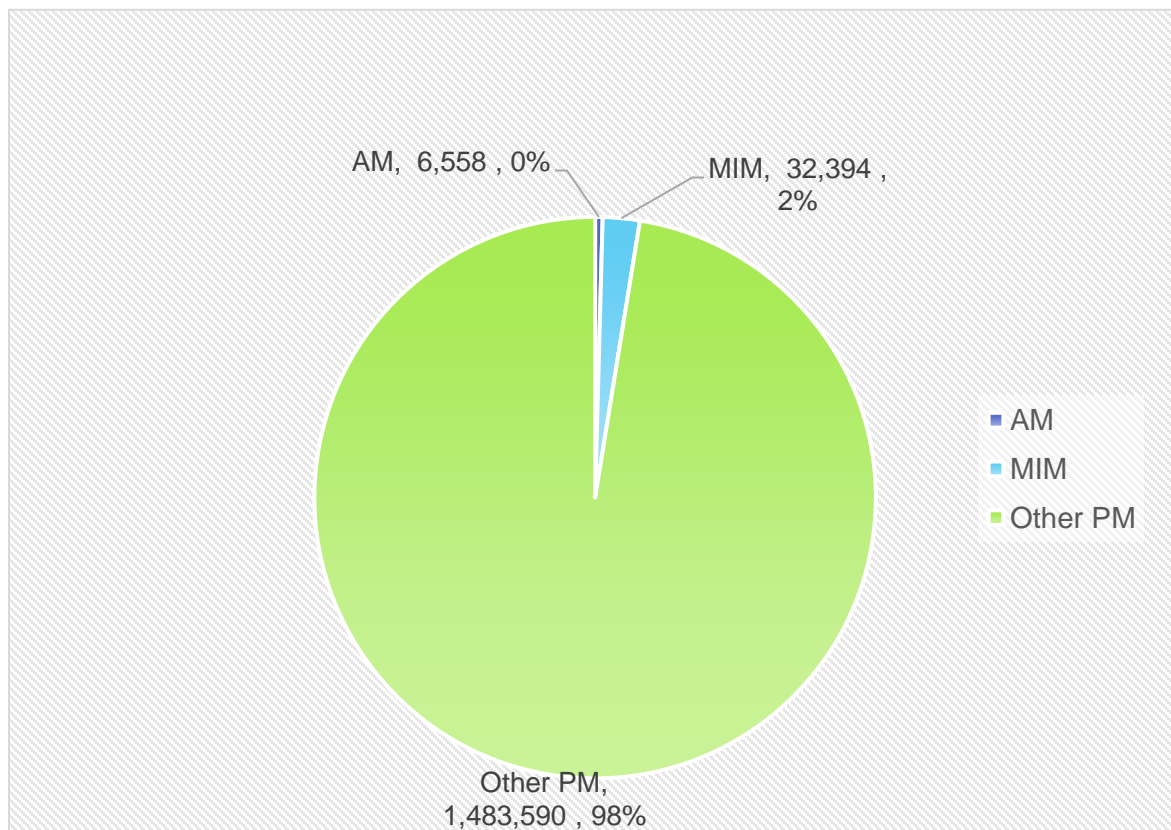
The rest of the market for metal powders consists of serving a number of much smaller, but fast growing providers using exciting and radical techniques to form metal parts from powder. These processes primarily include metal injection molding (MIM), isostatic pressing, thermal spray, and additive manufacturing (AM). These

additional areas alongside the press and sinter market make up the entirety of today's market for metal powders used for manufacturing.

Using estimates from key trade organizations worldwide related to the core processes of powder metallurgy, AM Research collectively estimates that the global metal powder market in total is worth \$6.90B and accounts for 1.5 million metric tons of powder consumed as of 2024.

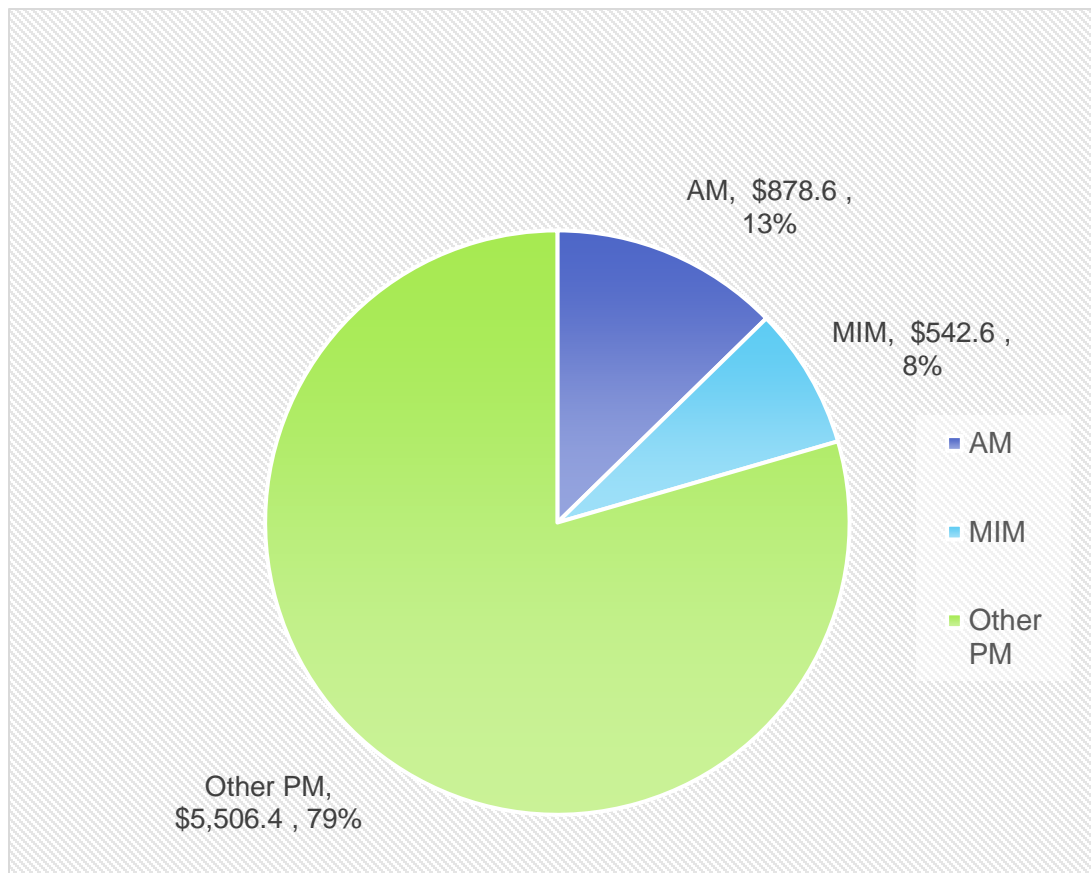
In Exhibit 1 and Exhibit 2 below, a quantitative display of the disparity of market dynamics in the overall powder industry comparing 'emerging' powder production methods of additive and metal injection molding versus 'traditional' production of press and sinter and others is shown. In these, the trend that AM in particular is characterized by comparatively low volumes, but ultimately very high value powders on a per-kilogram basis, is visually demonstrated.

Exhibit 1: Global Metal Powder Market Shipments (Mass – Metric Tons) by Consuming Process Type



Source: AM Research

Exhibit 2: Global Metal Powder Market Shipments (Value \$US Millions) by Consuming Process Type



Source: AM Research

In these examples shown in Exhibits 1 and 2, the key characteristics of the metal powders market with regards to the 'established' market for PM (powder metallurgy) and the 'emerging' market for PM via additive and others is clearly demonstrated. Traditional PM powders are heavily skewed towards iron powders costing between \$2 and \$3 per kilogram, with only a relatively small proportion of higher value metals costing typically less than \$10 per kilogram. Metal injection molding is evolving but still skewed mostly to stainless steel powders costing around \$10 per kilogram, with a steadily growing mix of higher value materials like nickel superalloys and titanium which can push costs to \$20 to \$50 per kilogram.

Meanwhile, additive manufacturing is heavily skewed to both high-value metals like titanium and nickel superalloys, medical grade cobalt chrome, and refractory metals, with average powder prices for these materials costing \$100 to \$200 per

kilogram. The disparity in pricing of powders by segment is mainly driven by the powder characteristics required in each process, but also to some degree the associated production volumes and impact of scale in the present day.

1.1 Methods for Making Metal Powders

There are four primary categories of processes currently adopted and used throughout the powder metallurgy industry to produce metal powders, and some combinations or variations of these methods are employed to better serve the needs of specific user groups.

Referring to the previous section, in which the disparity of volume of powders in the overall market was identified in favor of huge amounts of iron powders used for traditional press and sinter applications, the overall share of production process of metal powder worldwide is primarily driven by two of the four methods identified below. These are through atomization (typically with water), and solid-state reduction.

Exhibit 3: Subsectors of Powder Metallurgy Industry			
Powder Production Process	Common Metals Produced	Supports Which PM Processes	Estimated Share of Total Powder Production
Solid State Reduction	Iron, certain refractory metals	Press and Sinter	30 to 40 percent
Chemical Reduction	Nickel powders, iron powders	Press and Sinter	5-10 percent
Atomization	Iron and steel (water atomization), titanium, nickel, aluminum, refractory	All PM processes but especially additive manufacturing and metal injection molding	35 to 45 percent
Electrolysis	Copper powders	Nonspecific	5-10 percent

With regards to this report, atomization is the primary focus, given that it can be tailored through many variations to fit the needs of many user and application types. It is worth noting, however, that the market has combined various methods of production to unlock benefits of different methods to create new solutions for emerging markets, primarily AM.

1.2 Growth Areas in Powder Metallurgy and Powder Production

The powder metallurgy industry as a whole has begun recognizing the evolution of powder-based manufacturing made possible by additive manufacturing and metal injection molding for the last decade.

The global powder metallurgy industry has seen uneven and even decreasing shipments since 2019 as a whole. However, the additive subsector of the powder metallurgy industry specifically continued to grow in terms of powder demand.

Metal additive continues to have its greatest penetration in aerospace and medical markets, both of which are experiencing strong growth in additive adoption currently, and also both of which are characterized by use of expensive and exotic metals like titanium, various superalloys, and refractory metals.

Discussed further in Sections 2 and 3 of this report, shipments of powder to the additive manufacturing market subsegment have doubled from 2020 to 2023 from around 3,200 metric tons to 7,300 tons in 2023. Though a fraction of the overall PM market, the growth has only been marginally slowed by macro economic trends, impacting the sale of AM hardware systems in the last year — a trend that is likely to pass as interest rates lower.

1.3 Additive Manufacturing (AM) as A Growth Driver for PM

In powder production, the traditional press and sinter market remains relatively fixed, with water-based atomization having taken share over the last decade or more from solid state reduction for “sponge” like powder, thanks to atomization’s ability to produce materials with less internal porosities resulting in greater density of sintered parts. Water atomization retains low cost at its current scale, and for iron powders is the current leader in production for press and sinter, and therefore the overall market.

Metal additive manufacturing technologies are characterized by use of powder with very specific characteristics for flowability, oxygen content and purity, and size

distribution range. As a result, atomization techniques using inert gases and plasma energy sources are the standard in this market.

Within AM powder markets, growth in the post-COVID era has been more strongly correlated with users in space, defense, medical, and energy. Though interest remains high in many other areas, these specific markets are driven by materials like titanium, and nickel superalloys. Emerging specialty metals in these markets, such as GRCo42, are also expected to be in high demand, with GRCo42 copper alloy having grown 162 percent compounded annually from 2020 to 2023, with nearly 400 tons expected to be consumed by additive manufacturing in 2030.

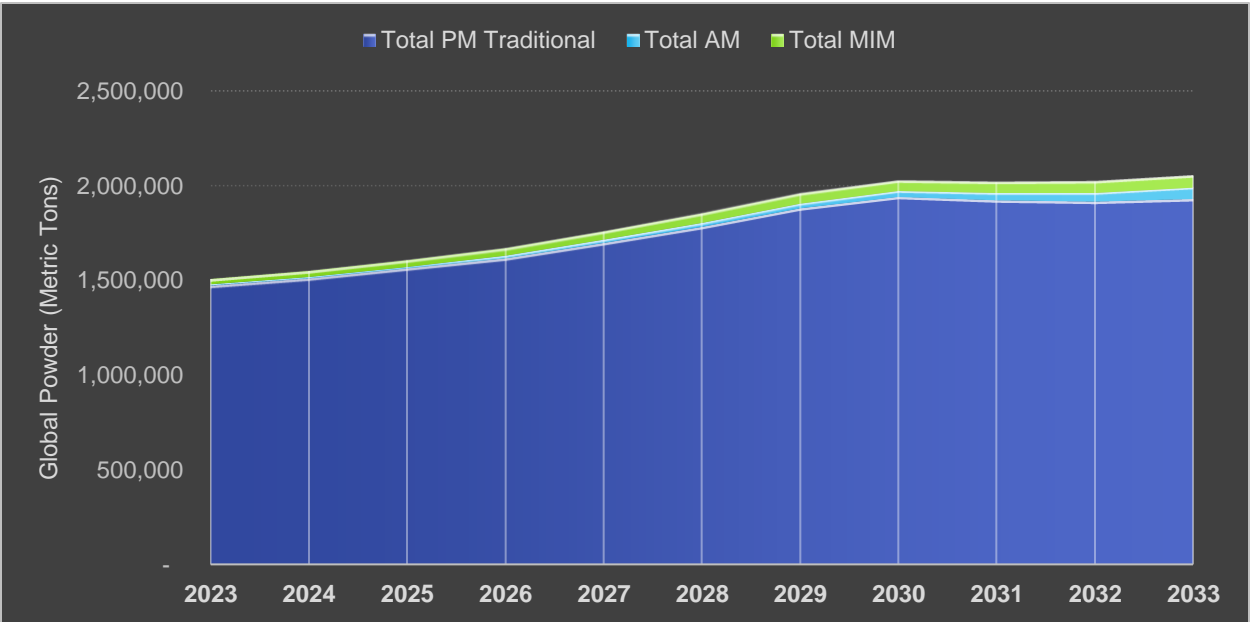
With such materials for AM, purity and spherical, uniform shape of powder in relatively tight particle distribution ranges are in high demand due to requirements for repeatable, high-quality results in regulated applications. This has necessitated the use of inert gas atomization and plasma atomization powder production techniques, with the latter gaining in popularity.

As a result, within the context of the broader PM industry, additive manufacturing has become an area of investment for many established players in the market, but also an area of interest for startups to develop new technologies to help advance materials in terms of lower costs, and improved performance. Although the volumes of powders in AM are small in the context of traditional PM, value remains very high with AM proving itself valuable in certain areas where traditional cost-per-part models aren't able to fully capture the value of its adoption. More users are becoming adept at proving the value of AM parts through re-design of systems of parts to combine assemblies and improve performance. In addition, AM is agile enough to have earned its way into areas of tool & die, as well as maintenance, repair, and overhaul (MRO) operations in markets like aerospace and military, even with the high cost of material feedstock.

Costs of material, however, will continue to face pressure in the near term despite current adoption levels. Powder suppliers have continued to scale up atomization capacities, but significant competition has flooded into the market as well due to long term outlook for AM.

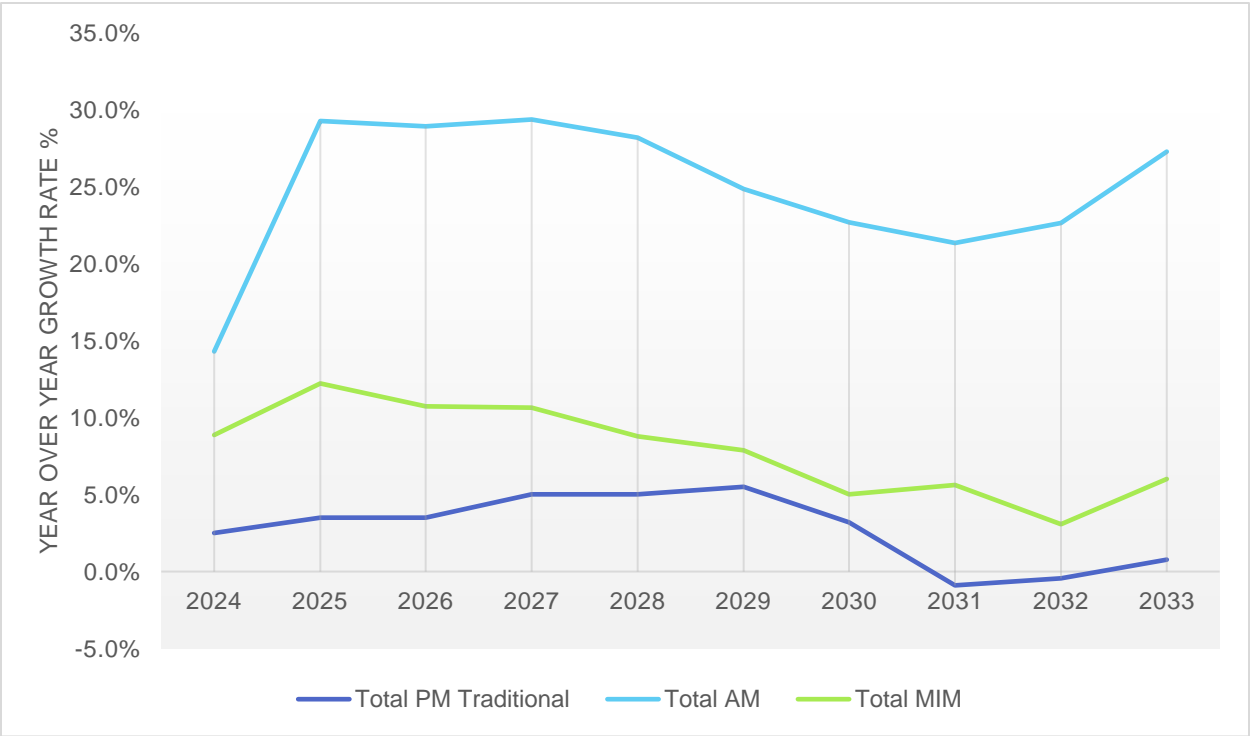
When comparing future forecasts for metal AM and other emerging PM processes such as MIM to the traditional established PM market, AM is expected to still only play a relatively small role in terms of volumes within the next ten years. However, the growth rates associated with AM powder are expected to be significantly greater than any sector. When combined with the high value of powders in AM relative to other powders, AM will likely play a prominent role in the direction of the metal powder industry over the next decade and beyond.

Exhibit 4: Forecast Comparison of Powder Production Volume (Metric Tons) by PM Sector 2024-2033



Source: AM Research

Exhibit 5: Comparison of Growth Rates for Powder Production Volume by PM Sector 2024-2033



Source: AM Research

Section 2 – Additive Market Drivers Impacting Market for Metal Powders

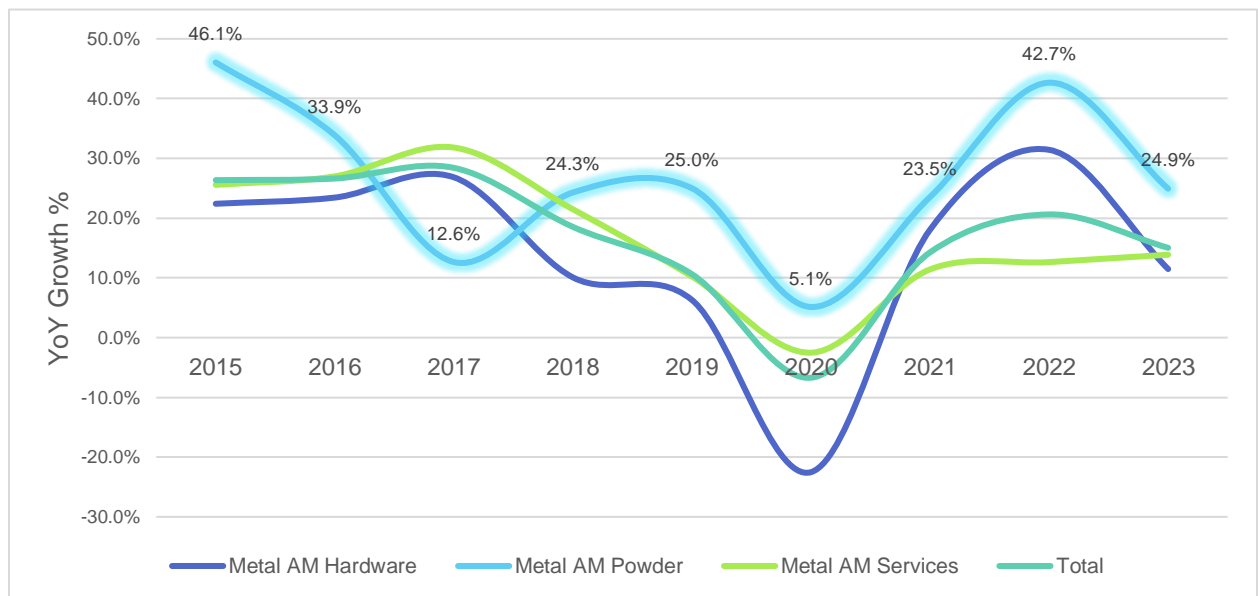
In this section a focus on the specific trends in metal additive manufacturing is examined through the lens of their impacts both in the adoption of additive but also onto the overall market for metal powders.

There are a multitude of dynamics at play in metal additive manufacturing when it comes to materials that continue to shape the market within the overall powder metallurgy and metal powders industry.

2.1 Factors Driving AM Powder Demand and Market Growth

Throughout its recorded history, the metal additive manufacturing industry has recorded double digit growth rates by most estimates nearly every year of its existence. In 2020, the first market decline in a decade was observed due to the COVID-19 pandemic disruptions. Even during the disruption with reduced investment in AM machine sales, powders for AM still grew 5 percent in 2020.

Exhibit 7: Comparison of Annual Metal AM Segment Growth Rates (Revenue Basis), 2015-2023



Source: AM Research

In addition to historical demand for AM powders being the most consistently high performing sector of the metal additive market overall, future growth rates for revenues within metal AM are also expected to be highest in the powder segment. Hardware sales in powder-based metal additive from 2023 to 2033 are expected to grow at a compound annual rate of 18 percent, and print services for metal additive are estimated at 16 percent. Meanwhile, the same compounded growth rate for metal powders in additive manufacturing is expected to be 21 percent during this period.

The following sections detail the key growth drivers for additive metal powders. The primary growth driver for powders in additive manufacturing in the post pandemic era is due to the scale up of use of these tools to meet the demands of manufacturing in a fast moving, easily disrupted global supply chain. These demands are being met most immediately in the current era by the following tenets of metal AM.

2.1.1 Reduction in Time to Part

Even with serial production applications relatively small in number today, experts in metal additive manufacturing have been able to leverage the ability of a variety of powder-based AM print processes to go from raw material to near-net part within days or hours to solve a multitude of modern challenges.

Reduction of time to part has always been an advantage of additive manufacturing's digital process chain, but in recent years this advantage has been elevated as external factors like mandated shutdowns and war have impacted the ability for normal supply chains to function.

2.1.2 Ability to Process High Performance Metals More Efficiently and in Complex Shapes

Because additive manufacturing builds parts in a layer-by-layer fashion through fusion of material in an active part shaping process, it is often able to allow the use of metals in a more efficient and cost-effective manner compared to traditional methods which require more material waste and/or tooling to create the shape of the final part. Expensive, difficult to machine high performance materials like titanium, are one example of this.

The direct processing of metals is also able to be leveraged in unique ways when combined with the ability to print with very high levels of geometric complexity, as in the case of the orthopedic industry directly printing 'osseointegrative structures' on key surfaces of implants that enable bone to grow into the implant itself to improve its fixation. In engineering, similar techniques are used to produce

structured, complex geometric shapes called lattices to improve characteristics of parts for things like thermal management and strength-to-weight ratios.

2.1.3 Optimization of Complex Assemblies in Structural Parts and Critical Systems

Users in aerospace, energy, and transportation have demonstrated how leveraging the ability to produce complex geometric metal shapes through additive manufacturing can lead to significant improvements in both performance and in downstream costs when compared to traditional design and the existing manufacturing supply chain.

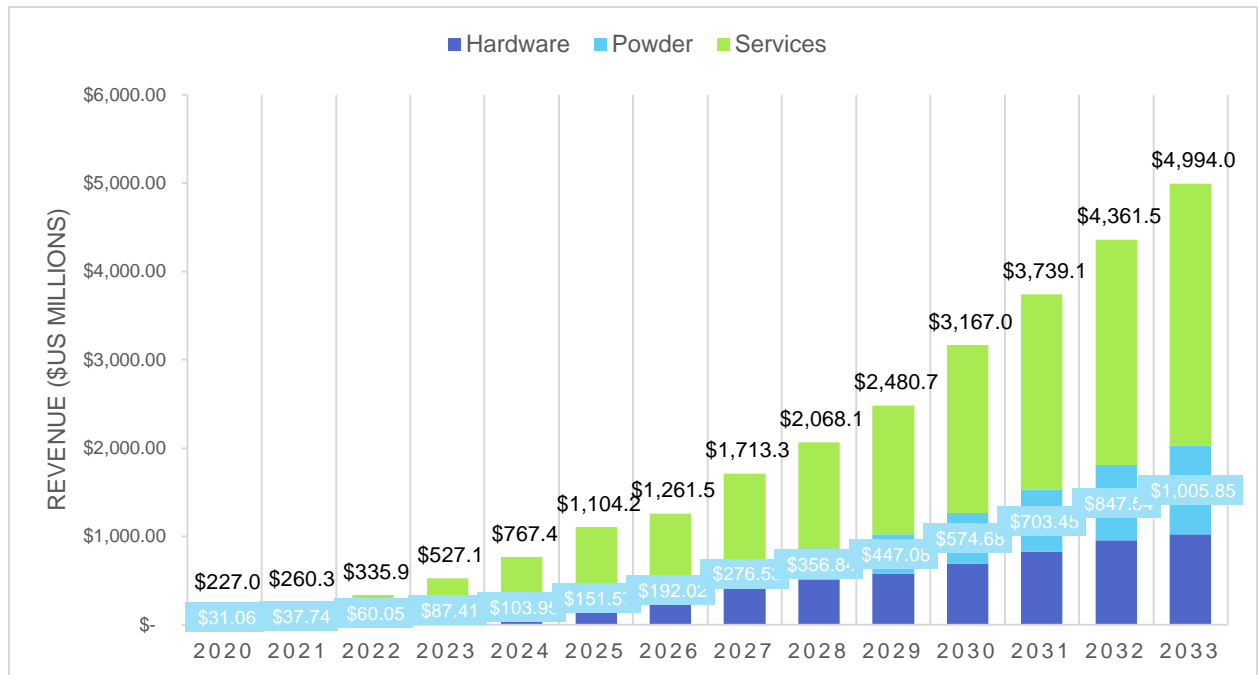
By using advanced software to optimize designs, structural parts which previously may have consisted of many elements and fasteners (along with assembly considerations) can be reduced into single streamlined structures. Other examples of this concept that have been leveraged for measurable benefit are in fluid dynamics, where flow rates and pressure drops can be optimized by creating continuous, gradually shaped channels.

2.2 Adoption of AM in Aerospace and Defense as Strategic Priority

In the areas of aerospace and defense — metal additive manufacturing's most significant markets today — there is a rapid intensification of activity around adoption of AM for the manufacturing of metal parts in the various defense industrial manufacturing bases of multiple nations worldwide. This activity has been no doubt catalyzed by the war in Ukraine, and perpetuated further by other conflicts in the Middle East and elsewhere around the globe.

Although military and government research in additive technologies began many years prior, with full scale conflicts now threatening a multitude of nations worldwide, the urgency to spin up defense manufacturing is a new key element that has, and will continue to significantly boost AM for the foreseeable future, resulting in strong growth and increasing powder consumption. It is again the speed and flexibility that AM can provide through tool-free production, combined with the ability to flexibly adapt to producing low volumes of replacement parts for sustainment of operations, that is making the technology so attractive to governments in light of current events.

Exhibit 8: Projected Metal AM Revenues Driven by Government Defense Worldwide by AM Market Sector, 2020-2033



Source: AM Research

The graph in Exhibit 8, above, details estimates from AM Research regarding the total revenue generation potential of metal additive technologies leveraged specifically for government-related defense manufacturing, across aerospace, ground defense, and R&D. The worldwide estimate is based off an analysis specifically of the U.S. market and the assumption that U.S. activity will represent more than half of the world's overall defense activity levels based on overall defense spending and the established additive ecosystem. Note above that defense applications are expected to eventually result in \$1B of powder consumption worldwide, accounting for around 16 percent of the total market for AM metal powders. These estimates do not include activity for commercial and civil aviation or the commercial space sector.

2.3 Adoption of Binder Jetting AM and Convergence with MIM

Another primary consideration in how AM is impacting the overall metal powder market is in the growing integration of the AM and MIM segments through binder jetting additive technology.

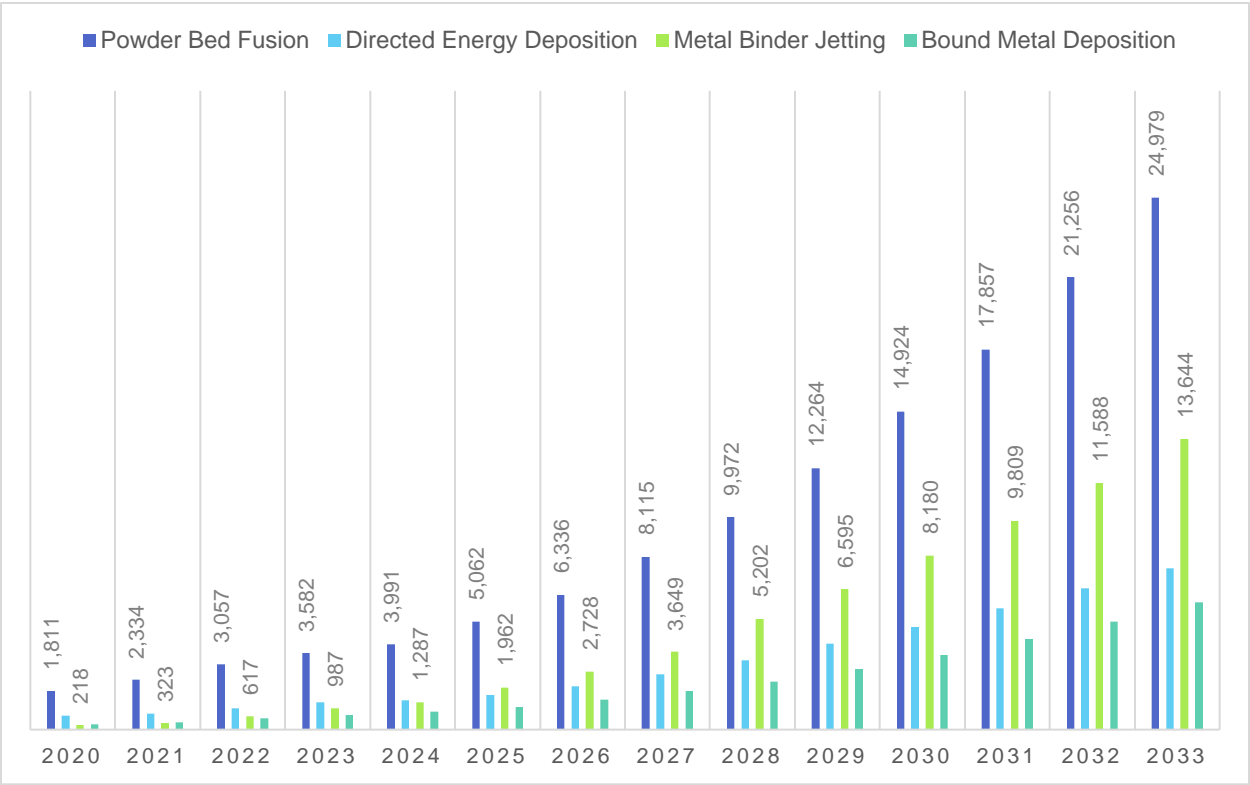
Binder jetting technology shares a more intimate link with the broader PM industry -and specifically the metal injection molding subsegment -than other metal additive technologies due to the use of a sintering phase combined with very fine “MIM cut” metal powders as the primary feedstock.

Developers of binder jetting technology have been quick to point out and pursue the collaborative capabilities of binder jetting as a tool for metal injection molding providers to capture more business through prototyping and ‘bridge production’ for smaller volume work than what MIM is typically suitable for. In addition, binder jetting can more easily produce larger parts than MIM is associated with while retaining additive’s ability for tool-free production.

When utilized in tandem to their own strengths, the combination of AM binder jetting and metal injection molding together could prove a successful combination for additive to break into other industries where it has traditionally been locked out due to volume and cost per part limitations. Although not every binder jetting company is pursuing integration with MIM suppliers as a customer base, the link is obvious, and has grown significantly in the past two years.

For the metal powder market, the adoption and convergence of AM binder jetting with MIM is potentially relevant, because binder jet AM has the potential to move sinter-based metal production into a broader industrial market base outside of the automotive industry. Where MIM has had success in many areas beyond automotive already, binder jet AM will add further attractiveness by allowing larger part sizes and faster time to market to be achievable in a similar two-stage, sinter-based process. This would then cause the traditional PM market to shift more production to meet the specific characterization needs of ‘MIM Cut’ powders, which should allow powder producers to shift more production away from low margin, commodity iron powders.

Exhibit 9: Comparison of Metal AM Powder Shipments by AM Sub-Process, Worldwide, All Markets, 2020-2033



Source: AM Research

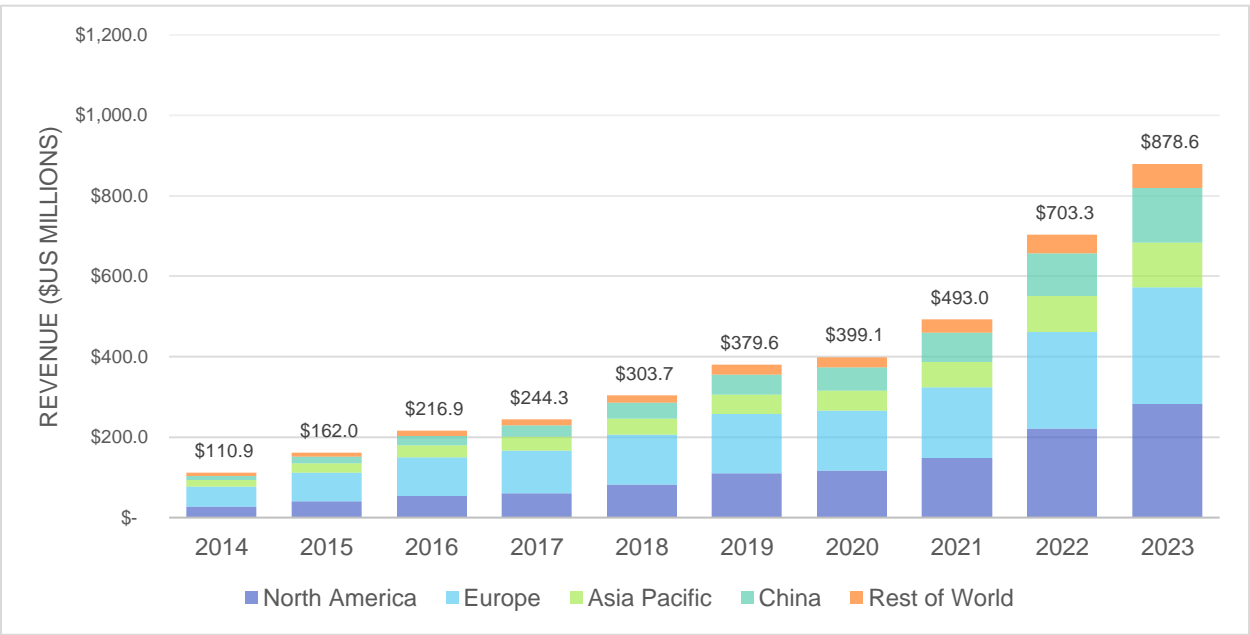
Section 3 – Size and Growth of Metal Additive Powders Market by Industry and Region

This section will detail the size and scope specific to metal powder consumed by the additive manufacturing industry across key markets and regions. Data presented is in terms of value of materials shipped to users of additive processes for powder bed fusion, metal binder jetting, powder-based directed energy deposition, and powder-based metal extrusion systems.

3.1 Scope of AM Metal Powders Market Worldwide

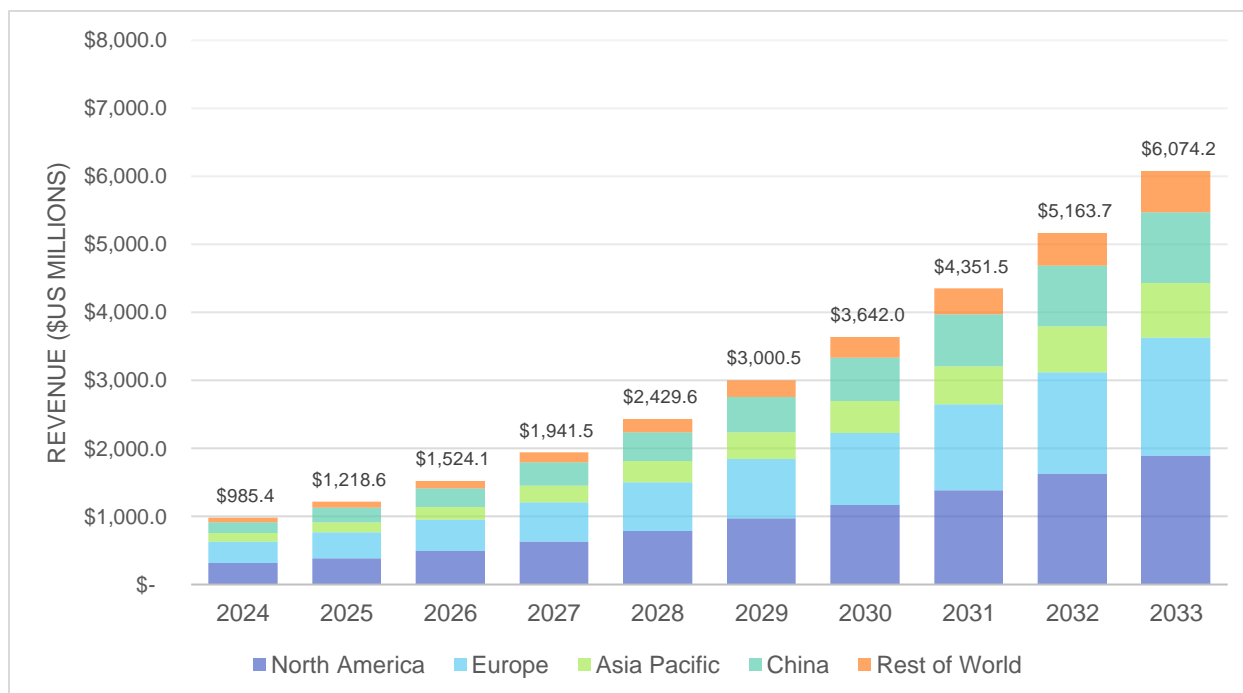
The total value of the metal additive powders market worldwide in 2023 was estimated by AM Research to have reached \$878M, recording another year of relatively strong growth despite mounting challenges across the industry related to macroeconomic factors and disruptions from global conflicts. The chart below details AM powder market size growth from 2014 through 2023.

Exhibit 10: Global Market Size (\$US Millions) for AM Metal Powder by Region, 2014-2023



Source: AM Research

Exhibit 11: Projected Global Market Size (\$US Millions) for AM Metal Powder by Region, 2024-2033



Source: AM Research

3.1.1 Size of AM Powder Market by Region

North America and China have been the two fastest growing markets for AM metal powders since AM Research began tracking the market in 2014 through to the end of 2023, with China topping growth at 34 percent compounded annually during this period (North America 30 percent). By total market size, Europe historically had been the largest but North America has drawn even as of the end of 2023.

China's burgeoning metal additive market has been marked by internal use amongst both the state-driven aerospace and defense sector, but also in other areas including consumer electronics, with major contract manufacturers such as Foxconn investing significantly in the technology reportedly for mass production. Meanwhile, vertically integrated AM providers in China such as Bright Laser Technologies (BLT) operate significant volumes of their own systems' printers internally to produce parts for government aerospace programs and select other

custom groups. This activity has grown significantly in the past three years by most regional reports; however, the activity appears to be relatively concentrated amongst a few providers.

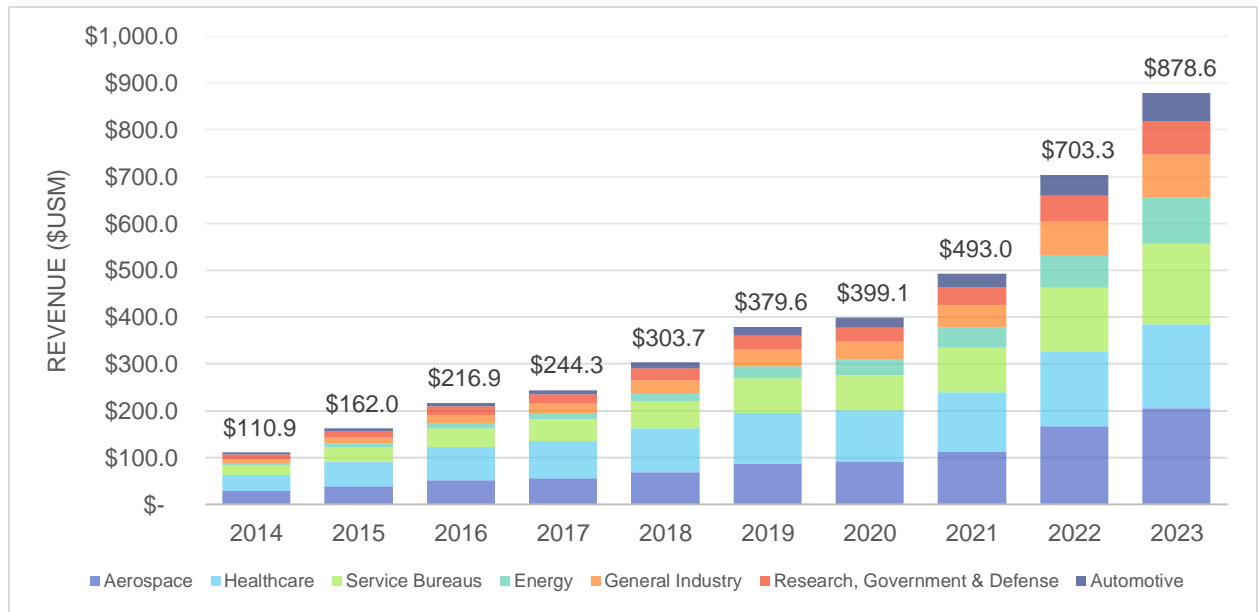
Meanwhile, in North America, there is activity across a somewhat broader spectrum for metal additive, which continues to make North America — and specifically the United States — one of the driving regional markets in all of AM. Most recently the U.S. market has been driven by commercial space applications as well as government defense programs ranging from maritime to hypersonics.

3.2 AM Metal Powder Value and Consumption by End-User Industry

Several key industries are adopting additive manufacturing of metals in significant ways and are differentiated in their uses and adoption patterns. Because additive processes like metal powder bed fusion are so flexible and adaptable, there are varying patterns and trends in the industries listed below that have an impact on the market for AM metal powders. These are described briefly in each section below.

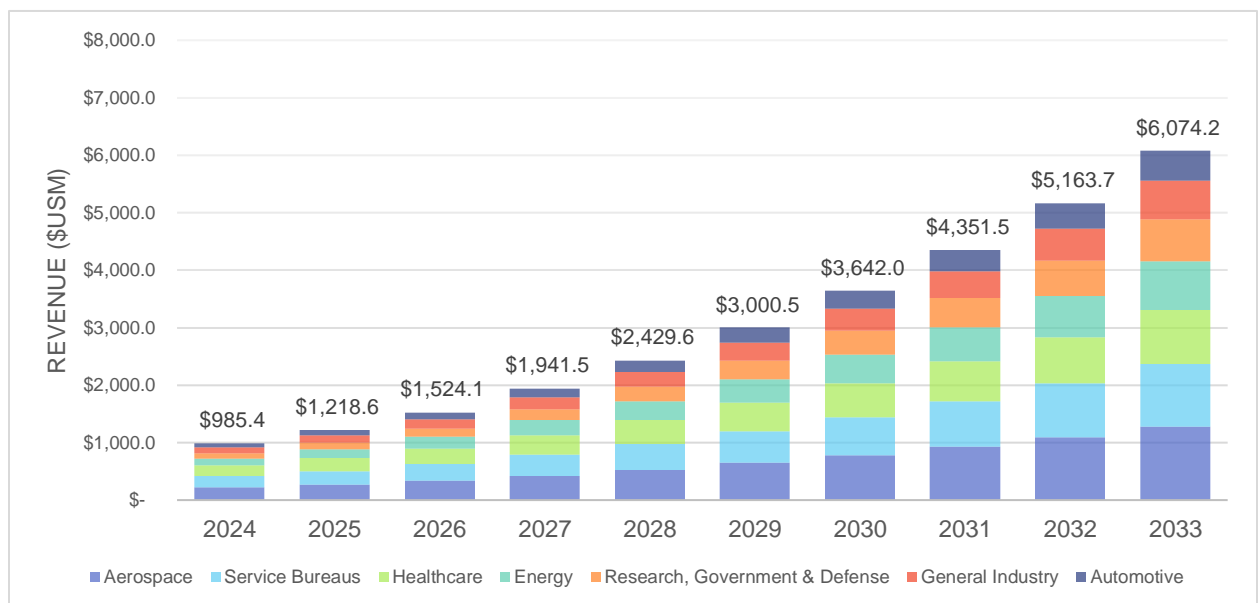
Exhibits 12 and 13 below break out the total value of AM powders by each of the key adopting industries or user groups, with Exhibit 9 providing the historical size to current day, and Exhibit 10 focusing on the projected growth of each segment relative to one another as they continue to follow their respective adoption paths. Commentary on these trends is also briefly provided in the industry subsections.

Exhibit 12: Global Market Size (\$US Millions) for AM Metal Powder by End Market, 2014-2023



Source: AM Research

Exhibit 13: Projected Global Market Size (\$US Millions) for AM Metal Powder by End Market, 2024-2033



Source: AM Research

3.2.1 Aerospace

Commercial space and government defense users have overtaken the civil aviation industry for leading the additive manufacturing industry, and have been a key reason behind the development of large build volume metal powder bed fusion systems.

This has resulted in larger build volume machines — some with the integration of more than four lasers — which are hardware development trends in additive that have had a downstream impact on powder supply. Large quantities of powder are required to fill these machines for each build, and with more productive throughput levels, the aerospace industry is one of the key drivers of the additive powder market in terms of both growth and material development.

3.2.2 Automotive

In the automotive sector, there is a clear delineation between users in the highest performance racing sector, where use volumes are relatively small, and those users who command the light vehicle space where potential volumes are high (but barriers to adoption are also high due to costs and volumes).

The use of metal additive processes by large light vehicle OEMs is mainly around enhancing existing operations through production of advanced tooling. This classical use of AM using powder bed fusion is mainly driven by steels.

The automotive industry is a key prospect for the commercialization of additive metal binder jetting technology at scale. These processes have the potential to more readily conform to the volume and cost needs of the automotive sector, and are already being developed and slowly scaled by Volkswagen as well as specialized suppliers like Azoth.

3.2.3 Medical and Dental

Healthcare is currently one of the leading users of metal powder bed fusion technologies at scale for production of orthopedic implants and dental restorations. Second only to the aerospace sector in terms of overall AM powder market size, medical and dental users are almost exclusively utilizing titanium and cobalt chrome powders to produce in-the-body implants. In orthopedics, additive has revolutionized production and is now moving to take over the industry entirely, having mostly proven itself beyond the minimum time standards for orthopedic success in patients.

Healthcare is an area where adoption of additive manufacturing is expected to be widespread, becoming the new norm of production for many implantables. However, in terms of impacts to the powder market, healthcare will slip behind

industrial sectors primarily due to the size of parts. Dental restorations and most implantable devices consume fairly small volumes of powder compared to many industrial applications, so the healthcare sector is expected to drop into a third or fourth position over time in terms of overall AM powder market size.

3.2.4 Energy

Energy, which encompasses oil and gas, nuclear, wind, and other areas, forms a broad area of application for metal additive processes using a material set that encompasses refractory metals, superalloys, titanium aluminides, copper alloys, and steels.

Like the aerospace sector, the energy industry is also interested in exploring the printing of much larger metal parts than traditional metal additive equipment has been used for and is benefitting from the development of large frame systems that is happening in the aerospace sector.

To the extent that nuclear power continues to be commissioned to power data centers, which are now consuming huge amounts of energy, additive manufacturing will benefit as a means to produce key reactor components faster and more cost effectively than existing production methods and in materials which will improve lifespan and performance, such as refractory metals.

3.2.5 General Industry

In the area of general industrial and tooling, there is nearly no end to the possibilities of metal additive manufacturing to produce components ranging from heat exchangers, fluid flow manifolds, combustion burners, cutters for machining, injection mold tools, and much more.

The tooling industry itself is the oldest established user of metal additive technology, and is now expanding at a rapid pace in the face of supply chain disruptions that began with COVID-19. Applications for industrial cutters, die casting inserts, injection molds and inserts, end of arm tooling for robotics, and advanced fixturing are now being offered by experts in this field as an outsourced service to other industrial manufacturers to improve operations.

In addition to tooling, specialty engineering firms focusing on developing additive-specific components in many of the industrial part types mentioned above are now becoming more numerous. These providers are driving interest in advanced heat exchanger, manifold, and other parts using design for additive manufacturing.

3.2.6 Additive Service Bureaus/Contract Manufacturers

In the world of additive manufacturing, outsourced production partners are an important part of the industry and one of the largest collective users of metal powders. Integrating effective, scaled AM operations can be difficult, so service bureaus and contract manufacturers can provide other manufacturers the benefits of AM without the burden of adopting these solutions completely, which requires significant process expertise and capital investment.

The service bureau sector and business models generally must maximize production of their systems to run profitably, so these users in general are associated with greater powder consumption per year. Because of this, service providers tend to also keep large and regular supplies of powder and are more likely to enter into longer-term agreements so as not to have their entire business disrupted.

As their own segment, non-specialized service bureaus were the second largest group of users in terms of powder consumption in 2023 behind the aerospace industry.

3.2.7 Government and Defense

Government backed defense users have been a driving force in the additive world since 2021 when the Ukraine war began and revitalized global interest in defense and strategic initiatives related to manufacturing.

In the United States alone, additive manufacturing initiatives are being established in every branch of the military, and contracts with potentially massive future implications are being awarded for projects such as production of solid rocket motors for munitions, submarine components for the evolution of the Navy's submarine programs, for MRO for aging ground combat vehicles in the Army, and for production aircraft engine components in the Air Force.

Government entities are also interested in securing supplies of certain powders for additive manufacturing for supply chain independence in an era of political tensions. Today this is driving interest specifically in the areas of titanium powder.

Section 4 – Current Competitive Landscape for AM Powder Producers

The metal powder landscape for additive manufacturing is fully integrated with the traditional powder metallurgy material supply chain. The largest suppliers of metal powders to press and sinter are also amongst the largest providers of powder specifically to AM customers.

Powders used by additive manufacturing processes, however, are different in characteristic compared to traditional press and sinter iron powders, and as a result the established metal powder supply chain now is increasingly split between traditional and emerging powder supply.

This section provides a brief competitive analysis of the metal powder supply chain for additive powders.

4.1 Characteristics of Powder in Additive Manufacturing

Although there are four primary commercially relevant powder-based metal additive manufacturing processes today, much of the market is driven by metal powder bed fusion technology which accounts for an estimated 55 percent of additive metal powder consumed today. Powders for metal powder bed fusion and other metal AM processes are characterized by the following generally accepted principles.

4.1.1 High Flowability and Consistent Morphology

Unlike the irregular shape of powder particles used in press and sinter, which is valued for the creation of strong parts in their green, unfinalized state, AM processes require powders which will flow freely in order to easily be spread across a powder bed (this is true in both powder bed fusion, and to certain (but lesser) degree, metal binder jetting as well). The spherical shape resulting from atomization production processes lends itself to good flowability characteristics. In addition, the morphology of AM powders needs to be relatively consistent without the presence of satellites and fine particles which can disrupt flowability and packing density.

4.1.2 Small, Tightly Controlled Particle Size Distribution (PSD)

AM powders size distribution for most popular laser-based metal powder bed fusion technologies is typically 15 to 63 microns as a general standard, though specific

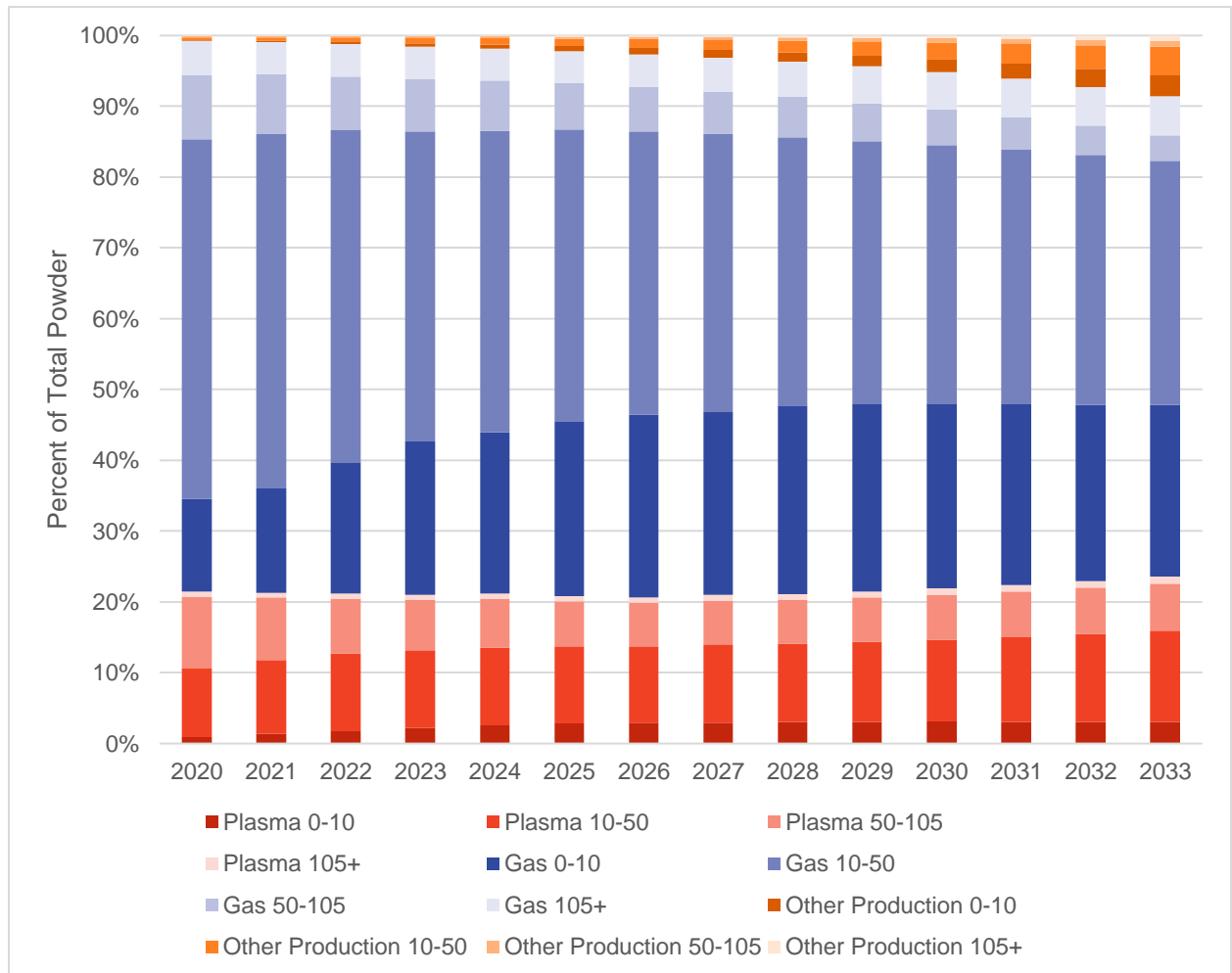
users have identified even tighter ranges as more ideal to achieve best repeatability and best part properties due to packing density and minimum layer thickness. Other AM processes like powder directed energy deposition, as well as augmentations of the metal powder bed fusion process such as Electron Beam Melting (EBM) have slightly different, larger PSD allowances. Regardless, producing significant volumes of powder in the proper spherical shape and high purity in the AM PSD ranges has been proven difficult, and a large driver of costs in the AM-specific supply chain.

4.1.3 High Purity and Low Porosity

The characteristics for purity and the porosity of powder particles themselves can vary slightly depending on application and end-user requirements; however, given that AM is mostly aligned with regulated industries such as aerospace and medical, it is generally important for AM powder production processes to be capable of providing high chemical purity of powder and also that particles themselves have low porosity.

All of the above characteristics have combined to create a market structure where the accepted methods of powder production are forms of gas atomization and plasma atomization. In terms of overall volume of powder production in the PM industry, the bulk of powder production methods including water atomization and solid-state reduction are — on their own — not suitable for AM powder production.

Exhibit 14: AM Metal Powder Share of Production Category – Worldwide, All Metal Types and AM Processes



Source: AM Research

Shown above in Exhibit 14, the total global share of powder production method by category is shown across all metal AM alloy groups, industries, and print technologies. Gas atomized powder currently controls the bulk of powder produced after several years of gains (prior to 2020 and not shown on this chart) of plasma-based technology. Other atomization processes are now expected to slowly erode share of gas atomization along with continued gains of plasma. The impact of plasma atomization as a secondary process to spheroidize powder produced by other methods is not reflected above and as a result, plasma's impact on the overall AM powder market is not fully contextualized in Figure 11 above.

4.2 Major Providers in Nonspecialized Volume Production

Significant gas atomization capacity for powders suitable to AM is dispersed widely across the market, with most of the overall leaders in conventional metal powder production also leading in the additive sector. Although smaller, additive specialized providers exist in this area of gas and plasma atomized AM powders, most of the efforts of smaller companies are now focused on either developing innovative alloys specifically for processing by AM, or in development of novel powder production techniques to serve the needs of the AM industry (discussed in the following section).

The table below in Exhibit 15 details some of the leading providers of gas and plasma atomized metal powders to the AM industry.

Exhibit 15: Review of Key Non-Specialized AM Powder Producers			
Provider	Atomization Technology	Specific Metals Focus	Estimated Share (AM powder)
Carpenter	Gas & Plasma	None	14%
AP&C (GE)	Plasma	Titanium, Aluminum	7%
Tekna	Plasma	Titanium, Refractory	6%
GKN PM	Gas	None	5%
Hoganas	Gas	None	10%
Sandvik	Gas and Plasma	None	12%
Praxair Surface Technologies	Gas	None	9%

Exhibit 15: Review of Key Non-Specialized AM Powder Producers			
Provider	Atomization Technology	Specific Metals Focus	Estimated Share (AM powder)
Oerlikon	Gas	None	6%
Avimetal	Gas and Plasma	None	9%
CNPC Powder Corp	Gas and Plasma	None	8%

Source: AM Research

4.3 Specialists and Innovators in AM Powder Production to Watch

AM powder producers focusing on atomization-based production are today mostly large entities (for gas atomization) and small- to medium-sized entities (plasma atomization). However, there has been a trend in AM supply around providing powder from alternative feedstocks, especially scrap and recycled metals. Providers such as 6K Additive and IperionX, both are U.S. based newcomers in the metal additive market targeting titanium and refractory metals (among others) with powder production stemming to varying degrees on the basis of recycled metals.

Metal Powder Works, a relative newcomer to the AM market and a specialist powder supplier, continues to scale its DirectPowder process, which converts bar stock to powder in a room temperature process. The technology is claimed to be high yield and also possesses a high degree of customization of parameter control for particle size, shape, and batch to batch consistency.

Outside of the U.S. the trend is also taking hold, perhaps in a less significant way. Finnish company Outokumpu announced in early 2023 that it was entering the metal powder market with a new atomization plant in Germany that will produce powder via the Hydride/Dehydride method using steel scrap, with a goal to serve AM and MIM markets with powder through recycling. The new plant will, over time scale up production capacity, with the ultimate goal to grow to 330 tons in the future.

In Japan, Epson Atmix Corporation, part of the Epson Group, announced plans to create a new metal recycling facility that will produce powders sold by the Atmix

subsidiary for MIM and AM. The facility will become operational by 2025, and utilize scrap powders, waste from Epson factory operations, and used mold and die tools.

These businesses highlight a larger trend in regional powder supply and interest in AM from government-oriented sectors where supply requirements are stricter, and interest in providing domestic supply is critical.

Users across the industry continue to experiment with powder characterization for use in AM machines, including tightened particle size distributions (PSD) in the 30–40-micron range. However, most suppliers report that there is a widening gap between low volume, and irregular purchase customers who continue to be relegated to research and pre-production applications and those relative few (but increasing in number) who are entering serial production for various parts. In the case of the former, powder characterization experimentation is still alive and well, but in the context of volume demand, customers appear more comfortable simply accepting the best available powder that they can lock in supply for at a reasonable cost.

Entities continue to explore production methods that allow for lower material costs in metal additive, which are usually based on creating powders of different characteristics than the norm and either then using a subsequent process to 'spheroidize' it or simply adapt existing AM technology to print with an alternative powder type.

4.4 Traditional Powder Atomization Versus Other Methods for Long-term Growth in AM

Numerous companies continue to enter the AM metal powder space, while existing suppliers also continue to add atomization capacity to existing operation in a largely piecemeal fashion to keep up with growth.

The overall capacity of metal powder production to support AM activities appears to be shrinking rather rapidly, even though additive powder demand specifically is still very small in terms of the overall metal powder production industry, the sticking point is how much powder capacity there is to produce qualified AM powders rather than general powder metallurgy powder (which has much less stringent standards and requirements for use in traditional processes).

Powder producers report difficulty in forecasting the timing of demand increases from customers due to the pitfalls of adopting AM and inconsistencies in strategic employment of the technologies. Relatively few customers in the mix of powder suppliers are operating at scale, and the majority remain largely transactional with relatively lower (but steadily increasing) volumes. It is the few who reach scale that

are driving major growth, but also complicating the planning of capacity expansions.

Based on preliminary research, AM Research estimates there may be around 30,000 tons of qualified production capacity for AM powders globally today, counting near-term plans for expansions already mentioned or planned by providers. This is a rough estimate, as it is difficult to properly discern how much capacity the world's largest metal powder suppliers have that could be considered suitable for AM (i.e., not based on water or other atomization methods for traditional processing).

Based on current demand forecasts, AM Research expects the AM industry will consume this entire current capacity around 2027 to 2028, with overall demand from AM then growing to 75,000 tons by 2033, at the end of the current forecast period.

4.4.1 Long-term Changes to the AM Powder Production Landscape

The ability for commercialized additive processes to adapt to different powder parameters without sacrificing consistency and quality of operation is a topic that has been discussed for several years within the metal additive industry — especially as production volume applications have slowly begun to emerge. Material costs generally become a more critical part of the cost equation for AM parts as serial production volumes increase. In its current phase where volume applications are relatively rare, and short runs and unique parts control a sizeable portion of part demand, powder costs are viewed as important, but not yet critical.

The additive industry is likely to evolve into a more serialized production tool for regular production of the same parts, but gradually over time. As this happens, the criticality of powder prices will increase, and the market will continue to try to solve the issue of cost of powders through two methods.

- Innovative new production processes that can produce acceptable powders at lower costs
- Alter the envelope of powder characteristics that can be used through AM system innovation (i.e., allowing larger PSDs or irregular shaped powder, etc.)

This section has already detailed certain ways where the first method is already underway. Production of powders via reduction or water atomization, or utilizing recycled scrap metal, and applying subsequent processes to improve its morphology and purity for AM processes is a trend that is only partially being driven by cost reduction but also by need for a diverse materials supply chain as AM

changes the way metal parts can be designed (and by what materials they can be made of).

To the second point, within the AM sector, there also is already some ongoing progress in altering AM technology to be able to utilize available lower cost powders, especially water atomized. This is primarily being explored in binder jetting. Binder jetting technology is positioned as a higher volume and lower cost alternative to the incumbent metal powder bed fusion technology and is in-part marketed with lower material costs because of less stringent powder characteristic requirements. This is because the processes more closely resembles traditional PM and involves setting the shape of the part in a green state through chemical binders, followed by subsequent sintering of the green part into the final fully dense metal component in a secondary operation.

Numerous entities have now published research regarding use of water atomized powders in binder jetting, and AM Research expects that these and other efforts will continue to push the trajectory of using lower cost materials to target industries and applications outside the current primary areas for metal AM.

About AM Research

AM Research delivers industry analysis and market forecasts for the 3D printing industry. Our coverage provides insight for those companies offering 3D printing equipment, materials, services, and software, as well as companies who operate in industries where 3D printing will begin to play a role in the near future.

When a company purchases a report from AM Research or engages us for custom consulting, it receives:

- Comprehensive analysis that reflects today's 3D printing market realities and tomorrow's profitable possibilities
- Detailed forecasts that provide our clients with compelling evidence to support important strategic decisions and give them an edge over the competition.
- Actionable recommendations identifying where money will be made and where it will be lost.
- Candid market assessments based on today's best strategic thinking, not just data dumps from the Internet.

AM Research offerings complement internal product planning technology road-mapping, as well as provide low-cost knowledge enhancement for firms in the 3D printing industry.

Our mission is to identify business opportunities in the areas of Additive Manufacturing (AM)/3D printing and other advanced manufacturing technologies.

We use a proven market analysis process with roots that stretch back 30 years in the telecommunications industry.

Our reports are focused on providing granular, comprehensive ten-year forecasts of revenue generation and market size for sectors of the AM industry. Our reports include forecasts of hardware, software, services, and materials, along with market size for potential applications.

AM Research's reports are intended as key strategic inputs for all senior executives planning 3D printing product/market strategies and for investors who are looking to take equity positions in 3D printing firms.

AM Research also offers customized consulting and due diligence analysis.

About the Analyst

Scott Dunham – Senior Analyst, AM Research

Scott Dunham has served clients in the 3D printing industry for over three years in various market research and analysis positions. As Senior Analyst of AM Research, Scott employs an analytic strategy based on the adage of “Aim small, miss small.”

Dunham earned his undergraduate degree studying marketing and research at the University of Kentucky in the Gatton School of Business & Economics. He has been a featured speaker at 3D printing conferences around the globe, including 3D Printshow, Additive Disruption, RAPID, and others.

Acronyms and Abbreviations Used In this Report

AM	Additive Manufacturing
EBM	Electron Beam Melting
MIM	Metal Injection Molding
MRO	Maintenance, Repair and Overhaul
OEM	Original Equipment Manufacturer
PM	Powder Metallurgy
PSD	Particle Size Distribution