


PROSPECTUS

South East Asia Resources Limited to be renamed Jadar Lithium Limited

(Subject to Deed of Company Arrangement)

ACN 009 144 503



For an offer of up to 250,000,000
Shares at an issue price of \$0.02
each to raise up to a total of \$5,000,000
(Public Offer) (before costs).
This Prospectus also contains the
Secondary Offers.

IMPORTANT INFORMATION

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

All references to Securities in this Prospectus are made on the basis that the Consolidation, unless otherwise stated, for which Shareholder approval is being sought at the General Meeting to be held on 6 October 2017, has taken effect.

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Shares.

**South East Asia Resources Limited
(to be renamed 'Jadar Lithium Limited')
(Subject to Deed of Company Arrangement)
ACN 009 144 503**

PROSPECTUS

For an offer of up to 250,000,000 Shares at an issue price of \$0.02 each to raise up to a total of \$5,000,000 (**Public Offer**) (before costs).

This Prospectus also contains the following **Secondary Offers**:

1. an offer of 37,500,000,000 Shares in consideration for the acquisition of all shares in Centralist (**Consideration Offer**);
2. an offer of 65,250,000 Options for no consideration to investors who participated in the Prior Placement (**Placement Options Offer**);
3. an offer of up to 12,500,000 Shares to Dempsey Resources (or its nominee) in lieu of corporate advisory fees for services rendered to the Company (**Advisor Offer**); and
4. an offer of up to 5,000,000 Options to Indian Ocean (or its nominees) in consideration for lead manager services provided to the Company in relation to the Public Offer (**Lead Manager Offer**),

(together, the **Offers**).

It is proposed that the Offers will close at 5.00pm (WST) on 17 November 2017. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

Re-compliance with Chapters 1 and 2

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

Conditional Offer

The Offer is conditional upon certain events occurring. Please refer to Section 2.4 for further information.

The Offer is not underwritten.

IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered **speculative** in nature and prospective investors should be aware that they may lose some or all of their investment.

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IMPORTANT INFORMATION

Prospectus

This Prospectus is dated 29 September 2017, and was lodged with ASIC on that 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. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within 7 days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

Persons wishing to apply for Securities pursuant to the Offers must do so using the applicable Application Form attached to or accompanying this Prospectus. Before applying for Securities potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Securities;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

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

The Acquisition will constitute a 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 of ASX. 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.

The Company's Securities are currently suspended from trading on the ASX and will not be reinstated until ASX approves the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the Official List. In the event the Conditions are not satisfied or the Company does not receive conditional approval for re-admission to the Official List then the Company will not proceed with the Offers and will repay all application monies received. Further, the Company will be removed from the Official List by ASX in accordance with ASX's long term suspended entities policy.

Conditional Offers

Some of the Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their application monies without interest. Please refer to Section 2.4 for further details on the conditions attaching to the Offers.

Consolidation

Unless otherwise stated, all references to Securities in this Prospectus are made on the basis that the 20 for 1 Consolidation, for which Shareholder approval is being sought at the Meeting, has taken effect. The number of Shares on a post-consolidation basis is subject to rounding.

Administrators

The Company is presently subject to a deed of company arrangement.

The Deed Administrators have not been involved in the preparation of this Prospectus and have taken no part in the preparation of any documents and express no opinion regarding the Offers. The Deed Administrators have not independently verified any of the information contained in this Prospectus. Neither the Deed Administrators nor their servants, agents or employees make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this Prospectus.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.jadarlithium.com.au. 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's registered office by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the Application Form within Australia.

Applications will only be accepted on the Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.jadarlithium.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete an 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.

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

Offers outside Australia

The offer of Securities made pursuant to this Prospectus is not made to persons to whom, or places in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. See Section 2.13 for further information.

Notice to United States Residents

The Securities being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the Company.

Cooling off rights

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

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus.

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice.

If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

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 date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause

actual results to differ materially from those expressed in any forward-looking statements.

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

The Company cannot and does 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.

Competent Persons Statement

The information in this Prospectus that relates to exploration results for the Serbian Lithium Projects is based on, and fairly represents, information compiled or reviewed by Mr Phil Jones and was first released by the Company in the Notice of Meeting lodged with ASX on 7 September 2017. The information has not materially changed since it was last reported.

Mr Phil Jones is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Jones is a full time employee of Al Maynard & Associates Pty Ltd and does not hold any interest in the Company. Mr Jones has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves" (**2012 JORC Code**). Mr Jones consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

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. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

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

Defined terms and abbreviations used in this Prospectus are detailed in Section 13.

CORPORATE DIRECTORY

Existing Board of Directors

Mr Gary Williams
Mr Wayne Knight
Mr Jacob (Kobi) Tsaban

Proposed Board of Directors

Mr Luke Martino Non-Executive Chairman
Mr Gary Williams Non-Executive Director
Mr Nicholas Sage Non-Executive Director

Existing Company Secretary

Luke Martino

Proposed Company Secretary

Ms Louisa Martino

Registered Office

311-313 Hay Street
SUBIACO WA 6008

Telephone: +61 8 6489 0600

Facsimile: +61 8 9388 3701

Share Registry*

Advanced Share Registry Services Limited
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 9262 3723

www.advancedshare.com.au

ASX Code

Current: SXI

Proposed: JDR

Website

www.jadarlithium.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

Australian Legal Adviser

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Serbian Legal Adviser

Janković Popović Mitić
Vladimira Popovića 6, NBGP Apartments
11070 BELGRADE SERBIA

Serbian Auditors

Crowe Horwath BDM Audit d.o.o.
Terazije 5/4
11000 BELGRADE SERBIA

Lead Manager

Indian Ocean Corporate Pty Ltd
311 - 313 Hay Street
SUBIACO WA 6008
AFSL No: 336409

Independent Geologist

Al Maynard & Associates Pty Ltd
9/280 Hay Street
SUBIACO WA 6008

Deed Administrators*

Richard Albarran, David Allan Ingram and
Cameron Hugh Shaw
Hall Chadwick
Level 11, 16 St Georges Terrace
PERTH WA 6000

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

LETTER FROM THE DIRECTORS

Dear Investor

On behalf of the Board of Directors of South East Asia Resources Limited (Subject to Deed of Company Arrangement) (to be renamed 'Jadar Lithium Limited') (the **Company**), I am pleased to present you with this opportunity to become a shareholder in the Company.

This Prospectus has been issued by the Company primarily to enable it to raise up to \$5 million through the Public Offer of 250,000,000 Shares at an offer price of 2 cents each (**Public Offer**).

The Company was incorporated on 2 August 1985 and was admitted to the Official List of ASX on 7 December 1994. The Company is presently undergoing a restructure by way of a Deed of Company Arrangement, expected to complete in October 2017. On 5 September 2017, the Company entered into a conditional binding agreement (**Acquisition Agreement**) to acquire 100% of the issued capital in Centralist Pty Ltd (**Centralist**). Centralist is party to a further acquisition agreement pursuant to which it will acquire 100% of the issued capital of a Serbian incorporated entity, Centurion Metals D.O.O (**Centurion**), which holds a substantial exploration licence portfolio comprising five granted Serbian exploration licences covering approximately 328 square kilometres in the Republic of Serbia (**Serbia**) prospective for lithium (**Serbian Lithium Projects**) (together, the **Acquisition**).

The Company's primary objective is to focus on mineral exploration and development of resource opportunities, in particular the Serbian Lithium Projects, which have the potential to deliver growth of the Company for the benefit of Shareholders. The Serbian Lithium Projects are considered 'greenfields' projects upon which no substantive exploration work has been undertaken. An Independent Geologist's Report is included at Section 7 of this Prospectus which describes the Serbian Lithium Projects in further detail.

Serbia is the only current known source of Jadarite, a new lithium-borate bearing mineral ($\text{LiNaB}_3\text{SiO}_7(\text{OH})$) discovered in 2004 by Rio Sava, a wholly owned subsidiary of Rio Tinto. Two of Centurion's exploration projects are strategically located with the Cer Project being only ~10km north and the Bukulja Project being located ~90km east-southeast of Rio Tinto's world class jadar lithium borate discovery of 125.3 million tonnes with a weighted average concentration of 1.8% Li_2O and 16.2 million tonnes of B_2O_3 grading 13.1% (one of the largest lithium deposits in the world).

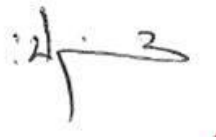
Completion of the Acquisition will result in a material change in the nature and scale of the Company's activities. The purpose of this Prospectus is to ensure that the Company is able to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to provide the Company with funding to explore the Serbian Lithium Projects.

The Acquisition is subject to a number of conditions, including obtaining necessary Shareholder approvals, which are being sought at a Shareholder Meeting scheduled for 6 October 2017. This includes approval for the Company to be renamed Jadar Lithium Limited (proposed ASX code: JDR).

This Prospectus contains detailed information about the Offers being made by the Company, the current and proposed operations of the Company, the Acquisition and associated transactions, as well as certain risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks as detailed in Section 4 of this Prospectus. We strongly encourage you to read this Prospectus carefully and in its entirety before deciding whether to invest in the Company and, where necessary, consult with your professional advisers.

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

Yours faithfully

A handwritten signature in black ink, appearing to be 'Jakob' followed by a stylized flourish.

Jakob (Kobi) Tsaban
Current Director

A handwritten signature in blue ink, appearing to be 'Luke Martino' followed by a stylized flourish.

Luke Martino
Proposed Chairman

KEY OFFER DETAILS

Key offer details ¹	
Offer Price per Share under the Public Offer	\$0.02 per Share
Shares to be offered under the Public Offer	up to 250,000,000
Cash raised under the Public Offer (before expenses)	up to \$5,000,000
Ordinary Shares to be offered under the Consideration Offer	37,500,000
Options to be offered under the Placement Options Offer	65,250,000
Shares to be offered under the Advisor Offer	12,500,000
Options to be offered under Lead Manager Offer	5,000,000
Shares on issue prior to the Offers (approximate - subject to rounding) ²	64,680,536
Total approximate number of Shares on issue following the Offers	389,530,536
Ownership by Centralist Vendors at ASX relisting	9.63%
Ownership by investors under Public Offer at relisting	64.18%

Note:

1. The figures shown above assume the Consolidation has occurred and none of the Options are exercised into ordinary Shares. Please refer to Section 2.5 for further details relating to the proposed capital structure of the Company.
2. On a post-Consolidation basis

INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC	29 September 2017
Opening Date for the Public Offer	6 October 2017
Shareholder Meeting	6 October 2017
Closing Date for the Offers	17 November 2017
Completion of the Acquisition	24 November 2017
Issue of Securities under the Offers	24 November 2017
Dispatch of holding statements	24 November 2017
Expected date for Shares to be reinstated to trading on ASX	8 December 2017

Note: The dates shown above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Dates and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the relevant Opening Date if they wish to invest in the Company. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Shares to Applicants.

IMPORTANT NOTE - ASX POLICY ON REMOVAL OF LONG TERM SUSPENDED ENTITIES

The Company reminds investors of ASX's policy for the removal of long term suspended entities detailed in ASX Guidance Note 33 *Removal of Entities from the ASX Official List (Guidance Note 33)*.

Pursuant to Guidance Note 33, any entity that has been in continuous suspension for more than three years, as the Company has been since 1 October 2014, will be automatically delisted on the third anniversary of its suspension date if it is still suspended.

ASX may agree to a short extension of this deadline if the Company can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities within a reasonable period. For these purposes, ASX considers "final stages" to mean:

1. having announced the transaction to market;
2. having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
3. if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC; and
4. if the transaction requires security holder approval, having obtained that approval.

During the preparation of the Notice of Meeting, ASX raised queries which required further consideration. As a result, the Company is no longer able to hold its meeting by the de-listing deadline. ASX has however indicated to the Company that it will extend the de-listing deadline period to 6 October 2017 to enable the Company the opportunity to meet the conditions noted above with respect to requesting an extension.

With the lodgement of this Prospectus the Company has met the first three requirements. Providing Shareholders pass the resolutions the subject of the Notice of Meeting, the Company will have met all requirements to enable it to request a short extension from ASX to the de-listing deadline. The Company confirms it will make such a request at the appropriate time and keep the market updated in this regard.

The Company notes that any such extension of time may not be granted by the ASX and that the ASX has sole discretion on whether an extension of time is approved or not and for what period of time the extension is to be granted.

If the Company is unable to meet the conditions required by ASX to request an extension, or if ASX does not grant an extension, the Offers will be withdrawn and the Company will be removed from the Official List of ASX at opening of business on 9 October 2017.

INVESTMENT OVERVIEW

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

Topic	Summary	More information
Introduction		
Who is issuing this Prospectus?	South East Asia Resources Limited ACN 009 144 503 (Subject to Deed of Company Arrangement) (proposed to be renamed 'Jadar Lithium Limited') (the Company).	
Who is the Company and what does it do?	<p>South East Asia Resources Limited (Subject to Deed of Company Arrangement) (to be renamed 'Jadar Lithium Limited') is a minerals exploration and development company.</p> <p>The Company is a public company listed on the official list of the ASX (current ASX code: SXI; proposed ASX code: JDR). It was incorporated on 2 August 1985 and was admitted to the Official List of the ASX on 7 December 1994.</p> <p>The Company's securities were suspended from official quotation on 1 October 2014.</p> <p>On 8 January 2015, the Company was placed into voluntary administration and Mr David Ingram, Mr Cameron Shaw and Mr Richard Albarran were appointed as joint and several Administrators of the Company and creditors subsequently approved the Company entering into a deed of company arrangement (DOCA).</p> <p>Completion and effectuation of the DOCA is expected to occur prior to the Closing Date of the Public Offer. As a result, the Company will no longer be under external administration and all security over the Company's assets will be discharged and released.</p> <p>As announced on 7 September 2017, the Company has entered into the Acquisition Agreements under which the Company will acquire 100% of the issued capital of Centralist Pty Ltd and Serbian company, Centurion Metals D.O.O (both recently incorporated), subject to satisfaction of a number of conditions precedent (Acquisition).</p> <p>Centurion is the ultimate 100% holder of five lithium exploration licences in the Republic of Serbia (the Serbian Lithium Projects).</p>	Sections 3.1, 3.2 and 3.3

Topic	Summary	More information
What is the Acquisition?	Pursuant to the terms of the Acquisition Agreements, Centurion will become a wholly owned subsidiary of Centralist, and Centralist will become a wholly owned subsidiary of the Company, and the Company will have a 100% interest in the Serbian Lithium Projects.	Section 3.3
What is the Company's strategy?	Following reinstatement to quotation of the Company's Shares on ASX, the Company's primary focus will be to explore the Serbian Lithium Projects, with the aim of confirming the extent of lithium or other mineral mineralisation and identify potential area for further testing and drilling.	Section 3
What will be the Company's key assets?	At completion of the Offers and the Acquisition, the Company will own the Serbian Lithium Projects and have cash of approximately \$4.7 million.	Sections 3 and 5
What are the Serbian Lithium Projects?	<p>Centurion is the owner of five (5) exploration licences covering a total area of approximately 328 square kilometres in Serbia.</p> <p>The exploration licences permit geological researching of lithium, boron, and corresponding metallic raw mineral materials.</p> <p>The Serbian Lithium Projects include:</p> <ul style="list-style-type: none"> the Cer Project which is centred 80km west of Serbia's capital Belgrade and 10km north of Rio Tinto's world-class Jadar Lithium-Borate Deposit; the Bukulja Project which is located 55km south of the capital Belgrade and 90km eastsoutheast of the Jadar Lithium-Borate Deposit; the Rekovac Project which is located 120km south-southeast of the capital Belgrade; the Krajkovac Project which is located 190km southeast of the capital Belgrade; and the Vranje-South Project which is located 290km south-southeast of the capital Belgrade and centred 15 km south of the city of Vranje. 	Sections 3.5 and 7
Do the Serbian Lithium Projects have any defined resources?	No. The Serbian Lithium Projects are "greenfields" exploration project areas covering regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas, with only regional scale geology mapping carried out to date.	Sections 3.5 and 7

Topic	Summary	More information
Summary of key risks		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.</p>		
Future capital requirements	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Serbian Lithium Projects are successfully developed and production commences.</p> <p>In order to successfully develop the Serbian Lithium Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or offer price under the Public Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p>	Section 4.2(a)
Government regulation and political risk in the mining industry	<p>Centurion's operating activities are subject to Serbian laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.</p> <p>While the Company believes that Centurion is in substantial compliance with all material current laws and regulations affecting its activities, Serbian mining law was only recently overhauled in 2015 so future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its subsidiaries or its properties, which could have a material adverse impact on Centurion's current operations or planned development projects.</p>	Section 4.2(c)
Tenure, access and grant of applications	<p>The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities in Serbia. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from the</p>	Section 4.2(d)

Topic	Summary	More information
	<p>existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.</p> <p>Prior to any exploration or development on any of Centurion's properties, subsidiaries of the Company must receive licences/permits/certificates from appropriate governmental authorities in Serbia, together with consent to enter upon the exploration licence areas to undertake proposed activities (see section 5(e) of the Solicitor's Report at Section 8). Centurion has already obtained the requisite environmental and cultural heritage certificates as part of the process to obtain the exploration licences and has commenced the process of requesting the requisite information from municipal authorities. Centurion has also commenced discussions with landowners to obtain the appropriate consent. Whilst the Company has no reason to believe landowner consent will not be obtained, there is no certainty that Centurion will obtain that consent. If consent is not obtained, the Company expects Centurion will commence the process under Serbian mining law to access the relevant land. As those provisions of the Serbian mining law are yet to be tested, there is no certainty that Centurion will be successful. See section 5(e) of the Solicitor's Report at Section 8 for further details.</p> <p>Under Serbian mining law, an exploration licence can be revoked upon the occurrence of specified events that are not remedied within prescribed periods. Such events include but are not limited to not conducting exploration activities in accordance with the approved programme, conducting exploration activities outside of the permit area, failing to submit annual reports, failing to undertake adequate rehabilitation works and failing to comply with occupational health and safety laws. See the Solicitor's Report at Section 8 for further details.</p>	
Exploration Risk	<p>Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.</p> <p>The Serbian Lithium Projects are "greenfields" exploration project areas covering regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas, with</p>	Section 4.2(e)

Topic	Summary	More information
	<p>only regional scale geology mapping carried out to date. Exploration of the Serbian Lithium Projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>	
Insurance risks	<p>The Company intends to insure its operations and those of Centralist and Centurion in accordance with industry practice. There are significant exploration and operating risks associated with exploring for lithium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.</p>	Section 4.2(i)
Regulatory risks	<p>The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.</p>	Section 4.3(a)

Topic	Summary	More information
Enforcing liabilities against assets outside of Australia may be difficult	The majority of the Company's assets will be located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Serbia or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.	Section 4.4(g)
Directors, Key Management Personnel and Substantial Holders		
Who are the Directors and Proposed Directors of the Company?	<p>The existing Directors of the Company are:</p> <ul style="list-style-type: none"> • Mr Gary Williams • Mr Jakob Tsaban • Mr Wayne Knight <p>Upon completion of the Acquisition, the composition of the Board will change with the resignation of Messrs Tsaban and Knight and the appointment of Mr Luke Martino and Mr Nicholas Sage. The Board will then comprise:</p> <ul style="list-style-type: none"> • Mr Gary Williams • Mr Luke Martino • Mr Nicholas Sage 	Sections 9.1 and 9.2
Who are the key management?	It is the Board's intention to seek to strengthen the management of the Company following relisting by recruiting additional executives of appropriate calibre, experience and with complementary skill sets to the current Directors to assist the Company achieve its goals. In the meantime, the Board has the requisite skills to oversee the commencement of exploration programs in the event they commence prior to a suitable Serbian in-country manager commencing.	Section 9.1
What benefits are being paid to Directors?	The Directors and Proposed Directors will receive remuneration in accordance with their employment contracts or letters of appointment. At completion of the Acquisition, each director will receive a director's fee of \$60,000 per annum.	Section 9.5

Topic	Summary	More information
What important contracts with related parties is the Company a party to?	<p>The Company has entered into the following related party transactions on arms' length terms:</p> <ul style="list-style-type: none"> • letters of appointment or consultancy agreements with each of its Directors on standard terms; • deeds of indemnity, insurance and access with each of its Directors on standard terms; and • mandates for the provision of lead management, corporate secretarial and corporate services with Indian Ocean Corporate, an entity associated with Mr Luke Martino. 	Section 9.6
What interests do Directors have in the securities of the Company?	<p>The interests of the Directors and Proposed Directors are detailed in Section 9.3.</p> <p>The security holdings of the Directors and Proposed Directors are set out in Section 9.4.</p>	Sections 9.3 and 9.4
Who will be the substantial shareholders?	Following completion of the Acquisition and Offers, no Shareholder is expected to hold 5% or more of the total number of Shares on issue (assuming that no Options are converted into Shares or participating by existing shareholders in the Public Offer).	Section 11.3
Financial information		
What is the Company's and Centurion's financial prospects and position?	A summary of the financial history for the Company, Centralist and Centurion is set out in Section 5.	Section 5
What is the financial outlook for the Company following the Acquisition and completion of the Offers?	<p>The long-term financial prospects of the Company is largely dependent upon the outcome of the Company's exploration activities.</p> <p>A pro-forma balance sheet for the Company showing the Company's financial position after completion of the DOCA, Acquisition and Offers is set out in Section 5.4.</p>	Section 5.4
Will the Company have sufficient funds for its activities?	The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.	Sections 3.7 and 5.4

Topic	Summary	More information
What is the proposed use of funds raised under the Public Offer?	<p>A use of funds table for funds raised under the Public Offer is set out in Section 3.7.</p> <p>The funds raised under the Public Offer are proposed to be used over the 24 months following re-instatement to quotation of the Company's Securities to fund the following key business activities:</p> <ul style="list-style-type: none"> • explore, progress and advance the Serbian Lithium Projects; • finance Serbian and Australian administration costs; and • pay the expenses associated with the Acquisition and Offers; and • provide working capital. 	Section 3.7
What are the Offers?		
What is the Public Offer?	<p>By this Prospectus, and pursuant to the Public Offer, the Company offers up to 250,000,000 Shares at an Offer Price of \$0.02 per Share to raise funds of up to \$5,000,000 (before costs).</p> <p>The Public Offer is open to the general public.</p>	Section 2.1
What are the Secondary Offers?	<p>The Company is also undertaking the Secondary Offers (described below). 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 (or any Shares issued on conversion of any Securities into Shares) that are issued under the Secondary Offers.</p> <p>The Secondary Offers include the Consideration Offer, the Placement Options Offer, the Advisor Offer and the Lead Manager Offer.</p>	Section 2.2
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> • completion of the DOCA; • the Acquisition Agreements becoming unconditional; • Shareholders approving the Acquisition Resolutions; • the Company raising funds pursuant to the Public Offer; and • ASX providing a reinstatement conditions letter to the Company. <p>If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application</p>	Section 2.4

Topic	Summary	More information
	Monies received under the Public Offer in accordance with the Corporations Act. Further, the Company will be removed from the Official List of ASX in accordance with ASX's long term suspended entities policy	
What will the capital structure of the Company change to post-completion of the Acquisition and Offers?	The capital structure of the Company following completion of the DOCA, Acquisition and Offers is detailed in Section 2.5.	Section 2.5
Additional information		
What rights and liabilities attach to the Securities on issue post-Acquisition?	All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares and Options are described in Sections 11.1 and 11.2, respectively.	Sections 11.1 and 11.2
What is the minimum subscription for the Public Offer?	The minimum subscription under the Public Offer is \$5,000,000, being 250,000,000 Shares (Minimum Subscription). None of the Shares offered under the Public Offer will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company 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).	Section 2.1(b)
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Sections 2.6 and 10.5
What is the minimum and maximum application size under the Public Offer?	Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) and then in increments of 5,000 Shares (\$100).	Section 2.7
Will the Securities issued under the Offers be quoted?	Application will be made to ASX within 7 days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offers. No application for quotation for the Options will be made.	"Important Information"

Topic	Summary	More information
Can the Offers be withdrawn?	<p>The Company reserves the right not to proceed with the Offers at any time before the issue of Shares to successful applicants.</p> <p>If the Offers do not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offers.</p>	
What are the tax implications of investing in Securities under the Offers?	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. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.	Section 2.15
How do I apply for Shares under the Public Offer?	Applications under the Public Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	Section 2.7
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be despatched to successful Applicants by standard post around or about the dispatch date noted in the indicative timetable	"Indicative Timetable"
Will any Securities be subject to escrow?	Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities (including the Securities issued under the Consideration Offer, Placement Options Offer, Advisor Offer and Lead Manager Offer) will likely be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.	Section 2.10
What is the Company's dividend policy?	<p>It is anticipated that, post-settlement of the Acquisition, the Company will focus on exploring the Serbian Lithium Projects. The Company has no current intention to declare and pay any dividends in the near term as its focus will be primarily on using cash reserves to explore the Serbian Lithium Projects.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend upon the Company's performance, exploration success, the availability of distributable earnings, future capital requirements, strategic objectives and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 3.8

Topic	Summary	More information
How can I find out more about the Prospectus or the Offers?	<p>Further information can be obtained by reading this Prospectus and consulting your professional advisors.</p> <p>You can also contact the Company on +61 8 6489 0600.</p>	<p>Corporate Directory Section 2.16</p>

1. Transaction overview

1.1 The Acquisition

On 5 September 2017, the Company entered into a conditional binding agreement with Centralist Pty Ltd (**Centralist**) and Impact Nominees Pty Ltd (**Impact**) under which the Company agrees to acquire 100% of the issued capital in Centralist from Impact and Mr Bozo Guzijan (**Vendors**) (**Centralist Agreement**).

On 31 August 2017, Centralist entered into a conditional binding agreement with Centurion and Mr Bozo Guzijan (**Guzijan**), pursuant to which Centralist agrees to acquire 100% of the issued capital in Centurion from Guzijan (**Centurion Agreement**). Centurion holds the Serbian Lithium Projects, being five exploration licences in Serbia (for a detailed description see the geologist's report at Section 7). The Serbian Lithium Projects are "greenfields" exploration project areas covering regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas, with only regional scale geology mapping carried out to date.

The transactions contemplated by the Centralist Agreement and the Centurion Agreement (**Acquisition Agreements**) make up the proposed Acquisition. Completion of the Acquisition is subject to various conditions precedent which are outlined below.

Pursuant to the terms of the Acquisition Agreements and on Completion of the Acquisition, Centurion will become a wholly owned subsidiary of Centralist and Centralist will become a wholly owned subsidiary of the Company. Section 3 details the operations of Centralist and Centurion. A summary of the Acquisition Agreements, including the conditions precedent to settlement occurring on the Acquisition, is set out in Section 10.3.

Upon successful completion of the Acquisition, the Company will focus on exploring the Serbian Lithium Projects. A more detailed summary of merged group's operations and the proposed business of the Company following completion of the Acquisition is set out in Section 3.

Completion of the Acquisition is subject to a number of conditions, including the following:

- (a) the Company completing a capital raising to raise up to \$5,000,000 under the Public Offer;
- (b) the Company obtaining all necessary Shareholder approvals required by the Corporations Act and Listing Rules in relation to the Acquisition; and
- (c) the Company receiving conditional approval from ASX to reinstate the securities of the Company to trading.

1.2 Suspension and reinstatement on ASX

The Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations from a coal exploration company to a lithium exploration company.

The change in the nature and scale of the Company's activities requires:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Securities are currently suspended from trading on ASX and will not be reinstated unless:

- (c) each Acquisition Resolution is passed by Shareholders (see Section 1.3 below for further details); and
- (d) ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

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

- (e) 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
- (f) 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 enable 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). Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, in the event the Company is unable to proceed with the Public Offer or meet the requirements of Chapters 1 and 2 of the Listing Rules it will be removed from the Official List by ASX (see the Important Note under the indicative timetable on page viii for further information).

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Public Offer will be refunded in full without interest in accordance with the Corporations Act.

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.

1.3 Shareholder Meeting

The Company has called the Shareholder Meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to undertake the Acquisition.

It is a condition to completion of the Offers under this Prospectus, as well as the Acquisition, that each of the following resolutions is approved by Shareholders:

- (a) ratification approval for the disposal of the Company's Moly Project;
- (b) approval under Listing Rule 11.1.2 for a significant change in the nature or scale of the Company's operations;
- (c) approval for the Consolidation;
- (d) approval for the issue at Completion of up to 250,000,000 Shares at an issue price of \$0.02 to raise up to \$5,000,000 via this Prospectus;
- (e) approval for the issue at Completion of 37,500,000 Consideration Shares to the Vendors (or their nominees) as consideration for the Acquisition;
- (f) approval for the appointment of two proposed Directors to the Board, being Mr Luke Martino and Mr Nicholas Sage;
- (g) approval for the issue at Completion of 65,250,000 Placement Options for no consideration to professional or sophisticated investors that participated in the Prior Placement;
- (h) approval for the issue at Completion of 12,500,000 Shares to Dempsey Resources Pty Ltd (or its nominees) in consideration for corporate advisory services provided to the Company in relation to the Acquisition; and
- (i) approval for the issue at Completion of 5,000,000 Lead Manager Options (on a post Consolidation basis) to Indian Ocean (or its nominees) in consideration for lead manager services to be provided to the Company in relation to the Public Offer,

(each, an **Acquisition Resolution**).

If any of the Acquisition Resolutions are not approved by Shareholders, the Acquisition (including the Public Offer, Consideration Offer, Lead Manager Offer and Advisor Offer under this Prospectus) will not be completed.

2. Details of the Offers

2.1 Public Offer

(a) General

By this Prospectus, and pursuant to the Public Offer, the Company offers up to 250,000,000 Shares at an Offer Price of \$0.02 per Share to raise funds of up to \$5,000,000 (before costs).

The Public Offer is open to the general public.

The Shares issued under the Public Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 11.1 of the Prospectus.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 2.1 for further details and instructions.

(b) Minimum Subscription

The minimum subscription under the Public Offer is \$5,000,000, being 250,000,000 Shares (**Minimum Subscription**). None of the Shares offered under the Public Offer will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company 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).

(c) Purpose of the Public Offer

The purposes of the Public Offer are to:

- (i) provide funding for the proposed exploration programmes to be undertaken on the Serbian Lithium Projects and otherwise for the purposes outlined in Section 3.7;
- (ii) meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;
- (iii) provide the Company with access to equity capital markets for future funding needs; and
- (iv) enhance the public and financial profile of the Company.

2.2 Secondary Offers

The Company is also undertaking the Secondary Offers (described below). 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 (or any Shares issued on conversion of any Securities into Shares) that are issued under the Secondary Offers.

(a) Consideration Offer

The Prospectus also includes the Consideration Offer under which the Company offers up to 37,500,000 Consideration Shares to the Vendors (or their nominees) for the acquisition of all the shares in Centralist.

The Shares to be issued pursuant to the Consideration Offer are 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 11.1 of the Prospectus.

Applications for Shares under the Consideration Offer may only be made by the Vendors (or their nominees) on the Consideration Offer Application Form issued to the 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 a Consideration Offer Application Form to the Vendors (or their nominees).

No Application Monies are payable under the Consideration Offer.

The Shares issued under the Consideration Offer will likely be held in escrow for 24 months from the date the Company's Shares recommence trading on ASX in accordance with the Listing Rules.

(b) Placement Options Offer

The Company has agreed to offer Options to all sophisticated or professional investors who participated in the Prior Placement.

The Prospectus includes a separate offer of up to 65,250,000 Options to sophisticated or professional investors who participated in the Prior Placement for no consideration.

The rights and liabilities attaching to the Placement Options are described in Section 11.2. If the Placement Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only sophisticated or professional investors who participated in the Prior Placement may accept the Placement Options Offer. Personalised Application Forms in relation to the Placement Options Offer will be issued to such persons and the Company will also provide those persons with a copy of this Prospectus.

No Application Monies are payable under the Placement Options Offer.

The Company will not apply for quotation of the Placement Options. Any funds raised from the conversion of Placement Options will be applied towards working capital.

Details of the Prior Placement are contained in Section 2.3.

The Placement Options will likely be held in escrow for periods of 12-24 months from the date the Company's Shares recommence trading on ASX in accordance with the Listing Rules.

(c) Advisor Offer

The Company has agreed to offer Shares to Dempsey Resources Pty Ltd (or its nominees) for corporate advisory fees on Completion.

This Prospectus includes a separate offer of 12,500,000 Shares to Dempsey Resources Pty Ltd (or its nominees).

The Shares to be issued pursuant to the Advisor Offer are 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 11.1 of the Prospectus.

Only Dempsey Resources Pty Ltd (or its nominees) may accept the Advisor Offer. An Application Form in relation to the Advisor Offer will be issued to Dempsey Resources Pty Ltd (or its nominees) together with a copy of this Prospectus.

The Shares issued under the Advisor Offer will likely be held in escrow for up to 24 months from the date the Company's Shares recommence trading on ASX in accordance with the Listing Rules.

No Application Monies are payable under the Advisor Offer.

(d) Lead Manager Offer

The Company has agreed to offer 5,000,000 Options to Indian Ocean (or its nominees) as part consideration for lead manager services provided to the Company in relation to the Public Offer.

The Prospectus includes a separate offer of up to 5,000,000 Options to Indian Ocean (or its nominees) who are providing lead manager services to the Company. A summary of the lead manager mandate can be found in Section 10.5.

The rights and liabilities attaching to the Options issued under the Lead Manager Offer are described in Section 11.2. If the Options issued under the Lead Manager Offer are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only Indian Ocean (or its nominees) may accept the Lead Manager Offer. An Application Form in relation to the Lead Manager Offer will be issued to such persons and the Company will also provide those persons with a copy of this Prospectus.

No Application Monies are payable under the Lead Manager Offer.

The Company will not apply for quotation of the Options under the Lead Manager Offer. Any funds raised from the conversion of the Options under the Lead Manager Offer will be applied towards working capital.

The Options (and any Shares issued on exercise) issued under the Lead Manager Offer will be held in escrow for 24 months from the date the Company's Shares recommence trading on ASX in accordance with the Listing Rules.

2.3 Previous issues of Shares

The Company is in the process of completing various placements to raise a total of \$1,305,000 (before costs) by way of the issue of 65,250,000 Shares at an issue price of \$0.02 per Share (**Prior Placement**). The purpose of the Prior Placement is to provide general working capital and to meet obligations under the DOCA (see Section 3.2 for further information).

As at the date of this Prospectus, the Company has raised \$808,000 via the issue of 40,400,000 Shares at \$0.02 per Share (808,000,000 Shares on a pre-Consolidation basis). The Company expects to issue the remaining 24,850,000 Shares to raise \$497,000 to complete the Prior Placement prior to the Closing Date of this Prospectus.

The Shares issued and to be issued under the Prior Placement were issued or will be issued (as the case may be) without disclosure under Part 6D.2 of the Corporations Act to sophisticated and professional investors who are not related parties of the Company.

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

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued, and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

An ancillary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, including the Prior Placement, so that the holders of those Shares, if they choose to, may sell those Shares within the next twelve months without the issue of a prospectus.

2.4 Conditional

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

- (a) completion of the DOCA;

- (b) the Acquisition Agreements becoming unconditional;
- (c) Shareholders approving the Acquisition Resolutions;
- (d) the Company raising funds pursuant to the Public Offer; and
- (e) ASX providing a reinstatement conditions letter to the Company.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act. Further, the Company will be removed from the Official List of ASX in accordance with ASX's long term suspended entities policy (see the Important Note under the indicative timetable on page viii for further information).

2.5 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Shares		%	Options		%
	Pre Consol'n	Post Consol'n		Pre Consol'n	Post Consol'n	
On issue as at date of Prospectus ¹	485,605,582	24,280,536	6.2	-	-	5.3
Prior Placement ²	1,305,000,000	65,250,000	16.8			14.2
Advisor Shares	250,000,000	12,500,000	3.2			2.7
Consideration Shares	750,000,000	37,500,000	9.6			8.2
Placement Options	-			1,305,000,000	65,250,000	14.2
Lead Manager Options	-			100,000,000	5,000,000	1.1
Subtotal Pre-Public Offer	2,790,605,582	139,530,536	35.8			45.6
Public Offer	5,000,000,000	250,000,000	64.2			54.4
TOTAL	7,790,605,582	389,530,536	100	1,405,000,000	70,250,000	100

Notes:

- Excludes the issue of 40,400,000 Prior Placement shares (808,000,000 on a pre-Consolidation basis) which have already been issued (see Section 2.3). Total Shares on issue as at the date of this Prospectus is 1,293,605,582 Shares (64,680,536 on a post-Consolidated basis).
- Per Note 1 above, 40,400,000 Prior Placement shares (808,000,000 on a pre-Consolidation basis) have already been issued (see Section 2.3). A further 24,850,000 Prior Placement shares (497,000,000 on a pre-Consolidation basis) will be issued prior to the Closing Date (see Section 2.3).

2.6 No underwriting

The Public Offer is not underwritten.

2.7 Applications

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

Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) and then in increments of 5,000 Shares (\$100). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "South East Asia Resources Limited" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Lead Manager.

Completed Application Forms and accompanying payment cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to or posted to the address set out in the Application Form.

An original, completed and lodged Application Form together with payment for the Application Monies (for application under the Public Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

The Public Offer 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 Public Offer or accept late Applications.

2.8 Allocation and allotment of Securities

The Directors reserve the right to reject any application or to allot a lesser number of Securities than that applied for. If the number of Securities allocated is less than that applied for, or no allotment is made, any surplus Application Monies (in the case of the Public Offer) will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Public Offer closes and the conditions set out in Section 2.4 have been satisfied. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk.

2.9 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All

interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.10 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities (including the Securities issued under the Consideration Offer, Placement Options Offer, Advisor Offer and Lead Manager Offer) will likely be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these 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 Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

2.11 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares 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 operates 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 does 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 Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares 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.

2.12 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 4 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

2.13 Overseas investors

An offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made to the general public in any jurisdiction outside Australia.

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

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act

China

The information in this Prospectus does not constitute a public offer of Securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Securities may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in

connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

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

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

Serbia

An offer to the public of Securities has not been made, and may not be made, in Serbia. This document is issued on a confidential basis to fewer than 100 persons or legal entities in Serbia and may not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in Serbia.

Neither this document nor any other offering or marketing material relating to the Securities have been or will be filed with or approved by any Serbian regulatory authority.

Singapore

This document or any other offering material relating to the Securities has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an “institutional investor”, as defined in Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), in accordance with and pursuant to Section 274 of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, Section 257 and Section 276 of the SFA) applicable to all investors who acquire the Securities pursuant to the exemptions in Section 274 of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly.

The contents of this document have not been reviewed by any regulatory authority in Singapore. This document may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this document or as to your legal rights and obligations in connection with the Offers, please obtain appropriate professional advice.

2.14 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 Securities, to provide facilities and services to Security holders, and to carry out various administrative functions.

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

If the information requested is not supplied, applications for Securities will not be processed. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

A Security holder has a right to gain access to, correct and update 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.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2.15 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. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.16 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 6489 0600.

3. Company Overview

3.1 Introduction

South East Asia Resources Limited (Subject to Deed of Company Arrangement) (to be renamed 'Jadar Lithium Limited') is a minerals exploration and development company.

Upon completion of the Acquisition, the Company's focus will be on the exploration of mineral deposits, specifically exploration for high grade lithium resources within its Serbian Lithium Projects.

The Company is an Australian public company limited by shares.

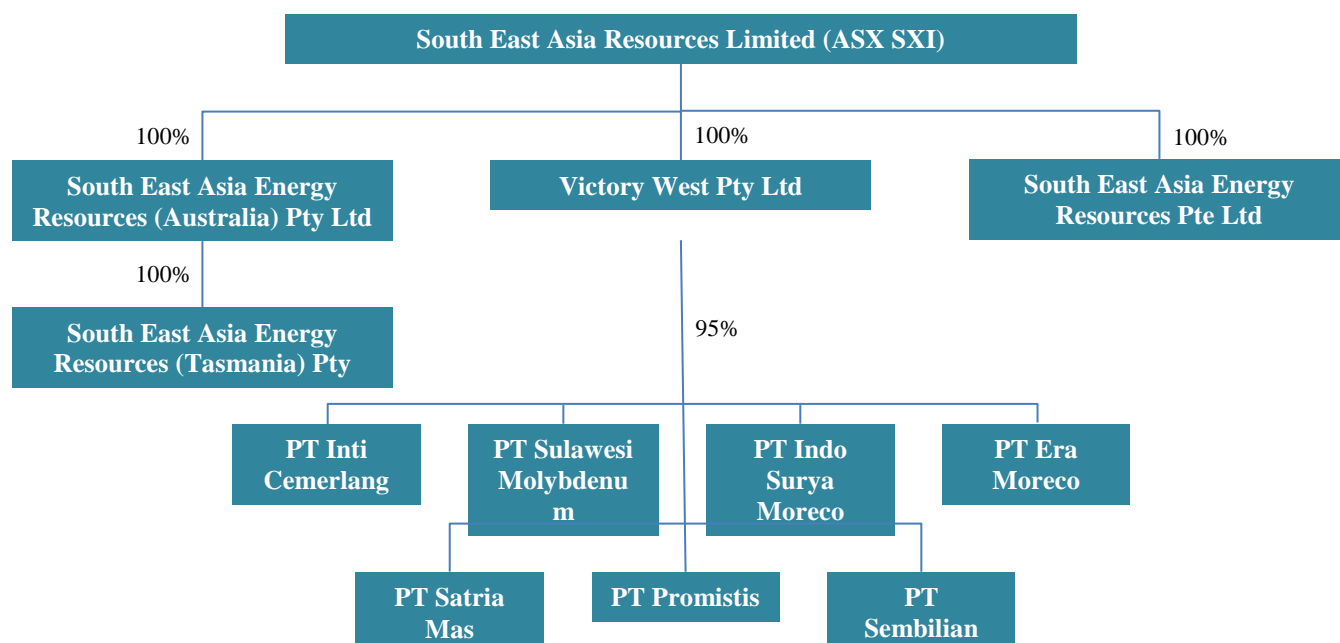
3.2 Company history

The Company is a public company listed on the official list of the ASX (current ASX code: SXI; proposed ASX code: JDR). It was incorporated on 2 August 1985 and was admitted to the Official List of the ASX on 7 December 1994. Since listing on the ASX, the Company has focussed on a number of activities, with the most recent being that of coal exploration and development in Indonesia.

The Company's securities were suspended from official quotation on 1 October 2014.

On 8 January 2015, the Company was placed into voluntary administration and Mr David Ingram, Mr Cameron Shaw and Mr Richard Albarran were appointed as joint and several Administrators of the Company.

The Company's corporate structure prior to entering voluntary administration was as set out below.



Following a creditors' meeting on 20 March 2015:

- (a) the Company entered into a Deed of Company Arrangement (**Original DOCA**) with Oilvest Pty Ltd (as proponent) (**Oilvest**) dated 16 April 2015;
- (b) David Ingram, Cameron Shaw and Richard Albarran were appointed as Deed Administrators on 16 April 2015.

A general meeting of Shareholders was held on 8 December 2016 to approve the Oilvest recapitalisation proposal and for various issues of Shares in satisfaction of various debts owed to non-participating creditors of the Original DOCA.

In a report to creditors on 31 May 2017, the Deed Administrators advised Oilvest was in default of the terms of the Original DOCA. At a creditors' meeting held on 8 June 2017, creditors resolved to vary the terms of the Original DOCA and accept a proposal put forward by Nelac Nominees Pty Ltd (**Nelac**) for the recapitalisation of the Company and re-admission to ASX.

The Original DOCA was subsequently amended in June 2017 consistent with Nelac's DOCA proposal (**DOCA**). A summary of the material terms of the DOCA Proposal, as embodied by the DOCA, is set out below.

- (a) The Company and the Deed Administrators will establish the Creditors' Trust, with the Deed Administrators acting as trustees.
- (b) The Company and / or Nelac must contribute the amount of \$760,000 to the Creditors' Trust (**DOCA Payment**). This includes a lump sum payment of \$335,000 due by 31 December 2017.

Of the DOCA Payment it is acknowledged that \$425,000 has been contributed to date, leaving the outstanding amount of \$335,000 as owing. These funds are being raised as part of the Prior Placement and are expected to be paid prior to the Closing Date.

- (c) The Company must transfer 50% of any of its rights to shares in Amarant Mining AB (a Swedish company) to the Administrators (**Amarant Shares**).

50% of any of the Company's rights to shares in Amarant Mining AB will be retained by the Company after the effectuation of the DOCA.

Amarant Mining is an unlisted public company based in Sweden, which focuses on alluvial mining. Its primary assets are a number of mining concessions located in Suriname, South America and Nevada, USA. The Company will hold approximately 0.015% of the voting rights in Amarant Mining. In addition, the Company also holds royalty notes providing the Company with a share in a royalty agreement covering the rights to a 25% share of the first ten years of production up to 200k oz of gold. The gold produced will be placed in storage and held until the end of the ten year period at which point the Company has an option to receive the physical gold or be paid in cash. Amarant Mining is still in exploration phase.

- (d) The remaining Company convertible note holders and loan providers who did not convert their claims into shares at the Company's general meeting held on 8 December 2016 may convert their claims into Shares at \$0.05 per share or participate in any distribution under the DOCA as unsecured creditors.

This conversion was approved by Shareholders at the general meeting held 31 July 2017 is now complete.

- (e) Related party creditors including the current Directors and any entity associated with the Directors or their relatives (including in-laws) will subrogate their claims against the Company in their entirety, and will not participate in any distribution under the DOCA and will subject to shareholder approval, convert their debts into equity on the same terms and conditions as approved at the General Meeting held on 8 December 2016.

This conversion was approved by Shareholders at the general meeting held 8 December 2016 and occurred on 20 December 2016. These post-consolidated conversion shares (approximately 805,806 in total) are expected to be escrowed by ASX for 24 months following reinstatement to trading.

- (f) The Company will undertake the Consolidation.

The Consolidation is the subject of Resolution 3 at the Shareholder Meeting.

- (g) The Company will do everything necessary to comply with Chapters 1 and 2 of the ASX Listing Rules to ensure it is in a position to be re-listed including convening general meeting of shareholders for the purpose of approving the Acquisition by 30 September 2017.

The timeframe of this condition has been extended by the Deed Administrator to 31 December 2017.

- (h) The Company's own subsidiaries will retain all assets as agreed in the DOCA, specifically:

- (i) any rights to the Moly Project will be retained by the Company as an asset, with the title to this asset still subject to legal confirmations; and
- (ii) 50% of the shares held by the Company in Amarant Mining AB.

50% of the shares held by the Company in Amarant Mining AB will be retained by the Company.

The Company's Moly Project was comprised of mining tenements in Indonesia held by various subsidiary entities as set out in the pre-DOCA corporate structure table above (Moly Subsidiaries):

All the Company's rights, interest and title to the Moly Project were held through its subsidiary Victory West Pty Ltd (Victory West) which had a 95% interest in the operations and assets of the Moly Subsidiaries and the power to govern the financial and operating policies of these companies.

On 10 March 2017, Victory West was deregistered. As a result, the Company relinquished all right, title or interest to the Moly Project.

Ratification of this disposal is the subject of Resolution 1 at the Shareholder Meeting.

- (i) Control and management of the Company will remain with the Directors until and upon effectuation of the DOCA and commencement of the Creditors' Trust.

- (j) The claims of all creditors against the Company will be replaced with a right to prove debts against the Trustee of the Creditors' Trust and payment will be made in accordance with the DOCA and the Creditors' Trust Deed.

Not all of the Company's creditors participated in the DOCA. Various non-participating creditors elected to convert their debts into Shares in the Company at a deemed issue price of \$0.05 per Share. Approval for these debt for equity conversions was obtained by the Company at both the December 2016 and July 2017 general meetings held by the Company.

Those creditors who have elected to convert their debt all provided separate releases to the Company releasing the Company from any further obligation to repay the debt owed. As at the date of this Prospectus, all of these conversions are complete.

- (k) Upon completion of the DOCA, the Creditors' Trust Fund will be distributed as follows:
- (i) first, to the Administrators' and Deed Administrators' costs, expenses and remuneration;
 - (ii) second, to pay the Trustees' costs expenses and remuneration;
 - (iii) third, to pay the admitted claims of any priority creditors; and
 - (iv) fourth, to pay the admitted claims of any unsecured creditors.
- (l) All security over the Company's assets will be discharged and released.

Shareholder approval for various issues of Shares contemplated by Nelac's recapitalisation proposal was received by the Company at a shareholder meeting on 31 July 2017, including for the Prior Placement and to convert outstanding convertible notes and loans to Shares for those creditors not participating in the DOCA.

Completion and effectuation of the DOCA is expected to occur prior to the Closing Date of the Public Offer. As a result, the Company will no longer be under external administration and all security over the Company's assets will be discharged and released.

Since entering the DOCA the Directors have been focused on recapitalising the Company and identifying strategic mineral assets.

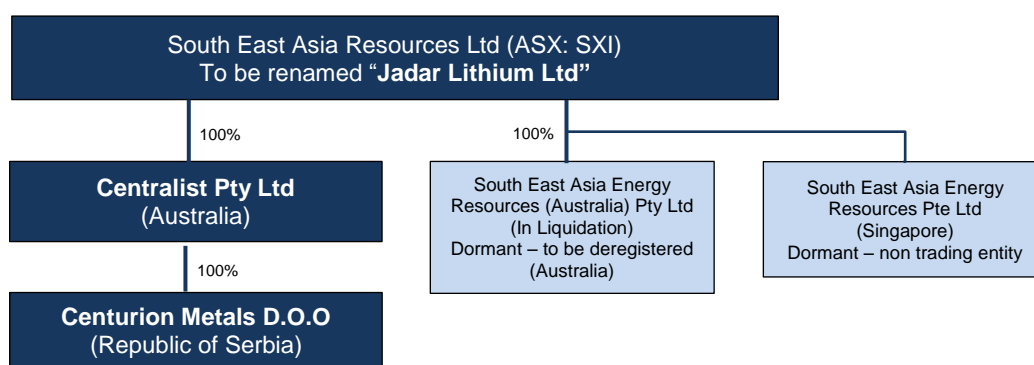
3.3 Acquisition of Centralist and Centurion

The Company has entered the Acquisition Agreements under which the Company will acquire 100% of the issued capital of Centralist and Centurion.

A summary of the material terms of the Acquisition Agreements is set out in Section 10.3.

Pursuant to the terms of the Acquisition Agreements, Centurion will become a wholly owned subsidiary of Centralist, and Centralist will become a wholly owned subsidiary of the Company, and the Company will have a 100% interest in the Serbian Lithium Projects.

At Completion of the Acquisition Agreements and upon reinstatement, the Company's corporate structure will be as follows:



3.4 Overview of Centralist

(a) Centralist Pty Ltd

Centralist Pty Ltd (**Centralist**) is an Australian private company limited by shares registered on 27 April 2017 in Western Australia. Centralist has entered into the Centurion Agreement to acquire 100% of the issued capital in Centurion. Other than entering into the Centurion Agreement, Centralist has not undertaken any significant activities.

As at the date of this Prospectus, all Centralist Shares are held by Impact Nominees Pty Ltd (**Impact**). Upon Completion, pursuant to the Centurion Agreement, Guzijan (the sole shareholder of Centurion) will become a shareholder of Centralist along with Impact. Guzijan and Impact will then immediately transfer all their Centralist Shares to the Company in consideration for the Consideration Shares being issued to them or their nominees.

The current sole director of Centralist is Mr Domenic Martino, and the sole shareholder is Impact Nominees, an entity controlled by Mr Domenic Martino's wife, Sandra Martino. Mr Domenic Martino is the brother of Mr Luke Martino, the present Company secretary and proposed Director post-Completion.

(b) Centurion Metals D.O.O.

Centurion Metals D.O.O. Beograd-Voždovac (**Centurion**) is a Serbian company which holds five (5) exploration licences located in the Republic of Serbia.

Centurion is a limited liability company established in accordance with Serbian law. It was founded on 18 March 2016 and was registered with the Serbian Business Registers Agency on that same date. Since incorporation Centurion has acquired its interests in the Serbian Lithium Projects and undertaken minimal activities to maintain the Serbian Lithium Projects in good standing. Centurion has not undertaken any exploration activities on the Serbian Lithium Projects.

Mr Bozo Guzijan is the sole shareholder and sole director of Centurion and will be issued Consideration Shares pursuant to Centralist Agreement. In addition, Mr Guzijan will be appointed by the Company as its in-country liaison manager to assist with Serbian operations post-Acquisition (see Section 10.3 for further information).

3.5 Summary of the Serbian Lithium Projects

(a) Introduction

Centurion is the owner of five (5) exploration licences covering a total area of approximately 328 square kilometres in Serbia (the **Serbian Lithium Projects**) (see Table 1 and Figure 1 below). The exploration licences permit geological researching of lithium, boron, and corresponding metallic raw mineral materials.

Project	Tenement ID	Area (km ²)	Grant date	Expiry date*
Cer	2223	92.8	27 Feb 2017	27 Feb 2020
Bukulja	2226	38.5	24 Feb 2017	24 Feb 2020
Rekovac	2224	75.4	27 Feb 2017	27 Feb 2020
Krajkovac	2209	31.2	7 Nov 2016	7 Nov 2019
Vranje-South	2225	90.4	22 Feb 2017	22 Feb 2020
Total**		328		

Table 1. Serbian Lithium Projects tenement schedule

**Note under Serbian law the expiry date of licences is 3 years from the receipt by the Company of the licence. As Centurion is unable to confirm the exact date each of the licences was received, the expiry dates have been assumed to be those that are exactly 3 years after the grant date.*

***Subject to rounding*

The Serbian Lithium Projects include:

- (i) the Cer Project which is centred 80km west of Serbia's capital Belgrade and 10km north of the world-class Jadar Lithium-Borate Deposit;
- (ii) the Bukulja Project which is located 55km south of the capital Belgrade and 90km eastsoutheast of the Jadar Lithium-Borate Deposit;
- (iii) the Rekovac Project which is located 120km south-southeast of the capital Belgrade;
- (iv) the Krajkovac Project which is located 190km southeast of the capital Belgrade; and
- (v) the Vranje-South Project which is located 290km south-southeast of the capital Belgrade and centred 15 km south of the city of Vranje.

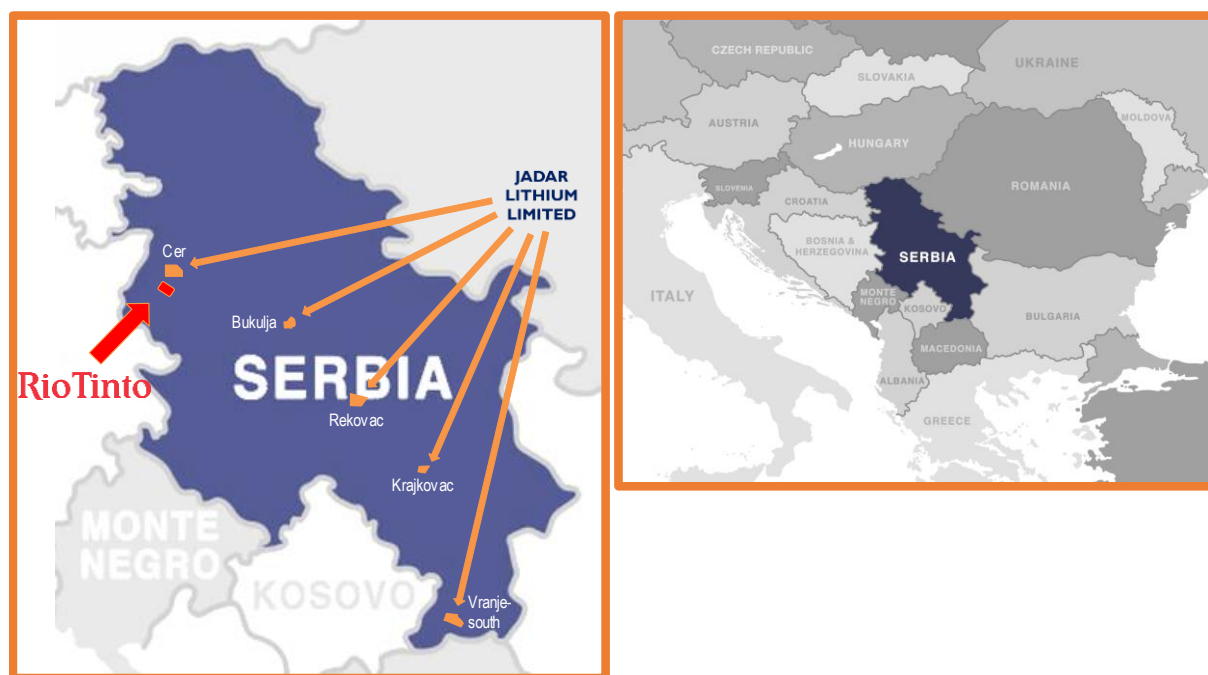


Figure 1. Project location map.

Serbia is rapidly emerging as an underexplored but very fertile lithium/REE bearing country. Serbia is the only current known source of Jadarite, a new lithium-borate bearing mineral ($\text{LiNaB}_3\text{SiO}_7(\text{OH})$) discovered in 2004 by Rio Sava (a wholly owned subsidiary of Rio Tinto), resulting in the delineation of Rio Tinto's world class Jadar lithium borate discovery of 135.7 million tonnes with a weighted average concentration of 1.86% Li_2O and 15.4% B_2O_3 (one of the largest lithium deposits in the world).

The Serbian Lithium Projects are strategically placed for European manufacturers using lithium, being just a nine (9) hour drive from the industrial heartland of Germany.

Serbia has excellent infrastructure with road, rail and river transport options available. All utilities are immediately accessible (electricity, gas, telecommunications) throughout much of the country.

The Serbian Lithium Projects are "greenfields" exploration project areas covering regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas, with only regional scale geology mapping carried out to date.

Whilst a Company representative has conducted a site visit of the Serbian Lithium Projects, investors should be aware that the Independent Geologist has not carried out a site visit to any of the Serbian Lithium Project areas. The Independent Geologist has relied on information provided by the Company derived from internal company data as well as other publicly available general data and reports sourced by the Independent Geologist. For further information see the Independent Geologist's Report at Section 7.

The exploration licences for the Serbian Lithium Projects each have a term of three years, extendable upon request of the Company made at least 30 days prior to the expiry date, provided that at least 75% of the project planned

volume has been carried out. For further information see the Solicitor's Report at Section 8.

At Completion, the Company intends to target two different styles of lithium mineralisation:

- (i) Granite complexes with associated pegmatite and greisen mineralisation.

Pegmatites and greisens are prospective for mineralisation as they are the last fluids of granite crystallization that tend to concentrate elements such as lithium, tin, tungsten, molybdenum and fluorine, as well as occasionally precious metals such as gold, silver and copper.

- (ii) Jadar Style sedimentary sequences in buried lake basins containing extensive hydrothermal lithium-borate mineralised zones.

The Rio Tinto Borates' Jadar deposit, a world-class lithium-borate resource, is hosted by this style of mineralisation with Jadar ranked as one of the largest lithium deposits in the world.

These basins are typically comprised of clay-carbonate rocks, sandstones and argillaceous rocks formed in a volcano-tectonic depression during the Oligocene and Early Miocene.

(b) The Cer Project

The Cer Project is centred 80km west of the capital Belgrade and approximately 10km north of the world-class Rio Tinto Jadar Lithium-Borate Deposit. The Cer Project is located approximately 30 km to the north-east from the large town Sabac and approximately 20km south-west from the large town of Loznica. It is well serviced by roads and is supported by several small townsites / villages surrounding the project. It is located within the Macva administrative district centred on Mount Cer in western Serbia.

The Cer district has a long mining history with placer tin deposits being mined along the rivers at Cer since the Bronze Age. Tin and Lithium are commonly associated together in pegmatites and greisens.

No significant work has been previously completed in this area.

The geology of the Cer district has been mapped and described by various government and academic geologists since at least the 1960s leading to the recognition of mineralised, especially lithium and tin, bearing pegmatites and greisens. Rio Tinto, while exploring for borates in the nearby sedimentary basin discovered the extensive lithium/boron Jadarite deposits.

Other than the small-scale ancient mining, there is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the Miocene sediments in the district.

For further information see the Independent Geologist's Report at Section 7.

(c) The Bukulja Project

The Bukulja Project is located 80km south of the capital Belgrade and 90km eastsoutheast of the Jadar Lithium-Borate Deposit. The Bukulja Project is

immediately south-west of the large town of Arandelovac, is well serviced by roads and is supported by several small townsites/villages surrounding the project.

The Bukulja Project covers part of the Bukulja granitoid complex which is overlain by younger Tertiary sediments to the east and Quaternary sediments to the south. There is potential for economic minerals in both the granitoids as well as within the Tertiary sediments. The mineral composition of granite grades from monzonites to more alkali granite. Common rock forming minerals in the granitoids and pegmatites include biotite, muscovite, quartz, albite and plagioclase along with accessory minerals including garnet, magnetite, tourmaline, zircon, allanite, sphene, beryl, apatite and monazite.

Bukulje is prospective for mineralised pegmatites and greisens.

As with the Cer Project, this project also has a long mining history with placer tin deposits being mined along the rivers at Bukulje the Bronze Age.

Other than the small-scale ancient mining, there is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the Miocene sediments in the district.

For further information see the Independent Geologist's Report at Section 7.

(d) The Rekovac Project

The Rekovac Project is located within the Pomoravlje district in a hilly area also known by its historical name Levač, about 30 km from the administrative centre at Jagodina and 350 km from the capital Belgrade.

The Rekovac Project is well serviced by roads and is supported by several small farming townsites/villages within and around the project area.

The Rekovac Project area is composed entirely of lacustrine Lower and Middle Miocene sediments overlaying Proterozoic gneisses and lepidolites intruded by granites, aplite, pegmatite dykes and quartz and veins to the east of the tenement and the Gledičkih Chalk unit to the west of the tenement. The lacustrine Miocene sediments grade from coarser conglomerates through to silts and also includes a coal-bearing series.

These Miocene sediments are very similar to the Rio Tinto Jadar deposit and this style of lithium mineralisation is the target of the Company's planned exploration program.

There is no record of any substantial mining of Jadarite deposits in the Miocene sediments of the district.

For further information see the Independent Geologist's Report at Section 7.

(e) The Krajkovac Project

The Krajkovac Project is located 190km southeast of the capital Belgrade and is within the Nisava administrative district. The Krajkovac Project is centered 20km west of the city of Nis and generally, the exploration area and its immediate surroundings is quite hilly and mountainous, with very steep slopes and ravines becoming less rugged to the east of the tenement.

The project is well serviced by several small farming townsites / villages within and around the project area. Farming land in the sediment filled valley in the southeast gives way to mountainous terrain in the northwest half of the project.

The Krajkovac project consists of a granite complex intruding highly metamorphosed Proterozoic gneisses, schists, quartzites and marbles that are overlain by Miocene silts, sands and gravels.

There are no known mineralised localities at Krajkovac however anomalous tin has been found in the Neogene sediments indicating possible greisens in the district. The granitic intrusions will be mapped and sampled to test for greisens and pegmatite dykes. If mineralised igneous rocks are located the Neogene sediments may be tested for Jadar style mineralisation by drilling targeted areas.

There is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the sediments in the district.

For further information see the Independent Geologist's Report at Section 7.

(f) The Vranje South Project

The Vranje South Project is located 347km south-southeast of the capital Belgrade and centred 15 km south of the city of Vranje, within the Pčinja District. It is located in the north-west of the Vranje Basin, on the left bank of the South Morava River. The project is well serviced by roads and is supported by several small farming townsites / villages surrounding the project area.

The Vranje South Project is similar to the Rekovac Project which is a sedimentary basin.

Since the project area is almost entirely covered by tertiary sediments, the main exploration target is a Jadar analogue where the hydrothermal mineralisation is sourced from proximal granites, greisens and pegmatites that occur to the immediate west of the tenement.

To date there has been no modern systematic exploration for the target minerals at Vranje so the first stage will involve detailed mapping and geochemical of the surface geology, likely to be followed up with scout drilling through the sediments to determine if there are any mineralised horizons in the sedimentary sequence.

There is no record of any substantial mining of Jadarite deposits in the Miocene sediments in the district.

For further information see the Independent Geologist's Report at Section 7.

3.6 Planned Exploration

A two-year staged exploration program, managed and operated by Serbian geologists under the supervision of a proposed in-country manager to be retained post-Acquisition, is proposed for the Serbian Lithium Projects.

The first year of exploration on the Serbian Lithium Projects is planned to include regional geological mapping, outcrop and soil sampling over each exploration area.

Exploratory trenches are anticipated to be dug and auger drilling on appropriate grid spacings is planned to be carried out in the soils surrounding target areas to test outcrops at key locations identified during the first mapping and sampling phase. Appropriate petrographic investigations and laboratory assays will be undertaken on selected samples.

The first year's mapping and sampling will be continued into the second year focusing on the most prospective areas and will likely include appropriate geophysical surveys, initially ground magnetics, which, if successful, will be followed up by exploration diamond drilling. The actual quantity of drilling required will depend on the success of the exploration effort in the previous year.

3.7 Proposed use of funds

The Company intends to apply the funds raised from the Public Offer in the 24 months following the reinstatement of the Company's Securities to quotation on the Official List of ASX as detailed in the below table. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities and any changes in the business and economic environment.

Allocation of funds ¹	Amount (\$000's)	%
Funds raised from the Public Offer	5,000,000	100.0
Serbian Lithium Projects Exploration ¹	2,037,000	40.7
Serbian Corporate Administration	846,000	16.9
Australian Corporate Administration ²	1,131,000	22.6
Working Capital ³	350,000	7.0
Estimated expenses of the Offers ⁴	636,000	12.7
Total funds allocated	5,000,000	100

Notes:

1. For a further breakdown of proposed expenditure, see the geologist's report at Section 7.
2. All Australian corporate administration expenses and other operating overheads, including but not limited to salaries and fees payable to Directors, employees and consultants, will be satisfied from the funds allocated to "Australian Corporate Administration" detailed above.
3. Assumes AUD:RSD of 1:81.9 (yr1) and 1:84 (yr2)
4. Includes, experts and advisory fees, ASX and ASIC fees; share registry fees, printing and postage, lead manager fees (estimated 6%). For further detail see Section 11.6.

The above table is a statement of current intentions as at the date of this Prospectus. 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 the outcome of

operational and development activities, regulatory developments, the presentation of new opportunities and market and general economic conditions and other factors (including the risk factors outlines in Section 4 of this Prospectus). In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific project or strategy.

It should be noted that the Company does not currently have any revenue generating operations, and the funds raised from the Public Offer is unlikely to result in the development of any mining operations. Accordingly, the Company will likely be required to raise additional capital in the future to continue to explore and or develop the Serbian Lithium Projects, and such amounts may be raised by further equity raisings, or the Company may consider other forms of debt or quasi-debt funding if required.

3.8 Dividend policy

It is anticipated that, post-settlement of the Acquisition, the Company will focus on exploring the Serbian Lithium Projects. The Company has no current intention to declare and pay any dividends in the near term as its focus will be primarily on using cash reserves to explore the Serbian Lithium Projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend upon the Company's performance, exploration success, the availability of distributable earnings, future capital requirements, strategic objectives and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

4. Risk Factors

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

4.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of Shares to quotation on ASX

The Acquisition 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 ASX Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company will not be able to satisfy one or more of those requirements. Should this occur the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the ASX Listing Rules.

(b) Dilution risk

At the date of the Prospectus the Company has 1,293,605,582 Shares on issue (on a pre-Consolidated basis). On Completion, the Company proposes to consolidate the existing Securities, issue Shares and Options as required pursuant to the Acquisition Agreements and issue Shares as part of the Capital Raising.

Following the issue of the Securities pursuant to the resolutions and the Offers, including the Public Offer Shares, Advisor Shares, Lead Manager Options, Prior Placement Shares and Placement Options (assuming maximum subscription under the Public Offer and no Options are exercised), the existing Shareholders (excluding Impact, Dempsey and Prior Placement participants) will retain approximately 5.4% of the issued capital of the Company, the Vendors (or their nominees) will hold 9.7% (including Shares already held by Impact), Prior Placement participants will hold 16.8%, Dempsey will hold 3.9% (including shares already held by Dempsey) and the investors under the Public Offer will hold 64.2% of the issued capital of the Company on a post Consolidation basis.

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

(c) Liquidity risk

The Company estimates that approximately 50,805,806 Shares (on a post Consolidation basis), representing 13% of the undiluted issued capital of the Company, will be subject to escrow restrictions in accordance with Chapter 9

of the ASX Listing Rules. This could be considered an increased liquidity risk as the issued capital will not be able to be traded freely for a period of time.

Following the end of the relevant escrow period, a significant sale of Shares by some or all of the Shareholders or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.

Alternatively, the absence of any sale of Shares by the existing Shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

(d) Contractual and Completion risk

Pursuant to the Acquisition Agreements the Company has agreed to acquire Centralist subject to the fulfilment of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur. Failure to complete the Acquisition would mean the Company may not be able to meet the requirements of ASX for re-quotation of its Securities, and the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the ASX Listing Rules.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

4.2 Specific risks to the Company's operations

There are a number of specific risks involved for the Company, and consequently its Shareholders, in the Acquisition, including risks specific to the business and assets of Centralist and Centurion, which include the following non-exhaustive list.

(a) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Serbian Lithium Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Serbian Lithium Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or offer price under the Public Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Operational risks

The operations of the Company may be affected by various factors, including:

- (i) failure to obtain consent to access the exploration areas;
- (ii) failure to locate or identify mineral deposits;
- (iii) failure to achieve predicted grades in exploration and mining;
- (iv) operational and technical difficulties encountered in mining;
- (v) insufficient or unreliable infrastructure, such as power, water and transport;
- (vi) difficulties in commissioning and operating plant and equipment;
- (vii) mechanical failure or plant breakdown;
- (viii) unanticipated metallurgical problems which may affect extraction costs; and
- (ix) adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(c) Government regulation and political risk in the mining industry

Centurion's operating activities are subject to Serbian laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Company believes that Centurion is in substantial compliance with all material current laws and regulations affecting its activities, Serbian mining law was only recently overhauled in 2015 so future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in

the terms of existing permits and agreements applicable to the Company or its subsidiaries or its properties, which could have a material adverse impact on Centurion's current operations or planned development projects.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right application and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability. The Solicitor's Report at Section 8 describes the Serbian law on mining that applies to the Serbian Lithium Projects.

Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company or its subsidiaries from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

(d) Tenure, access and grant of applications

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities in Serbia. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from the existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.

Prior to any exploration or development on any of Centurion's properties, subsidiaries of the Company must receive licences/permits/certificates from appropriate governmental authorities in Serbia, together with consent to enter upon the exploration licence areas to undertake proposed activities (see section 5(e) of the Solicitor's Report at Section 8). Centurion has already obtained the requisite environmental and cultural heritage certificates as part of the process to obtain the exploration licences and will shortly commence the process of requesting the requisite information from municipal authorities. Centurion has also commenced discussions with landowners to obtain the appropriate consent. Whilst the Company has no reason to believe landowner consent will not be obtained, there is no certainty that Centurion will obtain that consent. If consent is not obtained, the Company expects Centurion will commence the process under Serbian mining law to access the relevant land. As those provisions of the Serbian mining law are yet to be tested, there is no certainty that Centurion will be successful. See section 5(e) of the Solicitor's Report at Section 8 for further details.

Tenements are subject to the applicable mining acts and regulations in Serbia. Following Completion, the Company will be required to comply with Serbian land access laws, water rights acts, and environmental laws among others. Compliance with these requirements appear manageable with consultation with the respective parties and government officials however, there is a risk that for an unforeseen reason, the Company may not be granted the required licence or permits or consent to carry out the proposed works, which could

lead to unforeseen delays or changes to proposed work programs, thus having the ability to materially impact upon the Company's operations and financial circumstances.

Under Serbian mining law, an exploration licence can be revoked upon the occurrence of specified events that are not remedied within prescribed periods. Such events include but are not limited to not conducting exploration activities in accordance with the approved programme, conducting exploration activities outside of the permit area, failing to submit annual reports, failing to undertake adequate rehabilitation works and failing to comply with occupational health and safety laws. See the Solicitor's Report at Section 8 for further details.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Serbia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of granted tenements for reasons beyond the control of the Company could be significant.

(e) Exploration Risk

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

The Serbian Lithium Projects are "greenfields" exploration project areas covering regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas, with only regional scale geology mapping carried out to date. Exploration of the Serbian Lithium Projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) Environmental Risk

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Exploration and mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay

production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) Mine development risk

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(h) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal/mineral recovery, affecting the economic viability of the project.

(i) Insurance risks

The Company intends to insure its operations and those of Centralist and Centurion in accordance with industry practice. There are significant exploration and operating risks associated with exploring for lithium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

(j) Commodity price volatility and exchange rate risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macroeconomic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Serbian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Serbian Dinar as determined in international markets.

(k) Contingent liability

The Company's annual report for 2017 notes a contingent liability in the amount of approximately \$685,000. This amount relates to funds owing to creditors by a Singaporean company subsidiary, South East Asia Energy Resources Pte Ltd as at 30 June 2014. The Company has not had any correspondence from creditors since 30 September 2014 and the Singaporean subsidiary is now dormant and in the process of being deregistered.

The annual report notes that there is a possibility this amount may arise in a future period at which point a present and measurable obligation would be deemed to have occurred. The Directors believe the risk of such a claim is minimal as no parent guarantees were ever provided by the Company to the Singaporean subsidiary, and any claim by a creditor against the Company is a result of debts owed prior to DOCA, which means the DOCA can be pleaded as a bar to any future claim.

4.3 Market risks

(a) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, native title and heritage matters, protection of

endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

4.4 General risks

(a) Share Price

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase.

Some of the factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the addition or departure of key personnel, actual or anticipated fluctuations in the Company's results and recommendations of analysts in relation to those results, fluctuations in the industry in which the Company operates and general operational and business risks.

Other factors which may negatively affect investor sentiment and influence the Company specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

(b) Bribery, corruption, or other improper acts

The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in Serbia, Australia or any of the jurisdictions in which it operates.

The Company cannot guarantee that its internal policies and controls will be effective in each case to ensure that it is protected from reckless or criminal acts committed by its Directors, officers, employees, consultants, agents, service providers or business partners that would violate Australian laws, Serbian laws or the laws of any other country in which the Company operates. Any such improper actions could subject the Company to civil or criminal investigations in Australia, Serbia or other countries that could lead to substantial civil or criminal monetary and non-monetary penalties against the Company, and could damage the Company's reputation. Even the allegation or appearance of improper or illegal actions could damage the Company's reputation and result in significant expenditures in investigating and responding to such actions and may in turn have an adverse effect on the Company's future financial performance and position.

(c) Tax rules

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

(d) Litigation risks

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. None of the Company, Centralist or Centurion is currently engaged in any litigation.

(e) Economic Risks

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(f) Force Majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) Enforcing liabilities against assets outside of Australia may be difficult

The majority of the Company's assets will be located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Serbia or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

(h) Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's then operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

(i) Policies and legislation

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

Serbia is a member of numerous organizations such as the United Nations, Council of Europe, Organisation for Security and Co-operation in Europe, Partnership for Peace, Organisation of the Black Sea Economic Cooperation, and Central Europe Free Trade Organisation. Serbia has been a European Union (EU) membership candidate since 2012 and has been negotiating its EU accession since January 2014. The country is acceding to the World Trade Organisation and is a militarily neutral state.

(j) No guarantee in respect to investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by 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 Company's securities.

4.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by 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 Shares offered under this Prospectus.

Therefore, the Shares 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 Shares.

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

5. Financial Information

5.1 Introduction

This Section contains the Historical Financial Information and Pro Forma Financial Information (collectively, the **Financial Information**). The basis for preparation and presentation is detailed below. All information present in this Section should be read in conjunction with the Prospectus, including the Independent Accountant's Report in Section 6 and the risk factors outlined in Section 4.

The Financial Information was prepared by management and was adopted by the Directors. The Directors are responsible for the inclusion of all Financial Information in this Prospectus. Grant Thornton Corporate Finance Pty Ltd has prepared a Limited Assurance Report in respect of the Financial Information. A copy of the report, together with an explanation of the scope of the work, is in Section 6.

The Historical Financial Information and Pro Forma Financial Information below is based on past performance, and is not a guide to future performance.

5.2 Historical Financial Information

The Historical Financial Information for the Company and Centurion set out in this Section comprises:

- (a) The historical statement of comprehensive income and statement of cashflows for the Company for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- (b) The historical special purpose statement of comprehensive income for Centurion for the period 18 March 2016 (incorporation) to 30 June 2017;
- (c) The historical statement of financial position of the Company as at 30 June 2017; and
- (d) The historical statement of financial position of Centralist and Centurion as at 30 June 2017;

(hereafter the **Historical Financial Information**).

The historical statement of financial position of the Company as at 30 June 2017 in Section 5.4 has been extracted from the financial report of the Company for the year ended 30 June 2017, which has been audited by Grant Thornton and on which a disclaimed audit opinion was issued.

The historical statement of financial position of Centralist as at 30 June 2017 in Section 5.4 has been derived from the audited special purpose accounts of Centralist as at 30 June 2017, which have been audited by Grant Thornton.

The historical statement of financial position of Centurion as at 30 June 2017 in Section 5.4 has been derived from the audited special purpose accounts of Centurion as at 30 June 2017, which have been audited by Crowe Horwath BDM, Serbia.

5.3 Historical Statement of Comprehensive Income, Income Statement and Statement of Cash flows

Set out below is a summary of the historical Statements of Comprehensive Income of the Company for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 which has been extracted from the Company's annual financial reports, respectively. The historical financial information has been prepared on the basis of the significant accounting policies adopted by the Company set out in Section 5.5 and should be read in conjunction with the Company's 2017 Annual Report.

	2017	2016	2015
	A\$	A\$	A\$
Other Income	63,054	-	1,931,020
Project evaluation & exploration	-	-	(519,870)
Listing fees	(82,176)	(32,106)	(37,420)
Personnel, suppliers & consulting	(247,412)	-	(36,546)
Professional services	-	-	(67,441)
Legal fees	-	-	(18,273)
Finance costs	-	-	(434,825)
Travel costs & accommodation	-	-	(3,464)
Other expenses	(112)	-	(8,499)
Net foreign exchange gains (unrealised)	-	-	155,906
Profit/(Loss) before income tax	(266,646)	(32,106)	960,588
Income tax expense	-	-	-
Profit/(Loss) for the year	(266,646)	(32,106)	960,588
Profit/(Loss) attributable to:			
Non-controlling interest	-	-	-
Members of the parent entity	(266,646)	(32,106)	960,588
	(266,646)	(32,106)	960,588
Other comprehensive income:			
Items which may subsequently be reclassified to profit & loss:			
Exchange differences on translating controlled entities	-	-	(23,453)
Total other comprehensive income for the year	-	-	(23,453)
Total comprehensive income attributable to:			
Members of the parent entity	(266,646)	(32,106)	937,135
	(266,646)	(32,106)	937,135

Set out below is a summary of the historical Special Purpose Statement of Comprehensive Income of Centurion for the period 18 March 2016 (incorporation) to 30 June 2017 which has been derived from Centurion audited Special Purpose Financial Statements.

	18/03/16 to 30/06/2017	18/03/16 to 30/06/2017
	Thousand RSD	A\$
Operating Expenses		
Costs of material & energy	(5)	(60)
Salaries and other personnel expenses	(2,581)	(30,768)
Other expenses	(3,555)	(42,379)
Total Operating Expenses	(6,141)	(73,207)
Finance income	8	95
Finance expenses	(5)	(60)
Net finance results	3	36
	-	
Loss before income tax	(6,138)	(73,171)
Income tax expense	-	-
Net Profit/(Loss) for the period	(6,138)	(73,171)
Other comprehensive results		-
Total comprehensive profit/(loss) for the period	(6,138)	(73,171)

Set out below is a summary of the historical Statements of Cash flows of the Company for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 which has been extracted from the Company's financial reports, respectively. The historical financial information has been prepared on the basis of preparation and the significant accounting policies adopted by the Company set out in Section 5.5 and should be read in conjunction with the Company's 2017 Annual Report.

	2017 \$	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from customers	63,054	-	
Payments to suppliers and employees	(387,381)	(27,500)	(1,111,548)
Net cash (used in) operating activities	(324,326)	(27,500)	(1,111,548)
Cash Flows from Investing Activities			
Net cash (used in) investing activities	-	-	-
Cash Flows from Financing Activities			
Proceeds from issue of share	-	-	14,022
Proceeds from borrowings	355,000	27,500	1,076,910
Repayment of borrowings	-	-	(10,000)
Net cash provided by financing activities	355,000	27,500	1,080,932
Net increase/(decrease) in cash and cash equivalents	30,674	-	(30,616)
Cash and cash equivalents at the beginning of the financial year	-	-	30,616
Cash and cash equivalents at the end of the financial year	30,674	-	-

5.4 Historical and Pro forma Consolidated Statement of Financial Position

Set out in this Section is:

- The historical statement of financial position of the Company as at 30 June 2017 (which has been extracted from the Company's 30 June 2017 financial report and has been audited);
- The historical statement of financial position of Centralist Pty Ltd as at 30 June 2017 (which has been extracted from the Centralist's 30 June 2017 Special Purpose Financial Statements and has been audited); and
- The historical statement of financial position of Centurion Metals D.O.O as at 30 June 2017 (which has been extracted from the Centurion's 30 June 2017 Special Purpose Financial Statements and has been audited).
- the Pro-Forma Consolidated Statement of Financial Position of the merged group as at 30 June 2017, which is based on the Historical Statement of Financial Position of the Company as at 30 June 2017 and incorporates the

Acquisition of Centralist as at 30 June 2017 as if that Acquisition had occurred as at 30 June 2017 and other pro-forma transactions, including:

- (i) Shares issued under the Prior Placement - Prior to the Closing Date of this Prospectus the Company will complete various placements raising a total of \$1,305,000 (before costs) by way of the issue of 65,250,000 Shares at an issue price of \$0.02 per Share (**Prior Placement**) (on a post-Consolidated basis) and completion of the DOCA;
- (ii) The issue of shares on the conversion of the convertible notes and loan satisfaction as approved by Shareholders on 31 July 2017;
- (iii) Shares issued under the Prospectus - As part of the Company's re-compliance with Chapters 1 and 2 of the ASX Listing rules, the Company is seeking shareholder approval to conduct a capital raising by offering under a Prospectus up to 250,000,000 Shares at a price of \$0.02 per share to no less than the number of new investors in the Company required by ASX, to raise up to \$5,000,000;
- (iv) The Directors estimate that costs for the preparation and implementation of the Prospectus will be \$635,897 based on capital raisings of \$5,000,000 and this estimated cost has been deducted from the capital raising;
- (v) The completion and issue of the securities pursuant to the Consideration Offer, the Placement Options Offer, the Advisor Offer and the Lead Manager Offer;
- (vi) Costs associated with the Acquisition, for pro-forma purposes the costs of acquisition for due diligence, preparation of the meeting booklet, etc. are assumed to have been incurred and expensed in the pro-forma group balance sheets; and
- (vii) Unless specifically described, the Pro-Forma Historical Statement of Financial Position does not include adjustments for the Company's business occurring after 30 June 2017 that do not relate to the acquisition or the capital structure of the Company.

The historical and pro-forma historical financial information has been prepared on the basis of the significant accounting policies adopted by the Company set out in Section 5.5 and should be read in conjunction with the accompanying notes set out in Section 5.6. The historical and pro-forma historical financial information has been subject to independent review (refer Independent Limited Assurance Report in Section 6).

The following table presents the pro-forma statement of financial position for the combined Group as at 30 June 2017. The pro-forma statement of financial position has been prepared for illustrative purposes only and gives effect to the Acquisition pursuant to the notes and assumptions described in this Section.

					Pro-forma Combined Group
		Centurion 30 June 2017 A\$	Centralist 30 Jun 2017 A\$	SXI 30 Jun 2017 A\$	30 Jun 2017 \$
Assets					
Current Assets					
Cash and cash equivalents	2	988	1	30,674	4,698,274
Trade and other receivables		-	-	8,293	8,293
Total Current Assets		988	1	38,967	4,706,567
Non-Current Assets					
Capitalised Exploration Costs	3	-	-	-	1,103,675
Total Non-Current Assets		-	-	-	1,103,675
Total Assets		988	1	38,967	5,810,242
Current Liabilities					
Trade and other payables	4	-	-	305,826	95,826
Provisions		68,256			68,256
Borrowings	5	8,415	-	1,909,950	8,415
Total Current Liabilities		76,671	-	2,215,776	172,497
Total Liabilities		76,671	-	2,215,776	172,497
NET ASSETS (LIABILITIES)		(75,683)	1	(2,176,809)	5,637,745
Equity					
Issued capital	6	-	1	31,210,629	39,423,080
Reserves	7	(2,512)	-	-	60,500
Accumulated losses	8	(73,171)	-	(33,387,438)	(33,845,835)
TOTAL EQUITY (DEFICIT)		(75,683)	1	(2,176,809)	5,637,745

5.5 Basis of preparation and summary of significant accounting policies

The Historical Financial Information set out in this Prospectus has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards.

The Pro-Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS), other than that it includes adjustments which have been prepared in a manner consistent with IFRS, that reflect the impact of certain transactions as if they occurred on or before 30 June 2017 in the Historical Financial Information.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation, statements, disclosures and comparatives required in an annual

general purpose financial report prepared in accordance with the Australian Accounting Standards and the Corporations Act.

The Financial Information has been prepared on a going concern basis. In arriving at this position, the Directors have had regard to the fact that the Group has sufficient cash and other assets to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this Prospectus. The significant accounting policies which have been adopted in the preparation of the Financial Information are:

Reporting Basis and Conventions

The financial information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The reporting currency is Australian Dollars.

a. Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised 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 and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant & Equipment

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held

ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate

Office Furniture 6% - 40%

Office Equipment 12.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

d. Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. 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 subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale (AFS) financial assets

AFS financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

v. Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss.

vi. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

f. Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL. All derivative financial instruments are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. If a forecast transaction is no longer expected to occur any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

g. Impairment of Non-Financial Assets

At each reporting date, the group 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 Statement of profit or loss and other comprehensive income. 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 group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangibles

Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i. the rights to tenure of the area of interest are current; and

ii. at least one of the following conditions is also met:

a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed

the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary consolidated environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

Income and expenses are translated at average exchange rates for the period;

Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

j. Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

k. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

n. Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

r. Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current

and future periods. The critical accounting estimates and judgements applicable to this financial report are as follows:

Exploration and evaluation expenditure: The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at nil value.

Share-based payment transactions: The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Consolidated Entity's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognised at the amount expected to be paid to or recovered from the taxation authorities.

s. Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued. Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

5.6 Notes to the pro-forma consolidated Historical Statement of Financial Position

	Centurion 30 June 2017 A\$	Centralist 30 Jun 2017 A\$	SXI 30 Jun 2017 A\$	Pro-forma Combined Group 30 Jun 2017 A\$
1. Statement of Accounting Policies				
Accounting policies used in compilation of the Pro-forma Statement of Financial Position are consistent with policies used in the historical audited Financial Statements for South East Asia Resources Ltd (SXI).				
2. Cash & Cash Equivalents				
Cash and Cash Equivalents	988	1	30,674	31,663
Issue of shares - 5.4(d)(i),(v)	-	9	950,000	950,009
Payment of DOCA & creditors - 5.4(d)(i)	-	-	(647,500)	(647,500)
Issue of shares - 5.4(d)(iii)	-	-	5,000,000	5,000,000
Transaction issue costs - 5.4(d)(iv)	-	-	(635,898)	(635,898)
				4,698,274
3. Capitalised exploration costs				
Capitalised exploration costs	-	-	-	-
Increase in expenditure incurred on Acquisition	-	73,172	1,030,503	1,103,675
				1,103,675
4. Trade & other payables				
Trade & other payables	-	-	305,826	305,826
Increase in DOCA creditors trust - 5.4(d)(i)	-	-	160,000	160,000
Payment to DOCA creditors trust- 5.4(d)(i)	-	-	(370,000)	(370,000)
				95,826
5. Borrowings				
Borrowings	8,415	-	1,909,950	1,918,365
Conversion of borrowings to shares - 5.4(d)(ii)	-	-	(1,632,450)	(1,632,450)
Repayment of borrowings - 5.4(d)(i)	-	-	(277,500)	(277,500)
				8,415

6. Issued Capital				
SXI				
Ordinary shares at 30 June 2017	-	-	31,210,629	31,210,629
Conversion of borrowings to shares - 5.4(d)(ii)	-	-	1,632,450	1,632,450
Issue of shares - 5.4(d)(i)	-	-	950,000	950,000
Issue of shares in satisfaction of advisor fees - 5.4(d)(v)	-	-	250,000	250,000
Acquisition share consideration to Centralist vendors - 5.4(d)(v)	-	-	750,000	750,000
Issue of shares - 5.4(d)(iii)	-	-	5,000,000	5,000,000
Capital raising costs- 5.4(d)(iv)	-	-	(307,500)	(307,500)
Issue of Lead Manager Options - 5.4(d)(v)	-	-	(62,499)	(62,499)
Centralist				
Redeemable Subscriber Share at 30 June 2017		1		1
Redeemable subscriber Share redemption		(1)		(1)
Ordinary shares at 30 June 2017		-	-	-
Issue of Ordinary Shares		12		12
Less elimination on Acquisition				(12)
				39,423,080
7. Reserves				
Share Based Payments Reserve				
Issue of Lead Manager Options - 5.4(d)(v)	-	-	62,499	62,499
				62,499
Foreign Exchange Translation Reserve				
Opening position	(2,512)	-	-	(2,512)
Less Intercompany balances				513
				(1,999)

8. Accumulated losses

Losses at 30 June 2017	(73,171)	-	(33,387,438)	(33,460,609)
Less elimination on Acquisition	73,171	-	-	73,171
Increase in DOCA creditors trust - 5.4(d)(i)			(160,000)	(160,000)
Adjustment for new intercompany balances	-	-	30,000	30,000
Capital raising costs (not capitalised) - 5.4(d)(iv)			(328,397)	(328,397)
				(33,845,835)

9. Contingent liabilities

A subsidiary of SXI, South East Asia Energy Resources Pte Limited, had amounts owing to creditors of \$685,764 as at 30 June 2014. These amounts were subsequently written off by the Group as at 30 June 2015 period. The group has had no correspondence from creditors since 30 September 2014 and the subsidiary's operations have ceased and were closed as last communicated by the company secretary of the subsidiary on 23 February 2015. This Singapore subsidiary has previously been funded solely by SXI, with its ability to operate reliant on SXI's support. When SXI went into administration and considering the Deed of Company Arrangement referred to within this Notice of Meeting, was concluded that the Singapore subsidiary could no longer viably operate. The creditors of the Singapore subsidiary have not made any communication with SXI with a claim on amounts owed to them by the Singapore subsidiary and it has been concluded that these creditors are no longer active.

SXI's Directors have determined that the amount of \$685,764 is considered a contingent liability given that there is no present obligation to settle these amounts, however there is a possibility these amounts may arise in future periods at which point a present and measurable obligations would be deemed to have occurred and would be recorded as a provision accordingly.

Apart from the above-mentioned items, as at 30 June 2017 the Group has no other contingent liabilities nor does it have any contingent assets.

6. Independent Limited Assurance Report



Grant Thornton

Board of Directors
South East Asia Resources Limited
311-313 Hay Street
SUBIACO WA 6008

29 September 2017

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Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by South East Asia Resources Limited ('South East Asia Resources', or the 'Company') to report on the Historical Financial Information and the Pro forma Historical Financial Information of the Company for inclusion in the Prospectus (the 'Prospectus') to be dated on or about 29 September 2017, relating to the issue of ordinary shares in the Company (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ('Grant Thornton Corporate Finance') holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Scope

You have requested Grant Thornton Corporate Finance to report on the following Historical Financial Information included in the Prospectus:

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Historical Financial Information

The Historical Financial Information, as set out in the Prospectus comprises:

- The Historical Statement of Comprehensive Income for the Company for the years ended 30 June 2015, 30 June 2016 & 30 June 2017;
- The Historical Income Statement for Centurion for the period 18 March 2016 to 30 June 2017;
- The Historical Statement of Financial Position of the Company as at 30 June 2017; and
- The Historical Statement of Financial Position of Centralist and Centurion as at 30 June 2017.

The Historical Financial Information of the Company has been extracted from the audited financial statements which were audited by Grant Thornton Audit Pty Ltd. A disclaimer of opinion was issued by the auditor for 30 June 2017 related to uncertainty that the Company would continue on a going concern basis. Based on our review this disclaimer remains applicable for our opinion on the Historical Financial Information of the Company.

Centralist's Historical Financial Information has been extracted from the audited Financial Statement of Centralist for the year ended 30 June 2017. The financial statements of Centralist were subject to audit by Grant Thornton Audit Pty Ltd. An unmodified audit opinion was issued by Grant Thornton Audit Pty Ltd in respect to Centralist.

Centurion's Historical Financial Information has been extracted from the audited Financial Statement of Centurion for the year ended 30 June 2017. The financial statements of Centurion were subject to audit by Crowe Horwath BDM Audit, Serbia. An unmodified audit opinion was issued by Crowe Horwath BDM, Serbia in respect to Centurion.

Pro forma Financial Information

- The Pro forma historical statement of financial position as at 30 June 2017 which assumes completion of the proposed transactions outlined under the pro forma transactions section of the 'Financial Information' section which includes the Offer (the 'Pro Forma Transactions') as though they had occurred on that date.

(Hereafter the "Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in the Section headed "Historical and Pro-Forma Consolidated Statement of Financial Position" under the heading "pro forma transactions", 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, financial performance, or cash flows.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions set out in the 'Financial Information', under the heading "pro forma transactions" and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Financial Information"* and ASAE 3420: *"Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information"*. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently do not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information of the following companies, as described in the 'Financial Information' section of the Prospectus does not present fairly:

- The Historical Income Statement for Centurion for the period 18 March 2016 to 30 June 2017;
- The Historical Statement of Financial Position of Centralist and Centurion as at 30 June 2017;
- The pro forma Historical Statement of Financial Position as at 30 June 2017; and
- The Pro Forma Transactions set out in the pro forma transactions section of the 'Historical and Pro-Forma Consolidated Statement of Financial Position' section are a reasonable basis for the pro forma consolidated statement of financial position as at 30 June 2017;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under the IFRS as if the Pro Forma Transactions set out under the pro forma transactions section of the 'Financial Information' under the heading "pro forma transactions" had occurred at 30 June 2017.

Based on our independent review, which is not an audit, we form no opinion on the Historical Financial Information of the Company as there is uncertainty that the Company would continue on a going concern basis. This includes, as described in the 'Financial Information' section of the Prospectus the following:

- The Historical Statement of Comprehensive Income for the Company for the years ended 30 June 2015, 30 June 2016 & 30 June 2017; and
- The Historical Statement of Financial Position of the Company as at 30 June 2017.

Restriction on Use

Without modifying our conclusion, we draw attention to the 'Financial Information' section, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter.

Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Accountants Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



Harley Mitchell
Partner – Corporate Finance
and Authorised Representative



Matthew Hingeley
Partner – Audit & Assurance

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 29 September 2017.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Macquarie Gold Limited (the "Company") to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) in relation to the offer of fully paid ordinary shares in the Company (the Issue). This report is included in the Prospectus dated on or about 29 September 2017 (the "Prospectus"). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$19,000 plus GST which is based on commercial rates plus reimbursement of out of pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business. Grant Thornton Audit Pty Ltd is the auditor of the Company.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

9 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

10 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

7. Independent Geologist's Report

AL MAYNARD & ASSOCIATES Pty Ltd

Consulting Geologists

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al@geological.com.au**

Australian & International Exploration & Evaluation of Mineral Properties

Independent Geological Report
On the
Exploration Potential
Of
Five Serbian Lithium Projects

Prepared for
South East Asia Resources Limited
(to be renamed Jadar Lithium Limited)

Author: Phil Jones BAppSc(AppGeol), MAIG, MAusIMM
Company: Al Maynard & Associates Pty Ltd
Date: 24th August, 2017

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Executive Summary

South East Asia Resources Limited (to be renamed Jadar Lithium Limited) has entered into a Deed to acquire 100% interest of Centralist Pty Ltd (Centralist). Centralist have entered into a Deed to acquire 100% of Centurion Metals D.O.O (Centurion), the owner of five 100% held exploration projects for lithium and boron; Cer, Bukulja, Rekovac, Krajkovac and Vranje-South, located within Serbia.

AM&A have not carried out a site visit to any of the Project areas, but have relied on information provided by the Company derived from internal company data as well as other publicly available general data and reports sourced by AM&A as listed in the Reference section of this report.

These five “greenfields” exploration project areas cover regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals by any public companies or any mine production on any of the project areas.

The five Projects are covered by Exploration Licences, for a total of 328.6 square kilometres.

According to Serbian law the tenement holder is obliged to perform the geological exploration works according to the Application Documents submitted by "Geoprofesional" Ltd. of Belgrade.

The duration of the exploration period is 3 (three) years provided that the exploration period begins to run from the date of delivery of this decision to the exploration holder. The exploration period may be extended on the request of the exploration holder. The request for an extension of exploration period shall be submitted not later than 30 days before the expiration of the exploration period determined by the approval of exploration, provided that at least 75% of the project planned volume has been carried out.

The Company is targeting two different styles of lithium mineralisation:

- **Granite complexes with associated pegmatite and greisen mineralisation.**

Pegmatites and greisens are prospective for mineralisation as they are the last fluids of granite crystallization that tend to concentrate elements such as lithium, tin, tungsten, molybdenum and fluorine, as well as occasionally precious metals such as gold, silver and copper.

- **Jadar Style sedimentary sequences in buried lake basins containing extensive hydrothermal lithium-borate mineralised zones**

The Rio Tinto Borates' Jadar deposit, a world-class lithium-borate resource, is hosted by this style of mineralisation with Jadar ranked as one of the largest lithium deposits in the world.

These basins are typically comprised of clay-carbonate rocks, sandstones and argillaceous rocks formed in a volcano-tectonic depression during the Oligocene and Early Miocene.

AM&A opine that the Serbian tenements at Cer, Bukulja, Rekovac, Krajkovac and Vranje cover areas with potential for the discovery of lithium and boron and other granite/greisen/pegmatite mineralisation and Jadarite deposits in the Miocene sediments in these under-explored tenements. However, it is important to note that none of these “greenfields” tenements have undergone modern systemic exploration for these commodities with only regional scale geology mapping carried out to date.

The presence of major European markets, especially in Germany to the near north, could be a significant factor in determining the economic potential and viability of any new deposits found on the tenements.

A two-year staged exploration program, managed and operated by Serbian geologists, has been proposed for the Company's tenements.

The first year of exploration on all five tenements will include regional geological mapping, outcrop and soil sampling over the entirety of each exploration area. The first year's mapping and sampling will be continued into the second year focusing on the most prospective areas and will include appropriate geophysical surveys, initially ground magnetics, which will be followed up by exploration diamond drilling. A proposed exploration budget is provided in Table 1. Note that the budgets for years subsequent to Year 1 include drilling and the actual quantity of drilling required will depend on the success of the exploration effort in the previous year.

Totals	Serbian Dinar Each Project	Serbian Dinar All Projects	\$AU Each Project	\$AU All Projects
Year 1	7,956,000	39,780,000	97,143	485,714
Year 2	26,064,480	130,322,400	310,291	1,551,457
Total	34,020,480	170,102,400	407,434	2,037,171

Table 1: Summary budgets for proposed exploration program for each project.

1: Introduction

This Independent Geologist's Report has been prepared by Philip A. Jones of Al Maynard and Associates Pty Ltd ("AM&A"), Consulting Geologists of Subiaco, Perth, Western Australia, on behalf of South East Asia Resources Limited (to be renamed Jadar Lithium Ltd) ("SXI", "the Company"), which was incorporated on 2nd August, 1985. SXI has registered offices at 311-313 Hay Street, Subiaco WA 6008.

This Independent Geologists' Report has been prepared for SXI for inclusion in its Notice of Meeting to shareholders to consider the acquisition of Centralist and in a Prospectus to be issued by SXI to raise up to A\$5 million by the issue of up to 250,000,000 shares at A\$0.02 per share as part of the Company's re-compliance with Chapters 1 & 2 of the ASX Listing Rules.

The bulk of information compiled by AM&A for this report is derived from internal company data provided by SXI as well as other publicly available general data and reports as listed in the Reference section of this report.

The five projects; Cer, Bukulja, Rekovac, Krajkovac and Vranje-South, are all located within Serbia and are 100% held by Centurion.

AM&A have not carried out a site visit to any of the Project areas. However, Professor Colin Roberts of Natural Resource Geo-Strategy Pty Ltd conducted a site visit to Serbia and the five projects to conduct an independent due-diligence on the legal status on the validity of title and other matters related to the acquisition of Centurion Metals d.o.o. on behalf of South East Asia Resources Ltd. No significant problems were noted in his report.

Qualifications and Experience

This report was prepared in accordance with the Joint Ore Reserves Committee (JORC) "Australian Code for reporting of exploration results, mineral resources and ore reserves", 2012 edition. The author of this report is Philip Jones, B.App.Sc.(applied Geology), MAIG.

Mr Jones is an Associate of Al Maynard & Associates Pty Ltd (AM&A) and a "Competent Person" for reporting exploration results, as defined by the JORC Code (2012). He is a professional geologist with over 40 years' experience in exploration, mineral resource and ore reserve estimation, feasibility studies and mine geology in Australia, Europe, South America, China, Asia and Africa, including more than 5 years' experience in structurally controlled gold deposits in Australia.

2: Property Description and Location

The five Project areas; Cer, Bukulja, Rekovac, Krajkovac and Vranje-South, are all located within Serbia in central Europe along a north-west/south-east corridor, Figure 1.



Figure 1: Serbia and Jadar project locations.

These five exploration project areas, cover regions that are considered prospective for lithium and other pegmatite hosted minerals. There has been no recent geological exploration for these minerals or any mine production on any of the project areas.

Tenure

The five Projects are covered by Exploration Licences, issued to Centurion covering 328.6 square kilometres.

Name	Tenement ID	Area (Km2)	Expiry Date
Cer	2223	92.8	27/02/2020
Bukulja	2226	38.6	24/02/2020
Rekovac	2224	75.5	27/02/2020
Krajkovac	2209	31.2	7/11/2019
Vranje-South	2225	90.5	22/02/2020
Total		328.6	

Table 2: SXI Project tenement schedule

General Terms and Conditions on Tenements

The tenement holder is obliged to perform the geological exploration works according to the Application Documents submitted by "Geoprofesional" Ltd. of Belgrade. The duration of the exploration period is 3 (three) years provided that the exploration period begins to run from the date of delivery of this decision to the exploration holder. The exploration period may be extended on the request of the exploration holder. The request for an extension of exploration period shall be submitted not later than 30 days before the expiration of the exploration period determined by the approval of exploration, provided that at least 75% of the project planned volume has been carried out.

Tenement Details

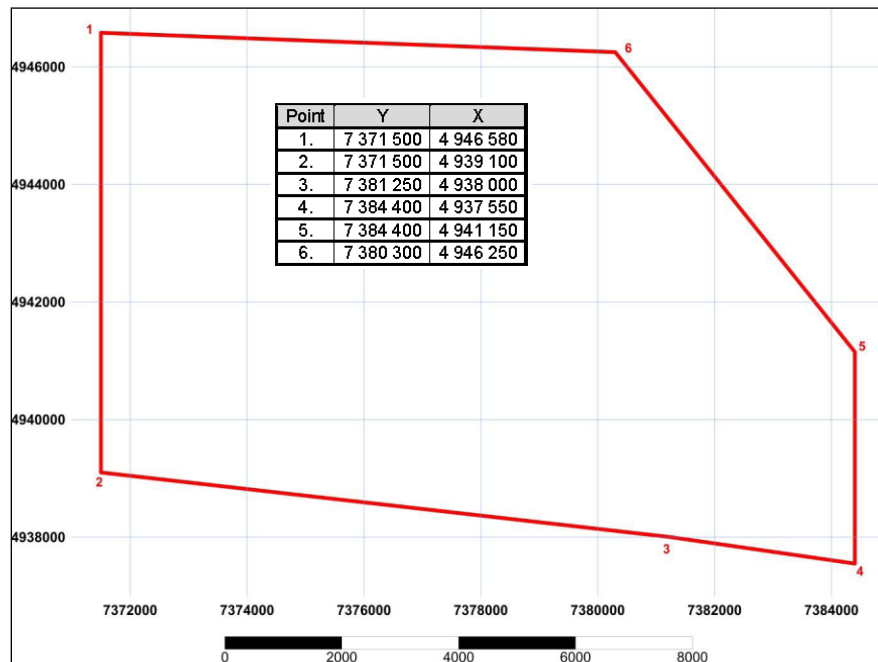


Figure 2 Cer tenement location map and corner coordinates (Gauss Krueger 3 degree, Zone 7)

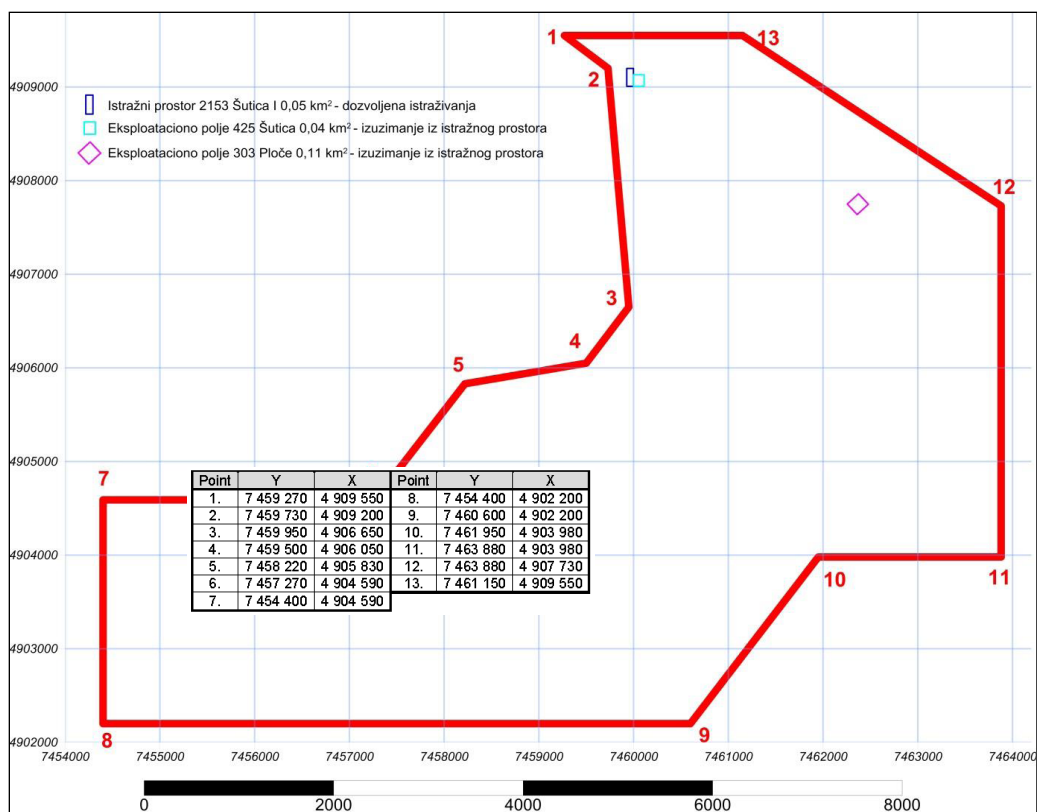


Figure 3: Bukulja tenement location map and corner coordinates (Gauss Krueger 3 degree, Zone 7).

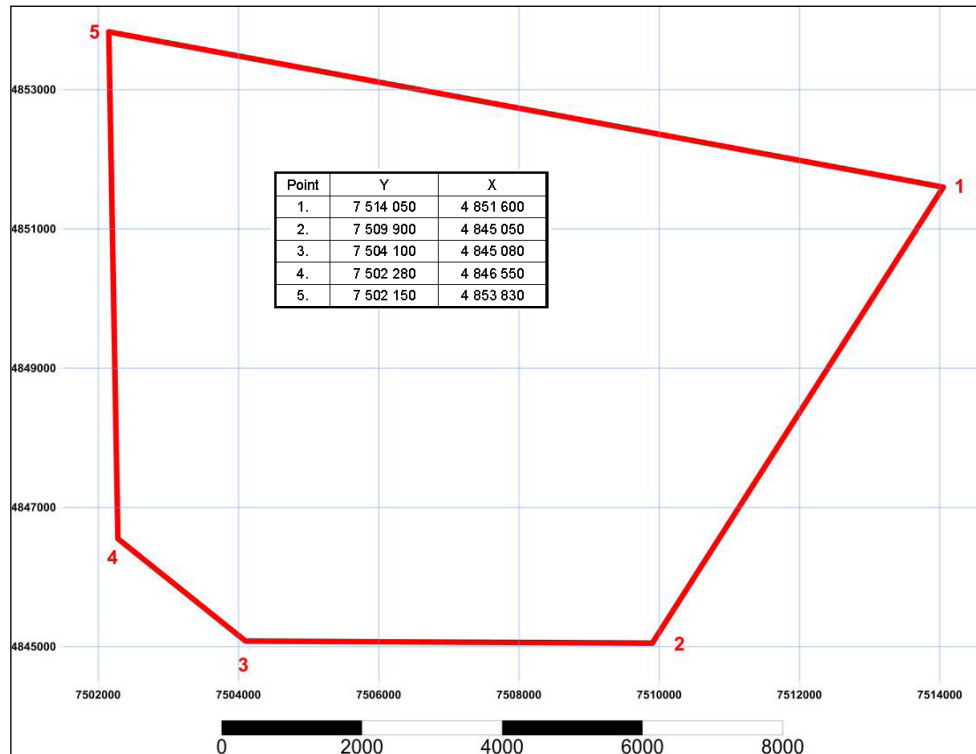


Figure 4: Rekovac tenement location map and corner coordinates (Gauss Krueger 3 degree, Zone 7).

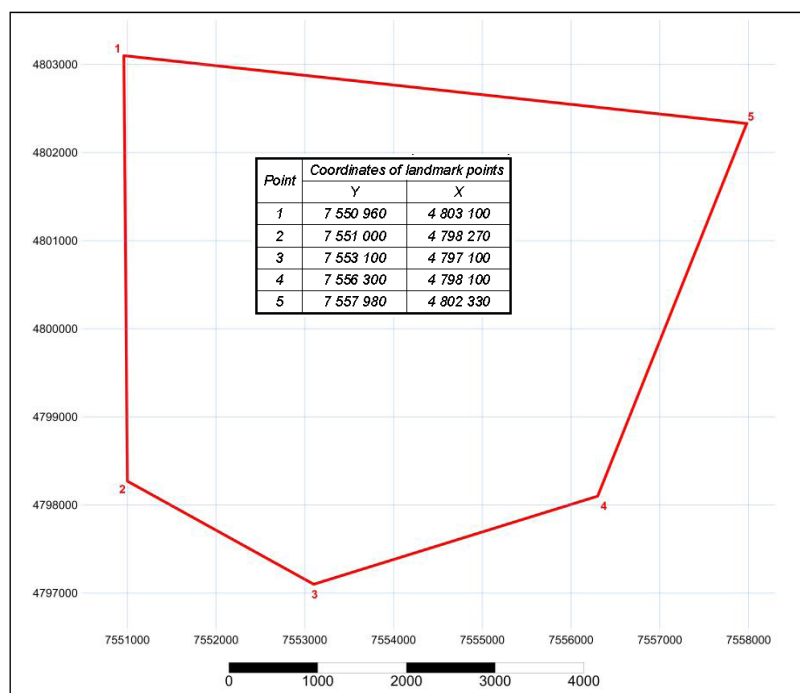


Figure 5: Krajkovac tenement location map and corner coordinates (Gauss Krueger 3 degree, Zone 7).

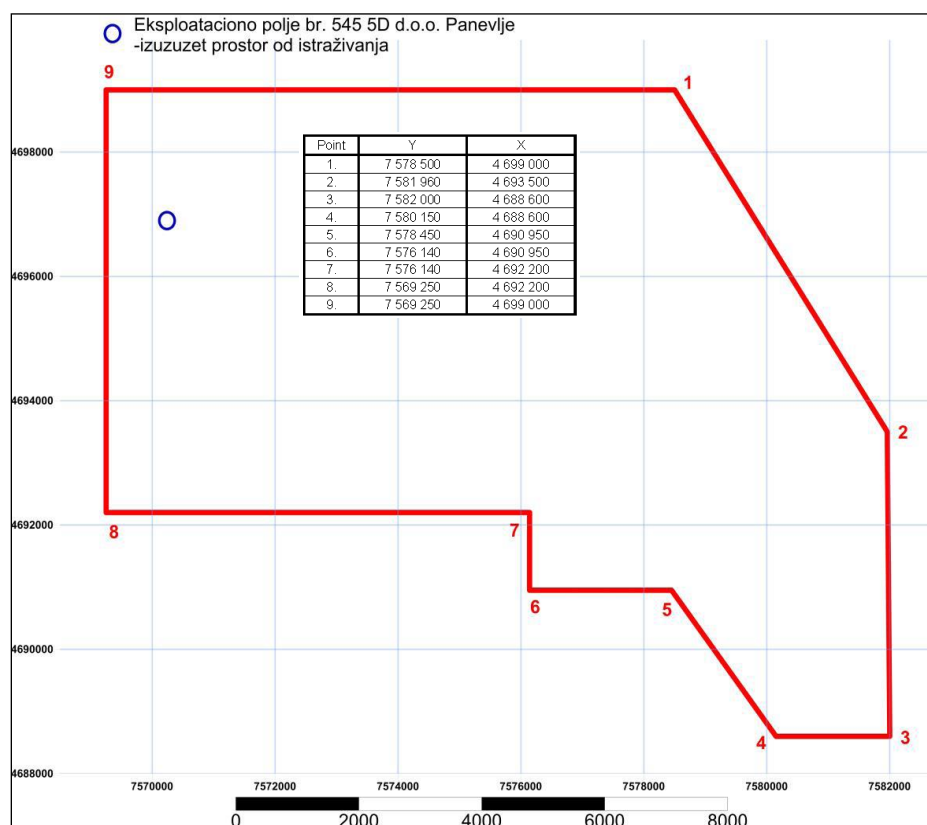


Figure 6: Vranje-South tenement location map and corner coordinates (Gauss Krueger 3 degree, Zone 7).

3: Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Republic of Serbia has a population of 7.14 million located in central-eastern Europe. Serbia shares borders with the sovereign states of Hungary, Romania, Bulgaria, Macedonia, Kosovo, Montenegro, Bosnia and Herzegovina and Croatia.

Serbia's capital, Belgrade, ranks among the oldest and largest cities in Southeast Europe.

Belgrade is a 9-hour drive from the industrial heartland of Germany.

During the breakup of Yugoslavia, Serbia formed a union with Montenegro which dissolved peacefully in 2006, when Serbia re-established its independence.

Serbia is a member of numerous organizations such as the UN, CoE, OSCE, PfP, BSEC, and CEFTA. An EU membership candidate since 2012, Serbia has been negotiating its EU accession since January 2014. The country is acceding to the WTO and is a militarily neutral state. Serbia is an upper-middle income economy with a dominant service sector along with industrial and agriculture sectors.

Access

Serbia is located in a strategically important transportation location since the country's backbone, the Morava Valley, represents by far the easiest route for land travel from continental Europe to Asia Minor and the Near East.

The Serbian road network carries the bulk of traffic in the country. The total length of roads is 45,419 km of which 745 km are motorways; 4,481 km are national roads; 10,941 km are regional roads and 23,780 km are municipal roads. The road network, except for the motorways, are of comparatively lower quality to the Western European standards because of lack of financial resources for their maintenance in the last 20 years.

Bus transport is very extensive with almost every locality in the country connected by bus., both Domestic and international routes are served by more than 100 bus companies.

Serbia has 3,819 kilometres of rail tracks, of which 1,279 are electrified and 283 kilometres are double-track railroad. The major rail hub is Belgrade. Although still a major mode of freight transportation, railroads face increasing problems with the maintenance of the infrastructure and lowering speeds. All rail services are operated by public rail company, Serbian Railways.

There are only two airports with regular passenger traffic: Belgrade Nikola Tesla Airport served almost 5 million passengers in 2016, and is a hub of flagship carrier Air Serbia which carried some 2.6 million passengers in 2016. Niš Constantine the Great Airport caters mainly for low-cost airlines.



Figure 7: Serbian motorway network.

Serbia has 1,716 kilometres of navigable inland waterways (1,043 km of navigable rivers and 673 km of navigable canals), which are almost all located in northern third of the country. The most important inland waterway is the Danube. Other navigable rivers include Sava, Tisza, Begej and Timiș rivers which connect Serbia with much of Europe. More than 2 million tons of cargo was transported on Serbian rivers and canals in 2016. The largest river ports are: Novi Sad, Belgrade, Pančevo, Smederevo, Prahovo and Šabac.

Climate

The Serbian climate varies between a continental climate in the north, with cold winters, and hot, humid summers with well distributed rainfall patterns, and a more Adriatic climate in the south with hot, dry summers and autumns and relatively cold winters with heavy inland snowfall. Differences in elevation, proximity to the Adriatic Sea and large river basins, as well as exposure to the winds account for climate differences.

Northern Serbia possesses typical continental climate, with air masses from northern and western Europe shaping its climatic profile. South and south-west Serbia is subject to Mediterranean influences, however the Dinaric Alps and other mountain ranges contribute to the cooling down of most of the warm air masses. Winters are quite harsh in the Raška plateau region because of the mountains that encircle the plateau.

The average annual air temperature for the period 1961–90 for areas with an altitude of up to 300 m is 10.9 °C. The areas with an altitude of 300 to 500 m have an average annual temperature of around 10.0 °C, and over 1,000 m around 6.0 °C. The lowest recorded temperature in Serbia was –39.5 °C (January 13, 1985, Karajukića Bunari in Pešter), and the highest was 44.9 °C (July 24, 2007, Smederevska Palanka).

Serbia is one of few European countries with very high-risk exposure to natural hazards (earthquakes, storms, floods, droughts), particularly in areas of Central Serbia.

Infrastructure

Serbia has generally excellent infrastructure with all the required utilities immediately accessible (electricity, gas, telecommunications) throughout much of the country.

Physiography

Forest covers 2,252,000 ha or approximately 29.1% of Serbia. The most common trees are oak, beech, pines and firs.

Serbia is a country of rich ecosystem and species diversity – covering only 1.9% of the whole European territory Serbia is home to 39% of European vascular flora species, 51% of European fish fauna species, 40% of European reptile and amphibian fauna species, 74% of European bird fauna species and 67% European mammal fauna species. Its abundance of mountains and rivers make it an ideal environment for a variety of animals, many of which are protected including wolves, lynx, bears, foxes and stags.

There are 377 protected areas in Serbia, encompassing 4,947 square kilometres. Those protected areas include 5 national parks (Đerdap, Tara, Kopaonik, Fruška Gora and Šar Mountain), 15 nature parks, 15 "landscapes of outstanding features", 61 nature reserves, and 281 natural monuments.

Air pollution is a significant problem in the Bor area due to emissions from a large copper mining and smelting complex, and at Pančevo where an oil and petrochemical industry is based. Some cities suffer from water supply problems due to mismanagement and low investments in the past, as well as industrial water pollution or the presence of natural arsenic in underground waters in Zrenjanin.

Poor waste management has been identified as one of the most important environmental problems in Serbia. The 1999 NATO bombing caused serious damage to the environment, with several thousand tons of toxic chemicals stored in targeted factories and refineries released into the soil and water basins.

4: Exploration History

None of the Company's projects have been systematically explored for economic lithium or boron deposits in modern times. The only significant geological work carried out on these tenements is regional scale mapping and limited studies by the Government agencies and academics.

5: Geological Setting and Mineralisation

Serbia Geology

Serbia is in recent geologic time a part of the Eurasian Plate, but the bedrock lithologies are witness to a diverse geologic history. In a tectonic sense, Serbia is part of an orogenic system that is composed of the Alpine, Carpathian, and Dinaride orogenic belts. Serbia can be divided into five geotectonic units of differing genesis:

- Pannonian Plain, occupying the northern part of the country (Vojvodina province)
- Dinaric Alps occupy western part of Central Serbia, stretching in general northwest-southeast direction
- Vardar Zone is a belt east of the Dinaric alps, continuing into central Republic of Macedonia. It consists of three parts: Srem, Jadar and Kopaonik blocks, separated by ophiolitic fractures.
- Serbian-Macedonian Massif is a belt stretching in north-south direction along the Great and South Morava valleys, into western Republic of Macedonia and northern Greece (north of Chalkidiki peninsula).
- Carpatho-Balkan arc covers Eastern Serbia, in the shape of an arc. Its northern part, Serbian Carpathians is an extension of Carpathian range, and it joins the western parts of Balkan Mountains, whose main massif is in Bulgaria.

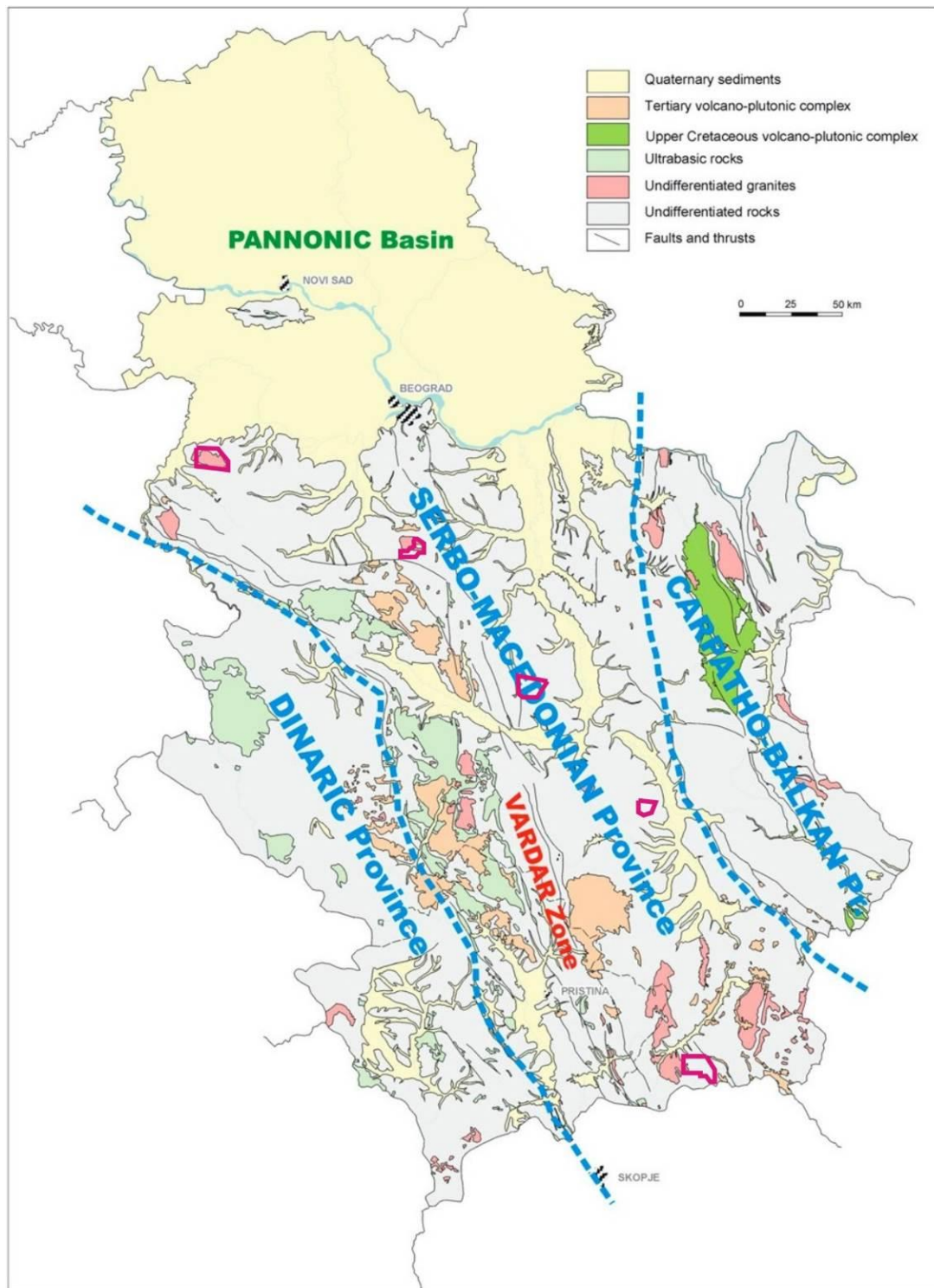


Figure 8: Simplified geological map of Serbia showing the main structural and metallogenic provinces. SXI tenements shown as red outlines.

Tectonic units

Sava Zone

The Sava Zone (named after the river Sava) is an oceanic suture that strikes roughly NNW to SSE through Serbia and is mostly covered in the north by the sediments of the Pannonian Basin. Outcrops can be found in the Fruška Gora (Fruška mountains). Here the unit is composed of blueschists and ophiolites. In the south outcrops of the Sava Zone occur in the Balkan and Rhodope Mountains. This includes the Senonian Flysch and the rocks cropping out in the Jastrebac Window.

Jadar-Kopaonik thrust sheet

The Jadar-Kopaonik Thrust Sheet is a NW-SE striking unit in the southern footwall of the Sava Zone and the northern hangingwall of the Drina-Ivanjica Thrust Sheet. Most of the outcrops are ophiolites from the Western Vardar ocean, but there are some windows into the underlying basement. The Jadar unit in western Serbia (Jadar Region) is the largest window into the underlying Adriatic units of the Jadar-Kopaonik Thrust Sheet. Two smaller windows crop out farther to the south. The Studenica unit lies in the west and the Kopaonik unit in the east of the thrust sheet.

Supragetic

The Supragetic nappes form a N-S striking belt in eastern Serbia, where they crop out in the Balkan Mountains (Stàra planinà). They are part of the paleogeographic realm of Dacia. The Supragetic is subdivided into the Ranovac and Vlasina unit.

Drina-Ivanjica thrust sheet

The Drina-Ivanjica thrust sheet forms a NNW to SSE striking thrust sheet through southwestern Serbia. It is composed of a Paleozoic basement and Mesozoic cover. On top of this lies the obducted Zlatibor ophiolite (Zlatibor mountains), a remnant of the Western Vardar ocean.

Exploration Targets

The company is targeting two different styles of lithium and boron mineralisation:

Granite complexes with associated pegmatite and greisen mineralisation.

Primary lithium mineralisation in Serbia is related to intrusive granitic-pegmatite complexes as well as greisen alteration halos within the surrounding volcanogenic-sedimentary sequences.

Pegmatites and greisens are prospective for mineralisation as they are the last fluids of granite crystallization that tend to concentrate elements such as lithium, tin, tungsten, molybdenum and fluorine, as well as occasionally precious metals such as gold, silver and copper.

Greisens are formed from hydrothermal fluids above the granite intrusions that produce highly altered contact zones within the surrounding country rock as the system cools.

Serbian granitoids are commonly associated with anomalous lithium, tin, tantalum, and niobium. The widths of the mineralised zones are variable as a function of the size of the granitoid complex and the internal fractionation/development of the granitoids.

Studies by government geologists in 1997 defined four separate characteristics of mineralisation within the lithium pegmatite intrusions;

- Spodumene-microcline-albite with lepidolite, petalite, tantalum and beryl.
- Albite pegmatites with beryl and tantalum
- Albite spodumene pegmatites with columbite and beryl (\pm cassiterite)
- Albite pegmatites with tantalum.

Greisen mineralisation is normally associated with elevated concentrations of tin-bearing, steeply dipping stockwork veins within the country rock surrounding the granitoids. The mineral composition of these stockworks is complex with quartz, mica and topaz being the most abundant minerals. Common accessory minerals include fluorite, feldspar, cassiterite, kaolinite, sericite, wolframite \pm hematite, carbonate, arsenopyrite, chalcopyrite, galena and sphalerite. Greisen deposits in Serbia have been reported to contain up to 4% Li₂O and 1% Rb with elevated Cs.

Jadar Style sedimentary sequences in buried lake basins containing extensive hydrothermal lithium-borate mineralised zones

The Rio Tinto Borates' Jadar deposit is hosted by this style of mineralisation. This deposit is a significant, world-class lithium-borate resource with a mineral resource quoted by Rio Tinto of more than 136 million tonnes, ranking Jadar as one of the largest lithium deposits in the world. These basins are typically comprised of clay-carbonate rocks, sandstones and argillaceous rocks formed in a volcano-tectonic depression (subaqueous caldera basin). The basins are formed as a series of inner-montane pull-apart basins during the Oligocene and Early Miocene.

The early stage of basin formation is marked by lacustrine sedimentation including tuffs from fractionated contemporaneous calcalkaline volcanic rocks.

Lithium bearing Jadarite (a white, earthy monoclinic silicate mineral with a chemical formula of LiNaSiB₃O₇(OH) or Na₂OLi₂O(SiO₂)₂(B₂O₃)₃H₂O) was discovered by Rio Tinto geologists in the Jadar Basin lake sediments while exploring for sodium borates in 2004. Studies have determined it's not an evaporative mineral like the boron mineralisation in the basin; it is a lithium orthosilicate, insoluble, resistant and quite exotic.



Figure 9: Jadarite on display at the Natural History Center in Svilajnac, Serbia.

The genesis of the Jadarite is believed to be associated with Li enriched hydrothermal solutions originating from a spatially related syntectonic I-type granitoid intrusion. The hydrotherms from the granitoids have altered the in situ borate enriched sediments leading to crystallization of the Li-B orthosilicate. Secondary sedimentary deposits of economic mineralisation can occur on the flanks of the basins which formed as a result of weathering and sedimentation of the nearby mineral bearing granitoids, pegmatites and greisens.

6: Project Descriptions

Cer

The Cer project is located within the Macva administrative district centred on Mount Cer in western Serbia. Macva is administered from the town of Sabac which is located on important traffic routes: roads, railway and river, approximately 30 km to the north-east, Figure 11.



Figure 10: Mount Cer.

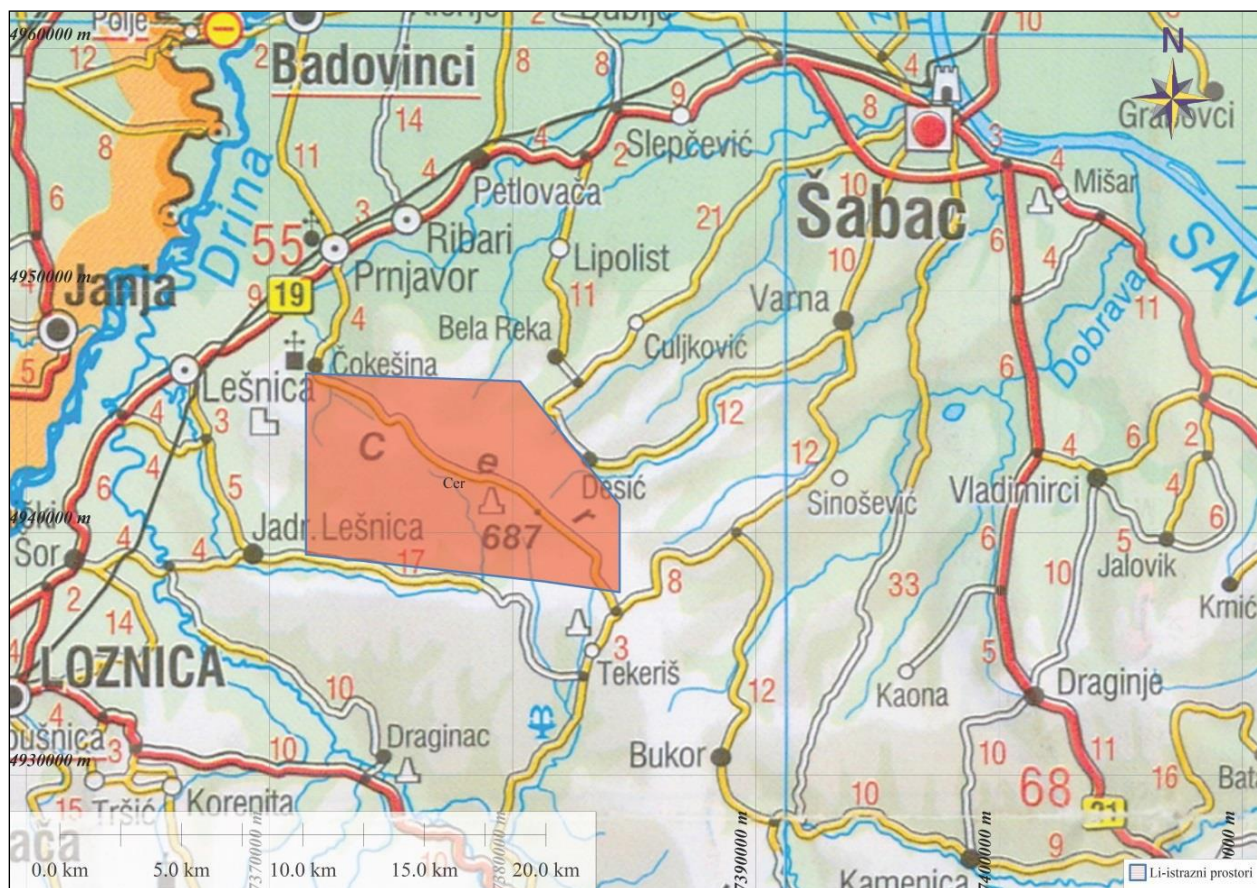


Figure 11: Geographical location of the Cer project tenement.

Mount Cer, a granite tor, is a prominent topographic feature of the local area with an altitude of 687 m and has been the site of several important historic battles including the first victory of the Allies during the First World War on the 19th August 1914.

February is the driest month with most of the precipitation occurring during the spring and late autumn. At nearby Loznica meteorological station, on average snowfalls occur on 28 days annually and the snow cover lasts for 48 days. The hottest months are July and August with an average daily temperature range of 15 to 28° C while the average daily temperature range in the coolest month January is -2 to 5° C. The average total precipitation is 868 mm. The climate of the project area will vary due to differences in altitude with the higher areas experiencing cooler average temperatures and longer periods of snow.

The Cer district has a long mining history with tin being mined at Cer since the Bronze Age.

Local Geology

The oldest rocks within the Cer tenement are Devonian and Carboniferous shales and sandstones developed to the east, north and west of the central Tertiary granite massif. Miocene to Pliocene sandy clay and gravels are found along the Lesnica and Cernica river valleys which drain off the granitoid massif to the south and south-east.

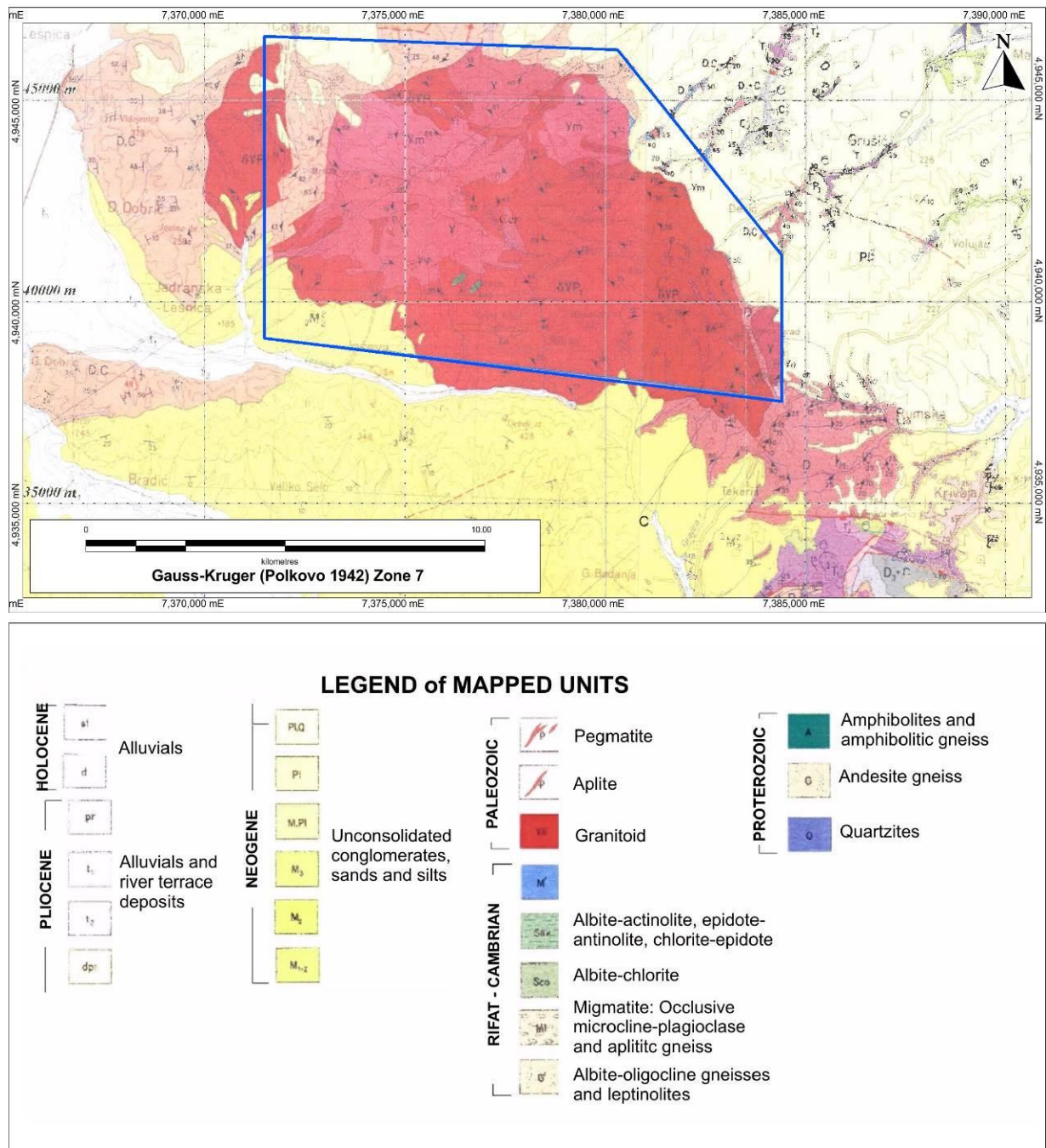


Figure 12: Geological map of Cer project area.

Granitoids

The Tertiary Cer Granitoid Complex (granodiorite 24-28 million years and pegmatite about 20 million years) formed as two stages of intrusion. The older granodiorites form the western, central and north-east parts of the massif and are represented by biotite and biotite - amphibole variants, usually exhibiting hypidiomorphic grain structures. The younger granite varieties are of particular

importance for their development of the numerous pegmatites and greisens that host the economic minerals. They are spatially widespread in the south-eastern and north-eastern parts of the massif.

The pegmatite veins, 10 or so metres long, intrude as a stockwork of veins usually approximately 20 cm thick, rarely 50 cm or more. In the south-eastern sector of the massif, between the villages of Milina and Trbisila, there are pegmatite zones along prominent ridges that clearly indicate the frequency and abundance of pegmatite bodies in this part of the massif, which are intensely affected by metasomatism (dominated by calcium and sodium metasomatism and tourmalinisation) and carrying rare metal mineralisation that is not present in other parts of the complex.

Some 67 major pegmatite bodies have been identified at Cer; predominantly potassic feldspars with quartz, microcline, plagioclase with lesser muscovite, biotite, beryl, tourmaline, zircon, apatite with isomorphic outgrowths of microcline and albite. Cassiterite, scheelite, columbite, rutile, uraninite, monazite, thorite, allanite and other metallic minerals have all been identified in these pegmatites.

Alluvial deposits containing local concentrations of heavy minerals (cassiterite, tantalum-niobite, magnetite, rarely monazite, very rarely euxenite, allanite, scheelite) sourced from this complex are found in the main rivers.

The greisens, i.e. rocks of quartz-mica composition carry high concentrations of tin and bismuth with minor niobium, tantalum and beryllium. These greisen zones are usually small-scale (up to several tens of m²) are located at the source of Milinska River along ridges and on the slopes of the central part of the massif. A few small greisens have been also mapped in north-western-eastern and south-eastern part of the massif.

Exploration Target

Cer is prospective for mineralised pegmatites and greisens.

Exploration and Mining History

Placer tin deposits had been mined along the rivers at Cer since the Bronze Age.

The geology of the Cer district has been mapped and described by various government and academic geologists since at least the 1960s leading to the recognition of mineralised, especially lithium and tin, bearing pegmatites and greisens. Rio Tinto, while exploring for borates in the nearby sedimentary basin discovered the extensive lithium/boron Jadarite deposits.

Other than the small-scale ancient mining, there is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the Miocene sediments in the district.

AM&A are not aware of any modern exploration by public companies specifically for economic mineral resources at Cer.

Bukulja

The Bukulja project area is located to the immediate south-west of the town of Arandelovac within the Sumadija district in central Serbia, Figure 13.

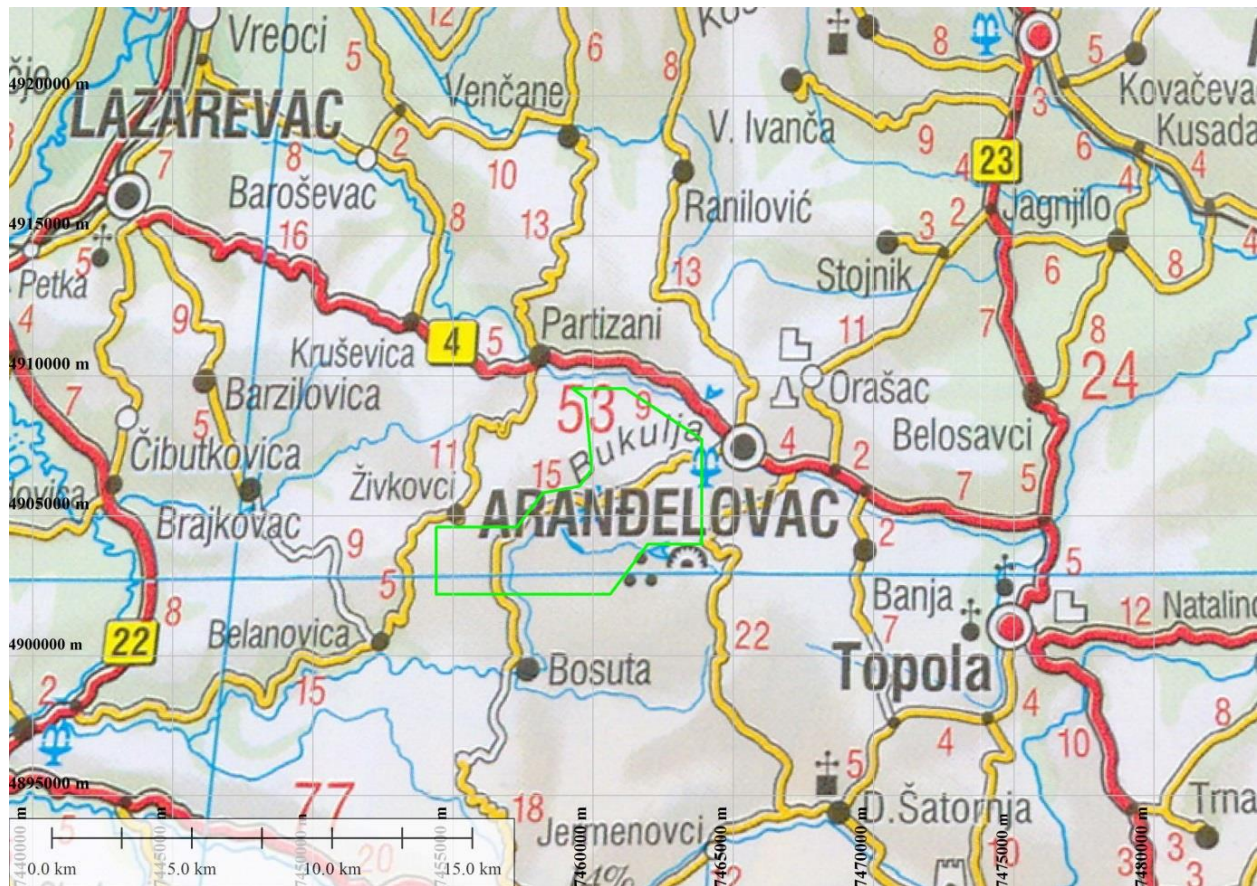


Figure 13: Geographical location of the Bukulja project tenement (green outline).

Arandjelovac is located at the northeast foot of Mount Bukulja (696 m), at an altitude of 250 m, and is close to the source of the Kubršnica River. The renowned Bukovička health resort and banja (spa) is located in the town itself.

Arandjelovac is famous for its mineral water which was a favourite of Serbian writer Dositej Obradovic and Prince Milos in the 19th century. This water has won the highest international awards for its quality.

The project area has a rolling terrain varying from 300 masl to Mount Bukulja at 696.0 masl in the east of the exploration area.

The climate at Arandjelovac is continental, with smooth transitions from one season to another. Summers are moderately warm with an average temperature of 21.3° C with little rain. Most of the precipitation occurs during the spring and late autumn with snow falling on an average of 43 days at Arandjelovac and 62 days on Bukulja. The climate of higher sections of the project area would be affected by the altitude resulting in cooler average temperatures and longer periods of snow.

Highway M-4 passes east-west through the centre of the municipality with easy access to Belgrade 80 km to the north.



Figure 14: Panorama of Arandelovac

The project area is largely covered by undeveloped forest with scattered farms on the plains in the north and south-west of the tenement.

Local Geology

The Bukulja tenement covers part of the Bukulja granitoid complex which is overlain by younger Tertiary sediments to the east and Quaternary sediments to the south, Figure 15. There is potential for economic minerals in both the granitoids as well as within the Tertiary sediments.

Granitoids

The Bukulja granitoid complex is made up of several varieties of granite with a lenticular shape stretching east-west covering approximately 40 km². The granitoids have been deeply affected by surface weathering resulting in the granitoids near the surface resembling crumbly conglomerates and sands.

The centre of the complex is mainly granular biotite and muscovite granitoids with the northern and western edges composed of fine grained and aplitic granite-monzonite. Biotite granitoid varieties occur in the central parts of the complex where a higher degree of erosion is observed. The main granitic complex has been intruded by a stockwork of younger late stage pegmatites.

The mineral composition of granite grades from monzonites to more alkali granite. Common rock forming minerals in the granitoids and pegmatites include biotite, muscovite, quartz, albite and plagioclase along with accessory minerals including garnet, magnetite, tourmaline, zircon, allanite, sphene, beryl, apatite and monazite.

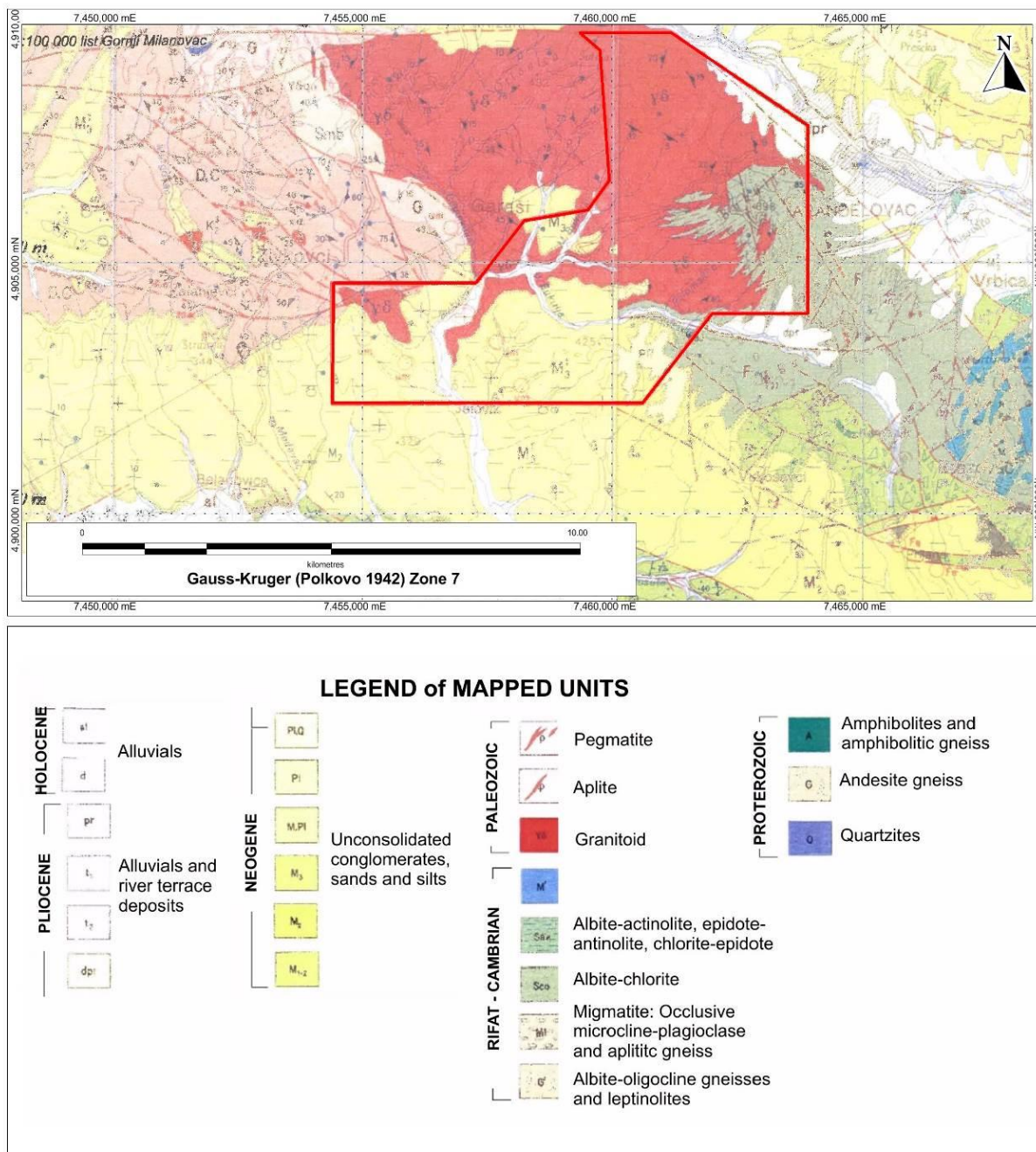


Figure 15: Geology of Bukulje project area.

Contact Metamorphosed Rocks

Fine-grained gneisses locally alternating with skarns occur along the eastern and south-eastern perimeter of the pluton. Muscovite-biotite schists containing andalusite, sillimanite and garnet along with marble of variable widths from a few meters to several hundred metres occur elsewhere along the edges of the pluton.

Sediments

Sarmatian sediments, mainly composed of crumbly sandstones, cover a small portion of the east of the tenement.

Pannonian sediments occur in a small area and are represented by yellow and grey-green loose sands and sandy clays. Bedding is rarely observed.

Coarse Pliocene clastic sediments occur along the Preseka ridge and on the southern slopes of Bukulja, in the vicinity of Vukosavci.

Quaternary sediments associated with the larger rivers - Lepenica, Rača, Jasenica and Kubrušnica, have the largest distribution to the south of the tenement.

Exploration Target

Bukulje is prospective for mineralised pegmatites and greisens.

Exploration and Mining History

Placer tin deposits had been mined along the rivers at Bukulje since the Bronze Age,

The geology of the Bukulje district has been studied since the 19th Century however the geology of the Bukulje region has only been mapped and described by various government and academic geologists since at least the 1970s leading to the recognition of mineralised, especially lithium and tin, bearing pegmatites and greisens.

Other than the small-scale ancient mining, there is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the Miocene sediments in the district.

AM&A are not aware of any modern exploration by public companies specifically for economic mineral resources at Bukulje.

Rekovac

The Rekovac project covers 860 km² within the Pomoravlje district in a hilly area also known by its historical name Levač, about 30 km from the administrative centre at Jagodina and 350 km from the capital Belgrade, Figure 16.

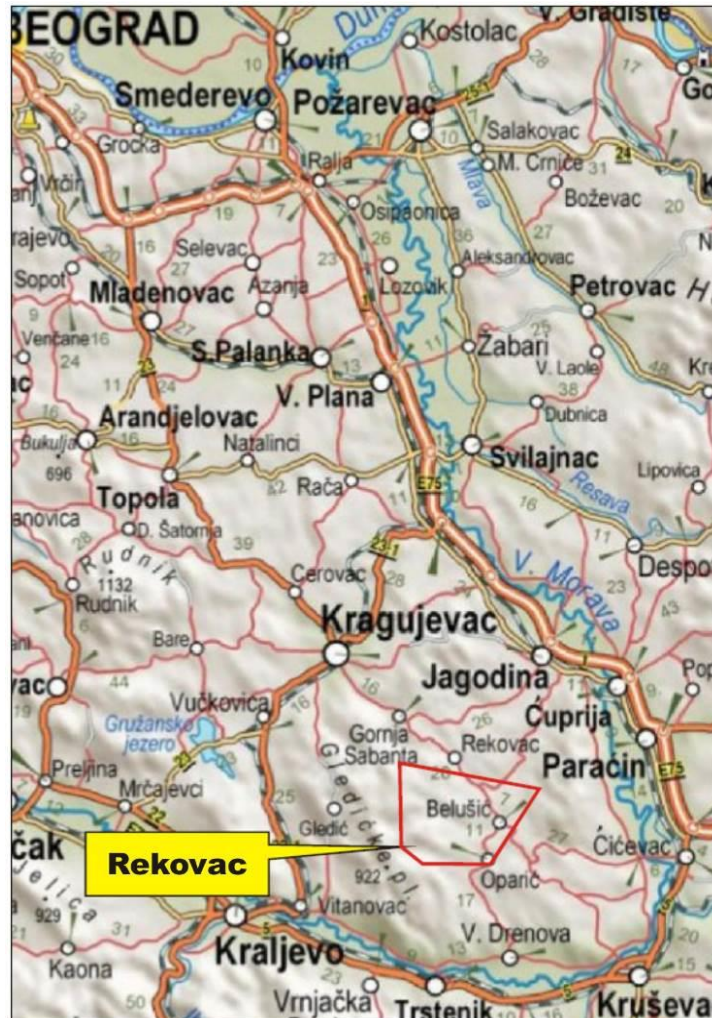


Figure 16: Geographical location of the Rekovac project tenement.

The economy of the Rekovac municipality consists of manufacturing, mining, construction, trade, agriculture and forestry.

Mining in the Rekovac district is mainly for construction materials including quartz sand, tuffs and marl northwest and construction stone. Occurrences of graphite are located south of Sekurič, and in the pegmatites at Juhor. Minor metallic occurrences of nickel, copper, cobalt and vanadium have also been identified.

Most of the agricultural land is used for the production of wheat as well as vineyards, fodder for livestock, forestry and fruit orchards.

The Rekovac terrain is characterized by the alternation of mountains and lowlands having the appearance of a funnel, hence the historic place name Levac (Serbian: funnel). High slopes of the Gledić Mountains rise from the west and the Juhor Hills from the south-east. Within the tenement area the elevations range from approximately 270 masl to 700 masl.



Figure 17: Photo of central project area.

The project area has a moderate continental climate type with hot summers and cold winters with short springs and autumns. At nearby Čuprija, July is the hottest month with an average daily temperature range of 13.5 to 27.5° C and January is the coldest month with an average daily temperature range of -4.2 to 3.1° C. Precipitation varies little through the year with February being the driest month with on average 43.5 mm and June being the wettest month with on average 87.5 mm. Snow generally falls between October and March. The climate of the project area will vary due to differences in altitude with the higher areas experiencing cooler average temperatures and longer periods of snow.

The project area is linked by several well maintained secondary roads to Serbia's main highway, the M1, approximately 20-25 km to the north and east.

Local Geology

According to the regional geological map, the Company's tenement area is composed entirely of lacustrine Lower and Middle Miocene sediments overlaying Proterozoic gneisses and lepidolites intruded by granites, aplite, pegmatite dykes and quartz and veins to the east of the tenement and the Gledićkih Chalk unit to the west of the tenement. The lacustrine Miocene sediments grade from coarser conglomerates through to silts and also include a coal-bearing series.

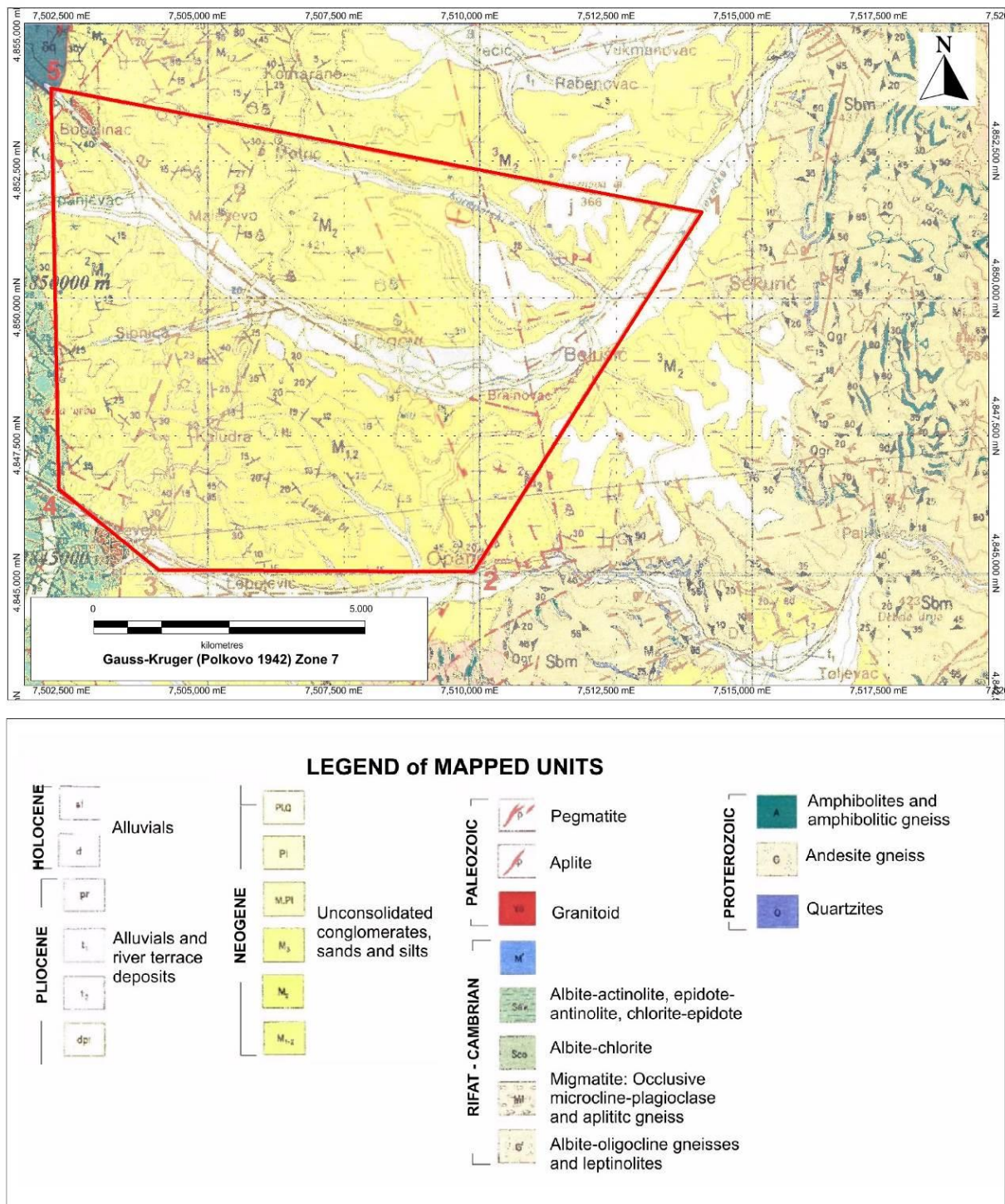


Figure 18: Geology map of the Rekovac project area.

Exploration Target

These Miocene sediments are very similar to the Rio Tinto Jadar deposit and this style of lithium mineralisation is the target of the Company's planned exploration program.

Exploration and Mining History

The geology of the Rekovac district has been studied since the late 19th Century however the geology of the Rekovac region has only been mapped and described by various government and academic geologists since at least the 1930s including detailed studies on the basin sediments. Mineralised, especially lithium and tin, bearing pegmatites and greisens were also recognised in the granitoids elsewhere in the region outside the Rekovac tenement.

There is no record of any substantial mining of Jadarite deposits in the Miocene sediments of the district.

AM&A are not aware of any modern exploration by public companies specifically for economic mineral resources at Rekovac.

Krajkovac

The Krajkovac project area is located in the south-east of Serbia within the Nisava administrative district with Nis the administrative centre.

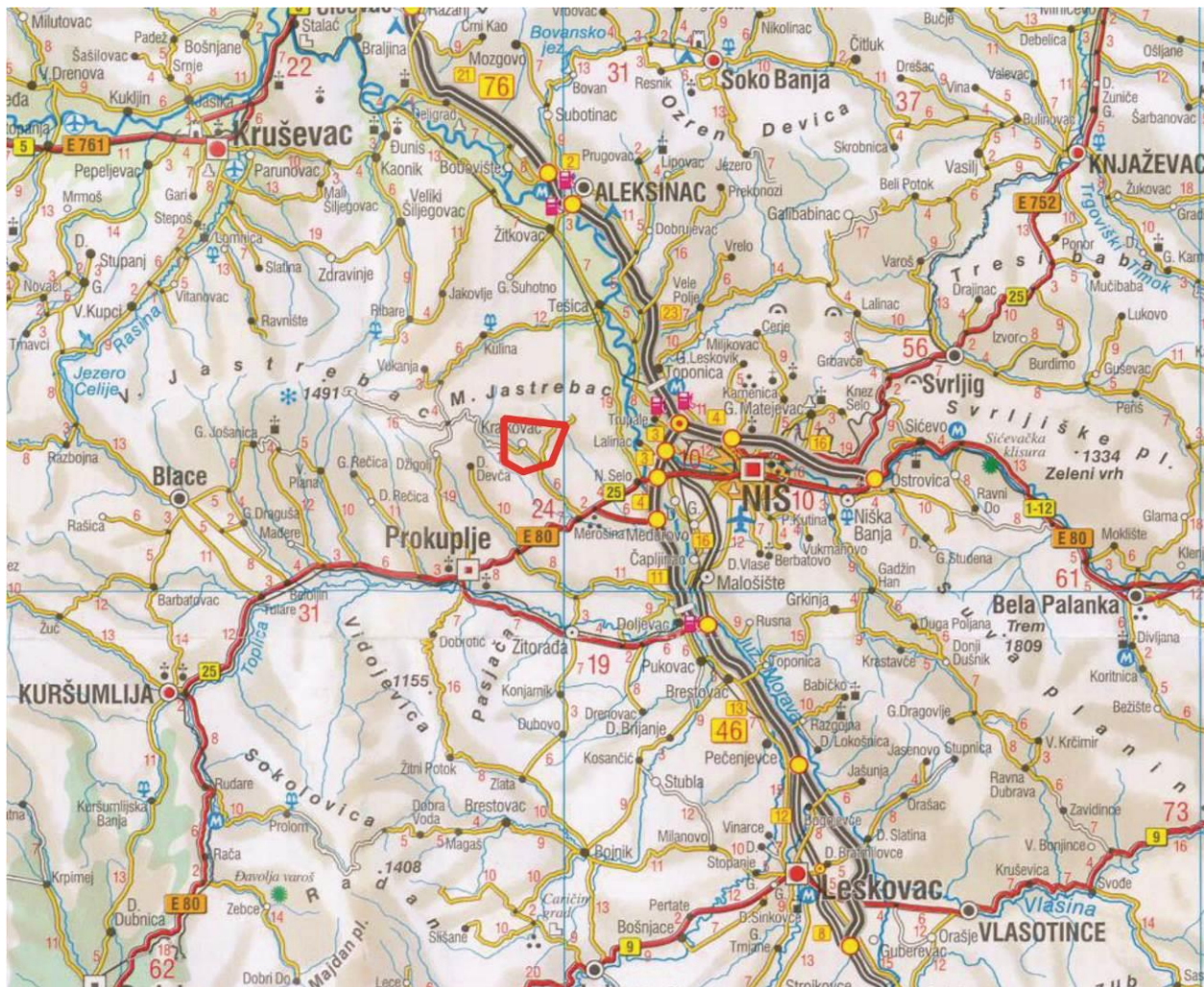


Figure 19: Geographical location of the Krajkovac project tenement (red outline).

In general the exploration area and its immediate surroundings is quite hilly and mountainous, with very steep slopes and ravines becoming less rugged to the east of the tenement.

Nisava has a moderate continental climate with January the coldest month averaging 0.1° C and July is the hottest month averaging 21.7° C. The average annual precipitation in Niš is 586 mm with the wettest month being June with an average of 65 mm and February the driest month with 39 mm. Snow falls normally between October and May. The climate of the project area will vary due to differences in altitude with the higher areas experiencing cooler average temperatures and longer periods of snow.



Figure 20: Photo of Krajkovac project area.

The Krajkovac project area is less than 10 km from Serbia's main highway, the A1, and accessible using well maintained secondary roads.

Local Geology

The Krajkovac project consists of a granite complex intruding highly metamorphosed Proterozoic gneisses, schists, quartzites and marbles that are overlain by Miocene silts, sands and gravels, Figure 21.

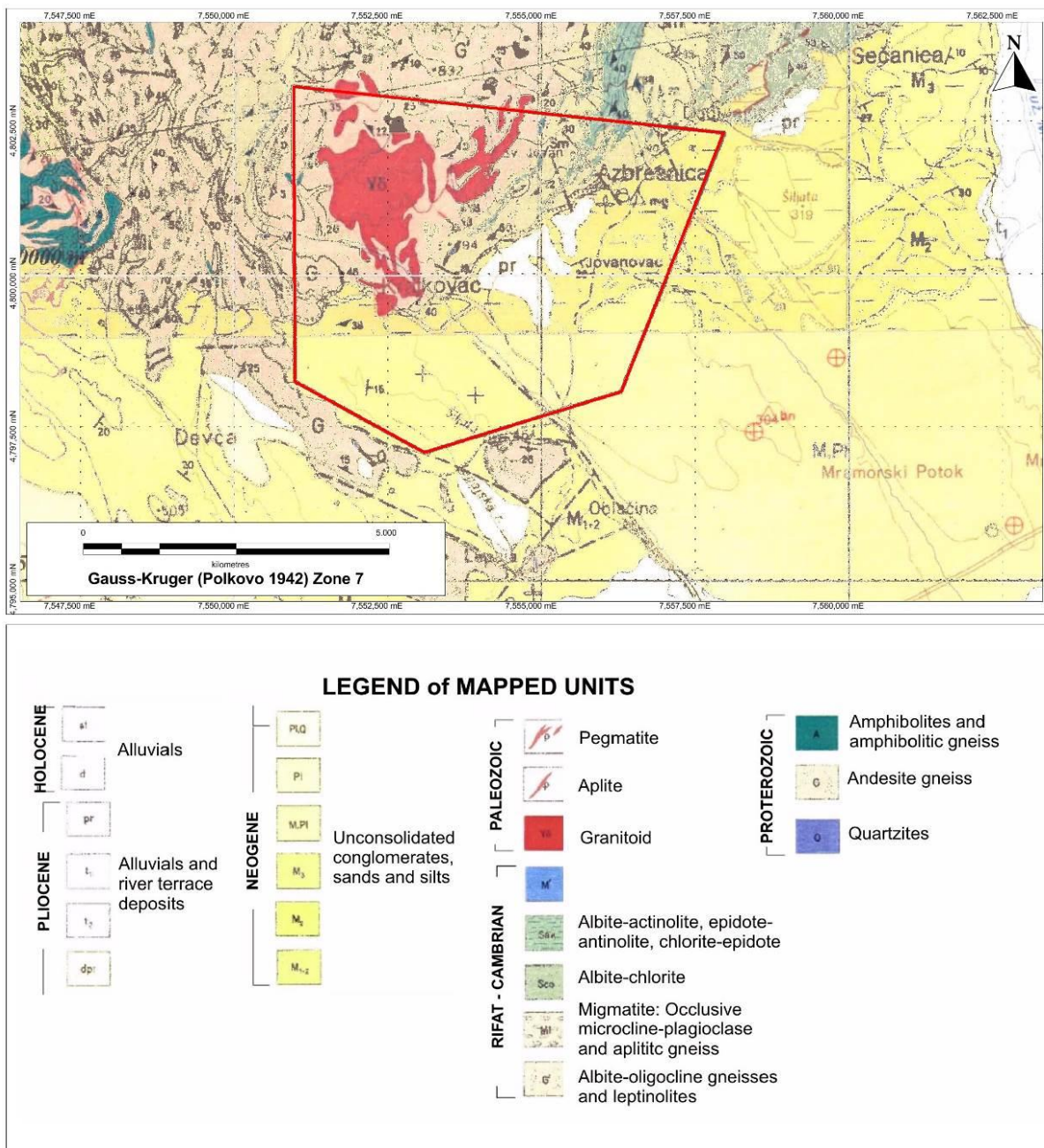


Figure 21: Local geology at Krajkovac.

Proterozoic

The Proterozoic rocks are highly crystalline and locally metamorphosed to garnet - amphibolite facies (staurolite - almandine sub-facies) and eclogite facies, often with very pronounced potassium metasomatism including andesite (liskus) gneiss, amphibolite and amphibolite gneiss, eclogites, quartzites, marbles and migmatites.

Granitoids

Five small granitoid intrusions have been discovered in the vicinity of Krajkovac that have been inferred to be linked at depth to form a single large intrusion. Two phases have been identified: the first is fine-grained biotite rich granite monzonite/granodiorite followed by younger leucocratic granite monzonites with tourmaline and some muscovite. Rb/Sr ratios in biotite indicate an age of 210 million years.

The presence of cassiterite in the eroded sediments and micro-element Sn in petrogenic minerals, especially in muscovite (100-270 ppm), is an indication of the existence of greisens in some of the granites of Krajkovac.

Neogene

Middle Miocene sediments lie transgressively over the crystalline schists. These sediments range from coarse conglomerates to silts derived from the surrounding basement rocks as well as marl and limestone beds.

Exploration Targets

There are no known mineralised localities at Krajkovac however anomalous tin has been found in the Neogene sediments indicating possible greisens in the district. The granitic intrusions will be mapped and sampled to test for greisens and pegmatite dykes. If mineralised igneous rocks are located the Neogene sediments may be tested for Jadar style mineralisation by drilling targeted areas.

Exploration and Mining History

The geology of the Krajkovac district has been studied since the early 19th Century however the geology of the Krajkovac region has only been mapped and described by various government and academic geologists since at least the 1930s including detailed studies of the granitoids. Mineralised, especially lithium and tin, bearing pegmatites and greisens were also recognised in the granitoids.

There is no record of any substantial mining of pegmatites or greisens in the granitoids or of Jadarite deposits in the sediments in the district.

AM&A are not aware of any modern exploration by public companies specifically for economic mineral resources at Rekovac.

Vranje-South

The Vranje-South project is within the Pčinja District covering 860 km² close to the southern border between Serbia and Macedonia, Figure 22. It is located in the north-west of the Vranje Basin, on the left bank of the South Morava River, very close to the main transport routes and 347 km from Belgrade.

After World War II Vranje became an industrial centre with metallurgical plants, footwear, textile and furniture factories. Vranjska Banja, one of the oldest spas in Serbia, is situated 12 km from Vranje.

More than 25% of the project area has an altitude up to 500 masl, about 30% is between 500 and 1,000 masl, while about 45%, has altitudes greater than 1,000 masl.

Vranje has a moderate continental climate with hot summers and cold winters with short springs and autumns. July and August are the warmest months with the daily averages ranging from 13° C to 27° C and January the coldest month with daily average temperatures ranging from -4° C to 3° C with snow falling between October to March. The climate at the project area however is greatly influenced by the high topography lowering the temperatures and affecting precipitation, especially the length of the snow season.

Serbia's main highway, the A1, passes within 10 km of the project area with well-maintained secondary roads passing through the length of the tenement.



Figure 22: Geographical location of the Vranje project tenement (red outline).



Figure 23: Panorama of Vranje.

Local Geology

According to the regional geological mapping, the project area is mainly composed of crystalline metamorphosed shales of lower the Serbian-Macedonia complex and Tertiary (Eocene) formations. Quaternary alluvials have been deposited along the watercourses.

Serbian-Macedonia complex

The crystalline schists of the Serbian-Macedonian complex, subdivided into two phases, were originally geosyncline sediments consisting of fine-grained clastics with basic sub-marine volcanics interstratified. The Lower Phase is metamorphosed to epidote - amphibolite or amphibolite facies with local staurolite, while the Upper Phase, whose sediments were likely to have been deposited after the first phase of metamorphism, have been regionally metamorphosed to green schist facies with local epidote - amphibolite facies under medium pressure during the Baikal orogeny.

Tertiary

Tertiary formations, covering most of project area, include Eocene sediments and volcanics, Oligocene marine sediments and volcanics and Neogene tectonic trench deposits.

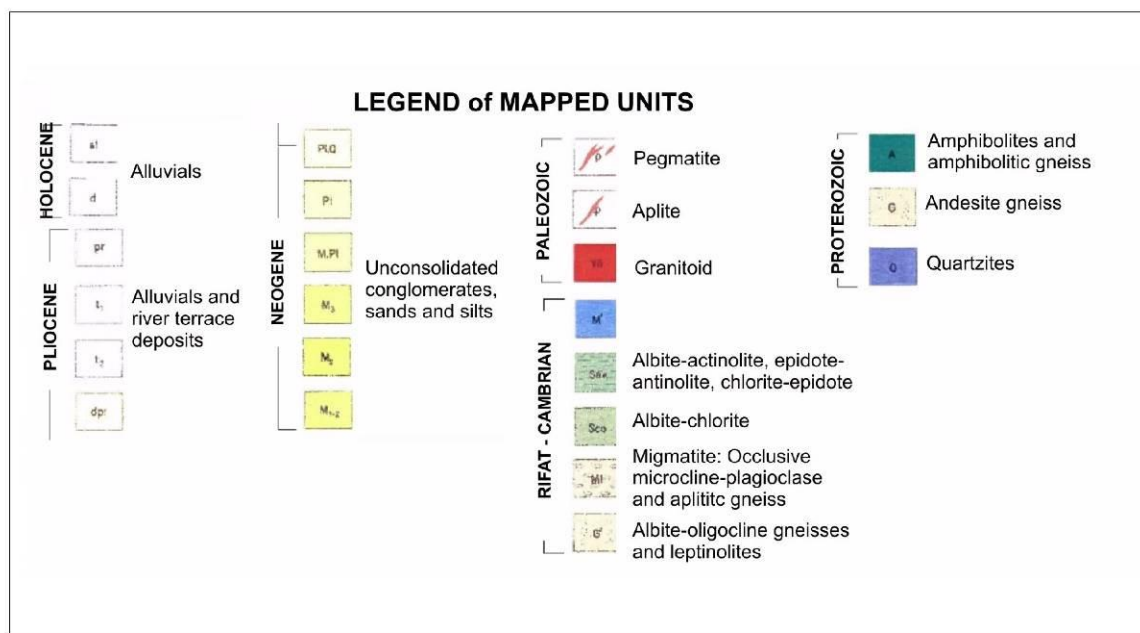
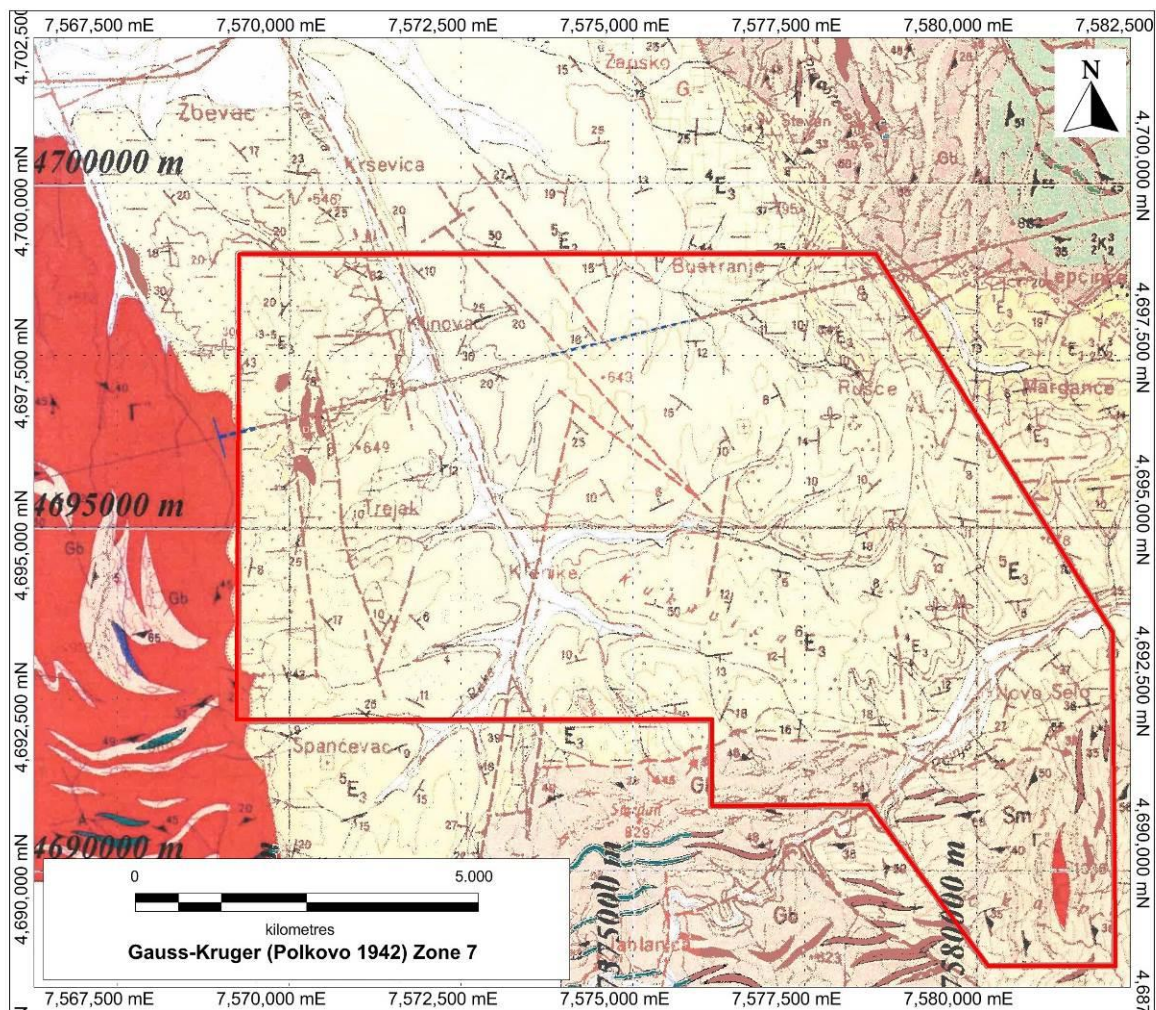


Figure 24: Local geology at Vranje.

Exploration Targets

Since the project area is almost entirely covered by Tertiary sediments, the main exploration target is a Jadar analogue where the hydrothermal mineralisation is sourced from proximal granites, greisens and pegmatites that occur to the immediate west of the tenement.

To date there has been no modern systematic exploration for the target minerals at Vranje so the first stage will involve detailed mapping and geochemical of the surface geology to be followed up with scout drilling through the sediments to determine if there are any mineralised horizons in the sedimentary sequence.

Exploration and Mining History

The geology of the Vranje district has been studied by various government and academic geologists since at least the 1930s including detailed studies of the granitoids in the region. Mineralised, especially lithium and tin, bearing pegmatites and greisens were also recognised in the granitoids.

There is no record of any substantial mining of Jadarite deposits in the Miocene sediments in the district.

AM&A are not aware of any modern exploration by public companies specifically for economic mineral resources at Vranje.

7: Data Verification

Neither the Competent Person nor any other AM&A employees have visited the sites described in this report. The author has relied entirely on data and reports supplied by the Company and other publicly available documents mainly sourced from the internet.

8: Mineral Resource Estimates

Since the SXI projects are all at an early “greenfields” exploration stage, no mineral resources have been estimated for any of the deposits included in this report.

9: Interpretation, Conclusions and Recommendations

There are two different styles of lithium mineralisation is targeted by the Company:

- **Granite complexes with associated pegmatite and greisen mineralisation.**

Pegmatites and greisens are prospective for mineralisation as they are the last fluids of granite crystallization that tend to concentrate elements such as lithium, tin, tungsten, molybdenum and fluorine, as well as occasionally precious metals such as gold, silver and copper.

Serbian granitoids are commonly associated with anomalous lithium, tin, tantalum, and niobium.

- **Jadar Style sedimentary sequences in buried lake basins containing extensive hydrothermal lithium-borate mineralised zones**

The Rio Tinto Lithium Borates' Jadar deposit, a world-class lithium-borate resource, is hosted by this style of mineralisation with Jadar ranked as one of the largest lithium deposits in the world.

These basins are typically comprised of clay-carbonate rocks, sandstones and argillaceous rocks formed in a volcano-tectonic depression during the Oligocene and Early Miocene.

A study of the available data indicates that the Serbian tenements at Cer, Bukulja, Rekovac, Krajkovac and Vranje cover areas with potential for the discovery of lithium and boron and other granite/greisen/pegmatite mineralisation and Jadarite deposits in the Miocene sediments in these under-explored tenements. However, it is important to note that none of these “greenfields” tenements have undergone modern systemic exploration for these commodities with only regional scale geology mapping carried out to date.

The presence of major European markets, especially in Germany to the near north, could be a significant factor in determining the economic potential and viability of any new deposits found on the Serbian tenements.

Proposed Exploration Program

A two-year staged exploration program, managed and operated by Serbian geologists, is proposed for the Serbian tenements.

The first year of exploration on all five tenements is planned to include regional geological mapping, outcrop and soil sampling over each exploration area. Exploratory trenches are anticipated to be dug and auger drilling on appropriate grid spacings is planned to be carried out in the soils surrounding target areas to test outcrops at key locations identified during the first mapping and sampling phase. Appropriate petrographic investigations and laboratory assays will be undertaken on selected samples. All the geological mapping and sampling results will be compiled in digital and GIS databases and summarised for annual reports required by the Serbian mines department.

The first year's mapping and sampling will be continued into the second year focusing on the most prospective areas and will likely include appropriate geophysical surveys, initially ground magnetics, which, if successful, will be followed up by exploration diamond drilling. The spacing of drill hole collars are likely to be progressively tightened where results from the previous phase warrant further drilling. A proposed exploration budget is provided in Table 3. Note that the budgets for years subsequent to Year 1 include proposed drilling and the actual quantity of drilling required will depend on the success of the exploration effort in the previous year.

Year 1 Description	Unit	#	Serbian Price	Cost \$AU	Price \$AU
Study research and office works	1 day	100	1,250,000	153	15,263
Geological field mapping	1 day	180	2,250,000	153	27,473
Sampling - dispersion halos	1 day	30	375,000	153	4,579
Stream sediment geochemistry	1 day	30	375,000	153	4,579
Soil sampling - dispersion halos	1 day	40	500,000	153	6,105
Trenching	m3	200	160,000	10	1,954
Mapping and sampling	1 day	40	500,000	153	6,105
Reports and GIS	1 day	40	500,000	153	6,105
Mineral. and petrological tests	Pcs	30	270,000	110	3,297
Ore-microscopic tests	Pcs	30	270,000	110	3,297
Laboratory assays	Pcs	50	250,000	61	3,053
Preparation of Annual Report	Pcs	1	400,000	4,884	4,884
Contingency 20%			1,420,000		17,338
Total			8,520,000		104,029

Year 2 Description	Unit	#	Serbian Price	Cost \$AU	Price \$AU
Study research and office works	1 day	10	125,000	149	1,488
Geological field mapping	1 day	18	225,000	149	2,679
Sampling - dispersion halos	1 day	30	375,000	149	4,464
Soil sampling - dispersion halos	1 day	40	500,000	149	5,952
Diamond drilling	metre	2,000	16,800,000	100	200,000
Drill sampling	Pcs	400	50,400	1.5	600
Magnetic surveys	1 day	30	375,000	149	4,464
Reports and GIS	1 day	40	500,000	149	5,952
Mineral. and petrological tests	Pcs	15	135,000	107	1,607
Ore-microscopic tests	Pcs	15	135,000	107	1,607
Laboratory assays	Pcs	420	2,100,000	60	25,000
Preparation of Annual Report	Pcs	1	400,000	4,762	4,762
Contingency 20%			4,344,080		51,715
Total			26,064,480		310,291

Totals	Serbian Dinar Each Project	Serbian Dinar All Projects	\$AU Each Project	\$AU All Projects
Year 1	7,956,000	39,780,000	97,143	485,714
Year 2	26,064,480	130,322,400	310,291	1,551,457
Total	34,020,480	170,102,400	407,434	2,037,171

Table 3: Summary budgets for proposed exploration program for each project. *Contingent on the success of exploration effort in previous year.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'P. Jones', with a large loop at the end.

Philip A. Jones

BApp Sc(App.Geol), MAIG, MAusIMM.

10: References

- Anonymous, 20012: Mineral deposits and mining districts of Serbia Compilation map and GIS databases, Geoinstitut, Republic of Serbia Ministry of Mining and Energy
- Huska, A., Powell, W., Mitrović, S., Bankoff, H. A., Bulatović, A., Filipović, V. and Boger, R. (2014), Placer Tin Ores from Mt. Cer, West Serbia, and Their Potential Exploitation during the Bronze Age. *Geoarchaeology*, 29: 477–493. doi:10.1002/gea.21488
- Lazic, B., Kahlenberg, V., Vulic, P., Pesic, L. & Dimitrijevic, R. (2009): Meta-autunite from a Li-pegmatite of the Cer Mt., Serbia: Its mineralogical and XRD investigations. *Neues Jahrbuch für Mineralogie - Abhandlungen* 186, 333-344.

Reports as supplied by South East Asia Resources Ltd:

- Sreten Obradović and Đorđe Simić, 2016: Implemented geological research of lithium, boron and accompanying mineral resources in the area of Cer and its environment, Unpublished report by Geoprofesional
- Sreten Obradović and Đorđe Simić, 2016: Implemented geological research of lithium, boron and accompanying mineral resources in the area of “Bukulja” close to Arandjelovac, Unpublished report by Geoprofesional
- Sreten Obradović and Đorđe Simić, 2016: Implemented geological research of lithium, boron and accompanying mineral resources in the area of Rekovac, Unpublished report by Geoprofesional
- Sreten Obradović and Đorđe Simić, 2016: Implemented geological research of lithium, boron and accompanying mineral resources in the area of Krajkovac and its environment, Unpublished report by Geoprofesional
- Sreten Obradović and Đorđe Simić, 2016: Implemented geological research of lithium, boron and accompanying mineral resources in the area of Vranje - South, Unpublished report by Geoprofesional

World Wide Web

<http://www.riotinto.com/energyandminerals/jadar-4643.aspx>

11: JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> The five Serbian projects included in this report are "greenfields" with minimal exploration work completed to date beyond government regional scale mapping. There are no sampling results included in this report.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> There are no drilling results included in this report.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • There are no drilling results included in this report.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • There are no drilling results included in this report.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • There are no drilling results included in this report.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> There are no assay results included in this report.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> There are no sampling or assay results included in this report.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> There are no sample points included in this report.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> There are no sample points included in this report.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> There are no sample points included in this report.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> There are no sample points included in this report.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> There are no audits or reviews of sampling techniques included in this report.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary																																
Mineral tenement and land tenure status	<ul style="list-style-type: none">Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<ul style="list-style-type: none">At Completion of the proposed Centralist acquisition, the Company will own a 100% interest in five Exploration Licences.The only royalties due are Royalties payable to the Serbian government of 5% net smelter return:The tenements are subject to Serbian mining law. <table><tr><th>Name</th><th>Tenement ID</th><th>Area (Km2)</th><th>Expiry Date</th></tr><tr><td>Cer</td><td>2223</td><td>92.8</td><td>27/02/2020</td></tr><tr><td>Bukulja</td><td>2226</td><td>38.6</td><td>24/02/2020</td></tr><tr><td>Rekovac</td><td>2224</td><td>75.5</td><td>27/02/2020</td></tr><tr><td>Krajkovac</td><td>2209</td><td>31.2</td><td>7/11/2019</td></tr><tr><td>Vranje-South</td><td>2225</td><td>90.5</td><td>22/02/2020</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>Total</td><td></td><td>328.6</td><td></td></tr></table>	Name	Tenement ID	Area (Km2)	Expiry Date	Cer	2223	92.8	27/02/2020	Bukulja	2226	38.6	24/02/2020	Rekovac	2224	75.5	27/02/2020	Krajkovac	2209	31.2	7/11/2019	Vranje-South	2225	90.5	22/02/2020					Total		328.6	
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Vranje-South	2225	90.5	22/02/2020																															
Total		328.6																																
Exploration done by other parties	<ul style="list-style-type: none">Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none">The projects have all been studied and mapped by various government agencies and universities. There has been no																																

Criteria	JORC Code explanation	Commentary
		known modern exploration by public companies specifically for economic mineral resources.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The projects are targeting lithium and boron mineralisation in pegmatites and greisens as well as hydrothermal deposits in Miocene sediments analogous to those at Rio Tinto's Jadar deposit.
Drill Information	<p>hole</p> <ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • No drill results have been reported.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the</i> 	<ul style="list-style-type: none"> • No drilling or other sampling results have been reported.

Criteria	JORC Code explanation	Commentary
	<p><i>procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • No drilling or other sampling results have been reported.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Appropriate geology maps have been included in the report for each project.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • The report fairly describes the projects.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock</i> 	<ul style="list-style-type: none"> • All the significant geological information has been summarised in the report.

Criteria	JORC Code explanation	Commentary
	<i>characteristics; potential deleterious or contaminating substances.</i>	
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> A two year exploration program and budget has been recommended.

8. Solicitor's Report



The Directors
South East Asia Resources Limited
311-313 Hay Street Subiaco WA 6008
Australia

Matter Number: 41005

29 September 2017

Dear Sirs,

South East Asia Resources Limited (Subject to Deed of Company Arrangement) (to be renamed 'Jadar Lithium Limited')
Legal Report – Serbian Exploration Licences

This report (**Report**) has been prepared for inclusion in a prospectus to be issued by South East Asia Resources Limited (**Client or Company**) dated on or about 29 September 2017 for the offer of, among other things, 250,000,000 shares at an issue price of \$0.02 each to raise \$5,000,000 (before costs) (**Prospectus**).

1. Scope

The scope of this Report includes the preparation of a legal report which verifies the the status of exploration licenses and rights and obligations deriving thereunder in the Republic of Serbia held by CENTURION METALS D.O.O. BEOGRAD-VOŽDOVAC (**Centurion**) and to provide an overview of the Law on Mining and Geological Explorations (Official Gazette of Republic of Serbia no. 101/2015) (**Law on Mining**) applicable to the exploration licences.

2. Opinion

As a result of our review of the provided documents by Centurion, and subject to the assumptions, qualifications and exceptions set out in this Report, we are of the opinion that Centurion was issued with decisions of the Ministry of Mining and Energy set out in below Section 3 in the procedures prescribed by the Law on Mining and that, based on the documentation provided by Centurion, there is nothing that has come to our attention that causes us to believe that the subject decisions are not in good standing.

3. Executive Summary

The main registered activity of Centurion is the exploitation of ores, black, non-ferrous, precious and other metals.

Centurion obtained five (5) Approvals for Conducting Exploration (**ACE**) for boron and lithium, given in the following decisions of the Ministry of Mining and Energy:

- (a) Decision of the Ministry of Mining and Energy, No. 310-02-0941/2016-02, as of 7 November 2016, for the exploration area no. 2209 with the surface area of 31,21 square kilometres in the area of Krajkovac on the territory of Niš;
- (b) Decision of the Ministry of Mining and Energy, No. 310-02-01835/2016-02, as of 27 February 2017, for the exploration area no. 2223 with the surface area of 92,77 square kilometres in the area of Cer on the territory of Loznica;
- (c) Decision of the Ministry of Mining and Energy, No. 310-02-1836/2016-02, as of 24 February 2017, for the exploration area no. 2226 with the surface area of 38,45 square kilometres in the area of Bukulja on the territory of Arandjelovac;
- (d) Decision of the Ministry of Mining and Energy, No. 310-02-1837/2016-02, as of 22 February 2017, for the exploration area no. 2225 with the surface area of 90,44 square kilometres in the area of Vranje-south on the territory of Vranje, Bujanovac and Trgovište; and
- (e) Decision of the Ministry of Mining and Energy, No. 310-02-01852/2016-02, as of 27 February 2017, for the exploration area no. 2224 with the surface area of 75,42 square kilometres in the area of Rekovac on the territory of Rekovac.

(all the decisions above hereinafter referred to as “**the Decisions**”).

Pursuant to the Decisions Centurion is entitled to perform geological exploration works on the aforementioned areas for the maximum period of 3 years, with the possibility of prolonging the deadline, as explained below in this Report.

4. Summary of approvals for exploration and exploitation of minerals in the Republic of Serbia

Pursuant to the Law on Mining, in order for Centurion to perform its main activity of exploitation of raw materials, it is necessary to fulfil certain steps and obtain other permits before commencing exploitation.

This procedure consists of two phases:

- (a) the exploration phase, in course of which the Approval for Conducting Exploration (the **ACE**, as described above in Section 3) is obtained and exploration works are performed; and
- (b) the exploitation phase, in course of which the Approval for Conducting Exploitation is obtained and exploitation works are performed.

According to the provided documentation Centurion is currently in the exploration phase, which means that Centurion has obtained five ACEs issued by the Ministry of Mining and Energy for the specified exploration areas (the Decisions, as defined above at Section 3), and summarised in Schedule 1.

5. Approval for Conducting Exploration

(a) Authority of the ACE holder

An ACE authorises its holder to perform the exploration works - the works which are performed with the aim of determining the mineral resources and reserves and geological conditions for their exploitation.

(b) Term and extension

The term of validity of an ACE is 3 years as of the date of delivery of each of the ACEs to the holder.

Where an ACE holder cannot confirm when an ACE was delivered to it, it is safe to assume that the expiry date of the ACE will not fall before the expiry of 3 years as of the date of its issuance, as stated in the respective decision for each ACE, unless the decision is revoked on the grounds stipulated by the Law on Mining and as explained in below Section 5 (d)(i) of this Report.

Pursuant to the Law on Mining, the exploration term can be extended two times in continuity, whereby the duration of the first exploration term could be up to 3 years and of the second duration period up to 2 years.

With respect to the second extension of the exploration period, where the ACE holder has undertaken a project study and due to lack of data presents only mineral resources, the proof of mineral resources represents the basis for obtaining of an approval for additional extension of the exploration period for a further 2 years in order to permit the collection of the data necessary to determine and classify mineral reserves, or to convert mineral resources into ore reserves.

A request for extension must be submitted to the Ministry of Mining and Energy or the autonomous province, as the case may be depending whether the exploration is to be conducted on the territory of an autonomous region/province (Remark: We note the division of competence between the Ministry of Mining and Energy and the autonomous province. For the purposes of this Report we emphasize that the Ministry of Mining and Energy has the exclusive competence and none of the five exploration areas approved in the ACEs are located in the autonomous province.) not later than 30 days before the expiration of exploration term determined by the ACE, provided that at least 75% of the planned works under the Project for Geological Exploration (**PGE**) (i.e. the work programme for the ACE) is conducted.

In addition, the following documentation should be submitted with an extension request:

- (i) topographic map in a scale 1: 25,000, or an appropriate scale, with drawn border and coordinates of the exploration area for continuation of exploration;
- (ii) PGE in two copies;
- (iii) reports and certificates on completed technical control of the project of the PGE;

- (iv) final report;
- (v) proof of payment of the relevant administrative fee.

The exploration area for the extension shall be determined by the PGE. The exploration area may remain the same or it can be reduced having regard to the area determined by the ACE, in accordance with the request of the ACE holder.

The decision on extension of the ACE can be issued by the Ministry of Mining and Energy or the autonomous province, as the case may be depending whether the exploration is to be conducted on the territory of an autonomous region/province. Where the extension of the ACE is within the competence of the Ministry of Mining and Energy the respective decision is final, however an ACE holder is entitled to file a lawsuit to the Administrative Court. Where the extension of the ACE is within the competence of the autonomous province, an ACE holder can submit an appeal against the decision to the Minister of the Ministry of Mining and Energy.

(c) **Transfer**

An ACE or exploitation permit may be transferred or assigned to another company or another legal entity or a sole trader (under the Serbian law: an entrepreneur), in accordance with the Law on Mining and its by-laws. By assigning the respective licenses, all the rights and obligations based on the respective license are transferred as well.

The request for an ACE transfer is submitted to the competent authority - the Ministry of Mining and Energy or the competent authority of the autonomous province when the exploration or exploitation is performed on the territory of the province, whichever competent authority renders a decision on transfer of the ACE.

Pursuant to the Law on Mining, the transfer shall be approved in each case where the request for such transfer contains all the required legally prescribed prerequisites.

The decision on transfer of the ACE can be issued by the Ministry of Mining and Energy or the autonomous province, as the case may be depending whether the exploration is to be conducted on the territory of an autonomous region/province. Where the transfer of the ACE is within the competence of the Ministry of Mining and Energy the respective decision is final, however an ACE holder is entitled to file a lawsuit to the Administrative Court. Where the transfer of the ACE is within the competence of the autonomous province, an ACE holder can submit an appeal against the decision to the Minister of the Ministry of Mining and Energy.

(d) **Revocation and suspension of an ACE**

(i) Revocation of an ACE

An ACE shall be revoked in case one of the following events occurs and an ACE holder does not remedy the deficiency within the prescribed deadline:

- (A) exploration is not conducted as envisaged by the PGE;

- (B) expert monitoring is not organized on the performance of the exploration works;
- (C) exploration is conducted outside of the exploration area;
- (D) the annual exploration report is not submitted;
- (E) instead of exploration, the exploitation of mineral raw materials, ground water and geothermal resources is performed;
- (F) the land is not returned to its previous condition, i.e. recultivation is not performed;
- (G) if the prescribed occupational health and safety measures, measures necessary to protect property, people's health and environment and protection of cultural assets and assets that enjoyed previous protection are not implemented;
- (H) applicable exploration fees are not settled;
- (I) the documents based on which the ACE was issued are determined to be false.

(ii) Suspension of ACE validity

An ACE shall cease to be valid:

- (A) upon request of the holder;
- (B) by suspension of exploration based on the report of a geological inspector; or
- (C) by expiry of the exploration period.

In the case of ACE revocation or suspension, a holder shall remediate the area in which the exploration was performed.

(e) **Conducting exploration works**

In order for an ACE holder to conduct exploration works, it is necessary to fulfil other conditions prescribed in the Law on Mining, as follows.

Before commencement of exploration works, an ACE holder is obliged to procure:

- (i) appropriate title to the land the subject of the exploration area (e.g. ownership, lease, right to use);
- (ii) a certificate from the environment/culture heritage protection bodies on measures of technical protection of the exploration; and
- (iii) information from the municipal urbanism authorities on the limitations of the exploration works due to urban planning provisions/documents.

Fifteen (15) days prior to the commencement of exploration works an ACE holder shall notify the following authorities:

- (iv) the local municipal authorities;
- (v) the entity which issued the ACE (Ministry of Mining and Energy or autonomous province);
- (vi) geological and/or mining inspection authorities;
- (vii) cultural heritage/environment protection authorities in case of exploration on protected areas.

With respect to obtaining appropriate title per Section 5(e)(i) above, in practice, this condition is generally met by obtaining the simple consent of the owner of the land. It is also common practice that ACE holders only consider the option of purchasing the land the subject of the exploration area only after obtaining the results on the reserves and resources.

Where landowner consent is withheld, the Law on Mining provides for the possibility of expropriation in favour of exploration/exploitation rights holders of strategic raw materials, including: oil and natural gas, coal, copper and gold ore, lead and zinc ore, boron and lithium ore, and oil shales.

Pursuant to the Law on Mining an exploration/exploitation rights holder bears the cost of such expropriation i.e. it must compensate previous owners for expropriated land under market conditions and bear expenses of the expropriation procedure. As at the date of this Report this procedure is yet to be tested.

(f) Minimum scope of exploration works required

During the validity of the ACE an ACE holder must perform at least 75% of the works included in the PGE. In the event that an ACE holder fails to perform at least 75% of the works from the PGE, the ACE holder will be restricted for applying for an exploitation permit.

In the event the type and volume of the exploration works in the PGE are not achieved for each exploration year or when in the course of the exploration works it becomes necessary to change the type and scope envisaged by the PGE, an ACE holder is obliged to prepare amendments to the PGE with the overview of newly projected works and submit the amended PGE to the Ministry of Mining and Energy before the works envisaged by such amendments are initiated. If the amendments are executed for the last year of the exploration term, the scope of the entire project must not be decreased by more than 25%.

(g) Limitations and monitoring obligations

Pursuant to the Law on Mining:

- (i) a maximum of 2000t of boron and lithium can be excavated for exploration purposes; and

- (ii) expert monitoring of geological exploration must be organized during the entire time of exploration works. It can be organized by Centurion or subcontracted to a licensed entity.

(h) **Reporting duties**

During the performance of the exploration works, an ACE holder must prepare and submit the following reports/studies:

- (i) Annual Exploration Report which is prepared after each year of conducting exploration or after project abandonment and delivered to the Ministry of Mining and Energy within 30 days of the expiry of a period of one year of exploration or project abandonment.
- (ii) Final Exploration Report which is prepared after completion of the geological exploration envisaged by the PGE.
- (iii) Construction Conditions Study which is prepared after completion of the engineering and geological and geo-technical exploration.

The Annual Exploration Report and the Final Exploration Report must be accompanied by a report on expert monitoring.

The Final Exploration Report and the Construction Conditions Study must be delivered to the Ministry of Mining and Energy within 30 days of the expiry of the ACE or where the ACE has been extended, within 30 days of the expiry of the extended period.

(i) **Study of resources and reserves**

Pursuant to the Law on Mining, any ore or other geological resource found during exploration, but not encompassed by the project, must be reported to the entity which issued the ACE. The resources and reserves are reflected in the study of resources and reserves (the **SRR**). The company conducting exploration works must inform the Ministry of Mining and Energy of all mineral resources and/or oil and gas reserves it discovers in a form of an appropriate SRR.

The Ministry of Mining and Energy reviews and registers the reported resources and reserves with assistance of specialized working groups. The explored resources and reserves are determined by the confirmation of reserves and/or resources issued by a decision of the Ministry of Mining and Energy, i.e. the entity that issued the ACE, upon the submission of the application for confirmation on resources and reserves of the ACE holder (**ACCR**).

(j) **Summary of general duties of ACE holders during exploration works**

An ACE holder shall:

- (i) provide the required financial assets for performing the licensed geological exploration and undertake all other necessary measures and activities and commence performing of exploration in accordance with the determined schedule in the PGE;

- (ii) obtain the right to use the land the subject of the exploration area;
- (iii) obtain the conditions from the requisite authority for protection of cultural heritage monuments and from municipal authorities for carrying out the projected exploration works before the start of performing of such works;
- (iv) perform the type and volume of exploration works according to the PGE, with maximum permitted variations from the approved volume and type of works up to 25%;
- (v) report commencement of the exploration works;
- (vi) ensure the expert supervision over the execution of exploration works;
- (vii) pay a fee for approved exploration works;
- (viii) submit the Annual Exploration Report and Final Exploration Report;
- (ix) implement the prescribed measures of safety and health at work, necessary measures to secure the property, health of people and environmental protection;
- (x) return the land on which the exploration works are performed to its original state;
- (xi) record the other mineral raw materials and geological resources if they shall be found within the approved exploration area and notify thereof the authority which issued the ACE;
- (xii) keep in the prescribed manner, in the course of exploration, the reports and project studies on the results of geological exploration and other geological documentation, as well as the cores of drill holes and samples and analyses relating to all exploration works and, if necessary, make them available for insight by the Ministry of Mining and Energy or the competent authority of the autonomous province for the purposes of checking the exploration results;
- (xiii) secure and protect extracted amounts of mineral raw materials intended for technological tests on an industrial scale from decay and keep tidy records of the available quantities;
- (xiv) comply while exploring the cores of geological exploration holes and other samples with the positive geological practice for such testing and thus ensure verification of the obtained testing results,
- (xv) allow the geological inspector to enter the business and site premises or inspect the projects and plans, reports and other documentation on the status of geological works.

6. Exploitation phase

In circumstances where Centurion finds boron and lithium in the subject exploration areas and all the aforementioned conditions have been fulfilled, then the next phase for performing the main activity of Centurion is obtaining an Approval for Conducting Exploitation, as explained below.

(a) Approvals for Conducting Exploitation

Pursuant to the Law on Mining, exploitation of mineral reserves is conducted based on the following approvals:

- (i) Exploitation Permit or approval for exploitation fields (the **AEF**);
- (ii) approval for constructing mining facilities/conducting mining works; and
- (iii) approval for using mining facilities.

Requests for approvals for constructing mining facilities/conducting mining works and the Exploitation Permit can be submitted along with the request for the AEF. The requests are submitted to the Ministry of Mining and Energy. The company which submits the requests for the abovementioned permits/approvals for the subject exploration area first, shall have priority against all other applicants.

The request for AEF/Exploitation Permit includes:

- (i) proof of payment of administrative fees;
- (ii) planimetric map of the scale of 1:2500 or of some other adequate scale with chartered border lines of the exploitation field and with contours of the determined reserves of the mineral raw material, public traffic lines and other facilities located in such field;
- (iii) the application for confirmation on resources and reserves (**ACCR**)(see Section 5(i) above);
- (iv) certificate of incorporation and licenses of the requesting company;
- (v) feasibility study for exploiting the mineral reserves;
- (vi) main mining project which, pursuant to the definition prescribed in the Law on Mining, represents a detailed design that includes the basic concept, technical designs on the basis of which the mining operations are performed, construction of the mining facilities, the mine infrastructure, technical-technological parts and technical-economic assessment of the project (with the proof of technical control of the subject project);
- (vii) confirmation from the municipal urban planning authorities that the exploitation works are in compliance with urban planning provisions/documents.

Prior to the execution of a feasibility study for exploiting the mineral reserves, an applicant is obliged to obtain:

- (i) certificate of conditions for environmental impact assessment by the applicable environmental protection body;
- (ii) certificate of conditions from the culture heritage protection body; and
- (iii) certificate of conditions from the ministry in charge of water infrastructure.

The ACCR is used as the basis for applying for the Exploitation Permit and/or AEF.

Due to the nature of the preparatory filings for the abovementioned prerequisites, in order to save time, filings for both the ACCR and the mentioned prerequisites can be prepared simultaneously.

The request for the AEF shall be rejected if the requesting company does not remedy the deficiencies or short comings in the documents within 30 days of the Ministry of Mining and Energy requiring the company to do so.

After the AEF is issued, the exploitation field borders can be changed by filing the amended request to the Ministry of Mining and Energy.

(b) **Exploitation field**

The AEF/Exploitation Permit shall, inter alia, contain:

- (i) the position of the exploitation field;
- (ii) the deadline for conducting preparatory works and acquiring approvals for constructing mining facilities/conducting mining works (if such approvals are not requested with the AEF), and which cannot be longer than 2 years;
- (iii) limitations to exploitation works in accordance with the decisions of other public bodies.

The AEF/Exploitation Permit shall determine the surface area of the exploitation field, inter alia based on the mineral reserves in the ACCR. The company conducting the exploitation works (the “**Exploiting Company**”) is authorized to conduct mining works (under the conditions set out in the remaining part of this section) only on the exploitation field and in the scope of reserves determined in ACCR. The exploitation field is determined so that the reserves determined by ACCR are completely within the boundaries of the exploitation field.

The exploitation field is surrounded by a protection field (**Protection Field**) which is meant to reserve the land surrounding the exploitation field against other entities, and allow the Exploiting Company to extend its exploitation field if new reserves are found under surrounding land.

In this phase of the process companies are usually considering acquiring title to the exploration field by buying the land on which the exploration area and Protection

Field are located. The boundaries of the land depend on the technology of the exploitation, i.e. in case of underground mining pits/mines a company shall be obliged solely to purchase the land surrounding the entrance into the underground pit/mine along with the land required for any activity performed above surface; on the other hand, in case of ground pits, a company must be the owner of the entire field in which the ground works are performed.

Exploration works are conducted during mining works (since the AEF/Exploitation Permit also allows exploration works to be conducted on the exploitation field), and if reserves exceeding those determined by the previous ACCR are found, an application for a new ACCR is filed for the new reserves. If the newly discovered reserves go outside the boundaries of the exploitation field, an application for extension of the AEF/Exploitation Permit to the land under which the new reserves are located can be filed based on the new ACCR. If the AEF/Exploitation Permit is extended, the Protection Field is extended as well.

Based on the new ACCR (and, if applicable, the extended AEF/Exploitation Permit) new mining projects are prepared and licenses for constructing, and later for using, the new mining facilities, needed to exploit the enhanced reserves, are acquired.

(c) **Investment-technical documentation**

In addition, all the preparation for and conducting of exploitation works must be based on investment-technical documentation (the “ITD”), which shall include the following:

- (i) preliminary justification study;
- (ii) exploitation of mineral ore feasibility study;
- (iii) long-term exploitation program;
- (iv) mining projects (main mining project as explained in the Section 6(a)(vi) above, supplementary mining project, technical mining project, mining project for exploration of hard mineral ore and simplified mining project, all of which are subject to technical control); and
- (v) annual operating plan.

The ITD must comply with the appropriate technical, health and safety, urbanistic, water, cultural heritage and fire safety legislation.

(d) **Constructing of mining facilities/conducting mining works**

The request for approval for constructing mining facilities/conducting mining works is subject to the following public documents:

- (i) confirmation by the municipal urban planning authorities that the documentation was executed in accordance with the urban plans/documents;

- (ii) appropriate title to the land on the exploration area (ownership, lease, right of use);
- (iii) ACCR;
- (iv) consent for environmental impact assessment by the applicable environmental protection body;
- (v) consent from the cultural heritage protection body;
- (vi) consent from the ministry in charge of water infrastructure;
- (vii) certificate of compliance with the fire safety legislation issued by the appropriate public body (the **"Location Certificate"**);
- (viii) promissory note or a bank guarantee or a corporate guarantee for the execution of the work of remediation and re-cultivation of degraded land due to exploitation for the benefit of the Republic of Serbia, issued for the purpose of ensuring the proper settlement of the obligation to carry out the work of rehabilitation and re-cultivation of degraded land due to exploitation;
- (ix) other approvals which may be prescribed by special laws.

The approval for constructing mining facilities/conducting mining works shall stipulate a period in which the mining works can be conducted, all based on the title under which the subject entity is using the land. The period can be renewed and the request to do so must be filed no later than 30 days before the end of the previously approved period.

If the construction of mining facilities has been approved and conducting of mining works has not yet been approved, the subject entity shall have 5 years for securing an approval for commencement of mining works.

Mining facilities can be used after acquiring approval from the Ministry of Mining and Energy (the **"Use Permit"**), approval from the fire safety authority, as well as other authorities required to do so under special laws. In order for the Use Permit to be issued, the facility must comply with the, previous mining approvals and documentation, appropriate technical, health and safety, urbanistic, water, cultural heritage and fire safety legislation. Appropriate plotting/re-plotting procedures shall be conducted if needed.

The fulfilment of the abovementioned conditions is inspected through a technical inspection (conducted by a licensed entity), and may be subject to a trial period of up to 6 months.

(e) **Conducting Exploitation**

Conducting the exploitation works can only occur after fulfilment of all the aforementioned requirements.

Supplementary mining projects are submitted in case of any significant innovation/change in the mining operations (e.g. change of scope, introduction of new technologies or mining facilities, temporary halt of mining operations).

The technical mining project is compiled for execution of specific mining operations. The simplified mining project is executed for minor variations from the main and supplementary mining projects and other minor works.

Works envisaged by the technical and simplified mining projects are performed after notifying the Ministry of Mining and Energy. Appropriate notifications must also be made to the mining inspector, municipal authority, and appropriate heritage protection authority at least 15 days before commencement of works. Annual operating plans (at the latest until 31 January for the current year) as well as reports on business operations for the previous year (executed until 28 February and delivered by 31 March) must be delivered to the Ministry of Mining and Energy. Exploration within the boundaries of the exploitation field is conducted without special permit, but the entity which issued the Exploitation Permit must be previously notified thereof.

7. Fees and Royalties

Notwithstanding the various administrative fees under the Law on Mining, the following fees are payable by Centurion:

- (a) A fee for applied geological research for the current year in regards to every ACE for an exploration area.

The amount of fee is determined by multiplication of RSD 10,000 by the number of square kilometres assigned by the ACEs, except in the case of an exploration area less than 0,5 square kilometres when the fee amounts to RSD 5,000.

Centurion has provided the proofs on payment of all the fees for geological research for all five Decisions:

No.	Competent authority	Number of the Decision	Exploration Area number with its surface	The location of the exploration area	The amount of geological research fee
1	Ministry of Mining and Energy	310-02-0941/2016-02	no. 2209 with the surface area of 31,21 square kilometres	area of Krajkovac on the territory of Niš	RSD 250,535
2	Ministry of Mining and Energy	310-02-01835/2016-02	no. 2223 with the surface area of 92,77 square kilometres	area of Cer on the territory of Loznica	RSD 630,328
3	Ministry of Mining and Energy	310-02-1836/2016-02	no. 2226 with the surface area of 38,45 square kilometres	area of Bukulja on the territory of Arandjelovac	RSD 261,249
4	Ministry of Mining and Energy	310-02-1837/2016-02	no. 2225 with the surface area of 90,44 square kilometres	Area of Vranje-south on the territory of Vranje, Bujanovac and Trgovište	RSD 675,647
5	Ministry of Mining and Energy	310-02-01852/2016-02	no. 2224 with the surface area of 75,42 square kilometres	area of Rekovac on the territory of Rekovac	RSD 512,443

The exploiting company whose mining works have been approved has to pay a royalty for the use of mineral ores and geothermal resources as follows:

- (a) all types of coal and oil shales - 3% of the revenue;
- (b) liquid hydrocarbons and hydrocarbons in gaseous state (oil and gas) and other natural gases - 7% of the revenue;
- (c) radioactive ores - 2% of the revenue;
- (d) metallic ores (copper and gold) - 5% of the net revenue from the smelter;
- (e) technogenic ores created by mining or processing ores - 1% of the revenue;
- (f) non-metallic ores - 5% of the revenue;
- (g) all types of salts and salt waters - 1% of the revenue;
- (h) groundwater which are used to create useful ores as well as groundwater related to mining technology and gases that are materialize therein - 3% of the revenue.

For the use of data and documentation of the basic geological exploration (exploration that were performed in the public interest and paid from the budget of the Republic of Serbia), as well as the use of data and documentation of geological exploration that became public (state) property based on concession agreement, a royalty of 5% of the real value of the executed exploration on a given exploration area is payable by the entity conducting exploration.

Smelter royalties - Net revenue from the smelter represents the revenue acquired from the sale of the final product (end product), reduced by the costs of smelting, refining, transport, reloading, insurance and sale. This net revenue cannot be reduced on the basis of amortization, costs of capital or tax exemptions. The aforementioned royalty is payable for all components of the ores that are either used or sold later on. Contrary, the royalty is not payable for the samples of ores used for technical and technological tests under industrial conditions. Tax administration is competent for the enforced collection of the royalty and monitoring of the payments for the use of ores.

8. Qualifications and assumptions

This is a high level Report covering material legal issues affecting the Decisions and does not purport to cover all possible issues which may affect the Decisions. This Report is based on, and subject to, the following qualifications and assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) we have relied upon information provided by Centurion, being accurate, current and complete as at the date of its receipt by us;
- (b) statements made in respect of the standing of the Decisions are based only on the information contained in the relevant documents provided by Centurion (being solely Decisions and proofs on payment of all the fees for geological research for all Decisions); and

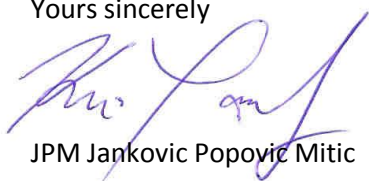
- (c) as far as we are aware, there have been no material changes in the standing of the Decisions since the date of this Report.

9. Conclusion

JPM Jankovic Popovic Mitic has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Client and the directors of the Client in connection with the issue of the Prospectus.

We consider that the information contained within this Report provides an accurate statement as to the status of the Decisions as at 22 September 2017.

Yours sincerely



JPM Jankovic Popovic Mitic

Schedule 1 – Overview of the Decisions

No.	Competent authority	Number of the Decision	Date of issuing	Validity	Exploration number with its surface	Area of the exploration area
1	Ministry of Mining and Energy	310-02-0941/2016-02	7 November 2016	3 years as of the decision's receipt by Centurion	no. 2209 with the surface area of 31,21 square kilometers	area of Krajkovac on the territory of Niš
2	Ministry of Mining and Energy	310-02-01835/2016-02	27 February 2017	3 years as of the decision's receipt by Centurion	no. 2223 with the surface area of 92,77 square kilometers	area of Cer on the territory of Loznica
3	Ministry of Mining and Energy	310-02-1836/2016-02	24 February 2017	3 years as of the decision's receipt by Centurion	no. 2226 with the surface area of 38,45 square kilometers	area of Bukulja on the territory of Arandjelovac
4	Ministry of Mining and Energy	310-02-1837/2016-02	22 February 2017	3 years as of the decision's receipt by Centurion	no. 2225 with the surface area of 90,44 square kilometers	Area of Vranje-south on the territory of Vranje, Bujanovac and Trgovište
5	Ministry of Mining and Energy	310-02-01852/2016-02	27 February 2017	3 years as of the decision's receipt by Centurion	no. 2224 with the surface area of 75,42 square kilometers	area of Rekovac on the territory of Rekovac

9. Board, Management and Corporate Governance

9.1 Board of Directors

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

- (a) Mr Gary Williams - Executive Director;
- (b) Mr Jacob Tsaban - Executive Director; and
- (c) Mr Wayne Knight - Non-Executive Director.

Subject to Completion of the Acquisition, Mr Wayne Knight and Mr Jacob Tsaban will resign as Directors and the Company will appoint the following persons as Directors effective from Completion, subject to prior shareholder approval:

- (a) Mr Luke Martino as Non-Executive Director (Chairman); and
- (b) Mr Nicholas Sage as Non-Executive Director.

Mr Luke Martino currently acts as Company Secretary. At Completion, Mr Martino will retire as Company Secretary and Ms Louisa Martino will be appointed as Company Secretary.

It is the Board's intention to seek to strengthen the management of the Company following relisting by recruiting additional executives of appropriate calibre, experience and with complementary skill sets to the current Directors to assist the Company achieve its goals. In the meantime, the Board has the requisite skills to oversee the commencement of exploration programs in the event they commence prior to a suitable Serbian in-country manager commencing.

9.2 Directors' Profiles

Details of the Directors comprising the Board following Completion are set out below.

(a) Mr Gary Williams - Executive Director

Mr Williams is an experienced international mining executive with formal qualifications as a mining engineer, mine manager holding MBA. As Founder and Managing Director of the global mining materials handling company, Continental and mining services United Mining Group, as well as previous position as Executive with Cyprus Amax Minerals, Coal & Allied, CRA, Shell and BP, Mr Williams has more than 35 years' experience in the industry.

Mr Williams has significant expertise in the exploration, development and operations of world class resource assets highly efficient open pit, underground and processing infrastructure projects in Australia, Thailand, Indonesia, New Zealand, North & South America and South Africa. Gary is a Director of Pan Asia Corporation Limited (ASX PZC, appointment date 9 June 2017).

(b) Mr Luke Martino - Non-Executive Director (Chairman)

Mr Martino currently acts as Company Secretary for the Company. At Completion, it is proposed that Mr Martino resign as Company Secretary and be appointed as a Non-Executive Director of the Company.

Mr Martino is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors, having worked for over 20 years with major accounting firms, where he held senior leadership positions and Board memberships including Lead Partner of Deloitte's Growth Solutions practice in Perth until 2007 when he left to set up and established boutique corporate advisory and accounting firm, Indian Ocean Advisory Group.

Mr Martino is also Executive Director of Indian Ocean Consulting Group Pty Ltd, Non-Executive Director of Skin Elements Ltd (ASX: SKN). Mr Martino's previous roles have included acting as Non-Executive Director of Pan Asia Corporation Limited (ASX: PZC), Non-Executive Chairman and Director of Central Asia Resources Limited (ASX: CVR) and former Company Secretary of Blackgold International Holdings Limited (ASX: BGG).

(c) Mr Nicholas Sage - Non-executive Director

Mr Nicholas Sage is an experienced marketing and communications professional with in excess of 25 years in various management and consulting roles. Mr Sage is based in Western Australia and currently consults to various companies and has held various management roles within Tourism Western Australia. Mr Sage also runs his own management consulting business. Nicholas is a Non-Executive Director of ASX listed Cauldron Energy Limited and Fe Limited.

(d) Ms Louisa Martino - Company secretary

Ms Martino provides company secretarial and accounting services through Transaction Services Pty Ltd. Prior to this she was the Chief Financial Officer of a private company during its stage of seeking investor financing.

Ms Martino previously worked for a corporate finance company, assisting with company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case documents seeking Government funding.

Ms Martino previously worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and mergers and acquisitions and also performed due diligence reviews. She has a Bachelor of Commerce from the University of Western Australia, is a member of the Institute of Chartered Accountants in Australia and a member of the Financial Services Institute of Australasia (FINSIA).

Ms Martino is Company secretary of South Pacific Resources Ltd (ASX SPB), a company focused on building capacity to advance the significant conventional and unconventional petroleum portfolio the company holds in Papua New Guinea.

9.3 Directors' Interests

Other than as disclosed in this Prospectus, no Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; and
- (c) the Offers.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

9.4 Directors' security holdings

(a) Pre-Acquisition interests in Securities

Directors are not required to hold any Shares under the Constitution of the Company. At the date of this Prospectus, the current and proposed Directors hold (directly or indirectly) the following interests in the Securities of the Company:

Director	Shares ¹	% interest ²	Options
Jacob Tsaban	181,500	0.28%	Nil
Wayne Knight	68,250	0.11%	Nil
Gary Williams	196,986	0.30%	Nil
Luke Martino	594,074	0.92%	Nil
Nicholas Sage	Nil	Nil	Nil

Notes:

- Shares are held directly and/or indirectly
- Assumes 64,680,536 Shares are on issue (on a post Consolidation basis).
- Includes 529,735 shares held by Indian Ocean Corporate Pty Ltd of which Mr Luke Martino is a director of which Luke has an indirect interest. Indian Ocean Corporate Pty Ltd will hold an interest in 5,000,000 Lead Manager Options following completion of the Acquisition and the Offers.

(b) Post - Acquisition interests in Securities

Details of the anticipated relevant interests in the Securities of the Company (assuming that no Options have converted into Shares) held directly and indirectly by the current and proposed Directors upon Completion of the Acquisition and all Offers are set out in the table below:

Director	Shares at Completion ¹	% interest at Completion ²	Options
Jacob Tsaban	181,500	0.05%	Nil

Director	Shares at Completion ¹	% interest at Completion ²	Options
Wayne Knight	68,250	0.02%	Nil
Gary Williams	196,986	0.05%	Nil
Luke Martino ³	594,074	0.15%	5,000,000
Nicholas Sage	Nil	0.00%	Nil

Notes:

1. Shares are held directly and/or indirectly
2. Assumes 389,530,536 Shares are on issue (on a post consolidation basis).
3. Includes 529,735 shares held by Indian Ocean Corporate Pty Ltd of which Mr Luke Martino is a director of which Luke has an indirect interest. Indian Ocean Corporate Pty Ltd will hold an interest in 5,000,000 Lead Manager Options following completion of the Acquisition and the Offers.

9.5 Remuneration of Directors

The Constitution provides that the Directors (other than the Managing Director or an Executive Director) may be paid remuneration up to an aggregate maximum sum as determined by the Company in Shareholder Meetings. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at \$200,000 per annum.

Remuneration for a Managing Director or an Executive Director may be fixed by the Directors.

A summary of the Director letters of appointment for Messrs Martino, Williams and Sage are set out in Section 10.6.

9.6 Related Party Transactions

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

- (a) letters of appointment or consultancy agreements with each of its Directors on standard terms (refer Sections 10.6 and 10.6 for details);
- (b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer Section 10.7 for details); and
- (c) mandates for the provision of lead management, corporate secretarial and corporate services with Indian Ocean Corporate, an entity associated with Mr Luke Martino (refer Section 10.5 for details) .

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

9.7 ASX Corporate Governance Council Principles and Recommendations

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 9.7. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations (**Recommendations**). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices will shortly be able to be obtained from the Company website at www.jadarlithium.com.au.

(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.

The Board of the Company is responsible for:

- (i) the overall operation and stewardship of the Company and its subsidiaries;
- (ii) charting the direction, strategies and financial objectives for the Company; and
- (iii) monitoring the implementation of those policies, strategies and financial objectives,

and is committed to protecting and enhancing shareholder values and conducting the Company's business ethically and in accordance with the highest standards of corporate governance.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in Shareholder meeting. 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.

The Company's Constitution provides that the maximum number of Directors is ten and the minimum number of Directors is three. As at the Prospectus Date, the Company has three Directors serving on the Board, and will continue to have three Directors serving on the Board following Completion of the Offers. Detailed biographies of these Directors are provided in Section 9.2.

It is the Board's intention to seek to strengthen the management of the Company following relisting by recruiting additional executives/management

of appropriate calibre, experience and with complementary skill sets to the current Directors to assist the Company achieve its goals.

(c) Ethical standards

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

(d) Independence of the board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisors as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

The Company considers that a Director is an independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.

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

In accordance with the Company's definition of independence, and the materiality thresholds set, the Company has reviewed the positions and associations of each of the proposed 3 Directors who are proposed to be in office at Completion and considers that 2 of the Directors are independent as follows:

Name	Status
Luke Martino	Independent Non-Executive Director
Gary Williams	Non-independent Non-Executive Director
Nicholas Sage	Independent Non-Executive Director

The Board will assess the independence of new Directors upon appointment, and the independence of other Directors, as appropriate.

(e) Board Charter

The functions and responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles. A copy of the Company's Board Charter will shortly be available on the Company's website at www.jadarlithium.com.au.

(f) Boards role in risk management oversight

The Board's role in risk oversight includes receiving reports from management and the Audit & Risk Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities.

Those reports detail the effectiveness of the risk management program and identify and address material business risks such as risks relating to conduct of business, regulatory and compliance risks, reputational risks, reporting and IT systems as they relate to business continuity. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

(g) **Board Committees**

As set out in the following table, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the relevant committee charter adopted by the Company (which have been prepared having regard to the ASX Corporate Governance Principles). A copy of the charters for the below committees will shortly be available on the Company's website at www.jadarlithium.com.au.

Board Committee	Overview	Composition at Completion
Audit & Risk Committee	<p>The purpose of the Committee with respect to audit is to assist the Board of Directors of the Company in fulfilling its corporate governance and oversight responsibilities by: Monitoring and reviewing:</p> <ul style="list-style-type: none"> • the integrity of financial statements; • the effectiveness of internal financial controls; • the independence, objectivity and competency of internal and external auditors • the policies on risk oversight and management; and • making recommendations to the Board in relation to the appointment of external auditors and approving the remuneration and terms of their engagement. <p>The Committee is also to assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company.</p>	Luke Martino Gary Williams
Nomination & Remuneration Committee	<p>The functions of the Nomination and Remuneration Committee include the following:</p> <ul style="list-style-type: none"> • assisting the Board in examining the selection & appointment practices of the Company; • ensuring remuneration arrangements are equitable and transparent and enable the 	Luke Martino Nicholas Sage

	<p>Company to attract and retain executives and Directors who will create sustainable value for members and other stakeholders</p> <ul style="list-style-type: none"> • ensuring the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; • reviewing Board succession plans and Board renewal; • reviewing the processes for evaluating the performance of the Board, its committees and individual Directors and ensuring that a fair and responsible reward is provided to executives and Directors having regard to their performance and evaluation; • reviewing levels of diversity within the Company and Board and reporting on achievements pursuant to any diversity policy developed by the Board; and • reviewing the Company's remuneration, recruitment, retention and termination policies for Board and senior executives. 	
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(h) **Corporate Governance Policies**

The Company has adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and will shortly be available on the Company's website at www.jadarlithium.com.au.

- (i) **Directors' and Executive Officers' Code of Conduct** - This code sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees.
- (ii) **Dealings in Securities Policy** - This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws.
- (iii) **Code of Business Conduct** - The Code sets ethical standards for the business of the Company, to guide and enhance the conduct and behaviour of the Company directors, officers and employees and contractors in performing their everyday roles. The Company will pursue the highest standards of ethical conduct in the interests of all shareholders and all other stakeholders.
- (iv) **Disclosure Policy** - The Company needs to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to ASX any information

concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

- (v) **Communications Policy** - This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

- (i) **Diversity**

Whilst the Company has not yet formally adopted a Diversity Policy, the Company recognises that a talented and diverse workforce is a key competitive advantage and that success is a reflection of the quality and skills of its people. Diversity assists the business in achieving its objectives and delivering for its stakeholders by enabling it to attract and retain the most qualified and experienced individuals to the workforce.

The Company's general policy when choosing employees and board members is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. The Company is yet to employ any operational staff however, following completion of the Acquisition, expects to expand its workforce as its business operations expand.

- (j) **External and internal audit**

The Company in Shareholder 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.

The Company does not currently have a formal internal audit program in place. The Board has considered whether or not it is appropriate or desirable for the Company to have an internal audit function, having regard to the particular circumstances of the Company and its size. At this stage, the Board is satisfied that the establishment of a formal internal audit function is not warranted on the basis of the Company's current scale. This decision will however be kept under review.

9.8 Departures from Recommendations

Following re-admission to the Official List of ASX, 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 date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departures
<p>1.5 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy.</p>	<p>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 and the importance of benefiting from all available talent.</p> <p>However, given the size of the Company and its Board, the Company's Corporate Governance Plan does not include a policy specifically addressing diversity. The Board does not consider it necessary to have a diversity policy but will consider implementing one in the future.</p> <p>At present, given the size of the Company and its operations, it currently does not have any women in senior executive positions or on the board. The Company will continue to monitor this matter as the Company and its operations grow and expand.</p>
<p>2.1 The board of a listed entity should have a nomination committee which consists of at least three members.</p>	<p>The Company does have a nomination committee however, due to the Company's size and that of the Board, this committee currently consists of two members both of whom are non-executive independent Directors. As the Company grows in size, the Company will consider appointing additional members.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. While the Company does not disclose a formal skills matrix, it does consider director's attributes prior to any appointment. The qualifications, skill and expertise relevant to the position of Director held by each Director who will be in office at Completion of the Offers is included in the section 9.2 of this Prospectus and will be included in the Company's annual reports.</p>
<p>4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.</p>	<p>The Company does have an audit committee however, due to the Company's size and that of the Board, this committee currently consists of two members both of whom are non-executive Directors. As the Company grows in size, the Company will consider appointing additional members.</p>
<p>7.1 The board of a listed entity should have a risk committee of at least three members.</p>	<p>The Company does have a risk committee however, due to the Company's size and that of the Board, this committee currently consists of two members one of whom will be an independent director. As the Company grows in size, the Company will consider appointing additional members.</p>

Principles and Recommendations	Explanation for Departures
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent	The Company does have a remuneration committee however, due to the Company's size and that of the Board, this committee currently consists of two members both of whom are non-executive independent Directors. As the Company grows in size, the Company will consider appointing additional members.

10. Material Contracts

10.1 Introduction

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 making an assessment of whether to apply for Securities under the Offers. The provisions of such material contracts are summarised in this Section.

10.2 Deed of Company Arrangement and Creditors' Trust Deed

At a creditors' meeting held on 8 June 2017, creditors resolved to vary the terms of the Original DOCA and accept a proposal put forward by Nelac Nominees Pty Ltd (**Nelac**) for the recapitalisation of the Company and re-admission to ASX. The Original DOCA was subsequently amended consistent with Nelac's DOCA proposal (**DOCA**).

The material terms of the DOCA are set out below:

- (a) there are no conditions that affect the coming into operation of the DOCA;
- (b) the property that is available to pay the creditors' claims under the DOCA and the Creditors' Trust Deed includes the cash contribution to be paid by Nelac (via the Company) (\$760,000 in total) and the Amarant Mining shares contribution (see below);
- (c) it is acknowledged that, as at the date of this Prospectus, \$425,000 of the cash contribution has been paid, being:
 - (i) \$370,000 by Oilvest; and
 - (ii) \$55,000 by Nelac;
- (d) the fund is not an asset of the Company and may only be applied in accordance with the DOCA. If the termination of the DOCA is followed by the winding up of the Company, the fund is to be applied in payment of unsecured debts and claims against the Company;
- (e) once the conditions in the DOCA are satisfied, the Deed Administrators and the Company must execute the Creditors' Trust Deed;
- (f) upon execution of the Creditors' Trust Deed, all of the Deed Administrators rights and interests in the available property is transferred to the trustees, at which point, the Company is deemed to have complied with all of its obligations under the DOCA in respect of the available property;
- (g) conditions precedent to completion of the DOCA include:
 - (i) Nelac will pay to the DOCA administrators the outstanding amount of the cash contribution (being \$370,000) into the fund on or before 15 August 2017 (extended by the Deed Administrators to 31 December 2017);
 - (ii) the Company will pay to the Deed Administrators the Amarant Mining shares contribution into the fund by no later than 6 months from the execution of the DOCA;

- (iii) the Company will do everything necessary to comply with Chapters 1 and 2 of the ASX Listing Rules to ensure that the Company is in a position to be re-listed on the ASX and to approve the Acquisition by 31 December 2017;
- (h) the DOCA may be effectuated notwithstanding a failure of the Company to achieve a listing on the ASX;
- (i) excluded creditors and related party creditors who did not convert their claims into equity in the Company prior to the meeting of the Company's shareholders on 8 December 2016 may convert their debt into equity in the Company on the terms approved at the meeting of shareholders held on 8 December 2016;
- (j) the following entities who did not convert their claims into equity prior to the meeting of shareholders held on 8 December 2016 may convert their debt into equity on the terms approved at the meeting of shareholders held on 8 December 2016:
 - (i) creditors who are trade creditors;
 - (ii) those persons holding convertible notes issued by the Company; and
 - (iii) those persons referred to in the 8 December 2016 notice of meeting materials as loan providers;
- (k) the Company will retain 1688 class B shares in Amarant Mining, representing 50% of the shares on issue in Amarant Mining held by the Company;
- (l) a moratorium clause, preventing a creditor from bringing an application for an order to wind up the Company;
- (m) non-participating creditors are bound by the DOCA (non-participating creditors includes any related creditors or excluded creditors who do not convert their claim to equity in the Company);
- (n) on termination of the DOCA, the Company is released from all participating creditors' claims (participating creditors includes creditors other than a non-participating creditor);
- (o) in the event that the Company or Nelac are unable to comply with the fundamental terms of the DOCA (or the Deed Administrators form the view that that compliance is unlikely) the Deed Administrators have a right to terminate the DOCA and / or convene a meeting of the creditors to vary, terminate or enforce the terms of the DOCA;
- (p) control and management of the Company will remain with the Directors until and upon effectuation of the DOCA and commencement of the Creditors' Trust;
- (q) the claims of all creditors against the Company will be replaced with a right to prove debts against the Trustee of the Creditors' Trust and payment will be made in accordance with the DOCA and the Creditors' Trust Deed;
- (r) upon completion of the DOCA, the Creditors' Trust Fund will be distributed as follows:

- (i) first, to the Administrators and Deed Administrators' costs, expenses and remuneration;
 - (ii) second, to pay the Trustees' costs expenses and remuneration;
 - (iii) third, to pay the admitted claims of any priority creditors; and
 - (iv) fourth, to pay the admitted claims of any unsecured creditors;
- (s) all security over the Company's assets will be discharged and released.

For the avoidance of doubt, upon completion of the DOCA no security will exist over the Company or any of its assets.

A creditors' trust is a mechanism used to accelerate a company's exit from external administration. Under the terms of a deed of company arrangement, a trust is created and the company's obligations to creditors which are bound by the deed of company arrangement are then compromised and transferred to the trust. Creditors become beneficiaries of the trust. The purpose of the trust is to deal with the debts and claims against the Company that, but for the release of claims under the deed of company arrangement, would have been payable by the Company.

The deed of company arrangement terminates upon creation of the trust. When the deed of company arrangement terminates, the company ceases to be externally administered and the directors regain full control of the company.

The DOCA provides for the creation of a creditors' trust to which the DOCA payment and Amarant Shares will be transferred and realised in satisfaction of participating creditors' claims.

10.3 Key terms of the Acquisition Agreements

(a) Consideration

Pursuant to the Acquisition Agreements:

- (i) Centralist agrees to acquire 100% of the issued capital of Centurion in consideration for the issue of 20 Centralist Shares to Mr Bozo Guzijan (or his nominees); and
- (ii) the Company agrees to acquire 100% of the issued capital of Centralist in consideration for the issue of 37,500,000 Consideration Shares (on a post Consolidation basis) to the Vendors (or their nominees).

(b) Conditions Precedent

Completion of the Acquisition is subject to satisfaction or waiver of the following material conditions precedent:

- (i) **ASX Reinstatement:** receipt of conditional approval from ASX to reinstate the securities of the Company to trading on conditions reasonably satisfactory to the Company;
- (ii) **Shareholder Approvals:** the Company obtaining all necessary shareholder approvals required by the Corporations Act and the ASX

Listing Rules in relation to the Acquisition including, without limitation, approval for:

- (A) the issue of the Consideration Shares;
 - (B) the issue of Public Offer Shares;
 - (C) the issue of the Advisor Shares;
 - (D) the Proposed Director appointments; and
 - (E) the Consolidation;
- (iii) **ASX Waivers:** the Company obtaining a waiver from ASX in respect of:
- (A) ASX Listing Rule 2.1 (Condition 2) to undertake the Capital Raising at an issue price of \$0.02 per share; and
 - (B) ASX Listing Rule 1.1 (Condition 12) to permit the Company to have Options on issue with an exercise price of \$0.02 per share.
- (iv) **Board changes:** two of the current Directors resigning and the appointment of two new directors to the Board;
- (v) **Capital Raising:** the Company completing the Capital Raising;
- (vi) **DOCA effectuation:** the DOCA effectuating in accordance with its terms and the Deed Administrators having lodged formal notice with ASIC to that effect;
- (vii) **Other approvals:** the Company, Centralist and Centurion obtaining any other necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other applicable law or regulations to lawfully complete the Acquisition;
- (viii) **Third party consents:** the Company, Centralist and Centurion obtaining any other necessary third party consents to allow the Company, Centralist and Centurion to lawfully complete the Acquisition; and
- (ix) **Employment agreement:** Centurion and Guzijan entering into an employment contract (effective from Completion) engaging Guzijan for a minimum of 2 years at a rate of 65,000 euro per annum (gross).

If the conditions precedent are not satisfied (or waived) on or before 5.00pm (AEST) on 30 January 2018, or such other date as the parties agree in writing, each Acquisition Agreements may be terminated by any of the parties to the relevant Acquisition Agreements.

(c) **Loan**

The Company agrees that it may make loans available (in its absolute discretion) to Guzijan and / or Centurion to assist Guzijan and / or Centurion to maintain the Serbian Lithium Projects in good standing. The company has lent the equivalent of AU\$47,506 to Centurion

(d) **Completion**

Completion of the transactions contemplated under the Centralist Agreement and the Centurion Agreement are inter-conditional, and Completion of the Acquisition will only occur upon the simultaneous (as nearly as possible) occurrence of completion of the transactions contemplated under both the Centralist Agreement and the Centurion Agreement.

10.4 Corporate Advisor agreement

The Company has entered into a consultancy agreement with Dempsey Resources Pty Ltd (**Dempsey Resources**) for the provision of corporate advisory services to the Company in relation to the Acquisition (**Corporate Advisor Agreement**). As consideration under the Corporate Advisor Agreement the Company will issue 12,500,000 Shares (on a post Consolidation basis) to Dempsey (or its nominees) on Completion.

10.5 Indian Ocean Mandates

The Company has entered into agreements with Indian Ocean for the provision of lead manager services to the Company in relation to the Public Offer (**Lead Manager Mandate**), corporate secretarial services (**Corporate Secretarial Mandate**) and general corporate advisory services (**Corporate Advisory Mandate**).

As consideration under the Lead Manager Mandate, the Company will pay Indian Ocean 6% of the total amount raised under the Public Offer and issue 5,000,000 Lead Manager Options with an exercise price of \$0.02 and an expiry date 3 years after the date of issue to Indian Ocean (or its nominees) on Completion. The terms of the Lead Manager Options are set out in Section 11.2.

Pursuant to the Corporate Secretarial Mandate, Indian Ocean will provide company secretarial services to the Company including ASX and ASIC compliance management, managing meetings of directors and shareholders and managing shareholder queries. The services exclude accounting, corporate and taxation services. The Company will pay Indian Ocean \$5,000 per month for these services.

Pursuant to the Corporate Advisory Mandate, Indian Ocean will provide general transaction advisory services to manage the re-compliance process. The term of the engagement is four months, finishing on 5 January 2017 and then continuing on a month by month basis. There is no fixed fee for the work to be undertaken under the Corporate Advisory Mandate, with fees charged to the Company at hourly rates. As at the date of this Prospectus, the Company estimates it will pay Indian Ocean \$65,000 for these services.

10.6 Non-Executive Director Agreements - Messrs Luke Martino, Gary Williams and Nicholas Sage

The Company has entered into separate non-executive director letter agreements with each of Mr Martino, Mr Williams and Mr Sage pursuant to which the Company has agreed to pay Mr Martino, Mr Williams and Mr Sage a director's fee of \$60,000 including superannuation per year each for services provided to the Company as Non-Executive Directors commencing upon the Company gaining successful re-admission to the Official List.

10.7 Deeds of indemnity, insurance and access

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

11. Additional information

11.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The summary below is based on the proposed new Constitution being considered by Shareholders at the Shareholder Meeting.

(a) Ranking of Shares

At the date of this Prospectus, 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 Shareholder 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 Shareholder 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) Shareholder Meetings

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

The Directors may convene a Shareholder Meeting at their discretion. Shareholder 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.

11.2 Terms of Placement Options and Lead Manager Options

The Placement Options and Lead Manager Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Expiry Date

Each option (**Option**) will expire on the date that is 3 years from their date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(c) Exercising Options

An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of Options specifying the number of Options being exercised; and;
- (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).

(d) Exercise Notice

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(e) Allotment

Within 15 Business Days after the later of receipt of the Exercise Notice accompanied by the Exercise Price; and when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice, if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(f) Shares issues on exercise

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

(g) Participation Rights

There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) Option Rights

An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

(i) Reconstruction of capital

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

(j) Not Quoted

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

(k) Transferability

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

11.3 Effect of the Offer on control and substantial Shareholders

Those Shareholders (and their related entities) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows.

Name	Number of Shares	% Shareholding
Sunshore Holdings Pty Ltd	5,474,023	8.5%
Coal Contractors Pty Ltd	5,000,000	7.7%
Juneday Pty Ltd	4,687,500	7.2%
RL Webb Nominees Pty Ltd	4,100,000	6.3%
Cintra Holdings Pty Ltd	4,337,450	6.7%

Following completion of the Acquisition and Offers, no Shareholder is expected to hold 5% or more of the total number of Shares on issue (assuming that no Options are converted into Shares or participating by existing shareholders in the Public Offer).

Following completion of the Acquisition and Offers, no Shareholders is expected to hold 5% or more of the total number of Shares on issue (assuming all Options are converted and no existing shareholders participate in the Public Offer).

11.4 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no 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 holds at the date of this Prospectus, or 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 Offer; or
- (iii) the Offer,

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 Offer.

(b) Share Registry

Advanced Share Registry 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) **Australian Legal Advisers**

Bellanhouse has acted as the solicitors to the Company in relation to the Offers, the Acquisition and the Shareholder Meeting. The Company estimates it will pay Bellanhouse \$65,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. In addition, Bellanhouse has performed other legal work for the Company. Bellanhouse has not received fees from the Company for legal services during the 24 months preceding lodgement of this Prospectus.

(d) **Serbian Legal Advisers**

Janković Popović Mitić has acted as the solicitors to the Company in relation to the Serbian due diligence, Serbian legal matters and the provision of the Solicitor's Report. The Company estimates it will pay Janković Popović Mitić \$10,500 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. Janković Popović Mitić has not received any fees from the Company for legal services during the 24 months preceding lodgement of this Prospectus.

(e) **Lead Manager and Corporate Advisors**

Indian Ocean Corporate Pty Ltd (**Indian Ocean**) will act as lead manager of the Public Offer and the fees payable to the Lead Manager pursuant to the lead manager mandate are described in Section 10.5. Indian Ocean was engaged by the Company to provide corporate advisory services in relation to this Prospectus. The Company estimates that it will pay Indian Ocean \$65,000 (excluding GST) for these services. Indian Ocean has also provided corporate advisory services in relation to the Acquisition and the restructuring of the Company and has paid or agreed to pay an amount of approximately \$45,000 (excluding GST) for these services.

Dempsey Resources acted as a corporate advisor to the Company in respect of the Acquisition. The Company will issue the Advisor Shares to Dempsey Resources for these services. Dempsey Resources has not received any fees from the Company for advisor services during the 24 months preceding lodgement of this Prospectus.

(f) **Auditor**

Grant Thornton has been appointed to act as auditor to the Company. During the 24 months preceding lodgement of this Prospectus with ASIC, Grant Thornton has received \$68,385 for audit services provided to the Company.

(g) **Investigating Accountant**

Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 6 of this Prospectus. The Company estimates it will pay Grant Thornton Corporate Finance Pty Ltd a total of \$19,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Grant Thornton Corporate Finance Pty Ltd has not provided services to the Company.

(h) **Independent Geologist**

Al Maynard & Associates has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Al Maynard & Associates a total of \$8,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Al Maynard & Associates has not provided services to the Company.

11.5 Consents

(a) **General**

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

In light of the above, each of the parties referred to below:

- (i) does not make the Offer;
- (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) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement 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**

Advanced Share Registry 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) **Lead Manager and Corporate Advisors**

Indian Ocean 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 Company's lead manager and corporate advisor in the form and context in which it is named.

Dempsey Resources 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 a corporate advisor to the Company in the form and context in which it is named.

(d) Auditor - Australia

Grant Thornton 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 and Centralist in the form and context in which it is named.

(e) Auditor - Serbia

Crowe Horwath BDM Audit d.o.o 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 Centurion in the form and context in which it is named.

(f) Investigating Accountant

Grant Thornton 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 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.

(g) Independent Geologist

Al Maynard & Associates has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, his written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn his consent to the inclusion of the Independent Geologist's Report in the form and context in which it is included.

(h) Serbian Legal Advisers

Janković Popović Mitić 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 Serbian legal advisers 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 Solicitor's Report and to references to it within the Prospectus in the form and context in which it is included.

(i) Australian Legal Advisers

Bellanhuse 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 Australian legal advisers to the Company in the form and context in which it is named.

11.6 Expenses of Offer

The expenses of the Acquisition, Offers and recompliance process (excluding GST) are estimated to be approximately \$635,897 (based on maximum subscription) and are expected to be applied towards the items set out in the table below.

Items of expenditure	Amount
Accounting and Independent Limited Assurance Report	85,558
Advisory fees	71,500
ASIC and ASX fees	67,198
Independent Geologist's Report	9,350
Capital raising fees	307,500
Legal fees	65,500
Other expenses (printing, administration, miscellaneous)	29,291
Total estimated expenses	635,897

11.7 ASX waivers

The Company has obtained the following ASX waivers and approvals in relation to the Offers and the Acquisition:

- (a) a waiver of Listing Rule 1.1 condition 12 to permit the Company to have options on issue with an exercise price of less than \$0.20 each at the time of reinstatement; and
- (b) a waiver from Listing Rule 2.1 condition 2 to permit the Company to offer the Shares under the Placement and the Public Offer at a price of less than \$0.20 per share.

11.8 Continuous Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is 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 the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.9 Litigation

So far as the Directors and Proposed 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 is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

11.10 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 Shares 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 moneys received will be dealt with in accordance with section 722 of the Corporations Act.

11.11 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 11.5 of this Prospectus.

11.12 Statement of Directors and Proposed Directors

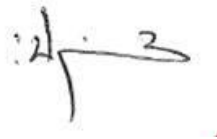
The Directors and Proposed Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

12. 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 and Proposed 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 black ink, appearing to read 'Jakob Tsaban', with a stylized flourish at the end.

Jakob Tsaban

Director

Dated: 29 September 2017

13. Definitions

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

\$ means Australian Dollars.

2012 JORC Code means the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Acquisition means the acquisition 100% the issued capital of Centralist in accordance with the Acquisition Agreements.

Acquisition Agreements means the Centralist Agreement and Centurion Agreement.

Admission means admission of the Company to the Official List, following completion of the Offer.

Advisor Offer means the offer of up to 12,500,000 Shares to Dempsey (or its nominee) as consideration for corporate advisory services provided to the Company.

Advisor Shares means the Shares to be issued pursuant to the Advisor Offer.

Allotment Date means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

Al Maynard & Associates means Al Maynard & Associates Pty Ltd ABN 75 120 492 435

Applicant means a person who submits an Application Form.

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

Application Form means the application form attached to this Prospectus.

Application Monies means application monies for Shares under the Public Offer received and banked by the Company.

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.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

Board means the board of Directors of the Company as at the date of this Prospectus.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Centralist means Centralist Pty Ltd ACN 618 766 715.

Centralist Agreement means the agreement between the Company, Centralist and the Vendors dated 5 September 2017 pursuant to which the Company agrees to purchase 100% of the issued capital of Centralist from the Vendors.

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

Centurion means Centurion Metals D.O.O. Beograd-Voždovac company number 2110009.

Centurion Agreement means the agreement between the Centralist, Centurion and Guzijan dated 31 August 2017 pursuant to which the Centralist agrees to purchase 100% of the issued capital of Centurion from the Guzijan.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Closing Date means the date that the Offers close which is 5.00pm (WST) on 17 November 2017 or such other time and date as the Board determines.

Company means South East Asia Resources Limited (Subject to Deed of Company Arrangement) ACN 009 144 503 (to be renamed "Jadar Lithium Limited").

Completion means completion of the Acquisition in accordance with the Acquisition Agreements.

Company Secretary means the secretary of the Company.

Consideration Offer means the offer of 37,500,000 Shares as consideration for the Acquisition.

Consideration Shares means the 37,500,000 Shares proposed to be issued the Vendors (or their nominees) as consideration for the Acquisition.

Consolidation means the proposed 20 for 1 consolidation of the Company's Securities as set out in Resolution 2 of the Notice of Meeting.

Constitution means the constitution of the Company, subject to Shareholder approval at the Meeting.

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

Deed Administrators or Administrators means David Ingram, Cameron Shaw and Richard Albarran in their capacity as joint and several administrators of the DOCA.

Dempsey Resources has the meaning given in Section 10.3.

Directors means the directors of the Company.

DOCA means the deed of company arrangement in respect of the Company as described in Section 10.2.

Grant Thornton means Grant Thornton Audit Pty Ltd ACN 130 913 594.

GST means Goods and Services Tax.

Guzijan means Mr Bozo Guzijan.

Impact means Impact Nominees Pty Ltd ACN 085 277 621.

Independent Geologist means Al Maynard & Associates.

Independent Geologist's Report means the report contained in Section 7 prepared by the Independent Geologist.

Independent Limited Assurance Report means the report contained in Section 6.

Indian Ocean means Indian Ocean Corporate Pty Ltd ACN 142 266 279 (AFSL 336409).

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

Investigating Accountant means Grant Thornton Corporate Finance Pty Ltd.

Lead Manager Mandate has the meaning given in Section 10.5.

Lead Manager Offer means the offer of the Lead Manager Options as described in Section 2.2(d).

Lead Manager Options means the Options offered under the Lead Manager Offer.

Listing Rules means the listing rules of ASX.

Meeting or Shareholder Meeting means the general meeting convened by the Notice of Meeting.

Moly Project means the Malala Molybdenum Project.

Moly Subsidiaries has the meaning given in Section 3.2(h).

Notice of Meeting means the Company's notice of general meeting seeking approval for, among other things, the Acquisition, lodged with ASX on 7 September 2017.

Offer Price means \$0.02 per Share under the Public Offer.

Offers means the Public Offer and Secondary Offers made pursuant to this Prospectus.

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 of the Offer in the Indicative Timetable.

Option means an option to acquire a Share.

Original DOCA has the meaning given in Section 3.2.

Oilvest has the meaning given in Section 3.2.

Placement Options means 65,250,000 Options to be issued on the terms and conditions set out in Section 11.2.

Placement Options Offer means the offer of Placement Options for no consideration to sophisticated and professional investors who participated in the Prior Placement as described in Section 2.2(b).

Prior Placement has the meaning given to it in Section 2.3.

Prospectus means this prospectus dated 29 September 2017.

Public Offer means the offer by the Company, pursuant to this Prospectus, of up to up to 250,000,000 Shares at an issue price of \$0.02 each to raise up to a total of \$5,000,000 (before costs).

Related Body Corporate means, in relation to a body corporate, a body corporate related to it within the meaning of section 50 of the Corporations Act.

Secondary Offers means the Consideration Offer, Placement Options Offer, Advisor Offer and Lead Manager Offer.

Section means a section of this Prospectus.

Securities means any securities, including Shares and Options, issued or granted by the Company.

Serbian Lithium Projects has the meaning given in Section 3.4(b).

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

Share Registry means Advanced Share Registry Services Limited ACN 127 175 946.

Shareholder means a holder of one or more Shares.

Shareholder Meeting or **Meeting** means the general meeting convened by the Notice of Meeting.

Solicitor's Report means the report contained in Section 8.

Vendors means all of the shareholders of Centralist, being Impact and Guzijan.

Victory West means Victory West Pty Ltd ACN 127 980 189 (deregistered on 10 March 2017).

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