

# FACTOR THERAPEUTICS LIMITED

(TO BE RENAMED 'DOMINION MINERALS LIMITED')

FOR THE OFFER OF 100,000,000 SHARES (POST-CONSOLIDATION) AT A PRICE OF \$0.04 PER SHARE TO RAISE \$4,000,000 (BEFORE COSTS AND EXPENSES) (**OFFER**).

THE OFFER COMPRISES:

- A PRIORITY OFFER TO ELIGIBLE SHAREHOLDERS OF THE COMPANY AS AT THE RECORD DATE (**PRIORITY OFFER**); AND
- AN OFFER TO THE GENERAL PUBLIC (**PUBLIC OFFER**).

THE OFFER IS SCHEDULED TO CLOSE AT 5.00PM (AEST) ON 1 OCTOBER 2021 UNLESS EXTENDED OR WITHDRAWN.

## IMPORTANT NOTICE

### Re-compliance with Chapters 1 & 2

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.

### Conditional Offer

The Offer is subject to certain conditions precedent. Please refer to Section 5 of this Prospectus for further details.

No Shares will be issued under this Prospectus until such time as the conditions precedent are satisfied.

### Other Important Information

All Securities offered by this Prospectus are presented on a post-Consolidation basis unless otherwise specified.

The Securities offered by this Prospectus should be considered as highly speculative.

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

### LEAD MANAGER



### LEGAL ADVISOR



A handwritten signature in black ink, appearing to read "David Miles".

## IMPORTANT NOTICES

### PROSPECTUS

This Prospectus is dated 27 August 2021 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX and their respective officers take no 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 13 months after the date this Prospectus was lodged with ASIC (**Expiry Date**). No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Application will be made for the listing of the Shares offered by this Prospectus on the ASX within 7 days after the date of this Prospectus. The fact that ASX may list the Shares of the Company is not to be taken in any way as an indication of the merits of the Company or the listed Shares. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can be made by completing a valid application using the online form at <https://events.miraql.com/FTT-IPO> in accordance with the instructions set out on the website.

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

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Securities under this Prospectus will not be processed by the Company until after the

expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

### NOT INVESTMENT ADVICE

In particular, you should consider the assumptions underlying the Pro Forma Financial Information and the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 8. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, the Lead Manager or any other person in connection with the Offer. You should rely only on information contained in this Prospectus.

### NO COOLING-OFF RIGHTS

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

### ELECTRONIC PROSPECTUS

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions. A copy of this Prospectus can be downloaded from the website of the Company at <https://events.miraql.com/FTT-IPO>.

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

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the online application form. If you have not, please contact the Company and the Company will send 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 using the online application form from a person if it has reason to believe that when that person was given access to the online 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.

## **FOREIGN JURISDICTIONS**

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Securities or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia (other than New Zealand). The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any 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.

## **NEW ZEALAND**

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

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

There are differences in how financial products are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer.

If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

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

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## **TAXATION**

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

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

## **WEBSITE**

No document or information included on our website is incorporated by reference into this Prospectus.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”,

“intends” and other similar words that involve risks and uncertainties.

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8

## 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 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.

## SUSPENSION AND RE-ADMISSION TO ASX

The Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's main activities from a clinical-stage life sciences company to a mining exploration company. The change in the nature and scale of the Company's activities requires the approval of Shareholders (which will be sought at the EGM) and the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. 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-admission to the Official List following a change in nature and scale of the Company's activities. It is expected that the conduct of the Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements. The Company's Shares

have been suspended from trading since 17 July 2020 and will remain suspended from trading on ASX 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 Offer and will repay all application monies received without interest and otherwise in accordance with the Corporations Act.

## THIRD PARTY REPORTS

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third Party Report**) in this Prospectus represent research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third Party Report are based on information believed by the third party author in good faith to be reliable, that third party author is not able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in any Third Party Report is based. Any views, opinions or predictions contained in a Third Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third Party Report is made as at the date of that Third Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third Party Report. The Third Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

## CONDITIONAL OFFER

The Offer under this Prospectus is subject to and conditional on a number of conditions including Shareholders approving various resolutions at the Extraordinary General Meeting, the Company achieving the Minimum Subscription, the conditions precedent to the SPA being satisfied or waived (other than the condition for completion of the capital raising the subject of the Offer) and the Company receiving conditional approval for re-quotation of the Shares on ASX. Please refer to Section 5.2 of this Prospectus for details of the conditions to the Offer.



## **CONSOLIDATION**

At the Extraordinary General Meeting, Shareholder approval will be sought to consolidate the capital of the Company on the basis that every 10 Securities are consolidated into 1 Security. Unless otherwise stated, all references to Securities of the Company as set out in this Prospectus are on the basis that the Consolidation is approved and has occurred.

## **GOVERNING LAW**

This Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in the State of Queensland and each applicant and bidder submits to the exclusive jurisdiction of the courts of the State of Queensland.

## **DEFINED TERMS, INTERPRETATION AND TIME**

Certain terms or abbreviations used in this Prospectus have defined meanings which are explained in Section 16. A reference to a Section is a reference to a Section in this Prospectus.

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

All references to time in this Prospectus are references to Australian Eastern Standard Time unless specified otherwise.

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## 1. Corporate Directory

### Current Directors

David Brookes, Chairman

Melanie Farris, Non-Executive Director

John Michailidis, Non-Executive Director

### Current Company Secretary

Melanie Farris

### Proposed Directors

Dr David Brookes, Chairman

Dominic Allen, Executive Director and Interim CEO

Anastasios Arima, Non-Executive Director

### Proposed Chief Financial Officer and Company Secretary

Stephen Kelly

### Registered Office

c/- Company Matters Pty Ltd

Level 21, 10 Eagle Street

Brisbane, QLD, 4000

P: +61 7 3334 3900

E: [investor@factor-therapeutics.com](mailto:investor@factor-therapeutics.com)

W: [www.factor-therapeutics.com](http://www.factor-therapeutics.com)

### Australian Company Number

101 955 088

### Securities Exchange Listing

Australian Securities Exchange

Current ASX Code: FTT

Proposed ASX Code: DLM

### Legal Advisor

Jones Day

Level 31, 123 Eagle Street

Brisbane QLD 4000

P: 07 3085 7000

W: [www.jonesday.com](http://www.jonesday.com)

### Auditor and Investigating Accountant

PKF Brisbane Audit

Level 6, 10 Eagle Street

Brisbane QLD 4000

P: 07 3839 9733

W: [www.pkf.com.au](http://www.pkf.com.au)

### Lead Manager

Taylor Collison Limited

Level 10, 151 Macquarie Street

Sydney NSW 2000

P: 02 9377 1500

W: [www.taylorcollison.com.au](http://www.taylorcollison.com.au)

### Share Registry

Link Market Services Limited

Level 21, 10 Eagle Street

Brisbane QLD 4000

Australia

P: 1300 554 474

W: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## 2. Key Offer Information (on a post-Consolidation basis) and Indicative Timetable

### 2.1 Key Offer Information

The Offer	
Offer Price per Share	\$0.04
Shares to be issued under the Offer	100,000,000
Amount to be raised under the Offer (before costs and expenses)	\$4,000,000
Total number of Shares on issue following completion of the Acquisition and the Offer (on an undiluted basis)	225,850,500
Total number of Options on issue following completion of the Acquisition and the Offer	16,662,500
Market capitalisation at the Offer Price (on an undiluted basis) <sup>1</sup>	\$9,034,020

### 2.2 Key Dates

Event	Date
Lodgement of Prospectus with ASIC	27 August 2021
Extraordinary General Meeting of Shareholders	9 September 2021
Opening Date of the Offer	10 September 2021
Closing Date of the Offer	1 October 2021
Issue of Shares under the Prospectus	8 October 2021
Despatch of holding statements	11 October 2021

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<sup>1</sup> Based on the Offer Price and assuming 225,850,500 Shares on issue following completion of the Offer.

### 3. Letter from the Chairman

Dear Investor

On behalf of the Directors of Factor Therapeutics Limited (the **Company** or **FTT**), it gives me great pleasure to invite you to invest in the Company at the time of transition to a resources focused company to be re-named "Dominion Minerals Limited" (ASX:DLM).

While welcoming new investors, it is also pleasing to offer existing Shareholders the opportunity to invest in this Prospectus Offer. Current Shareholders have been very patient through the period of the Company's suspension.

As proposed at the upcoming EGM to be held on 9 September 2021, the Company is to acquire PowerLime, Inc. (**PowerLime**), an unlisted company with a prospective high calcium limestone project located in south Georgia, USA. The change in focus to resources will involve a restructure of the Board and a management team with a history of successfully identifying and developing mineral resource projects in North America.

Upon re-listing, we will welcome new Directors Mr. Dominic Allen, a finance professional with a long track record in the management and operations of natural resources organisations, and Mr. Anastasios Arima, the founder of multiple mining and natural resources companies with a successful record of identifying opportunities, raising finance and building strong teams.

The Board and management of the renamed Company have significant expertise in the resources sector and a track record of adding value for shareholders, including as the founders of both Piedmont Lithium (ASX:PLL) and Hyperion Metals (ASX:HYM). They will ensure the funds raised through this Offer will be used in a cost-effective manner in managing the Company's opportunities. The initial priority of the Board and management will be to advance exploration work at the PowerLime project, with the aim of establishing a JORC-compliant mineral resource estimate by the end of 2021.

I will take this opportunity to thank current FTT Directors, Mr. John Michailidis and Ms. Melanie Farris, who will retire from the Board, and in Melanie's case, also as long-standing Company Secretary, having overseen the completion of the PowerLime transaction and re-listing. Both have been involved with FTT for many years and had a strong commitment to FTT Shareholders. On behalf of the Company, I wish John and Melanie the very best.

The Company is seeking to raise \$4,000,000, with the PowerLime Shareholders or their nominees having the right to subscribe for a minimum of 40% of the Shares to be issued under the Offer. Existing and new Shareholders will be able to apply for a minimum \$2,000 Share parcel as detailed in this Prospectus, with the Board instructing the Lead Manager to set aside \$800,000 of the Offer for allocation to existing FTT Shareholders.

The Prospectus is issued to support the application to re-list the Company on the ASX. You are encouraged to read the Prospectus carefully and in full, as it contains detailed information about the Company and the Offer including the risks of investing in the Company. The Shares offered under this Prospectus should be considered highly speculative. You should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

I look forward to you continuing or joining as a Shareholder in the exciting new direction taken by the Company. The Board has been very appreciative of the support from Shareholders during the Company's suspension, while working towards the obvious objective to re-list as soon as possible. On completion of that process, the new Board will be working to create Shareholder value and looks forward to regularly updating Shareholders on the progress of the limestone project.

Yours faithfully



Dr David Brookes

Chairman

## 4. Investment Overview

### 4.1 Introduction

This Section 4 is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends nor can any guarantee be given about the future value of the Shares.

### 4.2 Introduction and the Acquisition

Item	Summary	Further Information
Who is the issuer of this Prospectus?	Factor Therapeutics Limited ACN 101 955 088	Section 6.1
What is the Company and what does it do?	Since November 2018 the Company has been focused on seeking new opportunities.	Section 6.1
What is PowerLime and what does it do?	PowerLime was established in 2019 for the purpose of acquiring potential industrial mineral projects in the USA.	Section 6.2
What are the key terms of the Acquisition?	As consideration for the acquisition of PowerLime, its shareholders will receive 187,500,000 Shares (pre-Consolidation) at an issue price of \$0.004 and 62,500,000 unlisted Options. The Consideration Options will have an exercise price of \$0.012 per option (pre-Consolidation) and will expire four years from the date of issue.	Section 6.2.3
What is the effect of the Acquisition and the Offer on the Company?	The acquisition will result in FTT owning a subsidiary which holds an option to acquire land, as well as surface and sub-surface mineral rights, in south Georgia, USA, that is considered prospective for the development of an advanced high calcium limestone project.	Section 6.3
What approvals will be sought at the Extraordinary General Meeting?	Approvals will be sought in relation to: <ul style="list-style-type: none"><li>• a change in the nature and scale of the Company's activities as a result of the Acquisition;</li><li>• a Consolidation of the Company's Shares and Options;</li><li>• the issue of Shares the subject of the Offer;</li><li>• the issue of 187,500,000 Shares (pre-Consolidation) as part consideration under the SPA;</li><li>• the issue of the Management Options, Brookes Options and Taylor Collison Options;</li><li>• the appointment of new Directors; and</li><li>• the change of name.</li></ul>	Section 5.2(a)

### 4.3 The Company post-Offer and Acquisition

Item	Summary	Further Information
What sector will the Company operate in?	The Company will be a resources company. It will undertake a staged exploration and development program on the Project over two years, primarily focused on resource drilling and technical evaluation.	Section 6.4
How does the Company expect to fund its operations and what are the	It is anticipated that the funds raised under the Offer and existing cash reserves available will enable two years of full operations. The Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may	Section 6.4



Item	Summary	Further Information
Company's significant costs?	require additional capital beyond this point. Future capital needs will also depend on the success or failure of the Project. Equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Project or to capitalise on acquisition opportunities in the resources sector.	
What is the Company's strategy?	The Company proposes to undertake a staged exploration and development program on the Project over the two years following its listing on the ASX. The Company's program will mainly focus on resource drilling and technical evaluation including metallurgical test work. Subject to the outcomes of these works, the Company may look to initiate scoping study activities and work required to apply for regulatory approvals for the Project.	Section 6.5

#### 4.4 Key Risks

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in Section 8, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. An investment in the Shares should be considered highly speculative.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks as set out in Section 8.2. Where relevant, the risks below assume completion of the Acquisition and that the Offer has occurred. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance.

Risk	Summary	More Information
Completion of the Offer, the Acquisition and re-quotations of Securities on the ASX	As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company's Shares are currently suspended from trading and will not be reinstated until the Company has satisfied the conditions of the Offer and met the requirements for re-compliance of the Company's securities under Chapters 1 and 2 of the ASX Listing Rules. In the event the conditions of the Offer are not satisfied or the Company does not meet the requirements for re-quotations of the Company's securities on ASX then the Company will not proceed with the Offer.	Section 8.2
Acquisition completion risk	Completion under the SPA is subject to the satisfaction or waiver of various conditions precedent, a number of which remain outstanding as at the date of this Prospectus (refer to Section 13.2). Some of these conditions are outside the control of the Company.	Section 8.2
Exploration success and operating and development risks	<p>Exploration activities for industrial minerals such as those proposed to be undertaken by the Company are inherently risky, with a high chance of failure. There can be no guarantee that the Company will identify any resource capable of producing high calcium limestone at commercial rates.</p> <p>The future exploration activities of the Company may be affected by a range of factors including limitations on activities due to geological conditions, technical difficulties, changes in cost structures in the industry, geopolitical factors, seasonal weather patterns, delays in timing of operations, industrial accidents, environmental difficulties, changing regulatory conditions, and many other factors beyond the control of the Board or the Company.</p>	Section 8.2

Risk	Summary	More Information
Commodity price volatility and exchange rate	It is expected that future revenues of the Company, other than sales of assets, will be derived from the sale of limestone products. The demand for, and price of limestone products is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of product demand, weather conditions, actions taken by governments, and global economic and political developments.	Section 8.2
No history of production	The Project is at exploration stage only. PowerLime and the Company have never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of high calcium limestone will be discovered at the Project, nor is there any assurance that the exploration or development programs of the Company will yield any positive results.	Section 8.2

#### 4.5 Key Investment and Financial Metrics

Item	Summary	Further Information
What is the Company's pro forma historical and forecast statutory and pro forma future financial performance?	On 17 July 2020, FTT's Shares were suspended from quotation under ASX Listing Rule 17.2. Since that time, the Company has had limited operations. As a result, the Company is not able to disclose any key financial ratios other than the information set out in Section 9 and the information included in the Investigating Accountant's Report set out in Section 10 of this Prospectus.	Section 9
What is the Company's dividend policy?	The Directors have no current intentions of declaring or paying dividends in the foreseeable future. The Directors will review this policy as appropriate and the declaration and amounts of any dividends are at the sole discretion of the Board. In making a decision concerning dividends, the Board will take into account earnings for the period, future capital requirements and other relevant factors such as the outlook for the Company.	Section 6.10

#### 4.6 Proposed use of Funds and Capital Structure

Item	Summary	Further Information																		
How will existing funds and the funds raised under the Offer be used?	<p>Following re-admission to the Official List, the Company intends to apply funds raised from the Offer, together with existing cash reserves as follows:</p> <table> <tr> <th>Use of Funds</th><th>A\$'000</th><th>%</th></tr> <tr> <td><b>YEAR 1</b></td><td></td><td></td></tr> <tr> <td>Exploration expenditure<sup>1</sup></td><td>2,326</td><td>46%</td></tr> <tr> <td>Corporate costs<sup>2</sup></td><td>200</td><td>5%</td></tr> <tr> <td>Land acquisition costs<sup>3</sup></td><td>2,007</td><td>40%</td></tr> <tr> <td>Estimated cash expenses of the Offer<sup>4</sup></td><td>461</td><td>9%</td></tr> </table>	Use of Funds	A\$'000	%	<b>YEAR 1</b>			Exploration expenditure <sup>1</sup>	2,326	46%	Corporate costs <sup>2</sup>	200	5%	Land acquisition costs <sup>3</sup>	2,007	40%	Estimated cash expenses of the Offer <sup>4</sup>	461	9%	Section 6.5
Use of Funds	A\$'000	%																		
<b>YEAR 1</b>																				
Exploration expenditure <sup>1</sup>	2,326	46%																		
Corporate costs <sup>2</sup>	200	5%																		
Land acquisition costs <sup>3</sup>	2,007	40%																		
Estimated cash expenses of the Offer <sup>4</sup>	461	9%																		

Item	Summary			Further Information						
	Total – Year 1	4,994	100%							
	YEAR 2									
	Exploration expenditure	1,407	85%							
	Corporate costs	200	15%							
	Total – Year 2	1,657	100%							
	Total funds allocated	6,601								
	Sources of funds									
	Funds raised under the Offer	4,000								
	Existing cash in bank <sup>5</sup>	3,077								
	Total	7,077								
	Surplus working capital <sup>6</sup>	476								
	<p>The Company will have enough working capital at the time of its admission to carry out its stated objectives.</p> <p>Notes to the above table:</p> <ul style="list-style-type: none"><li>• refer to Section 6.5 for further information;</li><li>• corporate costs include general costs associated with the management and operation of the business including administration expenses, rent and other associated costs;</li><li>• refer to Section 13.3 in relation to the amounts payable pursuant to the option held by PowerLime;</li><li>• expenses paid or payable by the Company in relation to the Offer are set out in Section 14.8;</li><li>• existing cash in bank as at 30 June 2021; and</li><li>• surplus working capital will be applied to costs associated with the acquisition of PowerLime. To the extent that the Company's exploration activities warrant further exploration, or, the Company is presented with additional acquisition opportunities, surplus working capital will also fund such further exploration and acquisition costs.</li></ul>									
Does the Company currently have any debt facilities?	No.			-						
What is the proposed pro forma capital structure of the Company following completion of the Offer and the Acquisition?	<p>The effect of the Acquisition and the Offer on the capital structure of the Company can be summarised as follows:</p> <table><tr><th colspan="2">The Offer</th></tr><tr><td>Offer Price per Share</td><td>\$0.04</td></tr><tr><td>Shares to be issued under the Offer (assuming Full Subscription)</td><td>100,000,000</td></tr></table>			The Offer		Offer Price per Share	\$0.04	Shares to be issued under the Offer (assuming Full Subscription)	100,000,000	Section 6.7
The Offer										
Offer Price per Share	\$0.04									
Shares to be issued under the Offer (assuming Full Subscription)	100,000,000									

Item	Summary			Further Information
	Amount to be raised under the Offer (assuming Full Subscription; before costs and expenses applicable)	\$4,000,000		
	Shares to be issued in lieu of unpaid director fees	2,816,937		
	Shares to be issued under the SPA	18,750,000		
	Total number of Shares on issue on completion of the Acquisition and the Offer (on an undiluted basis)	225,850,500		
	Total number of Options on issue post Consolidation, completion of the Acquisition and the Offer	16,662,500		
	Market capitalisation at the Offer Price (on an undiluted basis)	\$9,034,020		
Substantial Shareholders	As at the date of this Prospectus, the Company has no current notice of any Shareholder holding greater than 5% of issued securities. On completion of the Acquisition and the Offer, no shareholder is expected to hold greater than 5% of issued securities.			Section 6.8

#### 4.7 Overview of the Offer

Item	Summary	Further Information
What is the Offer?	The Company invites applications for 100,000,000 Shares at \$0.04 per Share to raise \$4,000,000 (before costs and expenses). The Offer comprises a priority offer to Eligible Shareholders (Priority Offer) and an offer to the general public (Public Offer).	Section 5.1
Is there a Minimum Subscription ?	The minimum level of subscription for the Offer is 100,000,000 Shares at \$0.04 per Share to raise \$4,000,000. No Shares will be issued unless the Minimum Subscription has been received.	Section 5.4
What is the minimum Application size under the Priority Offer and the Public Offer?	Applications for Shares must be for a minimum of 50,000 Shares (equivalent to \$2,000) and thereafter in multiples of 12,500 Shares (equivalent to \$500). Payment for the Shares must be made in full at the issue price of \$0.04 per Share multiplied by the number of Shares applied for.	Section 5.6
How do I apply for Shares under the Offer?	Applicants may apply for Shares by completing a valid application using the online form at <a href="https://events.miraqle.com/FTT-IPO">https://events.miraqle.com/FTT-IPO</a> in accordance with the instructions set out on the website.	Section 5.6
What is the allocation of Shares	Under the terms of the SPA, PowerLime Shareholders or their nominees have the right to subscribe for a minimum of 40% of the Shares to be issued under the Offer.	Section 5.8.3

Item	Summary	Further Information
under the Offer?	<p>The Board, in conjunction with the Lead Manager has set aside \$800,000 of the Offer to be used for allocation to existing FTT Shareholders.</p> <p>The Board, in conjunction with the Lead Manager, reserves the right to reject any application or to allocate any Applicant fewer Shares than the number applied for under the Offer. Where the number of Shares issued to an Applicant is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date. The Company's decision on the number of Shares to be allocated to an Applicant is final.</p>	
When will I know if my Application was successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about Monday, 11 October 2021.</p> <p>Refunds (without interest) to Applicants who make an application and are scaled back (or otherwise receive Shares having a lesser value than the amount of Application Monies they have paid) will be made as soon as possible after allotment of the Shares under the Offer.</p>	Section 5.8.3
What are the conditions of the Offer?	<p>The Offer is subject to the following conditions:</p> <ol style="list-style-type: none"> <li>(1) Shareholders approving the following at the EGM; <ol style="list-style-type: none"> <li>(a) a change in the nature and scale of the Company's activities as a result of the Acquisition;</li> <li>(b) the Consolidation;</li> <li>(c) the issue of Shares the subject of the Offer;</li> <li>(d) the issue of 187,500,000 Shares (pre-Consolidation) as part consideration under the SPA;</li> <li>(e) the issue of the Management Options and Taylor Collison Options;</li> <li>(f) the appointment of Dominic Allen and Anastasios Arima as Directors; and</li> <li>(g) the change of name;</li> </ol> </li> <li>(2) the Company receiving subscriptions for Shares to raise \$4,000,000;</li> <li>(3) the Company receiving conditional approval for re-quotation of the Shares on the ASX; and</li> <li>(4) the conditions precedent to the SPA, being satisfied or waived, other than the condition for completion of the capital raising the subject of the Offer.</li> </ol>	Section 5.2
What rights and liabilities attach to the Shares being offered?	<p>Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours; and in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.</p> <p>All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.</p>	Section 14.3
Is there a cooling off period?	No	-
Who is the Lead	Taylor Collison Limited ACN 008 172 450	Section 5.5

Item	Summary	Further Information																																													
Manager to the Offer?																																															
Is the Offer underwritten ?	No.	-																																													
Will the Shares be quoted on the ASX?	The Company will seek the quotation of its Shares on ASX as part of its application to re-admit the Company to the Official List. Subject to acceptance by ASX of the Company's application for re-admission to the Official List and receipt of such approval, it is expected that trading in the Company's Shares will commence on 11 October 2021.	Section 5.8																																													
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that Securities issued to the following parties will be classified by ASX as Restricted Securities and therefore may be escrowed for up to 24 months after the re-admission of the Company to the Official List:</p> <table border="1"> <thead> <tr> <th>Name</th><th>Shares</th><th>Options</th></tr> </thead> <tbody> <tr> <td>Bald Eagle Resources No. 2 Unit Trust</td><td>3,822,074</td><td>1,274,025</td></tr> <tr> <td>Fremont Sage, LLC</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>Randall Fenlon</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>DITM Holdings Pty Ltd</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>S&amp;P Development Company, LLC</td><td>1,821,248</td><td>607,083</td></tr> <tr> <td>Landon Woodall</td><td>910,624</td><td>741,041</td></tr> <tr> <td>Anastasios Arima</td><td>910,624</td><td>1,303,541</td></tr> <tr> <td>Lamont Leatherman</td><td>910,624</td><td>1,053,541</td></tr> <tr> <td>Dominic Allen</td><td>910,624</td><td>1,303,541</td></tr> <tr> <td>Todd and Donna Ware</td><td>728,014</td><td>242,671</td></tr> <tr> <td>Patrick H Brindle</td><td></td><td>750,000</td></tr> <tr> <td>Verve Investments Pty Ltd</td><td></td><td>500,000</td></tr> <tr> <td>Taylor Collison Limited</td><td>-</td><td>5,000,000</td></tr> <tr> <td>David Brookes</td><td>-</td><td>500,000</td></tr> </tbody> </table> <p>During the period in which Restricted Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) is expected to exceed 20% comprising:</p> <ul style="list-style-type: none"> <li>all existing Shares on issue other than Shares held by Directors or their associates; and</li> <li>all Shares issued pursuant to the Offer, other than Shares subscribed for by the Directors, Proposed Directors and/ or any of their associates.</li> </ul>	Name	Shares	Options	Bald Eagle Resources No. 2 Unit Trust	3,822,074	1,274,025	Fremont Sage, LLC	2,912,056	970,685	Randall Fenlon	2,912,056	970,685	DITM Holdings Pty Ltd	2,912,056	970,685	S&P Development Company, LLC	1,821,248	607,083	Landon Woodall	910,624	741,041	Anastasios Arima	910,624	1,303,541	Lamont Leatherman	910,624	1,053,541	Dominic Allen	910,624	1,303,541	Todd and Donna Ware	728,014	242,671	Patrick H Brindle		750,000	Verve Investments Pty Ltd		500,000	Taylor Collison Limited	-	5,000,000	David Brookes	-	500,000	Section 5.10
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Item	Summary	Further Information
Is there any brokerage, commission or stamp duty payable by the Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.	Section 5.6
Where can I find information about the Offer?	Section 5 of this Prospectus.	Section 5
How can I obtain further advice?	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 highly speculative.	Section 5.15

#### 4.8 Board, Management and Key Shareholders

Item	Summary	Further Information																											
Who are the Directors of the Company?	The Board currently comprises three independent Non-Executive directors, being David Brookes (Chairman), John Michailidis and Melanie Farris.	Section 12.1																											
Who are the proposed Directors of the Company?	At re-listing, two additional Directors, Dominic Allen and Anastasios Arima, will be appointed who will bring industry knowledge and experience to the Board. Dominic Allen will be an Executive Director of the Company. Anastasios Arima will be a Non-Executive Director. At re-listing, John Michailidis and Melanie Farris will retire from the Board. David Brookes will remain as Chairman.	Section 12.1																											
Who are the key management personnel?	Dominic Allen is to be appointed Executive Director and interim Chief Executive Officer. Mr Allen is a finance professional with over 15 years experience in the management and operations of natural resources organisations. Mr Allen is currently Head of Corporate Development for Hyperion Metals (ASX:HYM), focused on the development of the Titan heavy mineral sand project and associated titanium metal technologies in Tennessee, USA, having previously held senior roles with major resource organisations Rio Tinto Limited and Oyu Tolgoi LLC. Mr Allen commenced his career in the corporate finance team of accounting firm Ernst & Young, holds a Bachelor of Commerce and a Bachelor of Science (Hons) from the University of Western Australia and is a qualified Chartered Accountant (CA ANZ).	Section 12.1																											
Will the vendors of Powerlime be Shareholders in the Company after the Acquisition is complete?	<p>Yes. Refer to the following table:</p> <table> <tr> <th>Name</th><th>Shares</th><th>Options</th></tr> <tr> <td>Bald Eagle Resources No. 2 Unit Trust</td><td>3,822,074</td><td>1,274,025</td></tr> <tr> <td>Fremont Sage, LLC</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>Randall Fenlon</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>DITM Holdings Pty Ltd</td><td>2,912,056</td><td>970,685</td></tr> <tr> <td>S&amp;P Development Company, LLC</td><td>1,821,248</td><td>607,083</td></tr> <tr> <td>Landon Woodall</td><td>910,624</td><td>741,041</td></tr> <tr> <td>Anastasios Arima</td><td>910,624</td><td>1,303,541</td></tr> <tr> <td>Lamont Leatherman</td><td>910,624</td><td>1,053,541</td></tr> </table>	Name	Shares	Options	Bald Eagle Resources No. 2 Unit Trust	3,822,074	1,274,025	Fremont Sage, LLC	2,912,056	970,685	Randall Fenlon	2,912,056	970,685	DITM Holdings Pty Ltd	2,912,056	970,685	S&P Development Company, LLC	1,821,248	607,083	Landon Woodall	910,624	741,041	Anastasios Arima	910,624	1,303,541	Lamont Leatherman	910,624	1,053,541	Section 6.7
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What are the current relevant interests in Securities in the Company held by the Directors and the proposed Directors?  What will the interests be on completion of the Acquisition and the Offer?	<p>The Directors and the proposed Director's current relevant interests in Securities in the Company are:</p> <table><tr><th></th><th colspan="2">Current</th><th colspan="2">Post EGM, Acquisition and Offer</th></tr><tr><th>Director/ Proposed Director</th><th>Shares</th><th>Options</th><th>Shares</th><th>Options</th></tr><tr><td>David Brookes</td><td>1,280,000</td><td>-</td><td>4,901,250</td><td>500,000</td></tr><tr><td>John Michailidis</td><td>52,743</td><td>100,000</td><td>862,142</td><td>100,000</td></tr><tr><td>Melanie Farris</td><td>-</td><td>25,000</td><td>204,525</td><td>25,000</td></tr><tr><td>Dominic Allen</td><td>-</td><td>-</td><td>3,410,624</td><td>1,303,541</td></tr><tr><td>Anastasio Arima</td><td>-</td><td>-</td><td>3,410,624</td><td>1,303,541</td></tr></table>					Current		Post EGM, Acquisition and Offer		Director/ Proposed Director	Shares	Options	Shares	Options	David Brookes	1,280,000	-	4,901,250	500,000	John Michailidis	52,743	100,000	862,142	100,000	Melanie Farris	-	25,000	204,525	25,000	Dominic Allen	-	-	3,410,624	1,303,541	Anastasio Arima	-	-	3,410,624	1,303,541	Section 14.5
	Current		Post EGM, Acquisition and Offer																																					
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## 5. Details of the Offer

### 5.1 The Offer

The Company invites applications for 100,000,000 Shares at \$0.04 per Share to raise \$4,000,000 (before costs and expenses). The Offer comprises:

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

### 5.2 Conditions to the Offer

The Offer is subject to the following conditions:

- (a) Shareholders approving the following at the EGM:
  - (i) a change in the nature and scale of the Company's activities as a result of the Acquisition;
  - (ii) the Consolidation;
  - (iii) the issue of Shares the subject of the Offer;
  - (iv) the issue of 187,500,000 Shares (pre-Consolidation) and 62,500,00 Options (pre-Consolidation) as part consideration under the SPA;
  - (v) the issue of the Management Options and Taylor Collison Options;
  - (vi) the appointment of Dominic Allen and Anastasios Arima as Directors; and
  - (vii) the change of name;
- (b) the Company receiving subscriptions for Shares to raise \$4,000,000;
- (c) the Company receiving conditional approval for re-quotation of the Shares on the ASX; and
- (d) the conditions precedent to SPA, being satisfied or waived, other than the condition for completion of the capital raising the subject of the Offer.

### 5.3 Extraordinary General Meeting

The Company has convened an Extraordinary General Meeting to consider (among other things) the resolutions in Section 5.2 above. The meeting is scheduled to be held on 9 September 2021.

### 5.4 Minimum Subscription

The minimum level of subscription for the Offer is 100,000,000 Shares at \$0.04 per Share to raise \$4,000,000. No Shares will be issued unless the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.

### 5.5 Lead Manager

Taylor Collison Limited is the Lead Manager to the Offer. A summary of the terms of engagement of the Lead Manager is set out in Section 13.5.

## **5.6 Applications for Shares**

### **5.6.1 Background**

Applicants may apply for Shares by completing a valid application using the online form at <https://events.miraql.com/FTT-IPO> in accordance with the instructions set out on the website. Applicants should note there are two separate components to the Offer that investors can apply under, with those components being:

- the Priority Offer for Eligible Shareholders; and
- the Public Offer for all other Applicants.

Applications for Shares must be for a minimum of 50,000 Shares (equivalent to \$2,000) and thereafter in multiples of 12,500 Shares (equivalent to \$500). Payment for the Shares must be made in full at the issue price of \$0.04 per Share multiplied by the number of Shares applied for.

The Opening Date for the Offer is 10 September 2021 and the Closing Date for the Offer 1 October 2021, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

### **5.6.2 Priority Offer Applications**

The Board, in conjunction with the Lead Manager, has set aside \$800,000 of the Offer Proceeds for allocation to existing FTT Shareholders

Eligible Shareholders can apply under the Priority Offer. Eligible Shareholders are Shareholders of the Company with a registered address in Australia or New Zealand on the Record Date of 27 August 2021. Eligible Shareholders must apply by validating their eligibility using their existing Company holding by verifying their holder identification number or securityholder reference number (as applicable), registered name and registered address.

Early lodgement of a Priority Offer Application is recommended. Whilst the Company will seek to accommodate Eligible Shareholder Applications, there is no guarantee of an allocation under the Priority Offer. The Company reserves the right to reject a Priority Application or allocate fewer Shares than the number or the equivalent dollar amount applied for, at its discretion.

Applications under the Priority Offer can only be made by making a BPAY® payment online at <https://events.miraql.com/FTT-IPO> (validating their eligibility as outlined above).

All BPAY® payments by Applicants under the Priority Offer must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

### **5.6.3 Public Offer Applications**

Application for Shares under the Public Offer must be made by applying online at <https://events.miraql.com/FTT-IPO>. To apply online, you must complete your online application following the instructions and by making a BPAY® payment.

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

All BPAY® payments by Applicants under the Public Offer must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

## **5.7 Application Monies to be held on Trust**

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

## **5.8 Issue of Shares, ASX Listing and Allocation Policy**

### **5.8.1 Issue of Shares**

Subject to satisfaction of the conditions set out in Section 5.2 the Shares to be issued under the Offer will be issued as soon as practicable after the Closing Date. It is expected that holding statements will be sent to successful Applicants by post on or about 11 October 2021.

### **5.8.2 ASX Listing**

The Company will apply for the quotation of Shares issued under this Prospectus on the ASX within seven days of the date of this Prospectus.

However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, Shares offered under the Offer may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, or if ASX rejects the Company's re-admission to the Official List, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed by the Corporations Act, without interest. In those circumstances, the Acquisition will not proceed.

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

### **5.8.3 Allocation Policy**

The Board, in conjunction with the Lead Manager, reserves the right to reject any application or to allocate any Applicant fewer Shares than the number applied for under the Offer. Where the number of Shares issued to an Applicant is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

The clients of the Lead Manager will receive priority to members of the public.

The Company's decision on the number of Shares to be allocated to an Applicant is final.

## **5.9 Discretion Regarding the Offer**

The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company also reserves the right (subject to the ASX Listing Rules and the Corporations Act) to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

## **5.10 Restricted Securities**

The ASX Listing Rules require that certain persons such as seed capitalists and related parties enter into restriction deeds under which they are restricted from dealing in a specified number of Securities in the Company held by them. While the ASX has not confirmed the final escrow position applicable to the Company's Shareholders, FTT proposes to issue a number of Securities in respect of which the holders may be restricted from dealing for a period of time (up to 24 months) following the Listing Date. The restriction deeds will be in the form required by the ASX Listing Rules and for a period determined by the ASX and will restrict the ability of those persons to dispose of, create any security interest in or transfer effective ownership or control of Securities. It is not proposed that any voluntary escrow be applied. The terms of the restriction deeds are discussed further in Section 13.7. A summary of the potential escrow position is set out in the following table:

Name	Shares	Options	Management Options
Bald Eagle Resources No. 2 Unit Trust	3,822,074	1,274,025	
Fremont Sage, LLC	2,912,056	970,685	
Randall Fenlon	2,912,056	970,685	
DITM Holdings Pty Ltd	2,912,056	970,685	
S&P Development Company, LLC	1,821,248	607,083	
Landon Woodall	910,624	303,541	437,500
Anastasios Arima	910,624	303,541	1,000,000
Lamont Leatherman	910,624	303,541	750,000
Dominic Allen	910,624	303,541	1,000,000
Todd and Donna Ware	728,014	242,671	
Patrick Harold Brindle			750,000
Verve Investments Pty Ltd			500,000

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Securities that are expected to be subject to ASX imposed escrow. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Securities commencing trading on ASX (which admission is subject to ASX's discretion and approval).

## 5.11 ASX Relief

ASX Listing Rule 2.1, Condition 2 provides that the issue price or sale price for all of the Securities for which the Company seeks quotation must be at least 20 cents in cash. The Company's Shares last traded at A\$0.005 on 15 July 2020. In addition, Listing Rule 1.1, Condition 12 provides that for an entity to be admitted to the Official List, the exercise price for any Options on issue must be at least 20 cents in cash.

On 9 June 2021, ASX granted the Company a waiver from Listing Rule 2.1, Condition 2 to the extent necessary to permit the Company to issue Shares at an issue price of less than \$0.20 per Share, subject to the following conditions:

- the issue price for the Shares is not less than \$0.02 per Share;
- the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Shares, are clearly disclosed in the EGM Notice of Meeting and this Prospectus; and
- the Company completes a Consolidation of its capital structure in conjunction with the acquisition of PowerLime such that its securities are consolidated at a ratio that will be sufficient to achieve a market value for its securities of not less than two cents per security.

Additionally, on 9 June 2021, ASX granted the Company a waiver from Listing Rule 1.1, Condition 12 to the extent necessary to permit the Company to issue Options with an exercise price of less than \$0.20 per Option, subject to the following conditions:

- the exercise price of the Options is not less than \$0.02 per Option;
- the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Options, are clearly disclosed in the EGM Notice of Meeting and this Prospectus; and
- the Company's Shareholders approve the exercise price of the Options in conjunction with the approval obtained under Listing Rule 11.1.2 for the acquisition of PowerLime.

## 5.12 Applications outside Australia

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

securities laws. No action has been taken to register this Prospectus or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia (other than New Zealand). It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed online application form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

### **5.13 CHESS and Issuer Sponsorship**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement Pty Ltd (ASXS), a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX 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 will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX will send a CHESS statement.

The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the issuer sponsored subregister, your statement will be dispatched by the Company's Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

### **5.14 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. To the maximum extent permitted by law, 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.

### **5.15 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 highly speculative.

Questions relating to the Offer can be directed to the Registry on 1800 336 109 (within Australia) or +61 1800 336 109 (outside Australia).

## 6. Company and Acquisition Overview

### 6.1 Introduction

Factor Therapeutics Limited was incorporated as Tissue Therapies Limited on 6 September 2002 and was admitted to the official list of the ASX on 19 March 2004. The Company was commercialising the VitroGro wound healing technology, with it owning the worldwide exclusive rights to commercialise the technology.

The Company subsequently changed its name to Factor Therapeutics Limited on 24 April 2016, continuing to focus on the commercialisation of VF-001 (previously known as VitroGro), undertaking a Phase II study in the USA.

On 14 November 2018, the Company announced that the results of the Phase 2 trial for VF001 demonstrated no clinically meaningful or statistically significant difference in measures of wound healing, compared with placebo. Accordingly, the development of VF001 was suspended.

Since that time, FTT has been focused on seeking new opportunities.

On 17 July 2020, the Company's Shares were suspended from quotation under Listing Rule 17.2.

On 25 January 2021, the Company appointed Taylor Collison Limited as a Corporate Advisor to assist in introducing broader commercial opportunities.

In March 2021, Factor commenced negotiations with PowerLime, a company associated with the Apollo Group (**Apollo**). Apollo is an investment and management group with more than 20 years experience in the natural resources sector.

On 20 April 2021, the Company announced that it had entered into a non-binding term sheet with PowerLime.

On 26 July 2021, the Company announced it had entered into a conditional Share Purchase Agreement (**SPA**) with PowerLime and the PowerLime Shareholders, to acquire all issued shares in PowerLime. The Acquisition would result in a significant change in the nature and scale of the Company's activities, away from life sciences and into the resources sector. In accordance with Listing Rule 11.1.2, Shareholder approval of this significant change is required. The SPA is conditional upon, amongst other requirements, the Company obtaining such approval.

The Company's EGM to consider all resolutions relating to the acquisition of PowerLime is to be held on 9 September 2021.

### 6.2 About Powerlime

#### 6.2.1 Business History

PowerLime was incorporated in 2019 as a foreign profit corporation in the USA, in the state of North Carolina. PowerLime was established for the purpose of acquiring potential industrial mineral projects in the USA. On 26 October 2019, PowerLime entered into a memorandum of option to purchase certain real property located in Early County, south Georgia. The Property is considered prospective for the development of an advanced high calcium limestone project.

The option, which expires on 26 January 2022, grants PowerLime the right to acquire the Property for the sum of US\$1,500,000. The option additionally grants the existing landowner a production royalty on the mineral rights to the Property, which is payable on the basis of tonnes of mineral product sold from the Property. This royalty is calculated at the rate of 3.00% on the sale price of the ore at the free on-board price at the gate of the Property.

PowerLime has undertaken significant field work on the Project, including the drilling of eight sonic holes and the digging of eight test pits across the Project in 2019 and 2020. The ore collected from these activities resulted in the submission of 27 samples for chemical and physical analysis of limestone and other calcium-oxide materials. Two samples from drill hole 20-ODM-08 (refer to section 6 of the Independent Geologist's Report) were also tested for density. PowerLime has collected and sent three ledge rock samples to test the abrasion and degradation (refer to section 6 of the Independent Geologist's Report). Almost all samples taken from the sonic drill holes and/or test pits tested greater than 95% calcium carbonate (refer to table 6-1 of the Independent Geologist's Report). Initial geochemical analysis results suggest that the limestone contained on the Property may have the potential to be processed into Ag-Lime, quicklime and hydrated lime.

#### 6.2.2 Description and Location of the Property

The Property is located approximately four miles to the northeast of Blakely, Georgia, and about one mile to the southwest of Bancroft, Georgia. The Property is located near existing infrastructure, including road, rail and solar power. The southern edge of the Property runs along Arlington Highway and the northernmost edge is split by the Norfolk

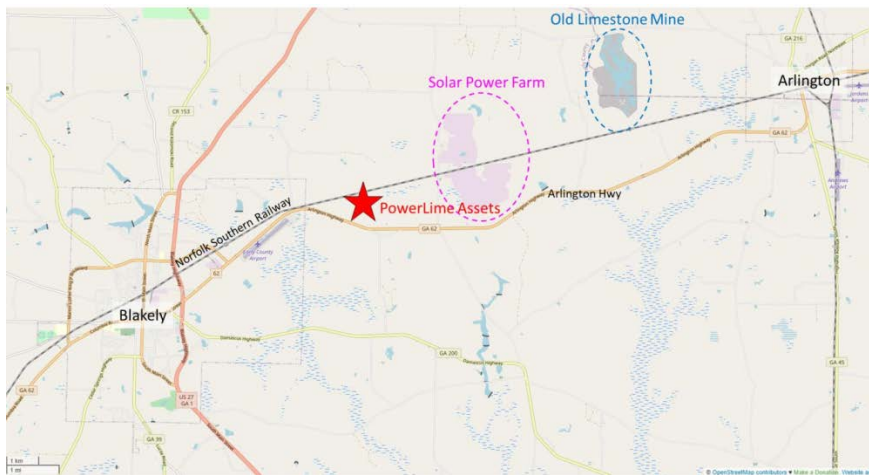
Southern railway. There is an old limestone mine located about four to five miles to the northeast which is no longer active.



Property location in Early County, south Georgia USA. Extracted from the Independent Geologist Report. See Section 11 for the full report.



Property location in Early County, south Georgia USA. Extracted from the Independent Geologist Report. See Section 11 for the full report.



Infrastructure near the Property includes roads, rail and power. Extracted from the Independent Geologist Report. See Section 11 for the full report.

### 6.2.3 Acquisition of PowerLime by the Company

On 20 April 2021, the Company entered into a binding term sheet with PowerLime, Inc. to acquire PowerLime. As consideration for the acquisition of PowerLime, its Shareholders will receive 187,500,000 Shares (pre-Consolidation) at an issue price of \$0.004 and 62,500,000 unlisted Options. The Consideration Options will have an exercise price of \$0.012 per Option (pre-Consolidation) and will expire four years from the date of issue. The Company has subsequently entered into the SPA with the PowerLime vendors on substantially the same terms as outlined in the term sheet. Refer to Section 13.2 for more details on the SPA.

## 6.3 Acquisition Rationale

The Directors are of the view that the following non-exhaustive list of advantages are relevant to the decision to acquire PowerLime and its assets:

- (a) the acquisition of PowerLime will result in the Company owning an option to acquire land, as well as surface and sub-surface mineral rights, in south Georgia, USA, that is considered prospective for the development of an advanced high calcium limestone project;
- (b) the Project is in the heart of the Georgia agricultural belt with close proximity to local end markets, access to infrastructure including rail, road and power in a low-cost operating jurisdiction, potential downstream value through production of lime products;
- (c) PowerLime has a management team experienced in the resources sector and with a track record of adding value for Shareholders, and who will continue with the Company after completion of the Acquisition; and
- (d) the PowerLime assets which present a new business opportunity for the Company with potential to create value for Shareholders.

## 6.4 Business Model and Strategy

The proposed changes to the activities and business model of the Company will enable Factor to:

- (a) undertake a staged exploration and development program on the Project over two years, primarily focussed on resource drilling and technical evaluation;
- (b) undertake work, following drilling and subject to the adequate completion of the program, with the objective of delineating a JORC compliant mineral resource estimate;
- (c) undertake metallurgical test work and develop process flowsheets based on samples;
- (d) commence, subject to the outcome of the drilling and metallurgical test work, scoping study activities focussing on geology, engineering, environmental impact, project economics and marketing;



- (e) undertake early regulatory approval works (should the Company seek to obtain regulatory approvals to mine limestone on the Property); and
- (f) continue to assess other opportunities in the resources sector.

The Company will have enough working capital at the time of its admission to carry out its stated objectives.

## 6.5 Proposed Exploration Program and Development Plan

It is currently proposed that the initial exploration program envisaged to be conducted by the Company for the Project is estimated at \$3.7 million (excluding the cost of the acquisition of the Property) budgeted for the first two years following admission as set out in the table below.

The Company proposes to undertake a staged exploration and development program on its Project over the two years following its listing on the ASX. The Company's program going forward will mainly focus on resource drilling and technical evaluation including metallurgical test work. Subject to the outcomes of these works, the Company may look to initiate scoping study activities and work required to obtain regulatory approvals for the Project. The proposed budget for the Project is set out in detail in Section 7.5 of the Independent Geologist's Report in Table 7-1. A summary of the budget is set out below:

Expenditure	Year 1 (US\$'000)	Year 2 (US\$'000)	Total (US\$'000)	Year 1 (AU\$'000)*	Year 2 (AU\$'000)*	Total (AU\$'000)*
Drilling	524	-	524	699	-	699
Metallurgy	200	100	300	267	133	400
Mining studies	315	200	515	420	267	687
Permitting	100	150	250	133	200	333
General and administration	214	232	446	285	310	595
Staff costs	233	277	510	311	370	681
Contingency	159	96	255	211	127	338
<b>Sub total</b>	<b>1,745</b>	<b>1,055</b>	<b>2,800</b>	<b>2,326</b>	<b>1,407</b>	<b>3,733</b>
Land acquisition costs	1,505	-	1,505	2,007	-	2,007
<b>Total</b>	<b>3,250</b>	<b>1,055</b>	<b>4,305</b>	<b>4,333</b>	<b>1,407</b>	<b>5,740</b>

\* the Company has assumed a US\$0.75:AUS\$1.00 exchange rate. It should be noted that as the Company's operations will predominantly be conducted in the USA following completion of the Acquisition, the majority of the costs displayed above will be incurred in US dollars.

The above tables are statements of the Company's intentions as of the date of this Prospectus and assumes completion of the Offer. As with any budget, intervening events including, but not limited to, exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Company reserves the right to alter the way funds are applied on this basis.

Refer to the Independent Geologist's Report in Section 11 for further information.

## 6.6 Summary of steps to obtain regulatory approvals for the Project

The Company will be required to obtain various regulatory approvals in order to undertake the Project. This includes, but is not limited to, the following permits and approvals:

- (a) surface mine permitting: in order to undertake the Project, the Company must obtain surface mining permits in Georgia. Applicants for surface mining permits in Georgia must prepare and submit various documents including a surface mining application form, mining land use plan and financial assurance for the cost of reclamation in the form of a surety bond or irrevocable letter of credit payable to the Governor of Georgia. Mining land use plans are complex plans that require the exercise of professional judgement for erosion and sedimentation control, protection of properties on the United States Register of History Places, disposal of refuse and reclamation and revegetation;
- (b) air permitting: stationary sources of air emissions in Georgia are subject to major source air permitting under federal and state law if the source has the potential to emit in excess of certain thresholds. One type of major source air permitting, known as Prevention of Significant Deterioration (PSD) permitting,

is required before commencing the Project if the Project's potential-to-emit will exceed 250 tonnes per year of any non-hazardous regulatory air pollutant. PSD permitting involves complex ambient air quality modeling and demonstrating compliance with certain control technology standards;

- (c) wetlands permitting: under Section 404 of the USA Federal Clean Water Act, a permit from the U.S. Army Corps of Engineers is required prior to the discharge of any dredged or fill material into waters of the United States, including streams and wetlands. Obtaining a permit requires demonstrating, through the application, that impacts to wetlands have been avoided or minimised to the extent practicable for a project, or at least mitigated to the extent such impacts are unavoidable;
- (d) wastewater discharge: mine dewatering water is considered regulated wastewater in Georgia, and permits are generally required in order to discharge it to a surface water body, to apply it via a land application system, or to return it to the subsurface via an injection well;
- (e) endangered and threatened species: Under the USA Endangered Species Act, an incidental take permit from the U.S. Fish and Wildlife Service is required before an entity may cause the death of a federally listed plant or animal species or destroy the habitat of any such species; and
- (f) stormwater discharge: permitting of industrial discharges to stormwater are sometimes required for areas of a mining facility located outside of the active mining area.

## 6.7 Capital Structure

### 6.7.1 Prior to the Offer

The capital structure of the Company at the opening of the Offer is summarised below:

Shares	Number of Shares	Percentage Interest
Shares currently on issue	104,283,563	83%
Consideration Shares issued for the acquisition of PowerLime	18,750,000	15%
Shares to be issued to Directors in lieu of unpaid director fees	2,816,937	2%
<b>Total</b>	<b>125,850,500</b>	<b>100%</b>

Options	Number
Options currently on issue	225,000
Consideration Options to be issued under the Acquisition of PowerLime	6,250,000
Management Options to be issued in relation to the Acquisition of PowerLime	4,687,500
Options to be issued to David Brookes, Chairman	500,000
Options to be issued to the Lead Manager	5,000,000
<b>Total</b>	<b>16,662,500</b>

Notes to the above table: Consideration Shares for the acquisition of PowerLime and Shares issued to Directors in lieu of unpaid directors fees will be issued after the Consolidation occurs. The issue of all new Shares and Options listed above is conditional upon the passing of resolutions at the Company's EGM.

### 6.7.2 On Completion of the Offer

The capital structure of the Company following completion of the Offer is summarised below:

Shareholder	Number of Shares	Percentage Interest
Shareholders of Factor	107,100,500	47%
Shareholders of PowerLime	18,750,000	8%
Shareholders of PowerLime participating under the Offer	40,000,000	18%
Other Participants under the Offer	60,000,000	27%
Total	<b>225,850,500</b>	100%

Options	Number
Options on issue	16,662,500
Options to be issued under the Offer	-
Total	<b>16,662,500</b>

Notes to the above tables:

- the issue of Shares under the Offer is conditional upon the passing of resolutions at the Company's EGM;
- PowerLime Shareholders are not associates; and
- no PowerLime Shareholder will hold greater than 5% of issued capital of the Company following completion of the Offer.

### 6.7.3 PowerLime Shareholders

The table below shows the post-listing holdings of the PowerLime Shareholders.

Name	Shares	Options
Bald Eagle Resources No. 2 Unit Trust	3,822,074	1,274,025
Fremont Sage, LLC	2,912,056	970,685
Randall Fenlon	2,912,056	970,685
DITM Holdings Pty Ltd	2,912,056	970,685
S&P Development Company, LLC	1,821,248	607,083
Landon Woodall	910,624	741,041
Anastasios Arima	910,624	1,303,541
Lamont Leatherman	910,624	741,041
Dominic Allen	910,624	1,303,541
Todd and Donna Ware	728,014	242,671

## 6.8 Substantial Shareholders

As at the date of this Prospectus, the Company has no current notice of any Shareholder holding greater than 5% of issued Securities.

It is not anticipated that, on completion of the Offer, any Shareholder will hold greater than 5% of issued Securities.

## 6.9 Additional Information

Prospective investors are referred to and encouraged to read the Independent Geologist's Report in Section 11 for further details about the geology, location and mineral potential of the Company's Project.

## **6.10 Dividend Policy**

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate, at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

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

## 7. Industry Overview

### 7.1 Overview

Subject to the conditions precedent outlined in Section 5.2, the Company will acquire PowerLime, which has an option to acquire a 361-acre property located in Early County, south Georgia in the USA. As outlined in Section 6.2, the Property has the potential for an advanced high calcium limestone project. The Company intends on using the proceeds from the Offer to develop the Project by undertaking exploratory work which may lead to the eventual commercialisation of the Project through sales of lime products to end users.

### 7.2 Limestone and Lime

Limestone and lime are essential industrial minerals, used in a wide variety of applications globally, including the construction, agricultural, environmental and industrial industries. As of 2020, the global production of lime products (not including limestone) was estimated to be 430 million tonnes, with that in the USA being 16.9 million tonnes (US Geological Survey). Although not specifically reported after 2019, the USA consumption figure is estimated to broadly represent the production figure. There are only limited exports and imports of lime products out of and into the USA.

The term “lime” as used in this section refers to two main products, being:

- (a) quicklime, burnt lime (calcium hydroxide, CaO); and
- (b) hydrated lime (calcium hydroxide, CaOH<sub>2</sub>).

In 2019, hydrated lime comprised only 2.70 million tonnes, or 16% of the total lime market in the USA, with quicklime representing the balance of production after accounting for refractory dead-burnt dolomite representing approximately 200,000 tonnes (1.2% of the market).

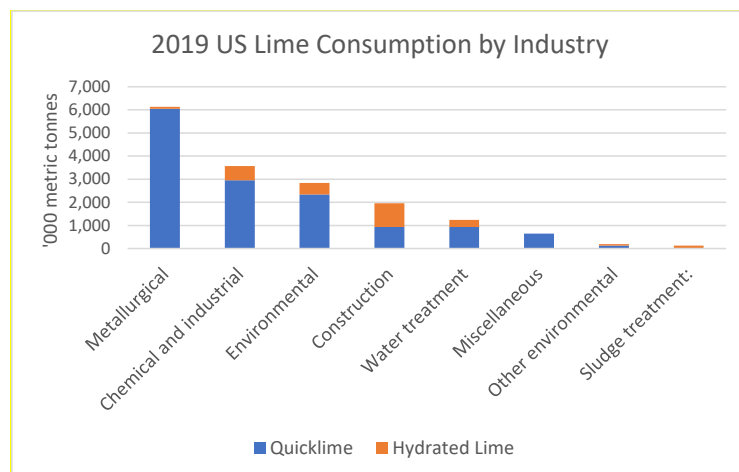
The lime products noted above are produced from the treatment of natural limestone (CaCO<sub>3</sub>), with quicklime being produced through the heating (calcining) of crushed limestone in a kiln at ~1,100°C, and with hydrated lime produced by adding water to quicklime.

Additional oxide and hydroxide lime products are formed through the similar processing of dolomite/dolomitic limestone (magnesian limestone, CaMgCO<sub>3</sub>). These include dead-burnt dolomite as mentioned above, but will not be the focus of PowerLime given the anticipated focus for the Project will be non-dolomitic limestone.

Each of the products have their specific uses and are required, as is the case with most industrial minerals, to meet specifications particular to the intended end use and particular customer. In most applications, high purity (high CaO content) limestone is required, which are the markets that PowerLime is anticipating on targeting, although there are applications for lower quality rock (lower CaO content).

### 7.3 Products, Uses and Markets

USA lime markets (not including limestone) are summarised in the following graphs, including by end use, and then by region. Georgia, along with Florida, Puerto Rico, Virginia and West Virginia, is located in the South Atlantic Region. Alabama, immediately to the west of the Project, is located in the West South Central Region.



## 7.4 Limestone

Natural limestone, which also includes dolomite and marble, is the basis for the lime industry – it can be used in an unprocessed state or can be treated to make downstream lime products.

The more common uses, amongst others, for natural limestone include:

- dimension stone in building (this is the main use of marble);
- aggregate in concrete or asphalt;
- as the active material (along with quicklime) for scrubbing flue gases, for instance in power stations; and
- direct application lime for soil pH control in agriculture.

There are no readily available figures for the natural limestone markets in the USA.

## 7.5 Quicklime<sup>2</sup>

The US Geological Survey (**USGS**) states that most USA production and sales is in the form of high-calcium quicklime, which in 2019 made up ~14.0 million tonnes, or 84% of the lime consumption of 16.9 million tonnes.

The major use of quicklime is in electric arc furnace (**EAF**) and basic oxygen steelmaking (**BOS**), where it is used as a flux and slagging agent, to remove contaminants from the end product – and it is commonly combined with finely ground limestone. In 2019 metallurgical uses (including non-ferrous) comprised 6.041 million tonnes, or 43% of the quicklime market. Only some 0.089 million tonnes of hydrated lime was used in metallurgical applications.

The second largest single market for quicklime in the USA is for flue gas treatment, - the total lime consumption was 2.840 million tonnes in 2019, including, 2.346 million tonnes of quicklime and 0.494 million tonnes of hydrated lime. Lime is commonly combined with ground high purity limestone for this use. This is a market PowerLime intends to target.

PowerLime also intends to target the glass market. The dominant glass type used for flat and blown glass is soda-lime glass, of which quicklime makes up around 10%. USA consumption figures for soda-lime glass are commercial-in-confidence and not published by the USGS. The glass market is part of the overall chemical and industrial markets, which consumed 3.570 million tonnes of total lime products in 2019, including 2.955 million tonnes of quicklime.

## 7.6 Hydrated Lime<sup>3</sup>

Despite the overall smaller market (2.70 million tonnes) than for quicklime, hydrated lime still has several applications in the USA. The largest applications are in construction, consuming 1.020 million tonnes in 2019. This was larger than the construction industry's consumption of 0.940 million tonnes of quicklime in that year. Other uses for hydrated lime include water treatment (0.301 million tonnes), various chemical and industrial (0.615 million tonnes) and flue gas treatment (0.494 million tonnes).

## 7.7 Prices

A key element in the lime industry is proximity to transport infrastructure and markets. The highest single cost in the industry is generally transport with the material being of relatively low value. The USGS (22 July 2020)<sup>4</sup> estimates an average free on-board value at plant of US\$128.60/tonne for quicklime and of US\$154.40/tonne for hydrated lime. Most of these plants are located at captive limestone quarries so there is no cost in transporting the raw materials to the plant.

Given the downstream processing (and in some cases, transport) required, limestone at the quarry gate will be of significantly lower value. Investigations made by PowerLime indicate that delivered prices to various industries in the region of the PowerLime deposit in the order of US\$37 – US\$53/ton delivered, with included transport of up to 240 miles (400 km). The industries examined were those requiring high purity limestone, including glass factories, power stations

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<sup>2</sup> USGS Lime Statistics and Information: [https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science\\_support\\_page\\_related\\_con=0#qt-science\\_support\\_page\\_related\\_con](https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science_support_page_related_con=0#qt-science_support_page_related_con).

<sup>3</sup> USGS Lime Statistics and Information: [https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science\\_support\\_page\\_related\\_con=0#qt-science\\_support\\_page\\_related\\_con](https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science_support_page_related_con=0#qt-science_support_page_related_con).

<sup>4</sup> USGS Lime Statistics and Information: [https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science\\_support\\_page\\_related\\_con=0#qt-science\\_support\\_page\\_related\\_con](https://www.usgs.gov/centers/nmic/lime-statistics-and-information?qt-science_support_page_related_con=0#qt-science_support_page_related_con).

(for use in scrubbers) and agricultural chemical producers. The prices paid by these industries will be negotiated on individual contracts.

USA lime markets are dominated by major producers which generally have considerable bargaining power against any new entrants.

Although no collated price and volume figures are available, given the high cost of transportation relative to the value of the product the price for direct application ground limestone for agricultural purposes depends strongly on proximity of the end user to the limestone quarry. The suppliers of limestone used for direct application agricultural purposes are fragmented and localised due to these factors.

## **8. Risk Factors**

### **8.1 Introduction**

The Company is exposed to a number of key risks related to its specific business operations and potential investors in the Company should be aware that subscribing for Shares exposes investors to these risks. The risk factors outlined in this section and elsewhere in this Prospectus should be carefully considered by investors when evaluating an investment in the Company.

Key risks are risks that the Directors and senior management of the Company focus on when managing the business and which would have the potential, upon occurrence, to significantly affect the Company and the value of investments in it.

The Company is also subject to general risks which are common to all investments in shares and are not specific to the business model and operations of the Company. These include, for example, the volatility of share prices as a result of economic conditions, macroeconomic and fiscal decisions, currency movements and acts of terrorism or war.

The future performance of the Company and the future investment performance of the Shares may be influenced by these risks. Applicants should note that the occurrence or consequences of some of the risks described in this section of the Prospectus are partially or completely outside the control of the Company, its Directors and senior management. Prior to making any decision in respect of applying for Shares under the Offer, Applicants should consider the risk factors applicable to the Company set out in this Section, in addition to their own knowledge and enquiries.

The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of, or that it currently considers to be immaterial, which may affect the Company. You should be aware that applying for Shares under the Offer may result in being exposed to the following risks and uncertainties. To that extent, the Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those Shares may be traded.

### **8.2 Specific Risks**

The Company is transitioning to a resources and exploration company. Resources and exploration, development and mining activities are high-risk undertakings. There can be no assurance that any exploration or development activity in regard to the Project or any tenements or assets that may be acquired in the future, will result in the successful mining of an economic mineral resource. The Company's business, financial condition, results of operations or prospects could also be harmed by risks and uncertainties that are not presently known to the Company or that the Company currently believes are not material. If any of the risks actually occur, the Company's business, financial condition, results of operations and prospects could be materially and adversely affected.

The risk factors listed below are not exhaustive. Therefore it is recommended that potential investors should read this document in its entirety and consult their professional advisers before deciding whether or not to apply for Shares.

The following are just some of the risks identified and of which potential investors need to be made aware of when deciding whether or not to invest in the Company.

The following risks have been identified as being key risks relevant to the Company's business. These risks have the potential to have a significant adverse impact on the Company and may affect the Company's financial position or prospects or the price or value of the Company's Securities.

#### **8.2.1 Exploration Success and Operating and Development Risks**

Exploration activities for industrial minerals such as those proposed to be undertaken by the Company are inherently risky, with a high chance of failure. There can be no guarantee that the Company will identify any resource capable of producing lime products at commercial rates.

The future exploration activities of the Company may be affected by a range of factors including limitations on activities due to geological conditions, technical difficulties, changes in cost structures in the industry, geopolitical factors, seasonal weather patterns, delays in timing of operations, industrial accidents, environmental difficulties, changing regulatory conditions, and many other factors beyond the control of the Board or the Company.

The costs associated with exploration and development of the Project are based on assumptions relating to the methods and timing of exploration. By their nature, these assumptions are subject to significant uncertainties and the actual costs may differ materially from these assumptions. No assurance can be given that any cost estimates or other assumptions regarding costs will reflect actual costs.



### **8.2.2 Commodity price volatility and exchange rate**

It is expected that future revenues of the Company, other than sales of assets, will be derived from the sale of lime products. The demand for, and price of lime is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of product demand, weather conditions, actions taken by governments, and global economic and political developments.

The market price of lime products is volatile and outside the control of the Company. If the price of lime should drop significantly and remain depressed, the economic prospects of the Project could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of lime are discovered, a profitable market may exist for their sale.

Furthermore, the sales prices and contracts of various commodities including lime are likely to be denominated in US dollars. This will have the effect of exposing the Company through its source of revenue generation to fluctuations and volatility of the rate of exchange between the US dollar and the Australian dollar.

### **8.2.3 No History of Production**

The Project is exploration stage only. There is no assurance that commercial quantities of lime will be discovered at the Project, nor is there any assurance that the exploration or development programs of the Company will yield any positive results.

### **8.2.4 Resources Prices**

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from the Company's potential mining activities will initially primarily be derived from the sale of limestone. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any agreements that the Company enters into.

The commodity price is subject to many variables and may fluctuate markedly. These variables include the global demand for, and supply of commodities, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors including general global economic conditions and expectations regarding inflation and interest rates. Fluctuations in the prices of commodities may influence individual projects in which the Company has an interest and the price of the Company's Shares.

Further, commodities are principally sold throughout the world in US dollars, therefore any fluctuations in the exchange rate between Australian and US dollars could adversely affect the Company's financial position, performance and prospects. These factors may have an adverse effect on the Company's projects and activities as well as its ability to finance future projects and activities. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

### **8.2.5 Reliance on Key Personnel**

The Company has a small executive team. Progress in pursuing its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration program develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience in acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant as outlined in this Prospectus.

### **8.2.6 Operational Risks**

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

- (a) failure to locate or identify mineral deposits;
- (b) failure to achieve predicted grades in exploration and mining;
- (c) failure to achieve product quality;
- (d) operational and technical difficulties encountered in mining;
- (e) insufficient or unreliable infrastructure, such as power, water and transport;

- (f) difficulties in commissioning and operating plant and equipment;
- (g) mechanical failure or plant breakdown;
- (h) unanticipated metallurgical problems which may affect extraction costs;
- (i) adverse weather conditions;
- (j) industrial disputes and unexpected shortages;
- (k) delays or unavailability of third-party service providers;
- (l) delays in procuring, or increases in the costs of, consumables, spare parts, and plant and equipment; and
- (m) other incidents beyond the control of the Company.

### **8.2.7 Future Capital Requirements and Expenditure Risks**

The Company currently has no operating revenue. As is typical for exploration companies that do not have cash-generating businesses, the Company's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceeds the estimated cash resources that the Company is expected to have.

There is a risk that expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

There can be no assurance as to the levels of further capital raisings that will be required to meet the aims of the Company to explore and develop the Company's projects or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on the terms acceptable to it. Any additional equity financing will dilute Shareholders. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### **8.2.8 Operational Losses**

The Company has no operational and financial history in the resources area on which to evaluate the business and its prospects. The prospects of the Company following completion of the Offer must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through successful exploration on, or mining development. Until the Company is able to realise value from its assets it will incur operational losses.

### **8.2.9 COVID-19**

The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by government authorities around the world to limit the transmission of the virus, such as travel bans and quarantining may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

## **8.3 Other Company Specific Risks**

### **8.3.1 Nature of Mineral Exploration, Project Development and Mining**

There are a number of risks associated with the mineral exploration activities to be carried out by the Company including:

- (a) the discovery and/or acquisition of economically recoverable mineral resources may not be achieved. Exploration may be unsuccessful, resulting in a reduction of the value of the Company's assets, diminution in the cash reserves of the Company;
- (b) there can be no assurance that the Company will discover significant resources, nor can there be any assurance that any particular level of recovery from such resources or reserves will be realised;
- (c) the Company may face issues in accessing adequate capital for project development and/ or the design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (d) obtaining consents and approvals necessary for the conduct of exploration, development and production;
- (e) reliance on third party operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (f) financial failure, default or contractual noncompliance on the part of such third parties may have a material impact on the Company's operations, financial performance and financial position.

### **8.3.2 Acquisitions and/ or Mergers**

The Company may pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, investments, joint ventures, acquisition of tenements and permits, and/ or direct equity participation. Such investments (whether completed or not) may require the payment of monies after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is undertaken, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new acquisition and business activities will remain.

### **8.3.3 Litigation**

The Company is exposed to possible litigation risks including title claims, tenure disputes, environmental claims, 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. The Company is not currently engaged in any litigation.

### **8.3.4 Environmental Risks - Exploration**

The exploration activities to be undertaken by the Company are subject to environmental laws and regulations. The Company will endeavour to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, the cost and complexity may prevent the Company from being able to develop potentially economically viable mineral deposits. Furthermore, the existence of environmental legislation means that the Company may potentially face a liability risk relating to its activities and/or be restricted from engaging in certain exploration activities due to environmental legislation. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operation.

### **8.3.5 Environmental Risks – Property**

"Hazardous Materials" includes a hazardous substance, pollutant or contaminant, petroleum, natural gas liquids and and/or any other substance regulated because of its effect or potential effect on public health and the environment. In the event of a contamination or spillage of hazardous materials by former owners of the Property, the Company could be exposed to clean-up and/ or other associated remedial actions and costs.

### **8.3.6 Change in Regulation**

Any material changes in government policies, legislation or shifts in political attitude in Australia and/or the US that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company. No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

### **8.3.7 Insurance**

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in respect of a legitimate claim by the Company under an insurance policy.

## **8.4 General Risks**

### **8.4.1 Competition Risk**

The mineral exploration industry in which the Company will be involved following completion of the Offer is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors. Many of the Company's competitors may have access to more substantial resources than the Company and may be able to more efficiently undertake exploration and development activities. The activities or actions of the Company's competitors may adversely affect the financial and operating performance of the Company. Therefore, there can be no assurance that the Company will be able to compete effectively with its competitors.

### **8.4.2 Taxation**

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

### **8.4.3 Force Majeure**

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

### **8.4.4 Highly Speculative Investment**

The above list of risk factors ought not to be taken as being exhaustive of the risks faced by the Company or by prospective investors. 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 being issued 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 Applicants 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.

## 9. Financial Information

### 9.1 Introduction

This Section sets out the Historical Financial Information and the Pro-Forma Financial Information of the Company and the basis for preparation and presentation.

On 17 July 2020, the Company's Shares were suspended from quotation under ASX Listing Rule 17.2. Since that time, the Company has had limited operations. As a result, the Company is not able to disclose any key financial ratios other than the information set out below and the information included in the Investigating Accountant's Report set out in Section 10 of this Prospectus.

### 9.2 Overview of Financial Information

The financial information for the Company contained in this Section 9 includes:

- (a) historical financial information for the Company, being the:
  - (i) reviewed statement of profit or loss and other comprehensive income and statement of cash flows for the six months ended 30 June 2021 (H1 CY21);
  - (ii) reviewed statement of financial position as at 30 June 2021;
  - (iii) audited statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 31 December 2020 (FY2020); and
  - (iv) audited statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 31 December 2019 (FY2019),(together, the **Historical Financial Information**); and
- (b) Pro-forma financial information for the Company, being the:
  - (i) pro-forma statement of financial position as at 30 June 2021 which assumes the acquisition of PowerLime, and completion of the Offer (**Pro-Forma Financial Information**).

The Historical Financial Information and the Pro-Forma Financial Information together form the **Financial Information**.

The Financial Information should be read in conjunction with the risk factors set out in Section 8, the significant accounting policies adopted by the Company set out in Section 9.15, and other information contained in this Prospectus.

Also summarised in this Section are:

- (a) the basis of preparation and presentation of the Financial Information (9.3);
- (b) Historical Financial Information (9.5);
- (c) Pro-Forma Financial Information (9.6);
- (d) Forthcoming changes to Australian Accounting Standards (9.14); and
- (e) Significant accounting policies (9.15).

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagement involving Fundraising and/ or Prospective Financial Information by PKF Brisbane Audit whose Investigating Accountant's Report is contained in Section 10. Investors should note the scope and limitations of that report.

The Company operates on a financial year ending 31 December. All amounts disclosed in Section 9 are presented in Australian dollars. Tables in this Section have not been amended to correct immaterial summation differences that may arise from this rounding convention.

### **9.3 Basis of preparation and presentation of the Financial Information**

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

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

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

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (including the Australian Accounting Interpretations), issued by the Australian Accounting Standards Board and the accounting policies adopted by the Company.

Compliance with Australian Accounting Standards ensures that the Financial Information complies with the recognition and measurement principles of International Financial Reporting Standards (**IFRS**) as adopted by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The significant accounting policies adopted in the preparation of the Financial Information are summarised in Section 9.15 and have been consistently applied by the Company throughout the periods presented and are set out in full in the annual reports of the Company which can be found at [www.factor-therapeutics.com](http://www.factor-therapeutics.com).

### **9.4 Preparation of Historical Financial Information**

The Historical Financial Information has been derived from the audited financial statements of the Company for the 2019 and 2020 financial years and the reviewed financial statements for the half year ended 30 June 2021. The statutory financial statements for the years ended 31 December 2019 and 31 December 2020 have been audited by PKF Brisbane Audit in accordance with Australian Auditing Standards and in respect of which PKF Brisbane Audit issued an unmodified audit opinion in respect of these years. The statutory half year financial statements for the half year ended 30 June 2021 have been reviewed by PKF Brisbane Audit in accordance with Australian Auditing Standards and in respect of which PKF Brisbane Audit issued an unmodified review conclusion for this period.

The financial information for PowerLime has been derived from the audited financial statements of PowerLime for the financial years ended 31 December 2019 and 31 December 2020 audited by Elliot Davis PLLC which issued an unmodified opinion in respect of these years, and extracted from the reviewed financial statements for the six months to 30 June 2021 which have been reviewed by Elliot Davis PLLC which issued an unmodified review conclusion for this period. The financial statements of PowerLime have been prepared under International Financial Reporting Standards.

Investors should note that the past results do not guarantee future performance.

## 9.5 Historical Financial Information

### 9.5.1 Statement of profit or loss and other comprehensive income

The table below sets out the Company's statement of profit or loss and other comprehensive income for the year ended 31 December 2019, year ended 31 December 2020 and for the half year ended 30 June 2021.

	6 months to 30 Jun 2021 \$	12 months to 31 Dec 2020 \$	12 months to 31 Dec 2019 \$
<b>Continuing operations</b>			
Interest received	-	5,199	6,018
R&D tax rebate	1,513	667,611	2,488,791
Total revenue	1,513	672,810	2,494,809
Other income	-	21,528	39,321
 R&D and IP (expenses)/ income	51,936	187,409	(81,201)
Employee benefits expense	(111,257)	(176,219)	(135,677)
Consultants	(22,973)	(178,367)	(327,581)
Administration expenses	(103,722)	(237,248)	(277,314)
Share based payment expense	-	(1,874)	(15,074)
Depreciation	-	-	(3,665)
Gains/(Losses) on foreign exchange	(335)	(6,048)	(25,073)
Profit(Loss) before income tax	(184,503)	281,991	1,668,545
Income tax expense	-	-	-
Net profit(loss) from continuing operations	(184,503)	281,991	1,668,545
 <b>Other comprehensive income</b>	-	-	-
Total comprehensive income for the period	(184,503)	281,991	1,668,545
 Net profit(loss) attributable to members of the Company	(184,503)	281,991	1,668,545
Total comprehensive income attributable to members of the Company	(184,503)	281,991	1,668,545

### 9.5.2 Statement of cash flows

The table below sets out the Company's statement of cash flows for the year ended 31 December 2019, year ended 31 December 2020 and for the half year ended 30 June 2021.

	6 months to 30 Jun 2021 \$	12 months to 31 Dec 2020 \$	12 months to 31 Dec 2019 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Rental income received	-	-	16,212
Government grants	(94,195)	21,528	36,741
Payments to suppliers and employees	1,513	(492,667)	(2,523,167)
Payment of preliminary transaction costs (Longmile)	-	(35,010)	-
Interest received	-	5,199	7,705
R&D tax rebate received	(92,682)	667,611	2,488,791
Income tax received (paid)	-	-	-
Net cash provided by/(used in) operating activities	(94,195)	166,661	26,282
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for investments - PowerLime	(29,793)	-	-
Net cash provided by/(used in) investing activities	(29,793)	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	-	-	417,000
Costs of share issue	-	-	(25,646)
Net cash provided by/(used in) financing activities	-	-	391,354
Net increase / (decrease) in cash held	(122,475)	166,661	417,636
Cash and cash equivalents at beginning of year	3,199,739	3,038,810	2,610,991
Effects of exchange rate fluctuations on cash and cash equivalents	(54)	(5,732)	10,183
<b>Cash and cash equivalents at end of year</b>	<b>3,077,210</b>	<b>3,199,739</b>	<b>3,038,810</b>



## 9.6 Pro-Forma Financial Information

The pro-forma statement of financial position as at 30 June 2021 set out below is derived from the historical statement of financial position of the Company as at 30 June 2021, adjusted to reflect the acquisition of PowerLime and the impact of the Offer.

The pro-forma statement of financial position is provided for illustrative purposes and is not represented as being necessarily indicative of the Company's view of its statement of financial position upon completion of the Offer or at a future date. Further information on the sources and uses of the funds of the Offer is contained in Section 4.6.

	Reviewed 30-Jun-21 \$	Payment of deferred director fees as at 30 August 2021 \$	Acquisition of PowerLime \$	Offer \$	Proforma 30-Jun-21 \$
<b>Current Assets</b>					
Cash and cash equivalents	3,077,210	-	(406,338)	4,000,000	6,670,872
Trade and other receivables	3,529	-	-	-	3,529
Other current assets	13,183	-	-	-	13,183
<b>Total Current Assets</b>	<b>3,093,922</b>	<b>-</b>	<b>(406,338)</b>	<b>4,000,000</b>	<b>6,687,584</b>
<b>Non-Current Assets</b>					
Other non-current assets	49,793	-	1,340,544	-	1,390,337
<b>Total Non-Current Assets</b>	<b>49,793</b>	<b>-</b>	<b>1,340,544</b>	<b>-</b>	<b>1,390,337</b>
<b>Total Assets</b>	<b>3,143,715</b>	<b>-</b>	<b>934,206</b>	<b>4,000,000</b>	<b>8,077,921</b>
<b>Current Liabilities</b>					
Trade and other payables	155,938	(105,256)	-	460,950	511,632
<b>Total Current Liabilities</b>	<b>155,938</b>	<b>(105,256)</b>	<b>-</b>	<b>460,950</b>	<b>511,632</b>
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	-	-	-	-	-
Long-term provisions	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>155,938</b>	<b>(105,256)</b>	<b>-</b>	<b>460,950</b>	<b>511,632</b>
<b>Net Assets</b>	<b>2,987,777</b>	<b>105,256</b>	<b>934,206</b>	<b>3,539,050</b>	<b>7,566,289</b>
<b>Equity</b>					
Issued Capital	84,213,601	112,677	750,000	3,628,565	88,704,843
Reserves	59,338	-	184,206	25,804	269,348
Accumulated Losses	(81,285,162)	(7,421)	-	(115,319)	(81,407,902)
<b>Total Equity</b>	<b>2,987,777</b>	<b>105,256</b>	<b>934,206</b>	<b>3,539,050</b>	<b>7,566,290</b>

## 9.7 Description of pro forma adjustments

The pro-forma statement of financial position has been derived from the historical statement of financial position as at 30 June 2021, after reflecting the Directors' pro-forma adjustments for events as if the events had occurred at 30 June 2021. The following pro-forma adjustments have been made to the statement of financial position at 30 June 2021 in relation to events and other transactions which are proposed to occur following the Company's EGM and/ or immediately before or on completion of the Offer:

- (a) the issue of 2,816,937 Shares to Directors or former Directors at an issue price of \$0.04 per Share, to satisfy Director fees owing of \$112,677 as at 30 August 2021;
- (b) the settlement of the Acquisition through the Company acquiring 100% of PowerLime shares in consideration for the issue of shares and options equivalent to the value of the PowerLime assets acquired. The shareholders of PowerLime will be issued 18,750,000 Consideration Shares (at \$0.04 per Share representing an acquisition value of \$750,000) and 6,250,000 Consideration Options. The Consideration Options have been valued at \$0.014 per option (using Black-Scholes option pricing methodology) and have been recorded as an increase to Option reserve in equity for \$86,559;
- (c) the Directors have determined that the Acquisition does not meet the definition of a business combination under AASB 3 *Business Combinations*. Therefore, the transaction has been accounted for as an asset acquisition. Under the asset acquisition accounting policy adopted, the cost of the Acquisition, including certain transaction costs, are allocated to the assets acquired on the basis of relative fair values;
- (d) the cost of the Acquisition includes the issue of 4,687,500 Management Options, 500,000 Brookes Options and 2,500,000 Taylor Collison Options. All options have an exercise price of \$0.12 and vest immediately on issuance. The Management Options and Brookes Options have been valued at \$0.014 per option (using Black-Scholes option pricing methodology). The Taylor Collison Options have been valued at \$0.010 per option (using Black-Scholes option pricing methodology). The issue of these options is recorded as an increase to Option Reserve in equity for \$97,648; and
- (e) the issue of 100,000,000 new Shares at a price of \$0.04 per share to raise \$4,000,000 (before costs and expenses). The total costs related to the Offer of \$486,754 is inclusive of share based payments of \$25,804. Of the total costs related to the Offer, \$115,319 has been expensed to increase Accumulated Losses. \$371,435 has been recorded as share issue costs.

## 9.8 Contributed equity

The pro-forma capital structure of the Company is set out below, reflecting the issued and paid up capital structure of the Company before and following the completion of the Offer. It is calculated assuming that the Company completes the Offer on the terms set out in this Prospectus and that no further Securities are issued or Options are exercised. On admission, the Company's capital structure will be as follows:

	Note	Shares	Issue Price \$	Contributed Equity \$	Options Number
At 30 June 2021		104,283,563		84,272,939	225,000
Consideration Shares	1	18,750,000	0.04	750,000	
Consideration Options	1			86,559	6,250,000
Management Options	2			64,919	4,687,500
Brookes Options	2			6,925	500,000
Taylor Collison Options	2			25,804	2,500,000
Shares issued under the Offer	3	100,000,000	0.04	4,000,000	
Costs of the issue of shares	4			(371,435)	
Taylor Collison Options	5			25,804	2,500,000
Payment of unpaid Director fees	6	2,816,937	0.04	112,677	
Balance Pro-forma		225,850,500		88,974,191	16,662,500

- Under the terms of the acquisition of PowerLime the Company will issue 18,750,000 Consideration Shares at A\$0.04 per share (representing an acquisition value of A\$750,000) and 6,250,000 Consideration Options.
- The cost of the acquisition of PowerLime includes the issue of 4,687,500 Management Options; 500,000 Brookes Options and 2,500,000 Taylor Collison Options.
- The issue of 100,000,000 new shares in the Company at a price of \$0.04 per share to raise \$4,000,000.
- The total costs related to the Offer of \$486,754 is inclusive of share based payments of \$25,804. Of the total costs related to the Offer \$115,319 has been expensed to increase Accumulated Losses. \$371,435 has been recorded as share issue costs.
- The total costs related to the Offer includes the issue of 2,500,000 Taylor Collison Options with an exercise price of of \$0.12 which vest immediately on issue (but are subject to mandatory restriction for 24 months from issue).
- The issue of 2,816,937 Shares to directors or former directors at an issue price of \$0.04 per Share, to satisfy Director fees owing of \$112,677.

## 9.9 Option valuation

Options Valuations Summary	Consideration Options	Management Options	Brookes Options	Taylor Collison Options
Number of instruments	6,250,000	4,687,500	500,000	5,000,000
Underlying share price (\$)	0.04	0.04	0.04	0.04
Exercise price (\$)	0.12	0.12	0.12	0.12
Expected volatility	78.76%	78.76%	78.76%	78.76%
Life of Options (years)	4	4	4	3
Expected dividends	nil	nil	nil	nil
Risk Free rate	2.00%	2.00%	2.00%	2.00%
Value per instrument (\$)	0.014	0.014	0.014	0.010
Value per tranche (\$)	<b>\$86,559</b>	<b>\$64,919</b>	<b>\$6,925</b>	<b>\$51,608</b>

## 9.10 Reconciliation of cash

	Pro-forma \$
Cash as at 30 June 2021	3,077,210
Cash from acquisition of PowerLime	20,412
Cash acquisition costs of Powerlime	(426,750)
Cash raised from new Shares Issued under the Prospectus	4,000,000
	<hr/> 6,670,872 <hr/>

## 9.11 Acquisition of PowerLime

On 26 July 2021, the Company announced it had entered into a conditional Share Purchase Agreement, with PowerLime and the PowerLime shareholders, to acquire all issued shares in PowerLime. PowerLime holds an option dated 26 October 2019 to acquire a land parcel located in Early County, south Georgia, to explore and develop an advanced high calcium limestone project. The Directors have determined that the acquisition of PowerLime represents an asset acquisition and not a business combination due to the fact that PowerLime is not an operational business and that its material assets consist only of the option to acquire the land parcel. The Option Agreement provides that the current owner of the Property will be entitled to receive a low single-digit production royalty from the sale of any natural or mineral materials from the Property. The cost of the transaction has been measured at the fair value of the consideration transferred in accordance with AASB 13 *Fair Value Measurements*. In determining the fair value of the consideration transferred the deferred consideration on the royalty payments has not been included due to the level of contingency associated with these payments. Once the cost of the transaction was determined, it was allocated to the individual assets acquired based on their relative fair values as per below:

Purchase consideration	At Acquisition \$
Fair value of 187,500,000 FTT shares issued	750,000
Fair value of 62,500,000 Consideration Options issued	86,559
Fair value of 46,875,000 Management Options issued	64,919
Fair value of 5,000,000 Brookes Options issued	6,925
Fair value of 25,000,000 Taylor Collison Options issued	25,804
Transaction costs less cash acquired	406,338
	<hr/> 1,340,544

Allocation to Assets Acquired	\$
Intangible - Option to acquire land parcel	<hr/> 1,340,544
	<hr/> 1,340,544

## 9.12 Contingent liabilities and Commitments

PowerLime holds an option dated 26 October 2019 to purchase for US\$1,500,000, a land parcel located in Early County, South Georgia, USA to explore and develop an advanced high calcium limestone project. The option expires on 26 January 2022.

At 31 December 2020, the Company disclosed that it had \$18,853,011 of deferred tax assets not yet brought to account. This represents the effect of tax losses that have been recognised cumulatively since establishment. Should the PowerLime transaction be finalised, it is unlikely that the Company will continue to have access to those tax losses. Continued access would be dependent upon the Company satisfying strict requirements with respect to continuity of ownership or the same business test imposed by income tax legislation.

The Option Agreement provides that the current owner of the Property will be entitled to receive a low single-digit production royalty from the sale of any natural or mineral materials from the Property. At the date of this Prospectus the nature and/or scale of natural or mineral materials at the Property is not known. Therefore no actual liability or commitment is currently recorded.

Directors are not aware of any other contingent assets or liabilities that are likely to have a material effect on the results of the Company as disclosed in the Financial Information.

## 9.13 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Interest of Directors: details of remuneration and interests held by Directors are provided in Section 14.5 of this Prospectus.

## **9.14 Forthcoming changes to Australian Accounting Standards**

The Company has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

## **9.15 Significant accounting policies**

### **9.15.1 Background**

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied, unless otherwise stated. The Financial Information is presented for the Company and has been prepared in accordance with the recognition and measurement requirements of the Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The Financial Information has been prepared under the historical cost convention. All amounts are presented in Australian dollars.

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed accordingly.

### **9.15.2 Key judgements - Acquisition of PowerLime**

The Directors have determined that the acquisition of PowerLime does not meet the definition of a business combination under AASB 3 Business Combinations. It was assessed that there was an absence of an integrated set of activities and assets that was capable of being conducted and managed for the purpose of providing a return. Therefore, the transaction has been accounted for as an asset acquisition. Accordingly, no additional intangible assets (including any goodwill) have been recognised on completion of the Acquisition, Acquisition costs have been capitalised and deferred tax assets have not been recognised.

The following specific accounting policies have been adopted in the preparation of the historical statement of financial position and pro-forma statements of financial position. Unless otherwise stated, the accounting policies adopted are consistent with the accounting policies adopted for the preparation of the financial report of the Company for the half year ended 30 June 2021.

### **9.15.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

### **9.15.4 Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **9.15.5 Intangibles - licenses, patents and intellectual property**

Licenses and patents are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Licenses and patents are amortised over their useful life, which has been assessed as ten years from the date the intangible asset is in its intended use.

### **9.15.6 Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

### **9.15.7 Revenue recognition**

Revenues are recognised at fair value of the consideration received net of any applicable taxes.

Government grants including research and development grants are recognised at fair value when there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating

to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis. All revenue is stated net of the amount of goods and services tax.

#### **9.15.8 Research and development expenditure**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The Company has adopted the profit and loss approach to accounting for research and development tax offsets under the revised regime, pursuant to AASB 120 Accounting for Government Grant and Disclosure of Government Assistance. Under this approach the grant or incentive is recorded as part of revenue in the profit and loss.

#### **9.15.9 Trade and other payables**

Trade and other payables represent the liabilities for goods and services received by the Company and its related bodies corporate that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of liability.

#### **9.15.10 Issued capital**

Shares are classified as equity. Incremental costs directly attributable to the issue of new Shares or Options are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the issue of new Shares or Options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new Shares or Options associated with the acquisition of a business are included as part of the purchase consideration.

#### **9.15.11 Goods and Services Tax (GST) and similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the financial information.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### **9.15.12 Share-based payments**

The Company measures the cost of equity-settled transactions with other parties by reference to the fair value of the goods or services received. Where the fair value of the goods or services cannot be reliably determined, or where the goods or services cannot be identified, the Company measures the cost of the transaction by reference to the fair value of the equity instruments granted.

#### **9.15.13 Critical accounting judgements estimates and assumptions**

The Directors evaluate estimates and judgments incorporated into the Financial Information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

## 10. Independent Limited Assurance Report

PKF Brisbane Audit



27 August 2021

The Board of Directors  
Factor Therapeutics Limited  
c/- Company Matters Pty Ltd  
Level 21, 10 Eagle Street  
Brisbane QLD 4000

Dear Directors

### INVESTIGATING ACCOUNTANT'S REPORT

#### INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

##### Introduction

The directors of Factor Therapeutics Limited ("FTT" or "the Company") have engaged PKF Brisbane Audit ("PKF") to prepare an Independent Limited Assurance Report on the Financial Information as set out below for inclusion in the Prospectus to be dated on or about 27 August 2021 ("the Prospectus") relating to the issue of 100,000,000 new fully paid ordinary shares in the Company (post consolidation) at the Offer Price of \$0.04 per Share to raise \$4,000,000 (before costs and expenses) (the "Offer").

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

##### Scope

You have requested PKF to review the following Financial Information of FTT included in Section 9.0 of the Prospectus:

*Historical Financial Information* consisting of:

- Historical Statement of Financial Performance of Factor Therapeutics Limited for the years ended 31 December 2019 and 31 December 2020 and for the half year ended 30 June 2021;
- Historical Statement of Cash Flows for the years ended 31 December 2019 and 31 December 2020 and for the half year ended 30 June 2021; and
- Historical Statement of Financial Position as at 30 June 2021.

*Pro Forma Financial Information* consisting of:

- the Pro-forma Statement of Financial Position as at 30 June 2021; and
- the associated details of the pro forma adjustments.

PKF Brisbane Audit ABN 33 873 151 348

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Brisbane | Rockhampton [www.pkf.com.au](http://www.pkf.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.



The Historical Financial Information has been derived from the audited financial statements of Factor Therapeutics Limited for the 2019 and 2020 financial years; and the reviewed financial statements for the half year ended 30 June 2021. The financial statements of the Company for the years ended 31 December 2019 and 31 December 2020 have been audited by PKF Brisbane Audit in accordance with Australian Auditing Standards and who issued an unmodified audit opinion in respect of these years. The Historical Statement of Financial Position for the half year ended 30 June 2021 has been reviewed by PKF Brisbane Audit in accordance with Australian Auditing Standards and who issued an unmodified review conclusion for this period.

The financial information for PowerLime, Inc.(PowerLime) included in the Pro-forma Statement of Financial Position as at 30 June 2021 has been derived from the financial statements of PowerLime for the financial years ended 31 December 2019 and 31 December 2020 audited by Elliot Davis PLLC which issued an unmodified opinion in respect of these years; and extracted from the financial statements for the six months to 30 June 2021 which has been reviewed by Elliot Davis PLLC which issued an unmodified review conclusion for this period. The financial statements of PowerLime, Inc. have been prepared under International Financial Reporting Standards.

The Pro-forma Statement of Financial Position has been derived from the Historical Statement of Financial Position as at 30 June 2021, after reflecting the Directors' pro forma adjustments for the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offer, as if they had occurred at 30 June 2021. The following pro forma adjustments have been made in relation to events subsequent to 30 June 2021:

- (a) the issue of 2,816,937 Shares to Directors or former Directors at an issue price of \$0.04 per Share, to satisfy Director fees owing of \$112,677 as at 30 August 2021;
- (b) the settlement of the Acquisition through the Company acquiring 100% of PowerLime shares in consideration for the issue of shares and options equivalent to the value of the PowerLime assets acquired. The shareholders of PowerLime will be issued 18,750,000 Consideration Shares (at \$0.04 per Share representing an acquisition value of \$750,000) and 6,250,000 Consideration Options. The Consideration Options have been valued at \$0.014 per option (using Black-Scholes option pricing methodology) and have been recorded as an increase to Option reserve in equity for \$86,559;  
  
the Directors have determined that the Acquisition does not meet the definition of a business combination under AASB 3 *Business Combinations*. Therefore, the transaction has been accounted for as an asset acquisition. Under the asset acquisition accounting policy adopted, the cost of the Acquisition, including certain transaction costs, are allocated to the assets acquired on the basis of relative fair values.  
  
The cost of the Acquisition includes the issue of 4,687,500 Management Options, 500,000 Brookes Options and 2,500,000 Taylor Collison Options. All options have an exercise price of \$0.12 and vest immediately on issuance. The Management Options and Brookes Options have been valued at \$0.014 per option (using Black-Scholes option pricing methodology). The Taylor Collison Options have been valued at \$0.010 per option (using Black-Scholes option pricing methodology). The issue of these options is recorded as an increase to Option Reserve in equity for \$97,648; and
- (c) the issue of 100,000,000 new Shares at a price of \$0.04 per share to raise \$4,000,000 (before costs and expenses). The total costs related to the Offer of \$486,754 is inclusive of share based payments of \$25,804. Of the total costs related to the Offer, \$115,319 has been expensed to increase Accumulated Losses. \$371,435 has been recorded as share issue costs.

Due to its nature, the Pro-forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other mandatory professional reporting requirements in Australia, and the significant accounting policies summarised in Section 9.3 of the prospectus.

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

#### **Directors' Responsibility**

The Directors of the Company are responsible for the preparation of the Financial Information, including the basis of preparation, the selection and determination of Pro-forma adjustments made to prepare the Pro-forma Financial Information and included in the Financial Information.

This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

#### **Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we 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 Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit report on any financial information used as a source of the financial information.

#### **Conclusions**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Financial Information of the Company as described in Section 9.0 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 9.03 and significant accounting policies as described in Section 9.15 of the Prospectus.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus. Accordingly, prospective investors should have regard to the risk factors as described in Section 8.0 of the Prospectus. We express no opinion as to the future financial performance of the Company.

We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company have been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

#### **Restrictions on Use**

Without modifying our conclusions, we draw attention to Section 9.0 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.



#### **Consent**

PKF Brisbane Audit 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 PKF Brisbane Audit is limited to the inclusion of this report in the Prospectus. PKF Brisbane Audit makes no representation regarding, and has no liability, for any other statements or other material in, or omission from the Prospectus.

#### **Independence and Disclosure of Interest**

PKF Brisbane Audit 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. PKF Brisbane Audit will receive a professional fee for the preparation of this Independent Limited Assurance Report and participation in due diligence procedures.

Yours faithfully

**PKF BRISBANE AUDIT**

A handwritten signature in black ink, appearing to read 'Liam Murphy', is positioned above the printed name.

**Liam Murphy**  
**Partner**

## 11. Independent Geologist Report



**Factor Therapeutics Limited  
Independent Technical Assessment  
Report of PowerLime's Assets  
Early County, Southwest Georgia, USA**

*July 2021*

**Prepared by**

Marshall Miller & Associates  
582 Industrial Park Road  
Bluefield, Virginia 24605-9364  
[www.mma1.com](http://www.mma1.com)

**Prepared for**

Factor Therapeutics Limited  
179 Turbot Street, Level 19  
Brisbane, QLD 4000 Australia



## Statement of Use and Preparation

This Independent Technical Assessment Report (ITAR) was completed for use in a prospectus prepared for the purpose of enabling **Factor Therapeutics Limited** (the "Company", to be renamed **Dominion Minerals Limited**) to seek reinstatement to official quotation of the Company's shares on the Australian Securities Exchange (ASX) and to undertake a \$4,000,000 capital raising at an offer price of \$0.04 per share. The report provides a statement of **PowerLime, Inc.'s (PowerLime)** assets and limestone resources.

The information in this report that relates to the ITAR reflects information compiled and conclusions derived by Kevin Andrews, CPG, Scott Peterson, CPG, Julia Rundle and Chris Scott, none of whom are permanent employees of the Commissioning Entity. The aforementioned individuals have sufficient experience relevant to the statement of assets under consideration and to the activity which they are undertaking, and hereby consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Marshall Miller & Associates, Inc. (MM&A)** hereby consents to the use of the information contained in this Independent Technical Assessment Report dated July 15, 2021, relating to the assets of PowerLime, Inc. in Early County, southwestern Georgia, USA.

This report was prepared by:

### **MARSHALL MILLER & ASSOCIATES, INC.**

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Julia Dare Walker Rundle  
Senior Geologist  
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## Acknowledgments

Special acknowledgment is due the following entities whose contributions facilitated completion of the Independent Technical Assessment Report of **PowerLime's** assets in Early County, southwestern Georgia, USA:

PowerLime staff who responded to many inquiries from MM&A regarding all aspects of the project and property.

## Biographical Information for Independent Technical Report Authors

- > Kevin Andrews, CPG, has 20 years of experience in the mining industry and holds Master of Science degrees in both Geology from West Virginia University and Mining Engineering from the Virginia Polytechnic Institute & State University. He is a Certified Professional Geologist (CPG) and a registered member of the Society of Mining, Metallurgy, and Exploration (SME), and is actively involved with the MM&A's mining business both domestically and internationally.
- > Scott Peterson, CPG, has 37 years of experience has focused on geological and production aspects of various minerals including coal, precious and base minerals, and speciality minerals throughout the USA. Scott is a Certified Professional Geologist (CPG) and prior to joining MM&A in 2021, he held positions of Director Engineering and Director of Geology with Contura Energy and Alpha Natural Resources.
- > Chris Scott, has over 35 years of experience in open pit mine design and operations management. His experience has been related to not only mine design, but also acquisitions of mines, greenfield site startup, feasibility studies, zoning permitting, mine permit, roadway relocation, erosion & sediment control, berm & buffer design, topographic mapping, pit dewatering, drilling & blasting training, stripping bid packages, and mobile equipment sizing & utilization. Mr. Scott is proficient with Autocad Civil 3D, Q-Pit, FPC, and Fleet Study software.
- > Julia Rundle, has 10 years of experience in the oil and gas industry, holds Bachelor of Science degrees in both Geology and Archaeology from Radford University, and a Master of Science in Geology from West Virginia University. Julia is a registered member of the American Association of Petroleum Geologists (AAPG) and Society of Petroleum Engineers (SPE). Prior to joining MM&A in 2021, Julia held positions with El Paso Exploration & Production/EP Energy Corporation and SilverBow Resources in Houston, Texas, USA.





## Glossary of Abbreviations and Definitions

Abbreviation	Definition
AAPG	American Association of Petroleum Geologists
Ag-Lime	Agricultural Lime
Al <sub>2</sub> O <sub>3</sub>	Aluminum Oxide
Apparent SG	Apparent Specific Gravity
ASTM	American Society for Testing and Materials
ASX	Australian Securities Exchange
Bulk Dry SG	Bulk Dry Specific Gravity
Bulk SSD	Bulk Saturate-Surface-Dry Specific Gravity
C127	Density Relative Density (Specific Gravity), and Absorption of Coarse Aggregate
C1271	X-ray Spectrometric Analysis of Lime and Limestone
C131	Resistance to Degradation of Small-Size Coarse Aggregate by Abrasion and Impact in the Los Angeles Machine
C25	Chemical Analysis of Limestone, Quicklime, and Hydrated Lime
Ca %	Calcium
CaCO <sub>3</sub> %	Calcium Carbonate
CaO %	Calcium Oxide
CPG	Certified Professional Geologist
Cr203 %	Chromium Oxide
EPA	United States Environmental Protection Agency
Factor	Factor Therapeutics Limited
Fe <sub>2</sub> O <sub>3</sub> %	Iron Oxide
ITAR	Independent Technical Assessment Report
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves
K <sub>2</sub> O %	Potassium Oxide
LOI %	Loss of Ignition
Mg %	Magnesium
MgCO <sub>3</sub> %	Magnesium Carbonate
MgO%	Magnesium Oxide
MM&A	Marshall Miller and Associates
Mn %	Manganese
MnO%	Manganese Oxide
Na <sub>2</sub> O %	Sodium Oxide
Q1	First Quarter
Q4	Fourth Quarter
P205%	Phosphorus Pentoxide
PE	Professional Engineer
PLS	Pulverized Limestone
PowerLime	PowerLime, Inc.
S %	Sulfur
Si %	Silica
SiO <sub>2</sub> %	Silicon Dioxide
SME	Society of Mining, Metallurgy, and Exploration
SPE	Society of Petroleum Engineers
USA	United States of America



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# 1 Introduction

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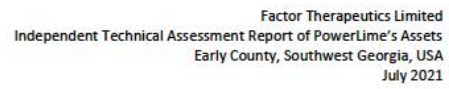
## 1.1 Scope of Assignment

**Marshall Miller & Associates, Inc. (MM&A)**, a geology and engineering consulting firm, prepared an Independent Technical Assessment Report (ITAR) for use in a prospectus for the purpose of enabling **Factor Therapeutics Limited** (the "Company", to be renamed **Dominion Minerals Limited**) to seek reinstatement to official quotation of the Company's shares on the Australian Securities Exchange (ASX) and to undertake a \$4,000,000 capital raising at an offer price of \$0.04 per share. The funds raised will be used for the purpose of exploration and evaluation of **PowerLime, Inc.'s (PowerLime)** assets in Early County, southwestern Georgia, USA (*the Property*).

PowerLime holds an option to purchase 361 acres of surface and subsurface mineral rights in Early County, southwestern Georgia, USA (*Figure 1-1*). The option agreement is made between one optionor and PowerLime and will continue through January 26, 2022.

This project was a desktop exercise and did not include a site visit. For the Independent Technical Assessment Report (ITAR), the following tasks were to be completed:

- > Locate and describe the Property considered to be prospective for the development of an advanced, high-calcium limestone project;
- > Describe the regional geologic setting;
- > Describe the lithology, thickness, and palaeontologic characters of the formation of interest;
- > List potential economic uses for commercial grade limestone;
- > Report initial exploration drilling and laboratory analysis of exploration results;
- > Summarize exploration and development plans for the subject property;



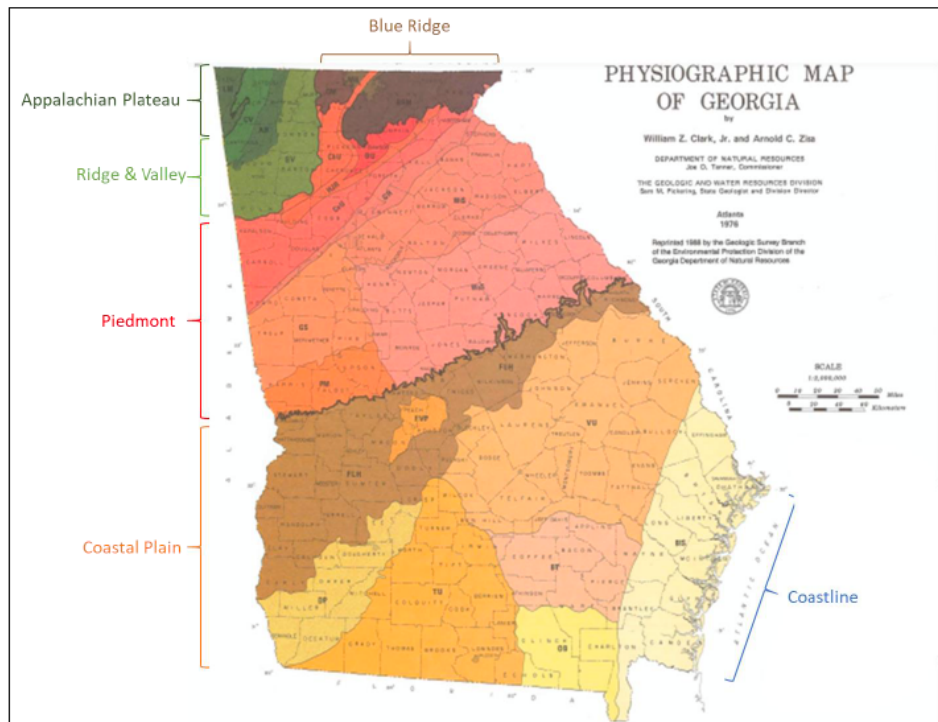
This map of Early County, Georgia, illustrates the Norfolk Southern Railroad's route through the region. The railroad is shown as a green line with cross-ticks, running from the northwest towards the southeast. A red-shaded area on the map indicates a specific segment of the railroad. The map also features several creeks, including Millpond Branch, Breastworks Branch, Baptist Branch, Dry Creek, Blue Creek, and Wamblee Creek, as well as lakes such as Lake Kolomoki, Lake Yohola, Lake Loutse, and Lake Murtice. Major roads like US Highway 27 and US Highway 64 are marked with their respective shields. A legend in the bottom left corner identifies the railroad symbol, and a scale bar at the bottom indicates distances in miles. A north arrow is located in the bottom right corner.

## 2 Geologic Structure and Depositional Environment

There are multiple theories pertaining to the structural features in southwestern Georgia which contribute to the geology of the subject property. The various interpretations are related to factors that make geologic observations difficult. Most of the rock outcrops are heavily weathered and large areas are blanked by residuum. Another difficulty in interpreting regional geology is related to the extensive solution of carbonate rocks.

The coastal plain province in southwestern Georgia (*Figure 2-1*) has been a major area of groundwater recharge and the movement of groundwater has resulted in a high degree of dissolved carbonate rocks. All the Oligocene rocks have been removed by this dissolution over a large area, leaving late Eocene sediments overlain by a blanket of residuum (*Figure 2-2*). Rocks in this region have been mapped as the Eocene surrounded by Oligocene, giving the false indication of a structural high. Early interpretations named this false structural high the Chattahoochee Anticline.<sup>1</sup>

**Figure 2-1: Physiographic Map of Georgia**

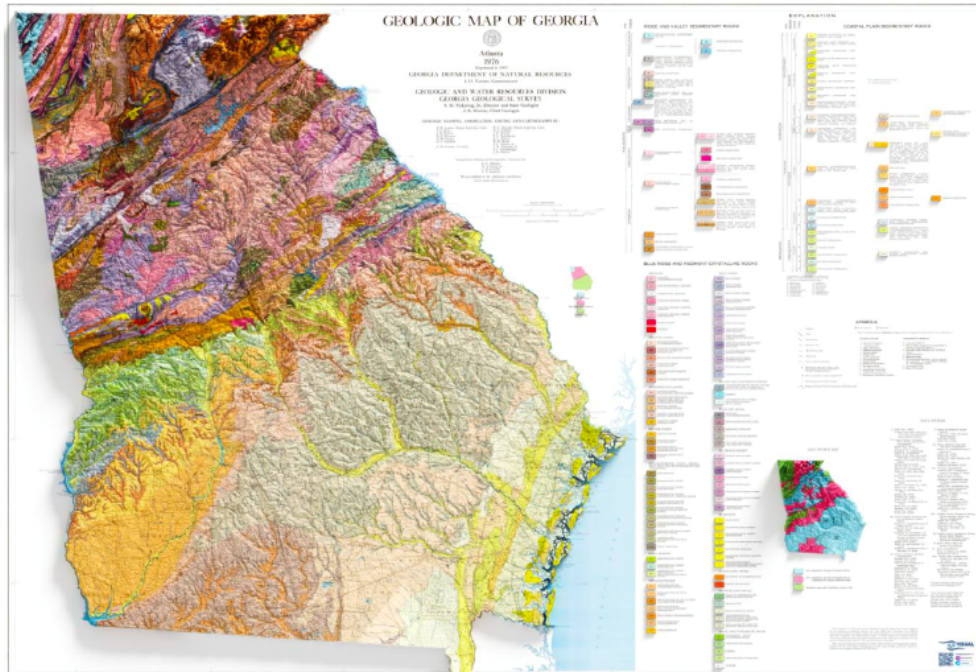


Note: Modified after Clark, W.Z. and Arnold, C.Z., 1976, Physiographic Map of Georgia.

<sup>1</sup> Patterson, S.H. and Herrick S.M., 1975, Chatahoochee Anticline, Apalachicola Embayment, Gulf Trough, and Related Structural Features, Southwestern-Georgia, Fact or Fiction.



**Figure 2-2: Geologic Map of Georgia**



Note: Ocala Limestone deposits (color-coded orange) are generally covered with Oligocene and Eocene residuum (Modified after Pickering, Jr., S.M. and Murray, J.B., 1976, Geologic Map of Georgia).

Large and small foraminifera have been observed in the upper Eocene strata of the Ocala Limestone. Foraminifera are single-celled planktonic marine animals with a hard calcium carbonate ( $\text{CaCO}_3$ ) shell. They live in the nutrient-rich photic zone within the middle to outer shelf marine environments.<sup>2</sup> The presence of foraminifera indicate that the depositional environment of the Ocala Limestone was a shallow water marine environment.<sup>3</sup> In Georgia, the Ocala Limestone consists primarily of mudstones, packstones, and dolostones, which further indicate a low and high-energy depositional environment with grain-producing organisms.<sup>4</sup>

### 3 Description of Property

PowerLime holds an option to acquire 361 acres of surface and mineral rights in Early County, southwestern Georgia, USA to explore and develop an advanced high-calcium limestone project (Figure 3-1). The site is approximately four miles to the northeast of Blakely, Georgia, and about one mile to the southwest of Bancroft, Georgia (Figure 3-2). The property has excellent access to

<sup>2</sup> Bryan, J.R., 2008, Larger Benthic Foraminiferal Biofacies of the Ocala Limestone.

<sup>3</sup> Wilson, J.L., 1975, Carbonate Facies in Geologic History.

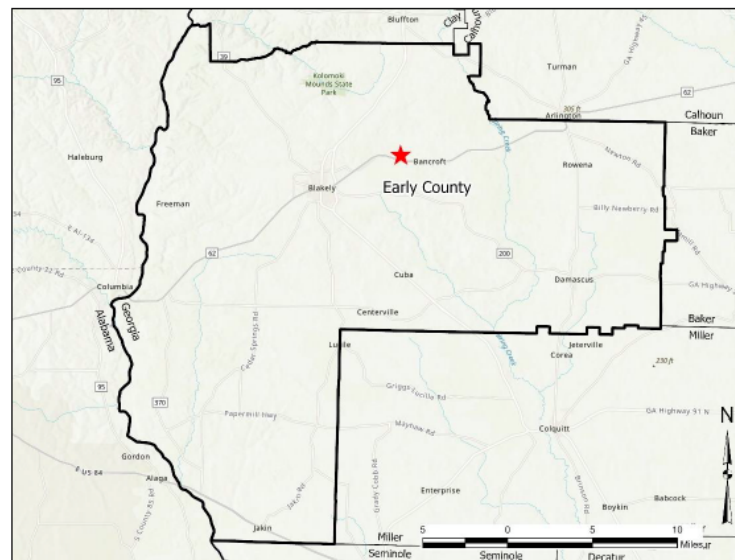
<sup>4</sup> Dunham, R.J., 1962, Classification of Carbonate Rocks According to Depositional Texture.

infrastructure, including road, rail, and solar power (*Figure 3-3*). The southern edge of the Property runs along Arlington Highway and the northernmost edge is split by the Norfolk Southern railway. There is an old limestone mine located about four to five miles to the northeast which is no longer active; however, the mine is reportedly selling leftover screen material as agricultural lime (Ag-Lime).

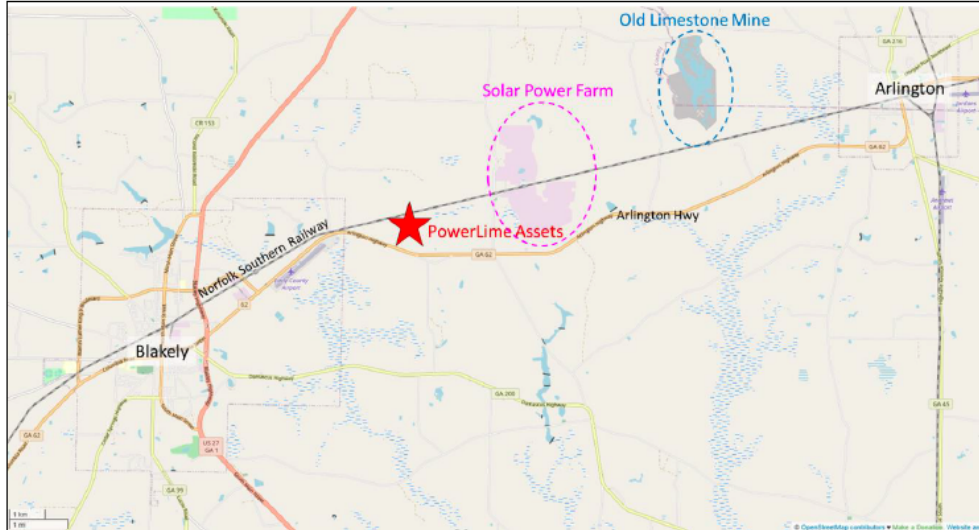
**Figure 3-1: Property location in Early County, Southwest Georgia, USA**



**Figure 3-2: Property Location in Early County, Southwest Georgia, USA**



**Figure 3-3: Infrastructure Near the Property include Roads, Rail, and Power**



The terrain is relatively flat and much of the existing property is farmland surrounded by various types of vegetation, such as grass, shrubs, and trees (*Figure 3-4*). A stream called Dry Creek runs along the western edge of the Property, and a small distributary channel branches off and flows to the northeast. Wetlands are largely identified to the northern and western edges of the Property adjacent to Dry Creek stream, and marginally to the south (*Figure 3-5*).

**Figure 3-4: Topographic Map of Property in Early County, Georgia**

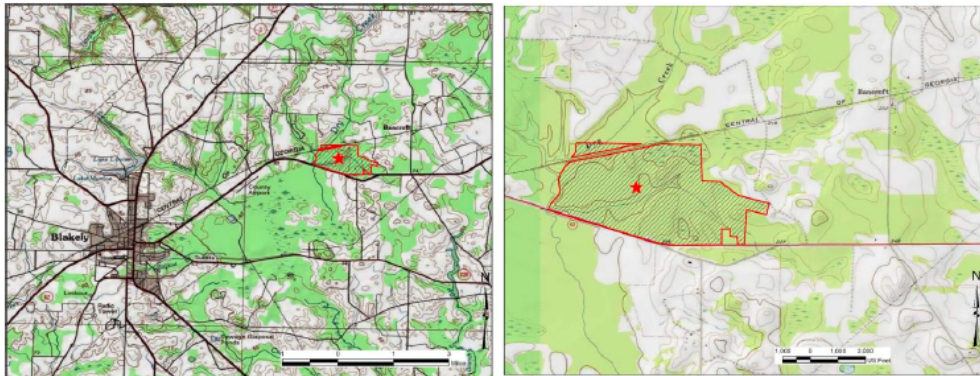
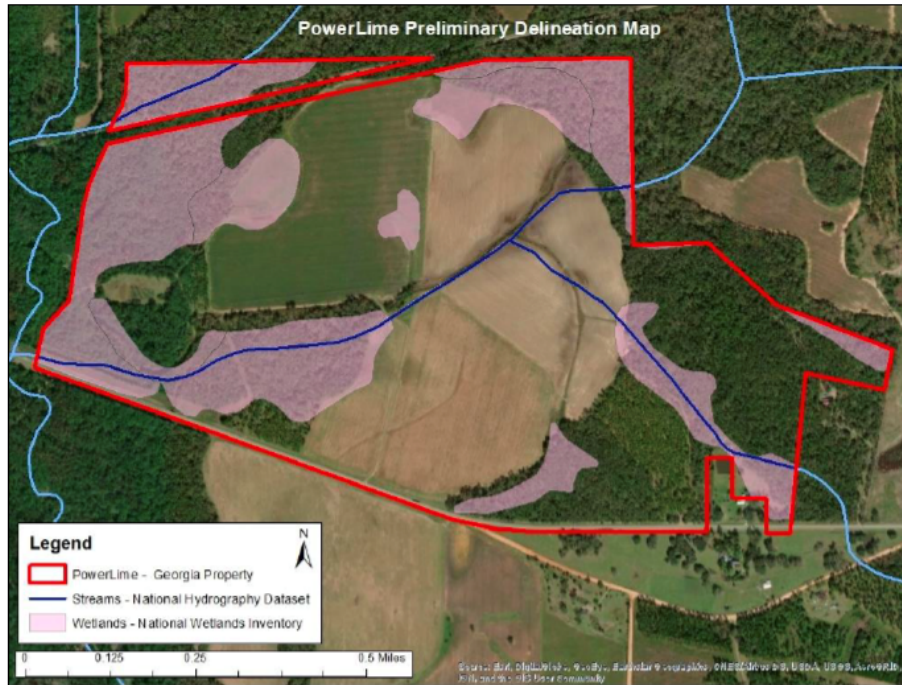




Figure 3-5: Identification of Streams and Wetlands on the Property



## 4 Ocala Limestone

The high-calcium limestone of interest is the upper Eocene Ocala Limestone (Jacksonian Stage). The Ocala Limestone is a shallow deposit and, lies at or near the surface in southwestern Georgia (*Figure 2-2*). The Ocala Limestone consists of biomicritic and pelbiomicritic mudstones, biomicritic packstones, and dolostones. The unit is primarily a white to cream to dark grey and variably fossiliferous limestone. Dolomite is often grey to brown. Fossil assemblages include echinoid fragments, foraminifera, and rhodoliths.<sup>5 6</sup> An on-site photograph of the Ocala Limestone provided by PowerLime is presented in *Figure 4-1*.

<sup>5</sup> Veatch, O., and Stevenson, L.W., 1911, Geology of the Coastal Plain of Georgia.

<sup>6</sup> Smith, K., 2015, A Study of the Lithological and Petrographical Changes Across the Eocene-Oligocene Transition of the Ocala and Suwannee Formation in Northern Florida and Southern Georgia.



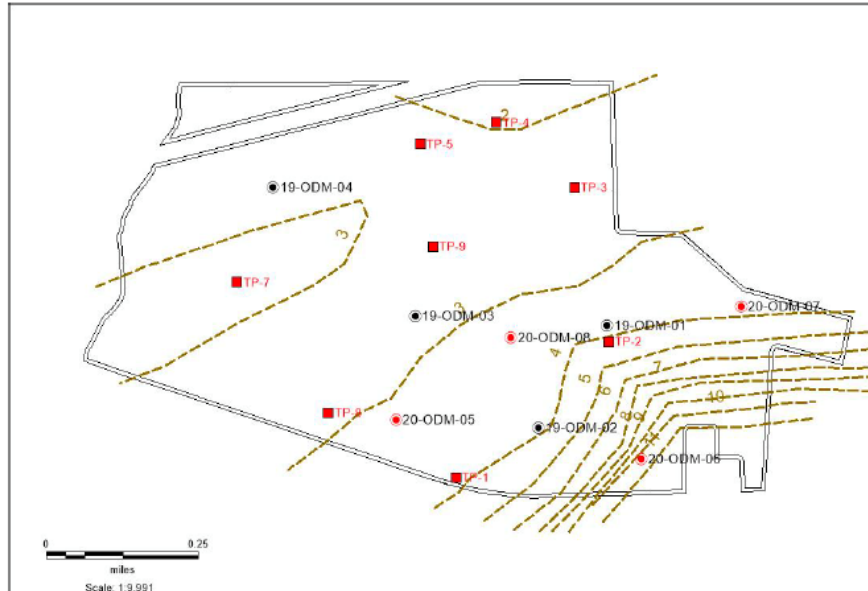
**Figure 4-1: On-site photograph of the Ocala Limestone**



Note: The limestone is white to cream to dark grey in color and variably fossiliferous

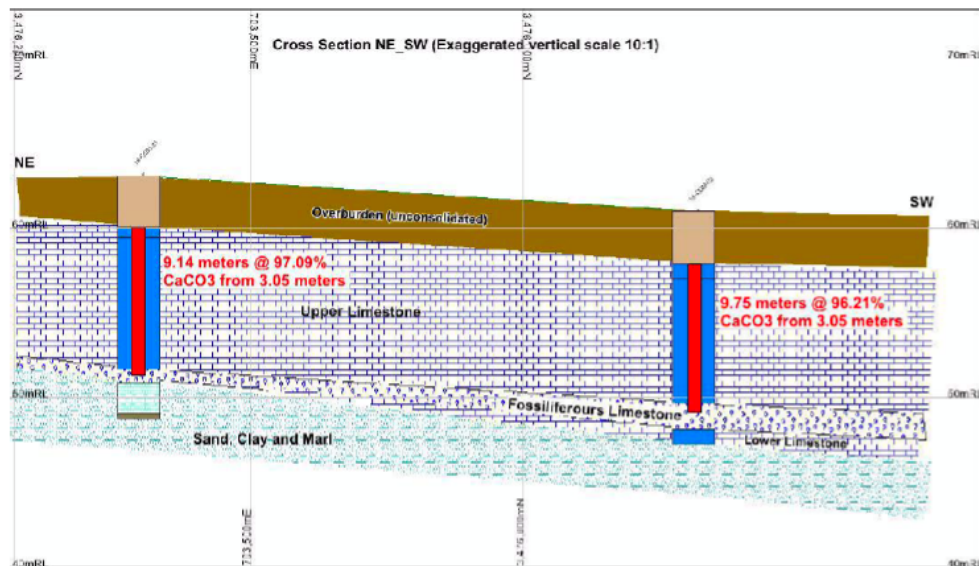
The Ocala Limestone extends to the northeast across the coastal plain of Georgia and has a low dip angle southward toward the Atlantic Ocean (*Figure 4-2*). Limestone thickness specific to the site gradually increases to the southeast from 3 to 12-meters thick, with an overburden thickness of approximately 3-meters. Also, the high-calcium limestone is found above a highly fossiliferous zone, located at the base of the Ocala Limestone formation. A limestone thickness map and NE-SW cross-section across the Property were generated and provided by PowerLime (*Figures 4-2 and 4-3*). Using the area of the Property and the unit thickness data, MM&A calculated an in-place limestone tonnage of 12.8-million tonnes for the Property. It is of important note that this is not to be interpreted as a resource or reserve at the current time.

**Figure 4-2: Ocala Limestone Thickness Map**



Note: Limestone thickness gradually increases to the southeast from 3 to 12-meters. 2019 (black) and 2020 (red) sonic drill hole map symbols are circles, and 2020 test pit map symbols are squares.

**Figure 4-3: NE-SW Cross-Section Illustrating the Overburden and Ocala Limestone Thickness**



Note: High-calcium limestone is found above a fossiliferous zone, located at the base of the Ocala Limestone formation.



## 5 Commercial-Grade Limestone and Economic Uses

---

Commercial limestone is defined as a sedimentary rock composed of at least 80% calcite and dolomite, with less than 20-percent other rock materials. Because of its higher purity, it is a stronger building material and less susceptible to being degraded by weathering. Commercial grade limestone is a versatile rock utilized by various global markets and can be used, as mined or processed, for a wide variety of lime products: Agricultural Lime (*Ag-Lime*), Quicklime, Hydrated Lime, Hydrated Lime Slurry, and Pulverized Limestone (*PLS*).

### 5.1 Agriculture

The addition of Ag-Lime elevates soil pH to improve soil conditions and increase crop yields. Ag-Lime treatments can enhance soil by reducing surface crusting, increasing water retention, and reducing soil erosion. PLS is used as a supplement to provide essential minerals for the animal feed industry.

### 5.2 Construction

The construction-related use of limestone is to treat low quality soils to produce a workable and load bearing base soil. Quicklime, hydrated lime, and hydrated lime slurry are all used to improve working surfaces, such as roadways, building foundations, and earthen dams. Hydrated lime also provides resistance to moisture damage, fatigue cracking, thermal cracking, and rutting for asphalt roadways. PLS can be used as a mineral filler to supplement the structural integrity of asphalt.

### 5.3 Environmental

Quicklime and hydrated lime are used to improve drinking water, aid in water softening, and treat various wastewaters. In wastewater treatment, quicklime is used to treat sewage bio-solids or sludge by converting the sludge into a usable product, such as fertilizer, soil, and fuel substitutes. Industrial wastewater treatment facilities use quicklime and hydrated lime to neutralize strong acid-based and heavy metal discharge wastewater. Quicklime is also recognized by the **Environmental Protection Agency (EPA)** as a suitable product to treat, stabilize, and solidify hazardous wastes.

### 5.4 Flue Gas Desulfurization

Limestone, quicklime, and hydrated lime are used by coal-fired power plants and industrial boilers to remove sulfur oxides from the flue gas stream generated by combustion.

### 5.5 Industrial

Quicklime is essential in the manufacturing of pulp and paper. It is used to neutralize strong acid-based discharge wastewater during the pulping process and as a filler in papermaking. PLS or limestone rock dust is used in underground coal mines to minimize methane concentrations and combustible dusts to prevent explosions, as well as to enhance mine illumination. Quicklime and hydrated lime are also used in the process of manufacturing building products, such as concrete and bricks.



## 5.6 Metallurgical Steel

Quicklime is utilized in steel producing facilities to scrub and remove phosphorus, sulfur, and silica in the basic oxygen furnace and electric arc furnace. Quicklime is used to further remove steel impurities during the secondary steel refining process to produce cleaner, higher quality steels. Hydrated lime is also used during the steel pickling process to neutralize sulfuric acid-based wastes.

## 5.7 Metallurgical Non-Steel

Quicklime and hydrated lime are used in the floatation and recovery of many nonferrous metals, such as copper, zinc, nickel, and lead-bearing ores. Varying amounts of quicklime are used in the manufacturing process to remove silica from bauxite ore and to produce alumina.

## 5.8 Oil and Gas

In the oil and gas industry, hydrated lime is used as a key ingredient to control the density and pH of drilling muds to stabilize the borehole while drilling. It is also added to the surrounding area soil for the construction of access roads and site pad locations. Quicklime is used in the refining process to control sulfur emissions and reduce air pollution.

## 5.9 Roofing

PLS is used in the production of asphalt roofing shingles, fiberglass-reinforced shingles, organic-mat-based shingles, and rolled roofing. PLS helps reduce costs by lowering the amount of asphalt needed to produce shingles while also improving the performance properties of the shingles.

# 6 Data Collection, Testing, and Results

PowerLime drilled eight sonic holes and dug eight test pits across the site location in 2019 and 2020 (Figure 4-2). PowerLime submitted 27 samples to **Bowser-Morner Analytical Laboratories (Bowser-Morner)** for the following chemical and physical analysis of limestone and other calcium-oxide materials: *ASTM C25 – Chemical Analysis of Limestone, Quicklime, and Hydrated Lime* and *ASTM C1271 – X-ray Spectrometric Analysis of Lime and Limestone*.

Two samples from Drill Hole 20-ODM-08 were also tested for density: *ASTM C127 – Density Relative Density (Specific Gravity), and Absorption of Coarse Aggregate*.

In addition, PowerLime collected and sent three ledge rock samples to Bowser-Morner to test the abrasion and degradation of aggregates using the Los Angeles Abrasion (LA) procedure: *ASTM C131 – Resistance to Degradation of Small-Size Coarse Aggregate by Abrasion and Impact in the Los Angeles Machine*. Test specimens were prepared by double choke-crushing the rock samples in a laboratory jaw crusher and washing in a decantation device.

Bowser-Morner reported the ASTM C25, ASTM C1271, and ASTM C127 results in June 2020 and the ASTM C131 results in August 2020, respectively. The test results are discussed below and detailed in Tables 6-1, 6-2, and 6-3.



## 6.1 Limestone Chemical Analysis Results

Geochemical test methods determine the chemical composition of high-calcium limestone, dolomitic limestone, quicklime, and hydrated lime. The percentages of specific constituents can determine a material's quality for use.

Almost all the samples taken from the sonic drill holes and/or test pits, tested greater than 95-percent calcium-carbonate. Sample B00399409 exhibits a calcium carbonate concentration that is significantly lower and an iron concentration that is relatively higher, compared to the rest of the samples taken at the site and may be an abnormality. Apart from the abnormal sample, the average purity is 96.9-percent calcium-carbonate and falls under the classification of a high-calcium limestone (greater than 95-percent calcium-carbonate with less than 5-percent other rock materials). The initial geochemical analysis results suggest that the limestone may be processed into Ag-Lime, quicklime, and hydrated lime. The chemical and physical results are reported in *Table 6-1*.





Table 6-1: Chemical Analysis (ASTM C25 and ASTM C1271)

Year	Hole ID	Limestone Thickness (m)	Sample Numbers	Ca %	CaO %	CaCO <sub>3</sub> %	Mg %	MgO %	MgCO <sub>3</sub> %	FE <sub>2</sub> O <sub>3</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Si %	SiO <sub>2</sub> %	S %	K <sub>2</sub> O %	Na <sub>2</sub> O %	Mn %	LOI %	P2O5 %	MnO %	Cr2O3 %
2019 Drill Hole	20-ODM-01*	9.14	B00399462 and B00399463	38.88	54.40	97.09	0.16	0.26	0.54	0.27	0.22	0.40	0.86	nd	0.03	<0.01	0.04	43.75	NA	NA	NA
	20-ODM-02*	9.75	B00399457 - B00399459	38.53	53.91	96.21	0.16	0.27	0.56	0.44	0.25	0.79	1.70	nd	0.04	<0.01	0.04	43.33	NA	NA	NA
	20-ODM-03*	7.01	B00399451 - B00399455	38.51	53.88	96.29	0.18	0.30	0.63	0.45	0.28	0.73	1.56	nd	0.06	<0.01	0.03	43.03	NA	NA	NA
	20-ODM-04*	3.51	B00399465 and B00399466	38.37	53.69	96.10	0.19	0.31	0.65	0.41	0.39	0.72	1.54	nd	0.04	0.01	0.03	43.29	NA	NA	NA
2020 Drill Hole	20-ODM-05*	9.75	B00399401 and B00399402	37.56	52.59	93.76	0.21	0.35	0.73	1.00	0.57	2.23	4.78	0.02	0.04	<0.005	0.01	40.38	NA	NA	NA
	20-ODM-06	9.75	B00399403	39.36	55.08	98.30	0.16	0.26	0.55	0.34	0.3	0.52	1.11	0.02	nd	nd	nd	43.13	NA	NA	NA
	20-ODM-07	8.23	B00399405	39.05	54.64	97.52	0.16	0.27	0.56	0.34	0.52	0.72	1.55	0.02	nd	nd	nd	42.67	NA	NA	NA
	20-ODM-08*	11.28	B00399406 and B00399407	38.72	54.19	96.73	0.20	0.33	0.68	0.64	0.43	0.93	2.00	0.02	0.06	<0.005	0.02	42.38	NA	NA	NA
2020 Test Pits	TP-1	NA	B00399408	39.02	54.6	97.45	0.13	0.22	NA	0.23	0.22	0.30	0.64	< 0.01	0.02	< 0.01	0.02	44	0.03	0.02	< 0.01
	Blank	NA	B00399409	27.23	38.1	68.00	6.69	11.1	NA	0.97	0.68	3.31	7.08	0.1	0.17	< 0.01	0.05	41.5	0.07	0.06	< 0.01
	TP-2	NA	B00399410	38.95	54.5	97.27	0.15	0.25	NA	0.22	0.27	0.40	0.86	< 0.01	0.02	< 0.01	0.02	43.7	0.03	0.03	< 0.01
	TP-3	NA	B00399411	39.17	54.8	97.81	0.11	0.19	NA	0.20	0.2	0.26	0.56	< 0.01	0.02	< 0.01	0.02	43.8	0.03	0.03	< 0.01
	TP-4	NA	B00399412	38.38	53.7	95.84	0.12	0.2	NA	0.41	0.21	0.29	0.62	< 0.01	0.02	< 0.01	0.03	43.8	0.09	0.04	< 0.01
	TP-5	NA	B00399413	39.02	54.6	97.45	0.15	0.25	NA	0.20	0.15	0.22	0.48	< 0.01	0.02	< 0.01	0.03	43.9	0.03	0.04	< 0.01
	TP-7	NA	B00399414	39.17	54.8	97.81	0.13	0.22	NA	0.18	0.17	0.28	0.6	< 0.01	0.02	< 0.01	0.03	44	0.03	0.04	< 0.01
	TP-8	NA	B00399415	39.09	54.7	97.63	0.16	0.26	NA	0.17	0.25	0.36	0.77	< 0.01	0.02	< 0.01	0.03	43.9	0.04	0.04	< 0.01
	TP-9	NA	B00399416	38.88	54.4	97.09	0.14	0.23	NA	0.20	0.23	0.34	0.73	< 0.01	0.02	< 0.01	0.02	43.9	0.04	0.03	< 0.01

Note: \*denotes a weighted average of two of more samples, nd = no data and not tested, and NA = not available



## 6.2 Limestone Specific Gravity and Absorption Results

The ASTM C127 test method covers the determination of relative density (specific gravity) and absorption of coarse aggregates. The relative density (specific gravity), a dimensionless quantity, is expressed as dry, saturated-surface-dry (SSD), and/or apparent relative density (apparent specific gravity). The dry relative density is determined after drying the aggregate. The SSD relative density and absorption are determined after soaking the aggregate in water for a given duration. The specific gravity and absorption percentage provide useful information that can be used in evaluating the possible deterioration of an aggregate.

An average specific gravity for limestone is 2.7. Measured absorption values typically range from 10 to 12-percent for porous sedimentary rocks like limestones. An absorption of less than 5-percent is preferable, and in most cases, the lower the better when used in building materials.

The two samples have an average specific gravity of 2.3 and an average absorption of 4.95-percent. The absorption rate results are presented in *Table 6-2* below.

**Table 6-2: Specific Gravity and Absorption Analysis (ASTM C127).**

Test Parameter	Results	
	B00399406	B00399407
Bulk Dry SG:	2.277	2.328
Bulk SSD:	2.398	2.436
Apparent SG:	2.590	2.609
Absorption, %:	5.3	4.6

## 6.3 Limestone LA Abrasion Test Results

LA Abrasion is a common test method used to indicate aggregate hardness and resistance to abrasion characteristics, such as crushing, degradation, and disintegration. During testing, a coarse aggregate sample is subjected to abrasion, impact, and grinding in a rotating steel drum containing a specified number of steel spheres. Results are reported as a percent loss of material that is broken down and can pass through a sieve. If the percent of loss is low, then the aggregate is considered a competent or "harder" rock. If the percent of loss is high, then the aggregate is deemed an incompetent or "softer" rock.

The LA Abrasion test is an empirical test and is not always able to accurately predict field performance of aggregates, specifically for limestones. Limestones tend to have a high LA abrasion loss, but still perform adequately in the field. LA abrasion loss is well correlated with dust formation during the handling and production of aggregates. Aggregates with a higher LA abrasion loss percentage generate more dust.

The three ledge rock samples collected from the site location range from 48.9 to 53.3-percent with an average percent loss of 50.9-percent. This ranks the Ocala Limestone on the Property as having a high

LA abrasion loss and will likely generate more dust during the crushing and processing operations. The LA Abrasion results are presented in *Table 6-3*.

**Table 6-3: Laboratory Determination of LA Abrasion (ASTM C131)**

Sample Identification	ASTM C 131	
	Grading	Loss, %
TP-2	B	50.6
TP-4	B	53.3
TP-9	B	48.9

## 7 Proposed Exploration & Development Work Plan

PowerLime has finalized a budget based on a work program to deliver a JORC compliant mineral resource estimate, scoping studying, and preliminary feasibility study (*PFS*) over the next 24 months.

### 7.1 Drilling and Metallurgy

PowerLime proposes drilling 12 large diameter diamond core holes (using HQ/PQ core barrels) for a total of 200 meters. These additional holes will provide consistent coverage of the Property and a tighter hole spacing in the southeastern corner of the Property, where the high-calcium limestone is the thickest. Drilling is scheduled for Q4 2021 and Q1 2022.

Recommended data collection from the proposed drilling includes the following:

- > Detailed geotechnical logging – describing rock characteristics and lithologies of the overburden, high-calcium limestone, fossiliferous limestone zone, and sandy, clay, and marl below.
- > Detailed geochemistry on a 0.5 meter spacing for the high-calcium limestone
- > Bulk density measurements
- > Metallurgical testing

### 7.2 Studies and Permitting

PowerLime recommends the following study work and permitting process:

- > Scoping and pre-feasibility study to evaluate the technical, and economic viability of the limestone project
- > Downstream operations study to assess the processes involved in converting limestone into quicklime
- > Comprehensive limestone market analysis





Third-party consultants will be required to support the company's efforts to secure federal, state, and local permits. PowerLime plans to undertake a 2-step process:

1. Critical Issues Analysis to identify potential development constraints within the study area
2. Baseline groundwater and surface water quality data to be collected on a bi-monthly schedule for one year.

### 7.3 Personnel

PowerLime intends to appoint Mr. Landon Woodall as Exploration Manager and utilize his expertise with key exploration activities. Mr. Woodall was the geologist who previously oversaw exploration work of the Property. PowerLime also intends to use Apollo Group's back-office services to hire a Marketing Manager, Financial Controller, and Bookkeeping services.

### 7.4 Land

The option agreement between one optionor and PowerLime expires January 26, 2022. Once an initial JORC compliant mineral resource estimate and scoping study are complete, PowerLime will make the decision on whether to exercise the option to the purchase the Property. The total cost to purchase the Property is \$1.5 million US dollars.

### 7.5 Next Steps

Upon the successful delivery of an initial JORC compliant mineral resource estimate, positive scoping study, and exercise of the option to purchase; it is likely that PowerLime will plan to progress further work on the project. These activities and associated budget costs have been summarized at a high level in *Table 8-1* below.

**Table 7-1: PowerLime Work Program and Budget Costs**

Category / item	H2 2021	H1 2022	H2 2022	H1 2023
Drilling	\$ 262,000	\$ 262,000	\$ -	\$ -
Metallurgy	\$ 150,000	\$ 50,000	\$ 100,000	\$ -
Studies	\$ 165,000	\$ 150,000	\$ 200,000	\$ -
Permitting	\$ 100,000	\$ -	\$ 25,000	\$ 125,000
Land	\$ 2,500	\$ 1,502,500	\$ -	\$ -
Project office	\$ -	\$ -	\$ -	\$ -
G&A	\$ 77,400	\$ 136,100	\$ 116,100	\$ 116,100
People	\$ 88,141	\$ 145,142	\$ 145,142	\$ 132,212
Contingency	\$ 84,254	\$ 74,324	\$ 58,624	\$ 37,331
<b>TOTAL</b>	<b>\$ 929,295</b>	<b>\$ 2,320,066</b>	<b>\$ 644,866</b>	<b>\$ 410,643</b>



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MM&A has reviewed the proposed PowerLime work program and budget and finds them to be reasonable. All of the necessary exploration, analytical testing, technical studies, permitting and property acquisition tasks required in order to advance the project are accounted for along with labor costs for PowerLime to execute the work program.

## **12. Ownership, Management & Corporate Governance**

### **12.1 Board**

The Directors bring to the Board relevant experience and skills, including, financial management and corporate governance experience. The Board comprises three Directors: an independent non-executive Chair, and two independent non-executive Directors.

#### **12.1.1 David Brookes MD**

Appointed non-executive Director 10 April 2019. Appointed Chairman 30 July 2020.

Dr Brookes joined the Board of the Company in May 2019. He has extensive experience in the health and biotechnology industries and is currently a non-executive director of Anatara Ltd (ASX:ANR), a non-executive Director of Island Pharmaceuticals Ltd (ASX:ILA) and a non-executive director of Tali Digital Limited (ASX:TD1). He has previously been a director of several other ASX-listed biotechnology companies, most recently as the chairman of genomics solutions company, RHS Ltd, which was acquired by PerkinElmer Inc (NYSE:PKI) in June 2018. In addition to his directorships in listed biotechnology companies, Dr Brookes was the non-executive chairman of a private health services company, the Better Medical Group until that company's sale to private equity firm Livingbridge (UK) in early 2021, and maintains roles as a clinician and a biotechnology industry consultant. Dr Brookes is a fellow of the Australian College of Rural and Remote Medicine and a fellow of the Australian Institute of Company Directors.

#### **12.1.2 John Michailidis**

Appointed non-executive Director 14 February 2017.

Mr Michailidis has held a number of senior, global positions and brings almost 30 years of commercial pharmaceutical experience to the Company, most recently as managing director for TEVA, Australia and New Zealand. His career has ranged from global franchise and regional executive leadership roles with F. Hoffman – La Roche (Roche) to CEO experience with growth-stage biopharmaceutical companies, such as AviPep (a nuclear medicine drug development company) and Orphan Australia (acquired by Sigma). Mr Michailidis holds a BSc in genetics from LaTrobe University, and executive business qualifications from Harvard Business School and INSEAD.

#### **12.1.3 Melanie Farris**

Appointed non-executive Director 28 May 2021.

Ms Farris is an experienced governance and corporate operations professional and non-executive director with over 13 years' experience in listed life sciences companies, as well as extensive experience in the planning, management and delivery of strategic corporate activities including IPO and M&A due diligence and integration. Ms Farris previously served as non-executive director and company secretary for Invion Limited (ASX: IVX); and chairperson of Synapse Australia Limited. She is currently chief governance and risk officer and group company secretary for Telix Pharmaceuticals Limited (ASX:TLX). Ms Farris holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is a fellow of the Governance Institute of Australia, a fellow of the Chartered Governance Institute (UK) and a graduate of the Australian Institute of Company Directors. Ms Farris has acted as the company secretary of the Company since September 2016.

Upon re-listing, two Directors will be appointed who will bring industry knowledge and experience to the Board.

#### **12.1.4 Dominic Allen (to be appointed as Executive Director and Interim Chief Executive Officer)**

Mr Allen is a finance professional with over 15 years' experience in the management and operations of natural resources organisations. Mr Allen is currently head of corporate development for Hyperion Metals (ASX:HYM), focused on the development of the titan heavy mineral sand project and associated titanium metal technologies in Tennessee, USA, having previously held senior roles with major resource organisations Rio Tinto Limited and Oyu Tolgoi LLC. Mr Allen commenced his career in the corporate finance team of international accounting firm Ernst & Young, holds a Bachelor of Commerce and a Bachelor of Science (Hons) from the University of Western Australia and is a qualified Chartered Accountant (CA ANZ).

### 12.1.5 Anastasios Arima (to be appointed as a non-executive Director)

Mr Arima is a resource company executive with a strong history of identifying company-making resource projects. He was the founder of Piedmont Lithium (Nasdaq:PLL) and was instrumental in identifying and securing the Piedmont Lithium Project in North Carolina, USA. Mr. Arima is the founder and managing director of Hyperion Metals (ASX:H YM), focused on the development of the titan heavy mineral sand project and associated titanium metal technologies in Tennessee, USA. He has extensive experience in the formation and development of energy and resource projects in North America and Europe. He attended the University of Western Australia where he earned a Bachelor of Commerce whilst studying for a Bachelor of Engineering.

### 12.1.6 Senior management

Dominic Allen – Executive Director and Interim Chief Executive Officer

## 12.2 Executive remuneration

The Company's philosophy on remuneration is that executive and key employee remuneration should be aligned with Shareholder interests by providing levels of fixed remuneration and 'at risk' pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy, ensuring 'at risk' remuneration is contingent on outcomes that grow and/or protect shareholder value, and aligning the interests of executives and shareholders by ensuring a suitable proportion of remuneration is received as a share-based payment.

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits.

The Remuneration Committee recommends to the Board the remuneration packages for the executive team. These are reviewed annually. The Remuneration Committee may seek external advice to determine the appropriate level and structure of the remuneration packages.

### 12.2.1 Dominic Allen

Term	Description
Base salary	\$120,000 per annum inclusive of statutory superannuation
Short term incentive (STI)	Up to 20% of base salary based on achievement of objectives and KPIs set by the Board
Long term incentive (LTI)	1,000,000 Management Options. Options have an exercise price of \$0.12 and an expiry date 4 years from their date of issue. Options are subject to mandatory escrow restrictions for 24 months from date of issue.
Other benefits	Nil
Termination	Three months notice. No additional termination benefits.
Restraints	Nil

The Company has established a number of incentive arrangements to enable attraction, motivation and retention of management, employees and key contractors. For the executive team, the remuneration packages will consist of:

- (a) fixed remuneration;
- (b) cash-based short term incentives (STI); and
- (c) long-term equity incentives (LTI).

Both the cash-based STI and the equity-based LTI are subject to achievement of performance criteria or hurdles set and assessed by the Board.

### 12.2.2 Short term incentives

The key components of the cash-based STI are:

- (a) participants are entitled to receive a percentage of their fixed remuneration as an annual cash bonus;
- (b) to be eligible for an annual cash bonus, participants must be employees in good standing at the date on which the bonus is payable;
- (c) payment of annual cash bonuses is discretionary and determined by the Board based on individual measures and business performance against key performance indicators; and
- (d) key performance indicators are set each year and tested at the end of each year and may include such measures as the Board thinks fit.

### 12.2.3 Long term incentives

The Company has established an Equity Option Plan (**Plan**) in order to facilitate remuneration arrangements for senior management and enhance the alignment of their interests with those of Shareholders. The rules of the Plan (**Plan Rules**) provide the framework under which the Plan and individual grants operate. The key features of the Plan are outlined below.

Term	Description
Eligibility	Offers may be made at the Board's discretion to employees of the Company and any other person that the Board determines to be eligible to receive a grant under the Plan.
Types of Securities	The Plan Rules provide flexibility for the Company to grant Options, subject to the terms of individual offers. Options are an entitlement to receive Shares upon satisfaction of applicable conditions and payment of the applicable exercise price.
Offers under the Plan	The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer Options in individual offer documents. Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
Plan limit	Where an offer is made in reliance on ASIC Class Order 14/1000, the total number of Shares which would be issued if Options were exercised must not exceed 5% of the total number of Shares on issue.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of an Option under the Plan.
Vesting	Vesting of Options under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Options must be exercised by the employee and the employee is required to pay the exercise price before Shares are allocated. Subject to the Plan Rules and the terms of the specific offer document, Options will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing	The Plan Rules provide the Board with broad "clawback" powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

Term	Description
inappropriate benefits	
Change of control	The Board may determine that all or a specified number of a participant's Options will vest or cease to be subject to restrictions on a change of control event in accordance with the Plan Rules.
Reconstructions, corporate action, rights issues, bonus issues etc	The Plan Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.
Restrictions on dealing	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Securities Dealing Policy.
Other terms	The Plan contains customary and usual terms of dealing with administration, variation, suspension and termination of the Plan.

### 12.3 Non-executive Director remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director of the Company. However, under the Constitution and ASX Listing Rules, the total aggregate amount provided to all non-executive Directors for their services as Directors must not exceed in any financial year the aggregate amount approved by Shareholders at the Company's general meeting. This amount has been fixed at \$400,000 per annum.

As at the date of this Prospectus, the following annual non-executive Directors' fees are agreed to be paid by the Company:

- (a) Chairman's fee: \$91,080; and
- (b) non-executive Director fee: \$65,748

The above fees paid to non-executive Directors are inclusive of statutory superannuation.

Directors do not receive additional fees for being a member of a Board committee. The remuneration of Directors must not include a commission on, or a percentage of profits or operating revenue.

### 12.4 Deeds of indemnity, access and insurance for Directors

The Company has entered into a deed of indemnity, access and insurance with each Director which confirms the Director's right of access to books and records of the Company and its related bodies corporate while they are a Director and for a period of seven years after the Director ceases to hold office. The deeds of indemnity, access and insurance also require the Company to indemnify the Director, on a full indemnity basis and to the full extent permitted by law, against all liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a related body corporate.

Pursuant to the Constitution, the Company may to the extent permitted by law, purchase and maintain insurance or pay or agree to pay a premium for insurance for each Director against any liability incurred by a Director as an officer of the Company or a related body corporate. Under the deeds of indemnity, access and insurance, the Company must maintain a directors and officers insurance policy insuring a Director against liability as a director and officer of the Company and its subsidiaries until seven years after a Director ceases to hold office as a director of the Company or a related body corporate or the date any relevant proceedings commenced (and notified by the Director to the Company) during the seven year period have been finally resolved.

## 12.5 Corporate governance

This Section explains the main corporate governance policies and practices adopted by the Company. The Board is responsible for the overall corporate governance of the Company. It is accountable to the Company's members as a whole and must act in the best interests of the Company. The Board monitors the financial position and performance of the Company and oversees its corporate strategy, including approving the strategic objectives and budgets of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company.

In conducting business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting prudent and effective internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

## 12.6 Compliance with ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> edition (**ASX Recommendations**) for entities listed on ASX in order to promote investor confidence and to assist companies to meet stakeholder expectations.

The ASX Recommendations are not prescriptions, but guidelines. Under ASX Listing Rules, the Company is required to provide a statement in its annual report and on its website disclosing the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow an ASX Recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

On 23 February 2021, the Company provided its Corporate Governance Statement and Appendix 4G - Key to Disclosures, for the financial year ended 31 December 2020. In those documents, the Company confirmed that it had complied with all of the ASX Recommendations for that reporting period. There have been no material changes to the Company's compliance with the ASX Recommendations since 1 January 2021 and to the date of this Prospectus.

## 12.7 Responsibilities of the Board, Board independence and Board Charter

### 12.7.1 Background

The Board has adopted a Board Charter to outline the manner in which its powers and responsibilities will be exercised and discharged. The Board Charter includes an overview of the:

- (a) Board's composition;
- (b) Board's role and responsibilities;
- (c) relationship and interaction between the Board and management;
- (d) authority delegated by the Board to management and Board committees; and
- (e) Board's process.

The Board's role is to:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (c) set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and

- (d) ensure Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board, together with the Nomination Committee, determines the size and composition of the Board. Under the Board Charter, the Board should have a majority of independent non-executive Directors and an independent non-executive Director as Chair of the Board.

The management function is conducted by or under the supervision of the CEO as directed by the Board. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate. The Board collectively, and each Director individually, has the right to seek the advice of an independent expert.

#### **12.7.2 Board committees**

The Board may from time to time establish committees to streamline the discharge of its responsibilities. The permanent standing committees of the Board are the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee. The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. Directors are entitled to attend Board committee meetings and receive Board committee papers, and the Chair of each Board committee will report back on committee meetings at Board meetings.

#### **12.7.3 Audit and Risk Management Committee**

Under its charter, the Audit and Risk Management Committee should have at least three members, all of whom must be non-executive Directors, a majority of independent Directors and an independent chair who is not Chairman of the Board. Membership of the Audit and Risk Management Committee is currently as follows: John Michailidis (chair), David Brookes and Melanie Farris.

Upon re-listing, the members of the Audit and Risk Management Committee will be Anastasios Arima (chair), David Brookes and Dominic Allen.

The Audit and Risk Management Committee's key responsibilities and functions are to:

- (a) oversee the preparation of financial statements and reports;
- (b) maintain and continually improve the quality, accuracy and integrity of the Company's external financial reporting and financial statements;
- (c) oversee the appointment, remuneration, independence and effective performance of the Company's external auditors;
- (d) oversee the Company's relationship with its external auditors;
- (e) ensure that the Company applies and maintains appropriate accounting and business policies and procedures;
- (f) oversee the effectiveness of the Company's legal and regulatory compliance framework;
- (g) oversee the effectiveness of the Company's risk management framework and internal controls; and
- (h) manage the process of identification and management of risk.

Non-committee members, including members of management and the external auditor, may attend meetings of the committee at the invitation of the committee chair. The Committee has rights of access to management and to auditors without management present, and rights to seek explanations and additional information from management and auditors.

#### **12.7.4 Nomination Committee**

Under its charter, the Nomination Committee should have at least three members, all of whom must be non-executive Directors, a majority of independent Directors and an independent Director as chair. Membership of the Nomination Committee is currently as follows: David Brookes (chair), John Michailidis and Melanie Farris.



Upon re-listing, the members of the Nomination Committee will be David Brookes (chair), Dominic Allen and Anastasios Arima.

The role of the Nomination Committee is to assist and advise the Board on:

- (a) Board succession planning generally;
- (b) the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- (c) the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
- (d) the appointment and re-election of Directors,

with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Non-committee members, including members of management, may attend meetings of the committee at the invitation of the committee chair.

#### **12.7.5 Remuneration Committee**

Under its charter, the Remuneration Committee should have at least three members, all of whom must be non-executive Directors, a majority of independent Directors and an independent Director as chair. Membership of the Remuneration Committee is as follows: David Brookes (chair), John Michailidis and Melanie Farris.

Upon re-listing, the members of the Remuneration Committee will be David Brookes (chair), Dominic Allen and Anastasios Arima.

The role of the Remuneration Committee is to assist and advise the Board on:

- (a) remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, materially affect the operations of the Company; and
- (b) recommendations regarding remuneration-related reporting in the Company's financial statements and remuneration reports.

Non-committee members, including members of management, may attend meetings of the committee at the invitation of the committee chair.

### **12.8 Corporate governance policies**

The Board has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations. All corporate governance policies are available at the Company's website: <https://factor-therapeutics.com/investors/corporate-governance/>.

#### **12.8.1 Continuous Disclosure Policy**

The Company is required to comply with the continuous disclosure requirements under ASX Listing Rules and the Corporations Act. The Company is aware of its obligation to keep the market fully informed of any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's Securities.

The Company has adopted a Continuous Disclosure Policy to ensure compliance with these requirements. The Continuous Disclosure Policy applies to all Directors, officers, employees and consultants of the Company.

The Company communicates all important information relating to the Company to its Shareholders. The Company communicates information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company website, at the annual general meeting, through the Company's annual report and ASX announcements.

### 12.8.2 Securities Trading Policy

The Company has adopted a Securities Trading Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and explain the Company's policy and procedure for the buying and selling of securities that protects the Company, Directors and employees against the misuse of unpublished information which could materially affect the price or value of securities. The policy applies to Directors, officers, senior management and other employees, consultants and contractors of the Company and its related bodies corporate.

The policy provides that if a Director, officer, senior manager, employee, consultant and contractor of the Company has inside information about the Company, they must not:

- (a) trade (i.e. purchase, sell or subscribe for) Securities, or enter into an agreement to do so;
- (b) procure another person to trade in Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, inside information to another person if you know, or ought reasonably to know, that the person would or would be likely to use the information to trade in (or procure another person to trade in) Securities.

In addition to ensuring compliance with the insider trading prohibitions, the Company's employees must not trade in Factor Securities (except in accordance with the Securities Trading Policy) during:

- (a) the following closed periods:
  - (ii) from 1 January to the close of trading on the business day after Factor's half-yearly results are announced to ASX; and
  - (iii) from 1 July to the close of trading on the business day after Factor's annual results are announced to ASX; and
- (b) any extension to a closed period, and any additional period, as specified by the Board.

### 12.8.3 Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All employees of the Company (including temporary employees, contractors, Directors, officers, consultants and other persons that act on behalf of the Company) must comply with the Code of Conduct.

### 12.8.4 Whistleblower Protection Policy

The Company is committed to conducting business with honesty and integrity. As part of this commitment, the Company will honour its obligation to protect any genuine whistleblowers who come forward from retaliation.

The Whistleblower Protection Policy is an important tool for helping the Company identify wrongdoing that may otherwise not be uncovered unless there is a safe and secure means for disclosing misconduct. The Whistleblower Protection Policy applies to all Directors, officers, senior management and other employees, consultants and contractors of the Company and its related bodies corporate.

The Whistleblower Protection Policy is designed to:

- (a) encourage people to speak-up if they become aware of potential wrongdoing;
- (b) ensure individuals who disclose wrongdoing can do so safely, securely and with confidence that they will be protected and supported;
- (c) ensure disclosures of wrongdoing are dealt with appropriately and on a timely basis;
- (d) provide transparency around the Company's framework for receiving, handling and investigating disclosures;
- (e) explain the protections available to eligible whistleblowers;

- (f) support the Company's values and code of conduct;
- (g) support the Company's long-term sustainability and reputation by creating a healthier and safer work environment;
- (h) align with the ASX Recommendations; and
- (i) provide information regarding the rights and obligations of employees, contractors, and other personnel of the Company under the Corporations Act as amended by the *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* (Cth).

#### **12.8.5 Diversity Policy**

The Board has formally adopted a Diversity Policy, which sets out the Company's vision for diversity, incorporating a number of different factors including gender, ethnicity, age and educational experience. The Diversity Policy has been approved in order to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in its annual report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy and the proportion of women employees, senior executives and Board members.

#### **12.8.6 Anti-Bribery and Corruption Policy**

The Company is committed to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour. It has zero tolerance for bribery and corruption in any form.

The Anti-Bribery and Corruption Policy sets out the Company's anti-bribery and corruption rules to ensure the Company's compliance with the local anti-bribery and corruption legislation and regulations, namely the *Criminal Code Act 1995* (Cth) and the legislation in the various States and Territories of Australia. Where any actions are undertaken by or on behalf of the Company in, or in connection with, another jurisdiction, then the anti-bribery legislation in that jurisdiction must also be complied with including (but not limited to) the UK Bribery Act and the US Foreign Corrupt Practices Act, both of which can apply to acts committed anywhere in the world.

The Anti-Bribery and Corruption Policy sets out:

- (a) what constitutes bribery or corruption;
- (b) rules regarding offering, accepting and providing gifts and hospitality;
- (c) rules regarding participating in tenders and procuring goods and services; and
- (d) rules regarding providing donations and sponsorship.

The Anti-Bribery and Corruption Policy also outlines the process to follow if there are concerns that any employee is not complying with the policy.

## 13. Material Contracts

### 13.1 General

The Directors consider the contracts summarised in this Section 13 to be material for the purpose of this Prospectus or to be relevant to a potential investor. Each contract appears in summary form only and is not fully disclosed.

### 13.2 Share purchase agreement

On 23 July 2021, the Company entered into a Share Purchase Agreement (**SPA**) with PowerLime and each of the then current shareholders of PowerLime (**PowerLime Shareholders**), for the purchase of all of the shares issued in the capital of PowerLime (**PowerLime Shares**). The material terms of the SPA are set out below.

#### 13.2.1 Consideration:

Under the SPA, in consideration for the PowerLime Shares, the Company:

- (a) issued 187,500,000 Shares to the PowerLime Shareholders in proportion to their then existing shares in PowerLime;
- (b) issued 62,500,000 Options to PowerLime Shareholders, on the following key terms:
  - (i) the exercise price for each Option will be \$0.12 (on a post-Consolidation basis);
  - (ii) each Option will expire at 5.00pm (Australian Western Standard Time) on the date that is 4 years from the date of grant of the Option;
  - (iii) the Options are exercisable at any time on or prior to their expiry; and
  - (iv) Shares issued on exercise of the Options rank equally with all other then issued Shares in the Company;
- (c) issued 46,875,000 Options to members of the PowerLime management team on the same terms as the terms set out above in section 13.2(b); and
- (d) granted the PowerLime Shareholders or their nominees the right to subscribe for a minimum of 40% of the Offer.

#### 13.2.2 Closing conditions

The financial close of the transaction contemplated by the SPA was conditional upon the following conditions being satisfied or waived:

- (a) representations and warranties: all representations and warranties given by the PowerLime Shareholders to the Company, or by the Company to the PowerLime Shareholders, being true and correct at the date the SPA closed;
- (b) covenants: all covenants and terms under the SPA being complied with or performed by the relevant party at or before closing (as applicable);
- (c) no action: no action or other legal proceeding against any party being pending, or no order or note having been issued or made, which would prohibit or restrict any of the transactions contemplated by the SPA;
- (d) restriction deed: the Company and each of the PowerLime Shareholders entering into a restriction deed, covering the Shares issued as consideration under the SPA;
- (e) Second Option Payment: the Company having paid to PowerLime an amount equal to the Second Option Payment under the Option Agreement, and PowerLime having used that amount to pay the Second Option Payment to the counterparty to the Option Agreement;

- (f) land sale agreement: PowerLime having negotiated and agreed the terms of a land sale contract to purchase the land the subject of the Option Agreement;
- (g) shareholder approval: the Company obtaining all required Shareholder approvals pursuant to Listing Rules, the Corporations Act or any other law, to allow the Company to lawfully close the transactions contemplated by the SPA;
- (h) due diligence: the Company completing satisfactory due diligence investigations in respect of PowerLime and its business;
- (i) transfer and issue of shares: all necessary documents, duly signed, being delivered by the Company and PowerLime (as applicable), to effect the transfer of the PowerLime Shares, the issue of the Consideration Shares and Consideration Options (as noted above), and give effect to any other transaction contemplated by the SPA;
- (j) PowerLime consents: PowerLime receiving all third party consents or approvals necessary to give effect to the transactions contemplated by the SPA; and
- (k) board representation: the Company granting the PowerLime Shareholders the right to nominate two Directors to the Board of the Company, upon re-listing.

Each of these conditions was satisfied or waived, on or before financial close of the transaction.

### 13.2.3 Second Option Payment

PowerLime has entered into the Option Agreement (summarised in section 13.3 below). An option fee of US\$150,000 was payable by PowerLime under the Option Agreement, on or before 31 July 2021. In accordance with the terms of the SPA, this amount was advanced by the Company to PowerLime to effect this payment, prior to the Option Closing Date. The advance was evidenced by the issue of a promissory note from PowerLime to the Company, and secured by a stock pledge under which the PowerLime Shareholders agreed to pledge their shares in PowerLime to secure PowerLime's obligations under the promissory note. The promissory note is now satisfied and the share pledge terminated.

### 13.2.4 Option Closing Date

The Option Closing Date for the transaction is the date that is 5 Business Days after Shareholder approval is obtained at the EGM, being 16 September 2021.

### 13.2.5 Representations and warranties

Customary representations and warranties for a transaction of this nature were given by the PowerLime Shareholders to the Company and by the Company to the PowerLime Shareholders, including (but not limited to) the following warranties which survive completion:

- (a) title and capacity warranties;
- (b) warranties as to the corporate records for each of PowerLime and the Company;
- (c) warranties as to the financial position of each of PowerLime and the Company; and
- (d) warranties relating to employee arrangements.

## 13.3 Option Agreement - PowerLime

PowerLime entered into an Option Agreement to purchase the Property. The Option Agreement commenced on 26 October 2019 and expires on January 26, 2022 (**Option Period**). Under the Option Agreement, PowerLime agreed to make the following payments to the Landholder:

- (a) \$100,000 payable upon execution of the Option Agreement (**First Option Payment**); and
- (b) \$150,000 payable on or before 31 July 2021 (**Second Option Payment**).

The Landholder granted PowerLime, its employees, agents and contractors the exclusive right to, during the Option Period, among other things:

- (a) enter upon and occupy the Property for all purposes related to exploring for and evaluating minerals;
- (b) place, construct, maintain and use and thereafter remove such temporary structures as may be necessary to determine the existence of mineral products on or under the Property;
- (c) conduct such environmental analysis of the Property as PowerLime, in its discretion, deems necessary;
- (d) take or use water, whether surface, underground or artesian which is appurtenant to the Property by any lawful taking or use, except the taking and use may not interfere with the Landholder's domestic or agricultural use of such water; and
- (e) seek rezoning of the Property and/or all permits and approvals related to PowerLime's intended use of the Property, in which case the Landholder will cooperate fully with PowerLime's efforts by signing all necessary applications for such rezoning and/or permit approval, provided the Landholder will not be required to pay any deferred taxes incurred as a result of the change of use caused by the rezoning undertaken by PowerLime.

PowerLime indemnified the Landholder against all claims arising out of or related to the exercise by PowerLime of its rights under the Option Agreement, with the exception of any claims arising out of the negligence of the Landholder.

The Landholder provided warranties to PowerLime that, among other things:

- (a) the Landholder was the owner of marketable title to the Property and all mineral rights related to the Property, with the full right to enter into the Option Agreement and convey simple title to the Property and all mineral rights to the Property;
- (b) no portion of the Property was in violation of any federal, state, local or administrative order or requirement relating to environmental conditions; and
- (c) neither the Landholder nor any third party has used, manufactured, generated, treated, stored, disposed of, or released any hazardous materials on, under or about the Property, there are no storage tanks or wells (whether existing or abandoned) located on or under the Property and the Landholder has not received any correspondence from any government department or agency regarding actual or suspected presence of hazardous materials on the Property.

Under the Option Agreement, PowerLime acknowledges that the Landholder will lease the farmland and irrigation equipment located on the Property to a farm tenant on a year to year basis during the Option Period commencing 1 January 2020. PowerLime agrees to use its best efforts not to interfere with the farm tenant's production and harvesting of crops on the Property. However, in the event of damages to the farm tenant's crops or the irrigation equipment caused by the activities of PowerLime on the Property, PowerLime agrees to compensate the farm tenant for such damages.

To exercise the option, PowerLime must provide written notice of such exercise to the Landholder. Upon exercise of the option, PowerLime must enter into a purchase agreement for the Property on the following terms (**Purchase Agreement**):

- (a) the Purchase Agreement must be on terms that are customary for purchase agreements in the jurisdiction in which the Property is located;
- (b) the purchase price for the Property will be US\$1,500,000;
- (c) upon completion of the purchase of the Property, PowerLime will pay the agreed purchase price and the Landholder will transfer title to the Property and all mineral rights, except oil and gas rights, related to the Property to PowerLime;
- (d) the Landholder will retain a production royalty on the mineral rights to the Property, payable on the production of ore sold from the Property (**Production Royalty**). The Production Royalty will be payable on the basis of tons of mineral product sold or delivered for processing from the

Property at the rate of 3% of the sale price of the ore at the free on board price at the gate of the Property, net of any loading, transportation and delivery costs and other off-site costs to deliver ore to PowerLime customers. Ore is defined to mean materials from the Property in the condition in which they are shipped off the Property. The Production Royalty will be payable annually within 90 days of the end of PowerLime's fiscal year and will cover the Production Royalty payable based on ore produced on the Property during the previous 12 months; and

- (e) the Landholder will grant PowerLime a "right of first offer" such that if the Landholder wishes to sell the Production Royalty, they must first offer to sell it to PowerLime and a "right of first refusal" such that if the Landholder receives a third party offer to purchase the Production Royalty, the Landholder must first offer the Production Royalty to PowerLime on the same terms and conditions as offered by the third party (**Right of First Offer and First Refusal**).

PowerLime entered into an amendment to the Option Agreement dated May 25, 2021 which extended the due date for the Second Option Payment to July 31, 2021.

PowerLime entered into a further amendment to the Option Agreement on 26 August 2021 pursuant to which the Landholder and PowerLime agreed to use the terms of the proposed Purchase Agreement summarised below in the event PowerLime exercises the option to purchase the Property.

### **13.4 Purchase Agreement**

#### **13.4.1 Conveyance of the Property**

Under the Purchase Agreement, the Landholder agrees to sell to PowerLime all of the rights, title and interest in the Property, including but not limited to:

- (a) the parcel of land located in Early County, Georgia described as Parcel 0057 014;
- (b) all buildings and improvements located on the Property and all of the Landholder's right, title and interest to any and all fixtures;
- (c) all rights appurtenant to the Property, including without limitation, any strips and gores abutting the Property, and any land lying in the bed of any street, road, or avenue in front of, or adjoining the Property;
- (d) all rights, privileges, easements and licences relating to the Property, including all mineral rights relating to the Property with the exception of oil and gas rights;
- (e) all tenant leases, lease amendments, guarantees, exhibits and any other documents creating a possessory interest in the Property;
- (f) all plans, surveys, specifications, drawings, architectural and engineering drawings, and other rights relating to the Property;
- (g) any written warranty, guarantee, or other obligation from any contractor, manufacturer, or vendor to any improvements, furnishings, fixture, or equipment located at the Property, to the extent assignable in connection with the sale of the Property;
- (h) all right, title and interest of the Landholder in and to the assumed contracts (being service, maintenance, supply, leasing, brokerage, and listing and/or other contracts relating to the Property that are assumed by PowerLime); and
- (i) any permit, entitlement, governmental approval, certificate of occupancy, license or other form of authorisations or approval issued by a government agency or authority.

The Purchase Agreement provides that the conveyance of the Property does not include two 1000-gallon diesel fuel storage tanks located on the Property, any irrigation systems and equipment or other personal property of the Landholder or any tenant fixtures or other personal property belonging to the tenants at the Property, or any item leased from third parties. These excluded items shall be removed from the Property prior to closing by the Landholder.

Additionally, the the Landholder, for a period of twelve months from the closing date, indemnifies PowerLime against any losses including any environmental remediation (excluding consequential and indirect damages)

incurred by PowerLime arising from the Landholder's failure to remove the diesel fuel storage tanks prior to the closing date or any hazardous materials present at the Property and related to the these tanks.

#### **13.4.2 Consideration**

The purchase price for the Property is US\$1,500,000 payable on the closing date, being a date that is on or before 30 days following the date of the Purchase Agreement.

#### **13.4.3 Due diligence**

The Purchase Agreement provides that the Landholder shall deliver copies of documents and materials pertaining to the Property to the extent they are within the Landholder's possession or control. This includes, but is not limited to, title commitment/policy, surveys, site plans and specifications, architectural plans, inspections, environmental/hazardous material reports and governmental permits/approvals.

Under the Purchase Agreement, PowerLime has the right to conduct or cause to be conducted any and all tests, studies, surveys, inspections, reviews, assessments, or evaluations of the Property, including without limitation engineering, topographic, soils, zoning, wetlands, and environmental inspections (including environmental site assessments to be performed by an environmental consultant selected by PowerLime), as PowerLime deems necessary, desirable, or appropriate in its sole and absolute discretion.

Prior to closing, PowerLime and its agents, employees, consultants, inspectors, appraisers, engineers and contractors have the right to enter upon and pass through the Property during normal business hours to examine and inspect the Property as well as conduct reasonable tests, studies, investigations and surveys to assess utility availability, soil conditons, environmental conditions and physical condition.

PowerLime agrees for a period six months to indemnify and hold the Landholder harmless against all losses, costs, damages, liens, claims, liabilities and expenses incurred by the Landholder arising from or by reason of PowerLime's access to and inspections of the Property except to the extent that such losses are caused by the Landholder's negligence or intentional misconduct or any pre-existing, dangerous or illegal defective condition at the Property including any hazardous material discovered at, or on the Property, as a result of PowerLime's inspections.

#### **13.4.4 Closing conditions**

At closing, the Landholder must, among other things, deliver to PowerLime:

- (a) an original general warranty deed (**Deed**) duly executed with the appropriate acknowledgment form and otherwise in proper form for recording so as to convey title to the Property to PowerLime;
- (b) counterparts of any required transfer tax returns, or in each instance and if available, an electronic filing of such returns, together with the required payment of applicable transfer taxes, pursuant to the requirements of the State of Georgia and local taxing authorities; and
- (c) an executed counterpart to an assignment and assumption agreement in respect of all leases relating to the Property, and originally executed tenant notice letters to each of the tenants under the leases advising them of the sale of the Property to PowerLime.

#### **13.4.5 Closing costs**

Under the Purchase Agreement, each party is liable to pay the fees and expenses of its own counsel in connection with the preparation of the Agreement. The Landholder is responsible for any transfer taxes and sale taxes payable in connection with the transaction contemplated by the Purchase Agreement.

#### **13.4.6 Permitted exceptions**

The Property will be sold to PowerLime subject to permitted exceptions including but not limited to:

- (a) any and all present and future zoning, building, environmental, and other laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates of all governmental authorities having jurisdiction with respect to the Property;



- (b) all presently existing and future liens for unpaid real estate taxes, assessments, and water and sewer charges that are not due and payable as of the closing date; and
- (c) consents by Seller or any former owner for the erection and maintenance of any structures on, under, or above any streets or roads on which the Property may abut[, provided same do not render title unmarketable.

#### **13.4.7 Representations, warranties and covenants**

In the Purchase Agreement, the Landholder provides representations and warranties to PowerLime including, but not limited to, that:

- (a) the execution, delivery, or performance of the Purchase Agreement does not require the Landholder to obtain any consent, authorization, approval, or registration under any law, statute, rule, regulation, judgment, order, writ, injunction, or decree which is binding upon the Landholder which has not been previously obtained;
- (b) there is no litigation, arbitration, or other legal or administrative suit, action, proceeding, or investigation pending or threatened against or involving the Landholder or the ownership or operation of the Property, including, but not limited to, any condemnation action relating to the Property;
- (c) the Landholder has not entered into any service, maintenance, supply, leasing, brokerage, and listing or other contracts relating to the Property (which will be binding upon PowerLime after the closing), other than the leases and the assumed contracts;
- (d) the Landholder has not received notice of any material violation of any law or municipal ordinance, order, or requirement noted or issued against the Property by any governmental authority having jurisdiction over the Property, that has not been cured, corrected, or waived as of the effective date;
- (e) the Landholder has or will deliver or make available to PowerLime, complete copies of due diligence materials;
- (f) the Landholder has not placed any, and to the Landholder's knowledge, there are no hazardous materials installed, stored in, or otherwise existing at, on, in, or under the property in violation of any environmental laws; and
- (g) the Landholder reaffirms all representations and warranties related to the Property in the Option Agreement.

Additionally, the Landholder covenants in the Purchase Agreement that it will:

- (a) not enter into any new lease without PowerLime's consent;
- (b) not enter into any new service contract which is not terminable on thirty days prior notice without PowerLime's prior written consent; and
- (c) during the period from the date of the Purchase Agreement until the closing date, cause the Property, and the improvements, to be maintained in substantially the same manner as prior to the date of the Purchase Agreement.

#### **13.4.8 Remedies**

The Purchase Agreement provides that, if PowerLime defaults and fails to cure a default within 30 days of receipt of a notice of default from the Landholder, the Landholder's exclusive remedy will be to retain the option payments as liquidated damages for PowerLime's default. Upon such default, the Purchase Agreement will be terminated.

If the Landholder is in default under the Purchase Agreement and closing does not occur, PowerLime's sole remedy is to terminate the Purchase Agreement or continue with the Purchase Agreement and seek remedies available at law within 30 days of the default.

### 13.4.9 Production Royalty and gas rights

The Purchase Agreement provides that the Production Royalty and Right of First Offer and First Refusal set out in the Option Agreement will be reserved in the Deed from the Landholder to PowerLime. To that end, PowerLime acknowledges that any payments of the Production Royalty to the Landholder will be accompanied by commercially reasonable supporting information and data to allow the Landholder to verify that such payments are accurately calculated. Further, the Landholder acknowledges that PowerLime:

- (a) will have no obligation to conduct mining activities on the Property; and
- (b) the oil and gas rights retained by the Landholder in the Deed from the Landholder to PowerLime will not include the right to access the Property for the purpose of extracting oil and gas.

### 13.5 Mandate with Lead Manager

FTT has entered into a letter agreement dated 26 July 2021 (**Lead Manager Mandate**) setting out the terms on which the Lead Manager has been engaged in relation to the Offer. The Company has agreed, pursuant to the terms of the Lead Manager Mandate, to pay the Lead Manager on the settlement date of the Offer:

- (a) a management fee of 2.0% of the total amount raised under the Offer; and
- (b) a capital raising fee of 4.0% of the total amount raised under the Offer other than the proceeds sourced from the PowerLime Shareholders.

The Lead Manager is entitled to raise up to \$2.4 million in the Offer.

At the time Shares in the Company are readmitted to the Official List, the Company has agreed to issue to the Lead Manager (or its nominee(s)) broker options (**Taylor Collison Options**) to purchase 50,000,000 Shares in the Company (on a pre-Consolidation basis).

The Company has also agreed to pay to the Lead Manager a retainer of \$10,000 per month in arrears, commencing on 1 July 2021 and ceasing when Shares in the Company recommence trading on ASX or after a period of 5 months, whichever is the earlier.

Subject to the Company successfully being readmitted to the Official List, the Lead Manager has a right of first refusal in respect of acting as the lead manager for any subsequent equity capital raisings conducted by the Company in the 12 months following the date of allotment of the Shares.

Unless terminated by the Company or the Lead Manager in accordance with its terms, the Lead Manager Mandate terminates on 31 December 2021. It contains other standard terms customary to lead management mandates.

Both the Company and the Lead Manager can terminate the engagement at any time upon 7 days' written notice to the other party.

### 13.6 Deed of access, indemnity and insurance

The Company has entered into a deed of access, indemnity and insurance with each Director to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director was, or is threatened to be made, a party by reason of the fact that such Director is or was a director, officer, employee or agent of the Company, provided that such Director acted in good faith and in a manner that the Director reasonably believed to be in, or not opposed to, the Company's best interests.

The deed of access, indemnity and insurance also contains the Director's rights to Board papers.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

The Company maintains insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as a director.

### **13.7 Restriction deeds**

The Shares and Options issued to the PowerLime Shareholders under the SPA (set out in Section 13.2 above) may be considered Restricted Securities for the purposes of ASX Listing Rule 9.1. Pursuant to ASX Listing Rules, the PowerLime Shareholders may be required to enter into restriction deeds in the form set out in Appendix 9A in respect of those Shares.

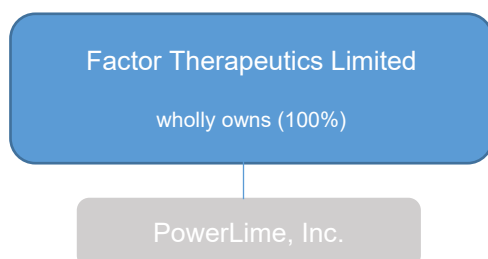
In accordance with these restriction deeds, each of the PowerLime Shareholders is restricted from disposing of, creating any security interest in or transferring effective ownership or control of, the restricted Securities, for a period of 24 months from the date on which quotation of the Shares commences.

The restriction deeds will apply only to those Shares issued in accordance with the SPA, and, for the avoidance of doubt, the restrictions therein will not apply to any other Shares held by those PowerLime Shareholders.

## 14. Additional Information

### 14.1 Corporate structure

The corporate structure of the Company following completion of the Acquisition is set out below:



### 14.2 Important note

The information set out in this Section 14 is not intended to be comprehensive. This Prospectus should be read and considered in its entirety.

### 14.3 Rights attaching to Shares

#### 14.3.1 Background

The Company's current Constitution governs the rights attaching to Shares in the Company, including those Shares offered under the Offer.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company's Shares upon re-listing on ASX. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are:

- (a) set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law.

All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.

#### 14.3.2 Voting

Subject to the Constitution and any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of Shareholders or classes of Shareholders:

- (a) every Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands every Shareholder who is present in person or by proxy, attorney or representative has one vote; and
- (c) on a poll every Shareholder who is present in person or by proxy, attorney or representative has one vote for every Share held, but, in respect of partly-paid shares, has a fraction of a vote for each share which is not fully paid equivalent to the proportion which the amount paid up, not credited as paid up, on that share bears to the total of the amounts paid and payable (excluding amounts credited) on that share.

A poll may be demanded by the chairman, at least five Shareholders entitled to vote on the resolution or by members with at least 5% of the votes that may be cast on the resolution by a poll.

### **14.3.3 Dividends**

Subject to the Corporations Act, ASX Listing Rules, the rights of any preference shareholders and the rights or restrictions attached to a Share or class of shares, the Directors may pay a dividend in respect of Shares which is, in their judgment, justified by the financial position of the Company.

Dividends shall (subject to the rights of any preference shareholders and to the right of the holders of any Shares created or raised under any special arrangement as to a dividend), be payable in the proportion which the amounts paid (not credited) on a share bears to the total amounts paid and payable (excluding amounts credited) on the share. Interest is not payable by the Company in respect of the dividend.

The Directors may authorise the payment to Shareholders of an interim dividend which is, in their judgement, justified by the financial position of the Company.

### **14.3.4 Transfer of Shares**

Subject to the Constitution and to the rights or restrictions attached to any Share or class of shares, a Shareholder may transfer Shares by a Proper ASTC Transfer (as defined in the Corporations Regulations 2001 (Cth)) or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may ask ASX Settlement to apply a holding lock to prevent a Proper ASTC Transfer or may decline to register an instrument of transfer of Shares received, where permitted or required by ASX Listing Rules or ASX Settlement Operating Rules or, except for a Proper ASTC Transfer, under the terms of the issue of the Shares or where the transfer is not in registrable form, where the Company has a lien on the Shares transferred, where the transfer may breach a law of Australia, when the resulting holding would be less than a marketable parcel (in the case of paper-based transfers), or where the transfer is not permitted under the terms of an employee incentive scheme.

The Company must give written notice of the refusal, or the request for a holding lock, and the precise reasons for it:

- (a) to the holder of the Shares, if the Company asks ASX Settlement to apply a holding lock to prevent a Proper ASTC Transfer; or
- (b) to the party lodging the transfer, if the Company declines to register any other transfer.

### **14.3.5 General meetings and notice**

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or ASX Listing Rules.

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

### **14.3.6 Winding up**

Subject to the Constitution and to the rights of shareholders entitled to shares with special rights in a winding up, if the Company is wound up and the property of the Company is more than sufficient to pay all of the debts and liabilities of the Company and the costs, charges and expenses of the winding up, all monies and property to be distributed between Shareholders shall be distributed to them in proportion to the Shares held by them. The amount that would otherwise be distributed to the holder of a partly-paid share must be reduced by the amount unpaid on that share at the date of the distribution; but if the effect of this would be to reduce the distribution to the holder of a partly-paid share to a negative amount, the holder must contribute that amount to the Company.

A liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders the whole or any part of the property of the Company and may determine how the division is to be carried out between Shareholders or different classes of Shareholders.

### **14.3.7 Restricted Securities**

In the event of a breach of ASX Listing Rules or a breach of a restriction deed entered into by the Company under ASX Listing Rules relating to Restricted Securities (as defined in ASX Listing Rules), the Shareholder holding the

Restricted Securities in question shall cease to be entitled to any voting rights or to be paid any dividends or distributions in respect of those Restricted Securities during the period of such breach.

#### **14.3.8 Variation of class rights**

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the shares of the class or by special resolution passed at a separate meeting of the holders of shares of the class.

The provisions of the Constitution relating to general meetings shall apply with necessary alterations so far as they are capable of application to every such separate meeting.

The rights conferred on the holders of any class of shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

#### **14.3.9 Changes to capital structure**

The Company may by ordinary resolution and subject to the Corporations Act and applicable ASX Listing Rules convert all or any of the Shares into a larger or smaller number of Shares.

#### **14.3.10 Alteration to the Constitution**

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

#### **14.3.11 ASX Listing Rules**

As the Company is listed on ASX, notwithstanding anything in the Constitution, if ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that ASX Listing Rules require to be done. If ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If ASX Listing Rules require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

### **14.4 Litigation**

So far as the Directors are aware, other than as described elsewhere in this Prospectus, 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 or which is likely to have a material adverse impact on the business or financial position of the Company.

### **14.5 Disclosure of interests**

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting (currently \$400,000). The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. Directors are not required to hold any Shares.

Other than set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer of Shares, or in any property proposed to be acquired by the Company in connection with information or promotion of the Offer of the Shares; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of the Company or the Offer of Shares.

Details of the Directors' and proposed Directors' remuneration and relevant interests in the Securities of the Company as at the date of this Prospectus are set out in the table below:

Director/ proposed Director	Proposed annual remuneration \$	Shares	Options
David Brookes	91,080	1,280,000	-
John Michailidis	-	52,743	100,000
Melanie Farris	-	-	25,000
Dominic Allen	-	-	-
Anastasios Arima	-	-	-

At the Extraordinary General Meeting, the Company will seek Shareholder approval for the Directors/ proposed Directors to participate in the Offer to the extent set out below:

Director/ proposed Director	Participation in the Offer(Shares)	Participation in the Offer (\$)
David Brookes	2,500,000	100,000
John Michailidis	-	-
Melanie Farris	-	-
Dominic Allen	2,500,000	100,000
Anastasios Arima	2,500,000	100,000

Details of the Directors' and proposed Directors' remuneration and relevant interests in the Securities of the Company on completion of the Acquisition and Offer and assuming Shareholders approve the Directors' and proposed Directors' participation in the Offer, are set out in the table below:

Director/proposed Director	Proposed annual remuneration \$	Shares	Options
David Brookes	91,080	4,901,250	500,000
John Michailidis	-	862,142	100,000
Melanie Farris	-	204,525	25,000
Dominic Allen	120,000	3,410,624	1,303,541
Anastasios Arima	65,748	3,410,624	1,303,541

## 14.6 Interests of advisers

Link Market Services Limited 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.

Jones Day has acted as the corporate lawyers to the Company in relation to the Offer and has undertaken certain due diligence. The Company estimates it will pay Jones Day \$150,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

Marshall Miller & Associates has acted as the Independent Geologist to the Offer. The Company estimates it will pay Marshall Miller & Associates a total of \$40,000 (US\$25,000) for these services.

PKF Brisbane Audit has been appointed to act as Auditor and Investigating Accountant to the Company. The Company estimates it will pay PKF Brisbane Audit a total of:

- (a) \$15,000 for audit services; and
- (b) a total of \$10,000 (excluding GST) for acting as Investigating Accountant and preparing the Independent Limited Assurance Report.

Taylor Collison has acted as the Lead Manager to the Public Offer. Details of the payments to be made to the Lead Manager are set out in Section 13.5.

## **14.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent as 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:

- (a) does not make the Offer;
- (b) 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;
- (c) 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
- (d) 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.

### **14.7.1 Solicitors**

Jones Day 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 corporate lawyers to the Company in the form and context in which it is named.

### **14.7.2 Independent Geologist**

Marshall Miller and Associates has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist 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 Geologist Report and references made to it in the form and context in which they are included.

### **14.7.3 Auditor and Investigating Accountant**

PKF Brisbane Audit 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 and 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 they are included.



#### 14.7.4 Lead Manager

Taylor Collison 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 Lead Manager to the Offer in the form and context in which it is named.

#### 14.8 Expenses of the Offer

The estimated expenses of the Offer are:

Expense	\$
Legal	150,000
Investigating Accountant	25,000
Lead Manager	224,000
Corporate and administration, printing and taxes	62,000
<b>Total</b>	<b>461,000</b>

#### 14.9 Expiry Date

No Shares will be issued on the basis of this Prospectus after the Expiry Date.

#### 14.10 Effect of the Offer

The principal effect of the Offer, assuming the Offer is fully subscribed, will be to:

- (a) increase the cash reserves of the Company by \$4,000,000 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 104,283,563 as at the date of this Prospectus to a maximum of 225,850,500 Shares following the completion of the Offer.

#### 14.11 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

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

#### 14.12 Clearing House Electronic Sub-Register System (CHES) and issuer sponsorship

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

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

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

## **14.13 Australian taxation considerations**

### **14.13.1 Overview**

The comments in this Section provide a general outline of Australian income tax, capital gains tax (**CGT**), GST and stamp duty issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes. This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to Australian taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about an investment in the Shares. These comments are based on tax laws, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force at the date of this Prospectus. Investors should note that tax laws are subject to ongoing change, and this Section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes in law by judicial decision or legislation following the date of this Prospectus.

To the extent that there are any changes in law after the date of this Prospectus, including those having retrospective effect, Shareholders should consider the tax consequences, taking into account their own individual circumstances, and should consider taking advice from a professional advisor before making a decision about an investment to acquire Shares under this Prospectus. The taxation implications of a subscription for Shares may be affected by the individual circumstances of each Shareholder, and it is recommended that Shareholders consult their own independent advisors regarding taxation consequences, including stamp duty, income tax and Australian GST consequences of the acquisition, ownership and disposal of Shares. This summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Shareholder. The categories of Shareholders considered in this section are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account, and it does not consider any other category of Shareholders including those that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, foreign residents, insurance companies, banks or Shareholders who are subject to the rules for the taxation of financial arrangements contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

### **14.13.2 Acquisition of Shares**

Each Share under the Offer should be a separate CGT asset for Australian tax purposes. For CGT purposes, the tax cost base (and reduced cost base) of each Share held by an Australian tax-resident Shareholder should include the amount the Shareholder paid (or is required to pay) to acquire the Share, plus any incidental costs of acquisition.

#### **14.13.1 Repatriation of dividends from PowerLime**

Under Australian tax law, FTT will be required to treat any dividend received from its subsidiary PowerLime as exempt non-assessable income.

In the event that such income is then used to fund the payment of a dividend by FTT to its shareholders, it is likely such a dividend will be unfranked given that no Australian tax will have been paid in relation to the earlier dividend receipt from PowerLime.

The effect of receiving an unfranked dividend is that Australian resident individual Shareholders will be liable to income tax at marginal rates without any franking relief. Non-resident Shareholders would be liable to dividend withholding tax in respect of any unfranked portion of a dividend paid from an Australian resident company and then liable to tax in their country of residence.

#### **14.13.2 Income tax treatment of dividends received for Australian resident Shareholders**

If an Australian tax resident Shareholder receives a dividend from FTT, the cash dividend will be included in the Shareholder's assessable income. To the extent that FTT 'franks' the dividend, the franking credit attached to the dividend should generally also be included in the Shareholder's assessable income.

Where the franking credit is included in the Australian tax resident Shareholder's assessable income, the Australian tax resident Shareholder should generally be entitled to a corresponding tax offset against tax payable by the Shareholder. The tax offset can be applied to reduce the tax payable on the Australian tax resident Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Australian tax resident Shareholder's taxable income, the Shareholder may be entitled to a tax refund.

To be eligible for the franking credit and tax offset, an Australian tax resident Shareholder must satisfy the 'holding period' rule and 'related payments' rule. This requires that a Shareholder hold the Shares in FTT 'at risk' for a period of not less than 45 days (not including the date of acquisition or the date of disposal). In addition, an

Australian tax resident Shareholder must not be obliged to make a 'related payment' in respect of any dividend, unless they hold the Shares at risk for the required holding period around all dividend dates.

Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

The holding period rule should not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed \$5,000 for the income year in which the franked dividend is received. However, this exemption does not apply to a dividend which is subject to the related payments rule.

#### **14.13.3 Income tax treatment of dividends received for Non-Australian tax resident Shareholders**

Dividends paid by FTT on a Share to a non-Australian tax resident Shareholder may be subject to dividend withholding tax.

If franked dividends are paid to a non-Australian tax resident Shareholder, no dividend withholding tax is required to be withheld. Where unfranked dividends are paid to a non-Australian tax resident Shareholder, FTT will generally be required to withhold tax from the payment of the dividend under the withholding tax rules. If unfranked dividends are declared to include amounts of conduit foreign income, no dividend withholding tax is required to be withheld. No further Australian tax liability arises for non-Australian tax resident Shareholders to the extent that the dividend is franked, declared as conduit foreign income, or subject to dividend withholding tax.

Non-Australian tax resident Shareholders should seek their own independent tax advice as the above comments are general in nature, and any tax liability may vary depending on the Shareholder's individual circumstances.

#### **14.13.3 Capital gains tax**

The tax treatment of future share disposals by Australian tax-resident Shareholders will depend on whether the Shares are held on revenue account, as trading stock, as subject to the rules for the taxation of financial arrangements or on capital account. As noted above, this section only considers Shareholders that hold Shares on capital account and related CGT implications.

The disposal of a Share by an Australian tax-resident Shareholder will constitute a CGT event. A capital gain will arise where the cost base of the Share (being broadly the amount paid to acquire the Share, plus any transaction costs incurred in relation to the acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, this will generally be the cash proceeds received on disposal).

However, a CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, provided that the Shares have been held for at least 12 months prior to disposal. If the CGT discount applies, a capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies.

The Board recommends that Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains. The net capital gain for a financial year after application of capital losses and CGT discount (if available), is included in the resident Shareholder's assessable income and is subject to Australian tax. A net capital loss may generally be carried forward to future years to be deducted against future capital gains. A capital loss should be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. All capital gains and losses for the year are added together. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income but can be carried forward to later income years.

#### **14.13.4 Capital Gains Tax implications for Non-Australian tax resident Shareholders**

Where a non-Australian tax resident Shareholder (and any associates) holds less than 10% of the Shares, any capital gain made on disposal of the Shares will be exempt from CGT, unless the Shares are an asset of an Australian situated permanent establishment of a non-Australian tax resident Shareholder.

A non-Australian tax resident Shareholder (and any associates) holding at least 10% of the voting entitlements in FTT will only be liable to tax where more than 50% of the value of FTT's assets is attributable to Australian real property. Where this is not the case, any capital gain made on disposal of the Shares will be exempt from CGT.

The CGT rules will vary depending on the Shareholder's individual circumstances and non-Australian tax resident Shareholders should seek their own professional advice when disposing of their Shares.

#### **14.13.5 Tax File Numbers**

An Australian tax resident Shareholder is not required to quote their Tax File Number (TFN), or if applicable, Australian Business Number (ABN) to FTT. However, if an Australian tax resident Shareholder's TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by FTT from distributions and/or unfranked dividends at the maximum marginal tax rate plus the Medicare levy. An exemption from this requirement to withhold applies in respect of a fully franked dividend paid by FTT.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN.

#### **14.13.4 GST**

No GST should be payable by Shareholders on acquisition or disposal of Shares in the Company, and no GST should be payable by Shareholders on receiving dividends distributed by the Company. However, Shareholders may not be entitled to claim full input tax credits in relation to any GST included in any costs they have incurred in connection with the acquisition of the Shares, and Shareholders should obtain their own independent tax advice in this regard.

#### **14.13.5 Stamp duty**

Shareholders should not be liable for stamp duty in relation to the acquisition of Shares in the Company provided that the company remains on the official list of ASX and all shares remain quoted on ASX, unless the Shareholder acquires (either individually, or with an associate or related party or in concert with other associated/related persons, an interest of 90% or more in the Issuer. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares but Shareholders should seek their own advice on the impact of stamp duty in their own particular circumstances.

### **14.14 Privacy Act**

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

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

You can access, correct and update the personal information that the Company or its Registry holds about you. If you wish to do so, please contact the Registry at the relevant contact number set out in this Prospectus.

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

## 15. Directors' Statement

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

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

Signed for and on behalf of Factor Therapeutics Limited

A handwritten signature in black ink, appearing to read 'David Brookes', written in a cursive style.

Dr David Brookes  
Chairman  
27 August 2021

## 16. Glossary

Term	Meaning
<b>Accounting Standards</b>	the accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia.
<b>Acquisition</b>	the proposed acquisition by the Company of the issued capital of PowerLime.
<b>Anti-Bribery and Corruption Policy</b>	means the Anti-Bribery and Corruption Policy adopted by the Company.
<b>Application Monies</b>	the amount accompanying an application submitted by an investor.
<b>Applicant</b>	an investor that applies for Shares pursuant to this Prospectus, and <b>Application</b> has a corresponding meaning.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691).
<b>ASX Listing Rules</b>	the listing rules of ASX.
<b>ASX Recommendations</b>	means the ASX Corporate Governance Principles and Recommendations 4 <sup>th</sup> edition.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.
<b>Auditing Standards</b>	means the auditing standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia.
<b>Auditor</b>	means PKF Brisbane Audit.
<b>AUD\$, Dollar or \$</b>	Australian dollars.
<b>Bankruptcy Act</b>	the <i>Bankruptcy Act 1966</i> (Cth).
<b>Board</b>	the board of Directors of the Company.
<b>Brookes Options</b>	means the offer of 5,000,000 Options to Mr David Brookes.
<b>Business Day</b>	a day on which trading takes place on the stock market of ASX.
<b>CGT</b>	means capital gains tax.
<b>Chair or Chairman</b>	means the chair of the Board.
<b>CHESS</b>	means the Clearing House Electronic Sub-Register System.
<b>Closing Date</b>	the closing date for receipt of applications under this Prospectus being 1 October 2021 (unless extended or closed early by the Company in its absolute discretion).

Term	Meaning
<b>Code of Conduct</b>	means the code of conduct adopted by the Company.
<b>Company or FTT</b>	means Factor Therapeutics Limited ABN 45 101 955 088.
<b>Consideration Options</b>	means the Options issued as consideration under the Acquisition.
<b>Consideration Shares</b>	means the Shares issued as consideration under the Acquisition.
<b>Constitution</b>	the Company's Constitution as at the date of this Prospectus.
<b>Consolidation</b>	the proposed consolidation of the Securities of the Company on the basis that every 10 Securities will be consolidated into one Security.
<b>Continuous Disclosure Policy</b>	means the continuous disclosure policy adopted by the Company.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Deed</b>	means the original general warranty deed required to be provided by the Landholder under the Purchase Agreement.
<b>Directors</b>	directors of the Company.
<b>Diversity Policy</b>	means the Diversity Policy adopted by the Company.
<b>Eligible Shareholders</b>	Shareholders with a registered address in Australia on the Record Date.
<b>Expiry Date</b>	the date that is 13 months after the date of this Prospectus.
<b>Exposure Period</b>	the period of 7 days from the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for a further period of up to 7 days.
<b>Extraordinary General Meeting or EGM</b>	the extraordinary general meeting of the Company to be held on 9 September 2021
<b>Financial Information</b>	the financial information set out in Section 9.2.
<b>First Option Payment</b>	the payment of \$100,000 by PowerLime to the landholder upon execution of the Option Agreement.
<b>Full Subscription</b>	means \$4,000,000, being the maximum number of Shares offered under the Offer of 1,000,000,000 Shares at an issue price of \$0.04 per Share.
<b>GST</b>	means goods and services tax as defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

Term	Meaning
<b>Historical Financial Information</b>	has the meaning given in Section 9.2(a).
<b>IFRS</b>	means the International Financial Reporting Standards as adopted by the International Accounting Standards Board.
<b>Independent Geologist</b>	means Marshall Miller and Associates.
<b>Independent Geologist Report or IGR</b>	the Independent Geologist Report included in Section 11.
<b>Investigating Accountant</b>	means PKF Brisbane Audit.
<b>Independent Limited Assurance Report or Investigating Accountant's Report or IAR</b>	the Investigating Accountant's Report included in Section 10.
<b>KPI</b>	means key performance indicator.
<b>Landholder</b>	the owner of the Property.
<b>Lead Manager</b>	Taylor Collison Limited ACN 008 172 450
<b>Lead Manager Mandate</b>	means the letter agreement dated 26 July 2021 between the Company and the Lead Manager.
<b>LTI</b>	means long-term incentive.
<b>Minimum Subscription</b>	means \$4,000,000, being the minimum number of Shares to be issued under the Offer of 100,000,000 Shares at an issue price of \$0.04 per Share.
<b>Management Options</b>	means Options to be issued to members of the PowerLime Senior Management Team.
<b>Offer</b>	the offer under this Prospectus for 100,000,000 Shares by the Company at the Offer Price, subject to the Minimum Subscription.
<b>Offer Price</b>	\$0.04 per Share.
<b>Official List</b>	the official list of ASX.
<b>Official Quotation</b>	quotation on the official list of ASX.
<b>Opening Date</b>	the opening date for receipt of applications under this Prospectus being 10 September 2021.
<b>Option</b>	an option to acquire a Share.



Term	Meaning
<b>Option Agreement</b>	means the memorandum of option to purchase the Property entered into by PowerLime on 26 October 2019 and as amended on 25 May 2021.
<b>Option Closing Date</b>	means the date on which financial close of the transaction contemplated by the SPA occurs.
<b>Option Expiry Date</b>	means the date on which the Options expire, being 4 years from the date of issue for the Consideration Options and Management Options, and 3 years from the date of issue for the Taylor Collison Options.
<b>Option Period</b>	means the period from the Option Agreement's commencement on 26 October 2019 to its expiry on January 26 2022.
<b>Plan</b>	means the equity option plan established by the Company.
<b>Plan Rules</b>	means the rules of the Plan.
<b>PowerLime</b>	means PowerLime, Inc.
<b>PowerLime Senior Management Team</b>	means those members of PowerLime, Inc.'s senior management team that are proposed to receive Management Options.
<b>PowerLime Shareholders</b>	means the holders of shares in PowerLime.
<b>PowerLime Shares</b>	means all the shares issued in the capital of PowerLime.
<b>Priority Offer</b>	the offer of Shares to Shareholders on the Record Date as part of the Offer.
<b>Privacy Act</b>	the <i>Privacy Act 1988</i> (Cth).
<b>Pro Forma Financial Information</b>	has the meaning given in Section 9.2(b).
<b>Production Royalty</b>	means the production royalty in favour of the Landholder on the mineral rights to the Property, payable on the production of ore sold from the Property, under the Purchase Agreement.
<b>Project</b>	means PowerLime's prospective high calcium limestone project located in south Georgia, USA.
<b>Proper ASTC Transfer</b>	means Proper ASTC Transfer as defined in the Corporations Regulations 2001 (Cth).
<b>Property</b>	means the relevant real property identified as Parcel 0057 014 located in Early County, south Georgia.
<b>Prospectus</b>	this Prospectus.
<b>Public Offer</b>	the offer of Shares under this Prospectus to the general public comprising part of the Offer.
<b>Purchase Agreement</b>	the purchase agreement which will be entered to by PowerLime and the Landowner to purchase the Property upon exercise of the Option Agreement.
<b>Record Date</b>	27 August 2021
<b>Registry</b>	means the Company's share registry, being Link Market Services Limited.

Term	Meaning
<b>Re-Compliance</b>	the re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and re-quotation of the Shares on the Official List of ASX in accordance with Chapter 11 of the ASX Listing Rules
<b>Restricted Persons</b>	means any Directors, key management personnel and other persons who have been advised by the company secretary of the Company that they are subject to special restrictions in relation to the trading of Securities.
<b>Restricted Securities</b>	means Restricted Securities as defined in the ASX Listing Rules.
<b>Right of First Offer and First Refusal</b>	means the right of first offer and first refusal over the Production Royalty under the Purchase Agreement.
<b>Second Option Payment</b>	the payment of \$150,000 made by PowerLime to the Landholder under the Option Agreement.
<b>Section</b>	a section of this Prospectus.
<b>Securities Dealing Policy</b>	means the securities dealing policy adopted by the Company.
<b>Security</b>	a Share or an Option.
<b>Share</b>	a fully paid ordinary share in the capital of the Company and, where the context permits, means the Shares the subject of the Offer.
<b>Shareholders</b>	the holders of Shares.
<b>SPA</b>	the share purchase agreement between the Company and PowerLime and the PowerLime shareholders, to acquire all issued shares in PowerLime.
<b>STI</b>	means short-term incentive.
<b>Taylor Collison Options</b>	the Options to be issued to the Lead Manager under the Lead Manager Mandate.
<b>Whistleblower Protection Policy</b>	means the Whistleblower Protection Policy adopted by the Company.