



# TECHNOLOGY

## METALS AUSTRALIA LIMITED

ABN 64 612 531 389

# PROSPECTUS

**For an offer of 20,000,000 Shares at an issue price of A\$0.20 each to raise A\$4,000,000.**

It is proposed that the Offer will close at 5:00pm (WST) on 18 November 2016. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

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

**Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 5 for a summary of the key risks associated with an investment in the Shares.**

[WWW.TMTLIMITED.COM.AU](http://WWW.TMTLIMITED.COM.AU)



**PAC**  
PARTNERS

**Lead Manager to the Offer**

*PAC Partners Pty Ltd is a Corporate Authorised Representative of PAC Asset Management Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 335 374).*

## Important Notice

This Prospectus is dated, and was lodged with ASIC on 13 October 2016. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

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

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

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

### 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. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

### Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at [www.tmtlimited.com.au](http://www.tmtlimited.com.au). Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's Australian registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's Australian registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

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

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

### Website

No document or information included

on the Company's website is incorporated by reference into this Prospectus.

### **Foreign Investors**

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

### **Speculative Investment**

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

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 5 for details relating to the key risks applicable to an investment in the Shares.

### **Using this Prospectus**

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and

liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

### **Privacy Statement**

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person

ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

### **Forward-Looking Statements**

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information

contained in this Prospectus, except where required by law.

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

### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

### **Currency**

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

### **Time**

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

### **Glossary**

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

## Corporate Directory

### Directors

Mr Michael Fry, Non-Executive Chairman

Mr Ian Prentice, Executive Director

Mr Sonu Cheema, Non-Executive Director

### Company Secretary

Mr Sonu Cheema

### Registered Office

Suite 9, 330 Churchill Avenue,  
Subiaco, Western Australia  
Telephone: +61 (8) 6489 1600

### Lead Manager

PAC Partners Pty Ltd,  
Level 10, 330 Collins Street,  
Melbourne, Victoria

### Corporate Advisor

Cicero Advisory Services Pty Ltd,  
Suite 9 330 Churchill Avenue,  
Subiaco, Western Australia

### Share Registry \*

Security Transfer Registrars Pty Ltd,  
770 Canning Highway, Applecross,  
Western Australia

### Auditor \*

HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia

### Investigating Accountant

HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia

### Independent Geologist

Al Maynard & Associates Pty Ltd,  
9/280 Hay Street, Subiaco, Western Australia

### Legal Advisor to the Company

Eaton Hall, Corporate & Commercial Lawyers, Unit 9, 628-630 Newcastle Street Leederville  
Perth, Western Australia

### Legal Advisor Reporting on Tenements

All Mining Legal Pty Ltd  
Suite 2, 257 York Street, Subiaco  
Perth, Western Australia

Proposed Stock Exchange Listing  
Australian Securities Exchange (ASX)  
Proposed ASX Code: TMT

\* This entity has been included for information purposes only. It has not been involved in the preparation of this Prospectus.

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## Indicative Timetable

Lodgement of Prospectus with ASIC	13 October 2016
Opening date of the Offer	21 October 2016
Closing date of the Offer	18 November 2016
Despatch of holdings statements	25 November 2016
Expected date for quotation on ASX	2 December 2016

## Letter from the Chairman

Dear Investor

On behalf of the board of Technology Metals Australia Limited (**Company**), I am pleased to present this Prospectus and to invite you to become a shareholder in the Company.

The Group has agreed to purchase a 100% interest in The Kop Ventures Pty Ltd (ACN 604 932 676) which owns the Gabanintha Project, which comprises 4 prospecting licences and 1 exploration licence in the mid-West of Western Australia.

The Gabanintha Project area is located near the ghost town of Gabanintha in the Shire of Meekatharra, about 830 kilometres North-North-West of the State's capital, Perth and 40 kilometres South-East of Meekatharra.

The Company has agreed to acquire the Gabanintha Project primarily for its potential for vanadium but there is the possibility that titanium and iron could also be present. Copper is also known to occur in the region.

The Company intends to use the funds raised from the Offer primarily to conduct work programmes. Based on historical drill results and known mineralisation along strike and geophysical data the Company believes that all Tenements are in a favourable geological and structural environment with potential, given normal exploration risk, for providing positive results.

The purpose of the Offer is to raise A\$4,000,000 (before associated costs) by the issue of 20,000,000 Shares at an issue price of A\$0.20 each.

The proceeds of the Offer will be primarily utilised to enable the Company to undertake a works programme and for new project investigations and opportunities.

**This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company, which has a very limited operating history. Potential investors in the Company should carefully consider those risks (detailed in Section 5).**

We look forward to welcoming you as a Shareholder of Technology Metals Australia Limited should you decide to take up Shares pursuant to the Offer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Fry', with a stylized flourish at the end.

Michael Fry  
Non-Executive Chairman

## Investment Overview

Topic	Summary	More Information
<b>A. Company and Business Overview</b>		
Who is issuing this Prospectus?	Technology Metals Australia Limited (ACN 612 531 389) ( <b>Company</b> ) is issuing this Prospectus.	See Section 2.2.
What does the Company do?	<p>The Company was incorporated on 20 May 2016 for the primary purpose of identifying exploration projects in Australia and overseas with the aim of discovering commercially significant mineral deposits.</p> <p>The Company's primary exploration focus will be on vanadium in the mid-West region of Western Australia.</p> <p>The Company has entered into an agreement to acquire 100% of the issued capital in KOP from the KOP Shareholders (<b>KOP Agreement</b>).</p> <p>KOP is the sole registered holder of the Gabanintha Project.</p> <p>The KOP Agreement remains conditional upon the Company receiving written confirmation from ASX that ASX will grant conditional approval to admit the Company to the official list of ASX, on terms acceptable to the Company. The condition must be satisfied on or before 1 December 2016 or such other date agreed in writing between the parties. The consideration payable is:</p> <ul style="list-style-type: none"> <li>• A\$11,956 for reimbursement of expenditure incurred in developing the Gabanintha Project, payable following completion of the Offer;</li> <li>• 2,500,000 Shares, to be issued upon the Company receiving conditional approval of its listing application from ASX; and</li> <li>• 10,000,000 Class A Performance Shares in the Company, each convertible to 1 fully paid share and 1 Class B Performance Share upon the definition of an inferred resource of 30,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Gabanintha Project on or before 31 December 2019, to be issued upon the Company receiving conditional approval of its listing application from ASX.</li> </ul>	See Section 2.
What are the Company's financial prospects and position?	<p>The Group has only recently begun its current business of identifying exploration projects and therefore has a very limited operating history in relation to this business.</p> <p>As at 30 September 2016, the Group has:</p> <ul style="list-style-type: none"> <li>• a cash balance of A\$77,333;</li> <li>• total assets of A\$92,464;</li> </ul>	See Section 4.



Topic	Summary	More Information
	<ul style="list-style-type: none"> <li>net assets of A\$92,464; and</li> <li>shareholders' equity of A\$92,464.</li> </ul>	
What will be the Company's major assets?	<p>The Company has agreed to purchase 100% of the issued capital in KOP.</p> <p>KOP is the registered owner of the Gabanintha Project, which comprises:</p> <ul style="list-style-type: none"> <li>prospecting licences P51/2785, P51/2942, P51/2943, and P51/2944; and</li> <li>exploration licence E51/1510,</li> </ul> <p>granted under the <i>Mining Act 1978 (WA)</i>.</p>	See Section 2.
Why is the Company seeking to raise funds?	<p>The Gabanintha Project is at the exploration stage and therefore an investment in the Company is speculative and involves a high degree of risk.</p> <p>Although limited, previous exploration over the ground covered by the Tenements has proved the existence of vanadium within the Gabanintha Project. Accordingly, the Company has designed appropriate work programmes to define further vanadium mineralisation focussing primarily on drilling and metallurgical evaluation.</p> <p>The Company intends to use the funds raised from the Offer primarily to conduct these work programmes.</p> <p>Based on historical drill results, known mineralisation along strike and geophysical data the Company believes that all Tenements are in a favourable geological and structural environment with potential, given normal exploration risk, for providing positive results.</p> <p>The Company's ability to generate revenue in the future will depend upon the success of the Company's exploration activities on the Tenements, or any other tenements that may be acquired in the future, and the Company's ability to successfully exploit any minerals that may be discovered on the Tenements, or any other tenements that may be acquired in the future.</p>	See Sections 1.4, 1.5 and 1.6.
What will be the focus of the Company's investment activities and how will it determine which investments it makes?	<p>The Company intends to use the funds raised from the Offer primarily to conduct its works programmes.</p> <p>The Company may also seek to acquire interests in other resource projects which have a focus on technology and precious metals.</p>	See Section 1.4.
Will the Company hold cash?	Following completion of the Offer, the Company will hold approximately A\$3,582,377 in cash.	See Section 4.
What are the details of the KOP Agreement?	The parties to the KOP Agreement are the Company and the KOP Shareholders. The KOP Shareholders' relative percentage holdings in shares in KOP prior to the acquisition by the Company are:	See Section 6.1(a).

Topic	Summary	More Information
	<ul style="list-style-type: none"> <li>Station Nominees – 25%;</li> <li>Twentieth Century – 74%; and</li> <li>Mr Ian Prentice, the Company's Executive Director – 1%.</li> </ul> <p>The details of the consideration payable to each KOP Shareholder is set out in section 6.1(a).</p> <p>As Mr Ian Prentice is a Director of the Company, the acquisition by the Company of shares in KOP constitutes a related party transaction. The non-interested Directors of the Company have determined that this transaction is on arm's length terms or more favourable to the Company than arm's length terms. This is in part due to the relatively small involvement of Mr Ian Prentice given his 1% holding in KOP.</p>	
Will the Company pay dividends?	<p>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 the 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>The Directors can provide no guarantee as to the future dividend policy, the extent of future dividends or the level of franking or imputation credits applying to such dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the company at the time.</p>	See Section 1.16.
<b>B. Key Risks</b>		
What are the key risks of investing in the Company	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.</p> <p>Set out below are specific risks that the Company is exposed to.</p> <ul style="list-style-type: none"> <li><b>Limited history</b></li> </ul> <p>The Company was only incorporated on 20 May 2016 and has no operating history and limited historical financial performance.</p> <p>Exploration has previously been conducted on the area of land the subject</p>	See Section 5.

Topic	Summary	More Information
	<p>of the Tenements, however, the Company is yet to conduct its own exploration activities and will not commence these activities until the Company has been admitted to the Official List. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Tenements.</p> <ul style="list-style-type: none"> <li> <b>Exploration success</b> <p>The Tenements are at an early exploration stage. There is not presently a JORC Code compliant resource in relation to the Tenements. Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>Until the Company is able to realise value from the Tenements, or any other tenements that may be acquired in the future, it is likely to incur ongoing operating losses.</p> </li> <li> <b>Manager</b> <p>The success and profitability of the Company will largely depend on the ability of the Executive Director who is primarily responsible for devising and implementing the Company's exploration strategy.</p> <p>The Company is exposed to the risk that the Executive Director may fail to make suitable decisions in relation to the exploration strategy. In addition, the Company is exposed to the risk that the Executive Director ceases to be involved with the Company in an executive capacity, and as a result, ceases to manage the Company's operations.</p> </li> <li> <b>Land access</b> <p>All land the subject of the Tenements overlaps Crown land which has been leased pursuant to two pastoral leases and one reserve lease. Further details are provided in the Legal Report on Tenements set out in Section 9 of this Prospectus.</p> <p>Although the Company will be able to undertake its proposed activities on those parts of the granted Tenements not covered by the prohibitions and travel</p> </li> </ul>	

Topic	Summary	More Information
	<p>across those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company may need to enter into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are or access is required on other areas of the Tenements which are subject to prohibitions or restrictions.</p> <ul style="list-style-type: none"> <li> <b>Funding</b> <p>At the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity debt funding to support long term exploration, after the expenditure of the net proceeds raised under the Offer.</p> <p>Any additional equity funding will dilute existing Shareholders.</p> <p>Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.</p> </li> <li> <b>Illiquidity</b> <p>A significant number of the 2,600,001 Shares on issue prior to the completion of the Offer, and 2,500,000 Shares, 10,000,000 Class A Performance Shares and 10,000,000 Class B Performance Shares to be issued to the KOP Shareholders (which constitutes approximately 55.65% of the total Shares on issue on completion of the Offer assuming full subscription and achievement of the milestones for the Class A Performance Shares and Class B Performance Shares) will either be classified as restricted securities by the ASX and therefore be escrowed, or otherwise subject to voluntary escrow.</p> <p>This may cause a liquidity risk for the Shares given a large percentage of the Shares may not be traded for up to 24 months. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares.</p> </li> <li> <b>Acquisition risk</b> <p>The Company's proposed objectives involve acquiring and developing</p> </li> </ul>	

Topic	Summary	More Information
	<p>resource projects at various stages of development. The Directors of the Company will use their expertise and experience in the resources sector to assess the value and merit of potential projects that are likely to provide returns for Shareholders. However, there can be no guarantee that any new project may result in any return for the Company and its Shareholders.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 5 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.</p>	
<b>C. Summary of the Offer</b>		
What is the Offer and what are its key terms?	The Company is offering 20,000,000 Shares at an issue price of \$0.20 per Share to raise A\$4,000,000.	See Section 1.1.
What is the effect of the Offer on the capital structure of the Company?	<p>The Shares issued under the Offer will represent approximately 33.28% of the enlarged issued share capital of the Company following the Offer (on a fully diluted basis).<sup>1</sup></p> <p>Following the Offer, assuming it does not participate in the Offer, Twentieth Century (as the largest existing Shareholder prior to the Offer), will continue to have significant voting power in the Company following completion of the Offer. More specifically, the approximate percentage voting power of Twentieth Century will be 27.70%.<sup>2</sup></p>	See Section 1.7.
Is the Offer underwritten?	The Offer is not underwritten.	See Section 1.17.
<b>D. Directors and Related Party Interests and Arrangements</b>		
Who are the officers, and what is their expertise and experience?	<p><b>Mr Michael Fry, Non-Executive Chairman</b></p> <p>Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the Australian Stock Exchange.</p> <p>Mr Fry has extensive corporate and commercial experience, financial and capital market</p>	See Section 3.1.

<sup>1</sup> This assumes 1,300,000 options issued to seed investors are exercised, 2,500,000 options to be issued to the Lead Manager upon listing are exercised, 6,500,000 options to be issued to the Directors are exercised, 4,700,000 options to be issued to Cicero Advisory are exercised, and that all milestones for Class A Performance Shares and Class B Performance Shares are achieved.

<sup>2</sup> This assumes 1,300,000 options issued to seed investors are exercised, 2,500,000 options to be issued to the Lead Manager upon listing are exercised, 6,500,000 options to be issued to the Directors are exercised, 4,700,000 options to be issued to Cicero Advisory are exercised, and that all milestones for Class A Performance Shares and Class B Performance Shares are achieved.

Topic	Summary	More Information
	<p>knowledge and a background in corporate treasury management.</p> <p>Mr Fry is currently Non-Executive Chairman of ASX listed Brookside Energy Limited with a focus on oil and gas exploration and production onshore mid-continent region of USA, Non-Executive Chairman of Challenger Energy Limited (CEL) that is focussing on oil and gas exploration opportunities in South Africa and Non-Executive Chairman of ASX listed Norwest Energy NL (NWE) that has assets in Australia and the United Kingdom with an operational focus on the northern Perth Basin.</p> <p><b>Mr Ian Prentice, Executive Director</b></p> <p>Mr Prentice has extensive global resource industry and equity capital markets experience, with a proven track record of high quality corporate management and technical excellence.</p> <p>His broad ranging 25 year-plus career extends from exploration and operational roles across a variety of commodities, focused on gold, nickel and copper, in Australia, New Zealand, South East Asia and Africa, to the listing and management of ASX-listed resource companies.</p> <p>Mr Prentice has had extensive experience in nickel-copper and gold exploration in the Yilgarn region of Western Australia and has evaluated a range of operational nickel-copper mines throughout Western Australia. Mr Prentice has served as a Director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia. He has broad experience in identifying and reviewing resource projects for potential acquisition.</p> <p>Mr Prentice is a Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Geology) from the University of Western Australia. Mr Prentice is currently a non-executive Director of Fraser Range Metals Group Limited. Mr Prentice was Managing Director of Gleneagle Gold Limited (Gleneagle) in May 2007 when the board of directors appointed Administrators to the company. Gleneagle was ultimately reorganised pursuant to a Deed of Company Arrangement, which was effectuated on 11 March 2008. There were no investigations or proceedings brought, other than standard investigations carried out by the Administrators.</p> <p><b>Mr Sonu Cheema, Non-Executive Director and Company Secretary</b></p> <p>Mr Cheema holds the position of Accountant and Company Secretary for Cicero Corporate and has over 10 years' experience working with public and private companies in Australia and abroad. Roles and responsibilities held by Mr</p>	

Topic	Summary	More Information
	<p>Cheema include completion and preparation of management and ASX financial reports, investor relations, initial public offer, mergers and acquisitions, management of capital raising activities and auditor liaison.</p> <p>Currently Mr Cheema is Company Secretary for Corizon Limited (ASX: CIZ), Intiger Group Limited (ASX: IAM), Yojee Limited (ASX: YOJ) and the Company.</p> <p>Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a CPA member. Having completed the CPA Program, the core competencies and key areas of focus by Mr Cheema include Financial Reporting, Taxation, Management Accounting and Ethics &amp; Governance. Mr Cheema's core strengths include the ability to communicate and complete regulatory reporting requirements, assist company board and management personnel with implementing strong business structures and controls, sound governance and compliance with reporting requirements.</p>	
What benefits are being paid to Directors?	<p>The Directors will be remunerated as follows:</p> <ul style="list-style-type: none"> <li>• Mr Fry as Non-Executive Chairman is remunerated via the payment of director's fees of A\$60,000 per annum by the Company;</li> <li>• Mr Prentice as Executive Director is remunerated via the payment of executive director's fees of A\$120,000 per annum by the Company; and</li> <li>• Mr Cheema as Non-Executive Director is remunerated via the payment of director's fees of A\$40,000 per annum by the Company.</li> </ul>	See Section 6.1.
What important contracts with related parties is the Company a party to?	<p>In addition to the KOP Agreement which is described above, the Company has entered into the following arrangements with related parties:</p> <ul style="list-style-type: none"> <li>• the agreement with Cicero Corporate, of which Mr Sonu Cheema is a shareholder, for administration services to the Company, which was negotiated on an arms length basis and contains commercial terms which are no less favourable to the Company than those that would be offered by a third party;</li> <li>• the agreements with each of the Directors for their engagement as Directors; and</li> <li>• the agreements with each of the Directors for their insurance and indemnity by the Company for liabilities incurred as directors, and access from the Company to certain company records for the purposes of defending any actions</li> </ul>	See Section 6.1.

Topic	Summary	More Information
	against them as directors.	
What interests do Directors have in the securities of the Company?	<p>Mr Ian Prentice will hold 225,000 Shares in the Company following completion of the Offer.<sup>3</sup> Mr Prentice will also be issued 4,000,000 Options upon admission of the Company to the Official List.</p> <p>Mr Michael Fry will be issued 2,000,000 Options upon admission of the Company to the Official List.</p> <p>Mr Sonu Cheema will be issued 500,000 Options upon admission of the Company to the Official List.</p>	See Sections 6.1 and 7.2.
<b>E. Application and Other Information</b>		
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia.	See Section 1.14.
How do I apply for Shares?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	See Section 1.9 and the Application Form.
What is the allocation policy?	The Directors will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.	See Section 1.12.
What is the cost of the Offer?	Assuming A\$4,000,000 is raised by the Offer, the expenses of the Offer are estimated to be approximately A\$483,000.	See Section 7.6.
<b>F. Further Information</b>		
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Company on +61 8 6489 1600 for further details.	Corporate Directory.
Company contact	You can contact the Company Secretary on +61 8 6489 1600 for further details.	Corporate Directory.

<sup>3</sup> Assuming that the milestones for Class A Performance Shares and Class B Performance Shares are achieved.



## 1. DETAILS OF OFFER

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### 1.1 The Offer

This Prospectus invites investors to apply for 20,000,000 Shares at an issue price of A\$0.20 each to raise A\$4,000,000 (before associated costs).

All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 6.2 for details of the rights attaching to Shares.

### 1.2 Minimum Subscription

The minimum total subscription under the Offer is A\$4,000,000 (being 20,000,000 Shares) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

### 1.3 Arrangement with Corporate Advisor

PAC Partners Pty Ltd has agreed to act as Lead Manager to the Offer and to manage the Offer. A summary of the Lead Manager Agreement is provided at Section 6.1(d) of this Prospectus.

### 1.4 Objectives of the Company

The Company's main objectives upon completion of the Offer are to:

- (a) commence a works program to define further vanadium mineralisation on the Tenements, focusing primarily on drilling and metallurgical evaluation;
- (b) progress evaluation on the Tenements to a stage at which a JORC 2012 resource estimate may be determined; and
- (c) continue to seek, evaluate, review and if appropriate acquire interests in resource based projects with a focus on technology and precious metals.

### 1.5 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise A\$4,000,000 pursuant to the Offer;
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and

- (c) position the Company to seek to achieve the objectives detailed in Section 1.4.

## 1.6 Funding Allocation

As at 30 September 2016, the Company had cash reserves of approximately A\$77,333 (refer to Section 4 for further details). The Company's cash reserves were obtained by completing a seed capital raising in which the Company issued 2,600,000 Shares at A\$0.10 with 1 free attaching Option for every two Shares subscribed for. As at the date of this Prospectus the Company has cash reserves of approximately A\$74,454.

***The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.***

The following table shows the expected use of funds in the two year period following admission of the Company to the Official List:

Item	A\$4,000,000 raised
Cash reserves as at the date of this Prospectus	A\$77,333
Funds raised from the Offer	A\$4,000,000
<b>Total Funds Available</b>	<b>A\$4,077,333</b>
Remaining expenses of the Offer	A\$453,000
Exploration program costs	A\$2,050,000
Acquisition costs and refundable deposit	A\$11,956
Administration costs	A\$1,000,000
Working capital	A\$562,377
<b>Total funds allocated</b>	<b>A\$4,077,333</b>

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors (including the risk factors outlined in Section 5), actual expenditure levels may differ significantly to the above estimates.

## 1.7 Capital Structure

On the basis that the Company completes the Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

	<b>A\$4,000,000 raised</b>
Shares on issue as at the date of this Prospectus	2,600,001
Options previously issued to seed investors	1,300,000
Shares issued under the Offer	20,000,000
Shares to be issued KOP Shareholders	2,500,000
Class A Performance Shares to be issued KOP Shareholders	10,000,000
Class B Performance Shares to be issued KOP Shareholders	10,000,000 <sup>4</sup>
Options to be issued to Lead Manager	2,500,000
Options to be issued to Directors	6,500,000
Options to be issued to Cicero Advisory	4,700,000
<b>Total</b>	<b>60,100,001</b>

## 1.8 Forecasts

Due to the speculative nature of the Company's exploration activities, and the very limited operating and financial history of the Group, there are significant uncertainties associated with forecasting future revenues (if any) from the Company's proposed activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 2.1 for further information in respect to the Company's proposed activities.

## 1.9 How to Apply

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Shares under the Offer. To participate in the Offer, the Application Form must be completed and received, together with the

<sup>4</sup> Subject to satisfaction of the milestone for the Class A Performance Shares.

Application Monies, in accordance with the instructions on its reverse side. Completed Application Forms should be returned to the relevant address below, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date:

By Post To:	Delivered To:
Technology Metals Australia Limited  C/- Security Transfer Registrars Pty Ltd PO Box 535, Applecross WA 6953	Technology Metals Australia Limited  C/- Security Transfer Registrars Pty Ltd 770 Canning Highway, Applecross WA 6153

Applicants should make their cheques payable in A\$, based on an issue price of A\$0.20 per Share. All cheques should be made payable to "Technology Metals Australia Limited Application Account" and be crossed "Not Negotiable".

Applications must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 1,000 Shares (i.e. A\$200). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

#### 1.10 CHESS

The Company will apply to CHESS. The Company will operate an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for shareholders who elect to hold shares on the CHESS sub-register) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number (for shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issue sponsored sub-register). Updated holding statements will also be sent to each shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

### **1.11 ASX Listing and Official Quotation**

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

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

### **1.12 Allotment**

Application Monies will be held in trust for Applicants until the allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under this Prospectus will occur unless:

- (a) the Minimum Subscription is achieved (refer to Section 1.2); and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.10).

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 1.10, Shares under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

### **1.13 Risk factors of an investment in the Company**

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 5 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

#### **1.14 Overseas applicants**

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

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

#### **1.15 Restricted securities**

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer as well as Shares issued in consideration for the acquisition of the shares in KOP will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. Specifically, ASX has indicated that the KOP Shareholders will be treated as promoters whose holdings in Shares will be escrowed for the period of 24 months from the date of Official Quotation.

During the period in which these Shares (if any) are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Shares (if any) required to be held in escrow prior to the Shares commencing trading on ASX.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

#### **1.16 Dividends**

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

#### **1.17 Underwriting**

The Offer is not underwritten.

#### **1.18 Commission**

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

#### **1.19 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

#### **1.20 Paper copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary on +61 8 6489 1600.

#### **1.21 Enquiries**

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary on +61 8 6489 1600.

## **2. COMPANY AND INDUSTRY OVERVIEW**

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### **2.1 Background**

The Company was incorporated on 20 May 2016 for the primary purpose of identifying exploration projects in Australia and overseas with the aim of discovering commercially significant mineral deposits. While the Company's primary exploration focus will be on vanadium in the mid-West region of Western Australia, the Company will also review the potential for economic mineralisation of various other commodities.

The Company intends to seek, evaluate, review and if appropriate acquire interests in additional resource based projects with a focus on technology and precious metals.

### **2.2 The Group's corporate structure and background**

The Company has agreed to purchase 100% of the shares in KOP via the KOP Agreement.

KOP was incorporated on 23 March 2015, and was granted Tenements P51/2942, P51/2943 and P51/2944 in December 2015, and acquired Tenements P51/2785 E51/1510 from Pennyweight Minerals Pty Ltd via a tenement sale agreement dated on or about 9 October 2015.

Under a royalty agreement with a third party, KOP must pay a royalty of 1.5% of net profits from all products extracted from exploration licence E51/1510 and prospecting licence P51/2785 to the royalty recipients under that agreement.

Following its acquisition of the shares in KOP, the Group's structure will be made up of the Company and KOP. KOP will be wholly-owned by the Company.

### **2.3 The Gabanintha Project**

The Gabanintha Project is comprised of 4 granted prospecting licences and 1 granted exploration licence located within the Murchison Gold Field of Western Australia and the Shire of Meekatharra.

The Gabanintha Project area is located near the ghost town of Gabanintha in the mid-West region of Western Australia about 830 kilometres North-North-West of the State's capital, Perth and 40 kilometres South-East of Meekatharra. Access to the project area is along the Meekatharra to Sandstone Road.





Gabanintha Project Location

The Tenements cover a total area of 509 hectares. The Company has agreed to acquire the Gabanintha Project primarily for its potential for vanadium but there is a possibility that titanium, iron and other precious metal mineralisation may also be present.

The Gabanintha region is an historic gold mining area. The nearby Gabanintha Gold Mine produced from an open pit between 1987 and 1991. Copper is also known to occur in the region.

The Gabanintha Project is at the exploration stage and therefore is speculative involving a high degree of risk. Although limited, previous exploration over the ground covered by the Tenements has proved the existence of vanadium within the Gabanintha Project. Accordingly, the Company has designed appropriate work programmes to define further mineralisation focussing primarily on drilling and metallurgical evaluation. The Company intends to use the funds raised from the Offer primarily to conduct these work programmes. Based on historical drill results, known mineralisation along strike and geophysical data the Company believes that the Tenements are in a favourable geological and structural environment with potential, given normal exploration risk, for providing positive results.



Cross section of previous drilling within Gabanintha Project

The Company's ability to generate revenue in the future will depend upon the success of the Company's exploration activities on the Tenements, or any other tenements that may be acquired in the future, and the Company's ability to successfully exploit any minerals that may be discovered on the Tenements, or any other tenements that may be acquired in the future.

More detailed information on the Gabanintha Project is included in the Independent Geologists' Report in Section 8 of this Prospectus.

## 2.4 Vanadium industry overview

Vanadium is a ductile transition metal with good structural strength, a natural resistance to corrosion and stability against alkalis, acids and salt water.

Vanadium uses include:

- (a) battery technology, particularly in automotive applications for electric and hybrid vehicles and in grid-scale stationary energy storage for both renewable and conventional energy (vanadium redox batteries (VRBs));
- (b) for the manufacture of carbon steel, high-strength low-alloy steel, full alloy steel, and tool steel for making armour plating for military vehicles and engine parts that must be very strong. For example, piston rods and crank shafts;
- (c) to make synthetic rubber, polyester, fiberglass, sulphuric acid, maleic acid, dyes, ceramics, glass and superconductive magnets; and
- (d) in the gas processing industry.

The Company believes that the demand for the following will continue to drive vanadium demand across the steel making and chemical sectors:

- (a) VRB technology; and
- (b) high strength low alloy steel production.

The majority of current vanadium production is used in the steel industry, however due to recent technology developments, significant market growth is expected to be driven by the energy storage (battery) sector supporting sustainable renewable energy.

VRBs provide an efficient storage and re-supply solution for renewable energy, with high capacity suitable for large-scale applications such as providing grid scale energy solutions. The batteries are easily scalable, have very long life span, excellent charge retention and can discharge fully with no damage.

## **2.5 Business model and project generation**

The Company will continue to seek, evaluate, review and if appropriate acquire interests in other resource based projects with a focus on technology and precious metals. The Company has not yet determined any specific criteria for identification of additional projects.

### **3. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE**

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#### **3.1 Directors' Profiles**

The names and details of the Directors in office as at the date of this Prospectus are:

(a) Mr Michael Fry, Non-Executive Chairman

Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the Australian Stock Exchange.

Mr Fry has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management.

Mr Fry is currently Non-Executive Chairman of ASX listed Brookside Energy Limited with a focus on oil and gas exploration and production onshore mid-continent region of USA, Non-Executive Chairman of Challenger Energy Limited that is focussing on oil and gas exploration opportunities in South Africa and Non-Executive Chairman of ASX listed Norwest Energy NL that has assets in Australia and the United Kingdom with an operational focus on the northern Perth Basin.

(b) Mr Ian Prentice, Executive Director

Mr Prentice has extensive global resource industry and equity capital markets experience, with a proven track record of high quality corporate management and technical excellence.

His broad ranging 25 year-plus career extends from exploration and operational roles across a variety of commodities to the listing and management of ASX-listed resource companies.

Mr Prentice has served as a Director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia. He has broad experience in identifying and reviewing resource projects for potential acquisition.

Mr Prentice is a Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Geology) from the University of Western Australia. Mr Prentice is currently a non-executive Director of Fraser Range Metals Group Limited. Mr Prentice was Managing Director of Gleneagle Gold Limited (Gleneagle) in May 2007 when the board of directors appointed Administrators to the company. Gleneagle was ultimately reorganised pursuant to a Deed of Company Arrangement, which was effectuated on 11 March 2008. There were no investigations or proceedings brought, other than standard investigations carried out by the Administrators.

(c) Mr Sonu Cheema, Non-Executive Director and Company Secretary

Mr Cheema holds the position of Accountant and Company Secretary for Cicero Corporate and has over 8 years' experience working with public and private companies in Australia and abroad. Roles and responsibilities held by Mr Cheema include completion and preparation of management and ASX financial reports, investor relations, initial public offer, mergers and acquisitions, management of capital raising activities and auditor liaison.

Currently Mr Cheema is Company Secretary for Corizon Limited (ASX: CIZ), Star Striker Limited (ASX: SRT), Sena Resources Limited and the Company.

Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a CPA member. Having completed the CPA Program, the core competencies and key areas of focus by Mr Cheema include Financial Reporting, Taxation, Management Accounting and Ethics & Governance. Mr Cheema's core strengths include the ability to communicate and complete regulatory reporting requirements, assist company board and management personnel with implementing strong business structures and controls, sound governance and compliance with reporting requirements.

### **3.2 Senior Management**

Following Admission, senior management of the Company will be as it is at present. Other than the Executive Director, Mr Ian Prentice, the Company will not have any other key senior management members.

### **3.3 ASX Corporation Governance Council Principles and Recommendations**

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

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

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

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at [www.tmtlimited.com.au](http://www.tmtlimited.com.au).

#### **(a) Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic

objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

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

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

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

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of an Executive Director (who is a Shareholder) and two Non-Executive Directors (one of whom is independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

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

(d) Ethical standards

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

(e) Independent professional advice

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

(f) Remuneration Committee

The remuneration of any Executive Director will be decided by the Board following the recommendation of the Remuneration Committee, without the affected Executive Director participating in that decision-making process. The Remuneration Committee is currently comprised of the Non-Executive Chairman, Non-Executive Director and the Executive Director.

The Constitution provides that the Non-Executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules). Until a different amount is determined, the amount of the remuneration of the Non-Executive Chairman is A\$60,000 per annum and the Non-Executive Director is A\$40,000.

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

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

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

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

(g) Trading policy

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

(h) Diversity policy

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

(i) Audit and Risk Committee

The Company has established an Audit and Risk Committee which operates under an Audit and Risk Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function. The Audit Committee is currently comprised of the Executive Director, Non-Executive Director and the Non-Executive Chairman.

(j) External audit

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

(k) Internal audit

The Company does not have an internal audit function. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.



### 3.4 Departures from Recommendations

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

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

Principles and Recommendation	Explanation for Departure
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board does not currently have a nomination committee.</p> <p>The Board currently performs the role of the nomination committee when required as far as possible in accordance with the charter for that committee.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Company does not currently have a skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Company does not currently have majority of Board members who are independent. Mr Michael Fry is an independent Non-Executive Chairman, whilst:</p> <ul style="list-style-type: none"><li>• Mr Ian Prentice is employed in an executive capacity by the Company; and</li><li>• Mr Sonu Cheema is a senior employee of Cicero Corporate, being a provider of material professional services to the Company.</li></ul>

Principles and Recommendation	Explanation for Departure
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, two of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board does not currently have an audit committee.</p> <p>The Board currently performs the role of the audit committee when required as far as possible in accordance with the charter for that committee.</p>
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Board does not currently have a risk committee.</p> <p>The Board currently performs the role of the risk committee when required as far as possible in accordance with the charter for that committee.</p>

Principles and Recommendation	Explanation for Departure
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Board does not currently have an internal audit function.</p> <p>In carrying out the role of the audit and risk committee, the Board:</p> <ul style="list-style-type: none"> <li>monitors the need for a formal internal audit function and its scope;</li> <li>reviews risk management and internal compliance procedures; and</li> <li>reviews the internal control reports on a quarterly basis.</li> </ul>
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;<sup>43</sup> or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board does not currently have a remuneration committee.</p> <p>The Board currently performs the role of the remuneration committee when required as far as possible in accordance with the charter for that committee.</p>

#### **4. INVESTIGATING ACCOUNTANT'S REPORT**

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13 October 2016

The Board of Directors  
Technology Metals Australia Limited  
Suite 9  
330 Churchill Avenue  
SUBIACO WA 6008

Dear Sirs

## **INVESTIGATING ACCOUNTANT'S REPORT - TECHNOLOGY METALS AUSTRALIA LIMITED**

### **INTRODUCTION**

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be dated on or about 13 October 2016 ("Prospectus") by Technology Metals Australia Limited ("TMA" or "the Company") in relation to the Company's proposed listing on the Australian Securities Exchange ("ASX"), comprising an offer of 20,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise \$4,000,000 (before costs) ("Capital Raising" or "Offer").

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offers, nor the risks associated with accepting the Offers. HLB Mann Judd ("HLB") has not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offers and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report.

Further declarations are set out in Section 6 of this Report.

### **STRUCTURE OF REPORT**

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

**1. BACKGROUND INFORMATION**

The Company was registered on 20 May 2016 as Technology Metals Australia Limited and has had minimal trading activity since registration.

On 28 July 2016, TMA entered into a share sale agreement to acquire all of the issued capital of The Kop Ventures Pty Ltd ("KOP"), subject to the listing of TMA on the ASX. On 9 August 2016 the deed was varied.

KOP is the registered owner of the Gabanintha Project comprising four prospecting licences and one exploration licence.

The Gabanintha Project is situated within the Murchison gold field of Western Australia, near the ghost town of Gabanintha about 830 kilometres north-north-west of the Perth and 40 kilometres south-east of Meekatharra. The tenements cover a total area of 509 hectares.

Further details are outlined in Section 2.3 of the Prospectus.

The proforma financial information presented in this Report is the historical financial information of the Company for the period ended 30 September 2016, assuming that the proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The proforma financial information of both TMA and KOP as set out in Appendix 1 has been prepared using a balance date of 30 September 2016 corresponding to the most recently available financial information, as noted above, TMA has had minimal trading activity since registration. KOP was incorporated on 24 March 2015, with its main operating and financial activities of the entity conducted from the financial period commencing 1 July 2016.

The intended use of the funds raised by the issue of shares and options under the Prospectus is specified in Section 1.6 of the Prospectus.

**2. SCOPE OF REPORT**

You have requested HLB to prepare this Report presenting the following information:

- a) the historical financial information of the Company and KOP comprising the historical Statement of Financial Position as at 30 September 2016 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the period to 30 September 2016 as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Statement of Financial Position as at 30 September 2016 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity for the period to 30 September 2016 as set out in Appendix 1 to this Report.

The Directors have prepared and are responsible for the historical and proforma information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The historical financial information and the proforma financial information are presented in an abbreviated form insofar as they do 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.

We performed a review of the historical and proforma financial information of the Company as at 30 September 2016 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review of the historical and proforma financial information of the Company was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Auditing Standard on Assurance Engagements ASRE 3450 *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and proforma financial information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or proforma information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- c) the going concern basis of accounting has been adopted.

### **3. FINANCIAL INFORMATION**

Set out in Appendix 1 (attached) are:

- a) the historical financial information of the Company and KOP comprising the historical Statement of Financial Position as at 30 September 2016 and the historical Statement of Comprehensive Income, historical Statement of Changes in Equity and historical Statement of Cash Flows for the period to 30 September 2016; and
- b) the proforma Statement of Financial Position of the Company as at 30 September 2016 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity of the Company for the period to 30 September 2016 as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 30 September 2016:
  - i) the acquisition of all of the issued capital of KOP via:
    - a) the payment of \$11,956 being the reimbursement of expenditure incurred in developing the Gabanintha Project and the forgiveness of related party loans;
    - b) the issue of 2,500,000 ordinary fully paid shares at an issue price of \$0.20;
    - c) the issue of 10,000,000 Class A Performance shares; and
    - d) the issue of 10,000,000 Class B Performance shares.
  - ii) the issue by the Company pursuant to this Prospectus of up to 20,000,000 ordinary fully paid shares issued at \$0.20 each raising \$4,000,000, before the expenses of the offer;
  - iii) the issue of 13,700,000 options (exercisable at \$0.25 on or before 31 December 2019) to the Company's consultants, promoters and investors, valued for accounting purposes at \$819,521; and

- iv) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 7.6 of the Prospectus of \$483,000; and
- c) Notes to the historical financial information and proforma financial information.

#### **4. SUBSEQUENT EVENTS**

There have been no material items, transactions or events subsequent to 30 September 2016 not otherwise disclosed in the Prospectus or this Report which have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

#### **5. STATEMENTS**

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical financial information of the Company as at 30 September 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the period then ended;
- b) the proforma financial information of the Company as at 30 September 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the period then ended, as if the transactions referred to in Section 3(b) of this Report had occurred during that period; and
- c) the assumptions and applicable criteria used in the preparation of the proforma financial information do not provide a reasonable basis for presenting the significant effects directly attributable to the Offers and do not reflect proper application of those adjustments to the unadjusted financial information.

#### **6. DECLARATION**

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates.
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in the Company or the promotion of the Company.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.



Yours faithfully  
**HLB MANN JUDD**



**N G NEILL**  
Partner

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## APPENDIX 1

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2016**

	<i>Notes</i>	<i>Reviewed Historical Company \$</i>	<i>Reviewed Historical KOP \$</i>	<i>Proforma Adjustments \$</i>	<i>Reviewed Proforma \$</i>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	2	77,078	255	3,505,044	<b>3,582,377</b>
Trade and other receivables		15,386	200	-	<b>15,586</b>
<b>TOTAL CURRENT ASSETS</b>		<b>92,464</b>	<b>455</b>	<b>3,505,044</b>	<b>3,597,963</b>
<b>NON-CURRENT ASSETS</b>					
Deferred exploration expenditure	3	-	31,445	694,342	<b>725,787</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>31,445</b>	<b>694,342</b>	<b>725,787</b>
<b>TOTAL ASSETS</b>		<b>92,464</b>	<b>31,900</b>	<b>4,199,386</b>	<b>4,323,750</b>
<b>CURRENT LIABILITIES</b>					
Loans		-	36,519	(36,519)	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>36,519</b>	<b>(36,519)</b>	<b>-</b>
<b>NON CURRENT LIABILITIES</b>					
Deferred tax liability	4	-	-	214,286	<b>214,286</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>214,286</b>	<b>214,286</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>36,519</b>	<b>178,767</b>	<b>214,286</b>
<b>NET ASSETS</b>		<b>92,464</b>	<b>(4,619)</b>	<b>4,020,619</b>	<b>4,109,464</b>
<b>EQUITY</b>					
Issued capital	5	238,359	990	3,196,489	<b>3,435,838</b>
Option reserve		-	-	819,521	<b>819,521</b>
Accumulated losses		(145,895)	(5,609)	5,609	<b>(145,895)</b>
<b>TOTAL EQUITY</b>		<b>92,464</b>	<b>(4,619)</b>	<b>4,021,619</b>	<b>4,109,464</b>

The above should be read in conjunction with the accompanying notes.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

	<i>Reviewed Historical</i> \$	<i>Proforma Adjustments</i> \$	<i>Reviewed Proforma</i> \$
Other income	98	-	98
Corporate expenses	(139,170)	-	(139,170)
Administrations expense	(6,823)	-	(6,823)
Share based payments	-	-	-
Other expenses	-	-	-
Loss from ordinary activities before tax	(145,895)	-	(145,895)
Income tax benefit	-	-	-
Loss from ordinary activities after tax	(145,895)	-	(145,895)
Other comprehensive income net of tax	-	-	-
Total comprehensive loss for the period	(145,895)	-	(145,895)

The above should be read in conjunction with the accompanying notes.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

<b>REVIEWED HISTORICAL</b>	<i>Issued capital</i> \$	<i>Accumulated losses</i> \$	<i>Option reserve</i> \$	<i>Total Equity</i> \$
Issued on registration – 20 May 2016	1	-	-	1
Loss for the period	-	(145,895)	-	(145,895)
Equity issued (net of costs)	238,358	-	-	238,358
As at 30 September 2016	238,359	(145,895)	-	92,464
<b>REVIEWED PROFORMA</b>				
Acquisition of KOP	500,000	-	-	500,000
Shares issued pursuant to Prospectus	4,000,000	-	-	4,000,000
Options issued to directors, advisors and promoters	(819,521)	-	819,521	-
Share issue costs	(483,000)	-	-	(483,000)
<b>Proforma total – 30 September 2016</b>	<b>3,435,838</b>	<b>(145,895)</b>	<b>819,521</b>	<b>4,109,464</b>

The above should be read in conjunction with the accompanying notes.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

	<i><b>Reviewed Historical</b></i> \$	<i><b>Proforma Adjustments</b></i> \$	<i><b>Reviewed Proforma</b></i> \$
<i>Cash flows from operating activities</i>			
Payments to suppliers & employees	(161,379)	-	<b>(161,379)</b>
Interest received	98	-	<b>98</b>
<i>Net cash used in operating activities</i>	<b>(162,281)</b>	-	<b>(161,281)</b>
<i>Cash flows from investing activities</i>			
Payments for exploration assets	-	(11,956)	<b>(11,956)</b>
<i>Net cash used in investing activities</i>	-	(11,956)	<b>(11,956)</b>
<i>Cash flows from financing activities</i>			
Net proceeds from the issue of shares/options	260,001	4,000,000	<b>4,260,001</b>
Cash acquired on acquisition of KOP	-	255	<b>255</b>
Share issue costs	(21,642)	(483,000)	<b>(504,642)</b>
<i>Net cash provided by financing activities</i>	<b>238,259</b>	<b>3,517,255</b>	<b>3,517,255</b>
Net increase in cash and cash equivalents	77,078	3,505,299	<b>3,582,377</b>
Cash at the beginning of the financial period	-	-	-
<i>Cash at the end of the financial period</i>	<b>77,078</b>	<b>3,505,299</b>	<b>3,582,377</b>

The above should be read in conjunction with the accompanying notes.

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**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial information has been prepared in accordance with applicable accounting standards including the Australian equivalents of International Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies have been adopted in the preparation of the historical and proforma financial information are shown below.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS 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 statements are disclosed in Note 1(j).

*Going concern*

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

**(b) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(c) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Trade and other receivables (continued)**

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**(d) Impairment of assets**

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or s of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

**(e) Trade payables**

These amounts represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(f) Employee Entitlements**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Employee Entitlements (cont'd)**

**Long Service Leave**

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Company's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Company for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(g) Issued capital**

Ordinary share capital is recognised as the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(h) Share-based payment transactions**

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

Where the identifiable consideration received (if any) is less than the fair value of the equity instruments granted or liability incurred, the unidentifiable goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received) measured at the grant date.

**(i) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

*Interest income*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM REGISTRATION TO 30 SEPTEMBER 2016**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

**(j) Critical accounting judgements and key sources of estimation uncertainty**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Impairment of assets**

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates.

**(k) Exploration and evaluation**

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

- the rights to tenure of the area of interest are current; and



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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Exploration and evaluation (continued)**

- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

Exploration

**(l) Proforma transactions**

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 30 September 2016 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 September 2016:

- i) the acquisition of all of the issued capital of KOP via:
  - a) the payment of \$11,956 being the reimbursement of expenditure incurred in developing the Gabanintha Project and the forgiveness of related party loans;
  - b) the issue of 2,500,000 ordinary fully paid shares at an issue price of \$0.20;
  - c) the issue of 10,000,000 Class A Performance shares;
  - d) the issue of 10,000,000 Class B Performance shares.

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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(I) Proforma transactions (continued)**

- ii) the issue by the Company pursuant to this Prospectus of 20,000,000 ordinary fully paid shares issued at \$0.20 each raising \$4,000,000, before the expenses of the offer;
- iii) the issue of 13,700,000 options (exercisable at \$0.25 on or before 31 December 2019) to the Company's consultants, promoters and investors, valued for accounting purposes at \$819,521; and
- iv) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 7.6 of the Prospectus of \$483,000.

**2. CASH AND CASH EQUIVALENTS**

	<i>Reviewed Historical Company</i>	<i>Reviewed Historical KOP</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
Balance as at 30 September 2016	77,078	255	-	<b>77,333</b>
Reimbursement of expenditure in relation to the acquisition of KOP	-	-	(11,956)	<b>(11,956)</b>
Shares and options issued pursuant to the Prospectus	-	-	4,000,000	<b>4,000,000</b>
Share issue costs	-	-	(483,000)	<b>(483,000)</b>
	77,078	255	3,505,044	<b>3,582,377</b>

**3. DEFERRED EXPLORATION**

	<i>Reviewed Historical Company</i>	<i>Reviewed Historical KOP</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
Balance as at 30 September 2016	-	31,455	-	<b>31,455</b>
Reimbursement of expenditure in relation to the acquisition of KOP	-	-	11,956	<b>11,956</b>
Shares issued as part consideration for the acquisition of KOP	-	-	500,000	<b>500,000</b>
Deferred tax liability uplift on acquisition of KOP	-	-	214,286	<b>214,286</b>
Consolidation adjustment	-	-	(31,910)	<b>(31,910)</b>
	-	31,455	694,332	<b>725,787</b>

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**4. DEFERRED TAX LIABILITY**

	<i>Reviewed Historical Company</i>	<i>Reviewed Historical KOP</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
Balance as at 30 September 2016	-	-	-	-
Deferred tax liability uplift on acquisition of KOP	-	-	214,286	<b>214,286</b>
	-	-	214,286	<b>214,286</b>

**5. ISSUED CAPITAL**

	<i>Number</i>	<i>\$</i>
<b>Reviewed Historical</b>		
Balance as at registration	1	1
Shares issued for seed capital	2,600,000	260,000
Share issue costs	-	(21,642)
	<b>2,600,001</b>	<b>238,359</b>
<b>Reviewed Proforma</b>		
Shares issued as part consideration for the acquisition of KOP	2,500,000	500,000
Shares issued pursuant to prospectus	20,000,000	4,000,000
Share issue costs - cash	-	(483,000)
Share issue costs – options issued to Lead Manager, (written off as share issue expenses)	-	(819,521)
<b>Proforma balance</b>	<b>25,100,001</b>	<b>3,435,838</b>

**6. PERFORMANCE SHARES**

	<i>Number</i>	<i>\$</i>
<b>Reviewed Historical</b>		
Balance as at registration	-	-
<b>Reviewed Proforma</b>		
Issue of performance shares as part consideration for acquisition of KOP	20,000,000	-
<b>Comprising:</b>		
Class A Performance shares	10,000,000	-
Class B Performance shares	10,000,000	-
	<b>20,000,000</b>	<b>-</b>

- (i) A Class A Performance Share will convert into one Share and 1 Class B Performance Share upon the definition of an inferred resource of 30,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Gabanintha Project on or before 31 December 2019.
- (ii) A Class B Performance Share will convert into one Share upon the definition by the Company (or an entity controlled by the Company) of an indicated resource of 20,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Gabanintha Project on or before 31 December 2019.

**TECHNOLOGY METALS AUSTRALIA LIMITED**  
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**7. OPTIONS**

Assuming the successful completion of all events in the Prospectus, the following options shall be on issue (exercisable at \$0.25 per share):

	<i><b>Number</b></i>	<i><b>\$</b></i>
<i>Options exercisable on or before 31 December 2019:</i>		-
Issued free attaching to seed capital raising	1,300,000	-
Issued to Company's consultants, promoters and investors		
	13,700,000	819,521
<b>Proforma total</b>	<b>15,000,000</b>	<b>819,521</b>

**8. CONTINGENCIES AND COMMITMENTS**

The Directors are not aware of any contingencies other than as set out in the Prospectus.

**9. RELATED PARTY TRANSACTIONS**

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Section 7 of the Prospectus.

## 5. RISK FACTORS

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The Shares are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

The proposed future activities of the Company are subject to a number of risks and other factors that may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to take up their entitlement include, but are not limited to, the risks in this Section.

### 5.1 Company Specific Risks

#### (a) Manager Risk

The success and profitability of the Company will largely depend on the ability of the Executive Director who is primarily responsible for devising and implementing the Company's exploration strategy.

The Company is exposed to the risk that the Executive Director may fail to make suitable decisions in relation to the exploration strategy. In addition, the Company is exposed to the risk that the Executive Director ceases to be involved with the Company in an executive capacity, and as a result, ceases to manage the Company's operations. In this event, the Company will need to identify and engage suitably qualified and experienced replacements to implement the Company's strategy.

#### (b) Limited Operating History

The Company has a limited operating history in undertaking activities of a scale identified in Section 2. As an early stage business, the Company also has a limited financial history which may make it difficult for investors to assess its past performance. There can be no assurance that the Company will achieve profitability in the future.

#### (c) Exploration success

The Gabanintha Project has been subject to limited exploration and presently does not have any JORC Code compliant mineral resource estimates.

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic resource deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

(d) Resource estimates

There is not presently a JORC Code compliant resource in relation to the Tenements.

In the event a resource is delineated on the Tenements, or any other tenements that may be acquired by the Company in the future, this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Company's operations.

(e) Operations

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

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Tenements, or any other tenements that may be acquired by the Company in the future. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements, or any other tenements that may be acquired by the Company in the future, if such conditions are not met or if insufficient funds are available to meet expenditure commitments.

(g) Native title and Aboriginal heritage

In relation to the Tenements, or any other tenements that may be acquired by the Company in the future, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to those tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

There are currently registered native title claims over all of the Tenements. Please refer to the Legal Report on Tenements in Section 9 of this Prospectus for further details.

In addition, there may be areas or objects of Aboriginal heritage located on the Tenements, or any other tenements that may be acquired by the Company in the future. The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal heritage sites or objects exist within the area of the Tenements prior to commencing any activities. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation.

If Aboriginal heritage sites or objects do exist the Company may need to enter into agreements with the traditional owners of the sites. The ability of the Company to implement its work programme may be adversely affected in both time and cost.

The Directors will closely monitor the potential effect of native title claims and Aboriginal heritage involving the Tenements, or any other tenements that may be acquired by the Company in the future.

(h) Funding

At the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity debt funding to support long term exploration, after the expenditure of the net proceeds raised under the Offer.

Neither the Company nor any of the Directors or any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company.

Any additional equity funding will dilute existing Shareholders.

Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration

success, subsequent mine development, commissioning and operational performance.

(i) Liquidity risk

A significant number of the 2,600,001 Shares on issue prior to the completion of the Offer, and 2,500,000 Shares, 10,000,000 Class A Performance Shares and 10,000,000 Class B Performance Shares to be issued to the KOP Shareholders (which constitutes approximately 55.65% of the total Shares on issue on completion of the Offer assuming full subscription and achievement of the milestones for the Class A Performance Shares and Class B Performance Shares) will either be classified as restricted securities by the ASX and therefore be escrowed, or otherwise subject to voluntary escrow.

This may cause a liquidity risk for the Shares given a large percentage of the Shares may not be traded for up to 24 months. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

Further details of the Shares on issue are contained in the Capital Structure in Section 1.7.

(j) Acquisition risk

The Company's proposed objectives involve acquiring and developing resource projects at various stages of development. The Directors of the Company will use their expertise and experience in the resources sector to assess the value and merit of potential projects that are likely to provide returns for Shareholders. However, there can be no guarantee that any new project may result in any return for the Company and its Shareholders.

(k) Access risk

The Mining Act 1978 (WA) contains a private land veto preventing a tenement holder from entering upon private land. Without the consent of the private land owner and occupier, access to private land is limited to the area below a depth of thirty metres (30m) from the natural surface of the land. Consent is commonly given under the terms of an access agreement, whereby the tenement holder agrees to pay compensation to the owner and occupier for any damage or disturbance caused to the surface of the land.

A portion of the Tenements cover private land and the Company is negotiating with the holders and occupiers of this land for their consent to access the relevant portions of the Tenements. Whilst the Company is confident that these owners and occupiers will consent to the Company accessing private land, there is a risk that one or more land holders or occupiers may not grant consent, in which case the Company will be prohibited from undertaking exploration that requires access on those areas of private land.



(l) Environmental licence risk

The Gabanintha Project is subject to Western Australian and Federal Australian Government regulations regarding environmental matters. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The costs and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

(m) Commodity price volatility and exchange rate risks

Commodity price volatility impacts both upon the value of the Company's projects and the potential revenue (if any) derived from those projects.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling activities and other macro-economic factors.

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

(n) Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(o) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(p) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(q) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(r) Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

## 5.2 General Risks

(a) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(d) Policies and legislation

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

(e) Investment speculative

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

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## 6. MATERIAL CONTRACTS AND RIGHTS ATTACHING TO SHARES

### 6.1 Material contracts

The Company is a party to the following material contracts and/or agreements with related parties of the Company:

(a) KOP Agreement

The Company has entered into the KOP Agreement with Twentieth Century Motor Company Pty Ltd, Station Nominees Pty Ltd and Mr Ian Prentice dated 28 July 2016 under which it has agreed to purchase 100% of the share capital in KOP for:

- (i) up to A\$15,000 for reimbursement of expenditure incurred in developing the Gabanintha Project;
- (ii) 2,500,000 Shares; and
- (iii) 10,000,000 Class A Performance Shares.

Under the KOP Agreement:

- (i) Twentieth Century will receive 1,850,000 Shares, 7,400,000 Class A Performance Shares and 7,400,000 Class B Performance Shares <sup>5</sup>;
- (ii) Station Nominees will receive 625,000 Shares, 2,500,000 Class A Performance Shares and 2,500,000 Class B Performance Shares <sup>6</sup>; and
- (iii) Mr Ian Prentice will receive 25,000 Shares, 100,000 Class A Performance Shares and 100,000 Class B Performance Shares <sup>7</sup>.

Completion of the agreement is due to must take place on the date which is 2 business days after the Company receiving conditional approval of its listing application from ASX in a form satisfactory to the Company (acting reasonably).

(b) Tenement Purchase Agreement

KOP entered into a tenement purchase agreement with Pennyweight Minerals Pty Ltd dated 9 October 2015 under which KOP agreed to purchase exploration licence E51/1510 and prospecting licence P51/2785 for A\$15,000 (plus GST).

Completion of the agreement took place shortly following the date of the agreement.

<sup>5</sup> This assumes the milestone for the Class A Performance Shares is achieved.

<sup>6</sup> This assumes the milestone for the Class A Performance Shares is achieved.

<sup>7</sup> This assumes the milestone for the Class A Performance Shares is achieved.

(c) Royalty Agreement

KOP has agreed to become a party to a royalty agreement in relation to tenements E51/1510 and P51/2785 which was entered into between the previous owner of those tenements, Pennyweight Minerals Pty Ltd, and Peter Romeo Gianni.

Under the royalty agreement, KOP must pay a royalty of 1.5% of net profits from all products extracted from exploration licence E51/1510 and prospecting licence P51/2785 to the royalty recipients under that agreement.

(d) Lead Manager Agreement

The Company has entered into an agreement with the Lead Manager dated 25 August 2016 (**Lead Manager Agreement**). Pursuant to the Lead Manager Agreement, the Lead Manager was appointed on an exclusive basis to act as lead manager of the Offer and to, among other things, provide advice and assistance in relation to market implications and structural aspects of the Offer and to undertake marketing of the Offer.

The fees payable by the Company to the Lead Manager in consideration for performing its role as the Lead Manager and providing the relevant services under the Lead Manager Agreement are:

- (i) A\$50,000 upon the Company being admitted to the Official List;
- (ii) 4% on total capital raised prior to the Offer;
- (iii) 6% on total capital raised under the Offer; and
- (iv) 2,500,000 Options upon the Company being admitted to the Official List.

The Company has agreed to indemnify the Lead Manager (and its related bodies corporate and their directors, employees, agents and contractors) against any claim, demand, loss, expense, liability or action arising directly or indirectly from, or relating to, the services under the Lead Manager Agreement or the Offer.

(e) Executive Director Engagement Deed

The Company has entered into an Executive Director engagement deed with a company associated with Mr Ian Prentice, Newstead Consulting Pty Ltd, pursuant to which the Company has agreed to pay A\$120,000 (plus GST) per annum for services provided to the Company by Mr Prentice as an Executive Director.

Under this agreement, Mr Prentice must provide services to the Company as an executive director and must, among other things:

- (i) ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company;

- For personal use only
- (ii) develop, in conjunction with the Board, the Company's vision, values and goals;
  - (iii) develop short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives.
  - (iv) prepare business plans and reports; and
  - (v) supervise project management and development of assets.

This agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

(f) Non-Executive Director Engagement Deeds

The Company has entered into separate Non-Executive Director engagement deeds with each of Messrs Fry and Cheema pursuant to which the Company has agreed to pay Mr Fry A\$60,000 per annum for services provided to the Company as Non-Executive Chairman and Mr Cheema A\$40,000 per annum for services provided to the Company as Non-Executive Director.

These agreements are otherwise on terms and conditions considered standard for agreements of this nature in Australia.

(g) Deeds of Insurance Indemnity and Access

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director and the Company Secretary which confirm each person's right of access to certain books and records of the Company for a period of seven years after the Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires. The Deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Pursuant to the Deeds of Access, Indemnity and Insurance, the Company shall arrange and maintain Directors' and Officers' Insurance during each Director's and the Company Secretary's period of office and for a period of seven years after a Director or Company Secretary ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven years expires.

The Deeds of Access, Indemnity and Insurance are otherwise on terms and conditions considered standard for agreements of this nature in Australia.

## 6.2 Rights attaching to Shares

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of

charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a General Meeting, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

(b) Meetings

Subject to the provisions of the Corporations Act, the Company is required to give Shareholders at least 28 days' notice of a meeting of Shareholders. Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Corporations Act, Constitution and Listing Rules.

Under the Corporations Act, members of the Company holding not less than 10% of such of the paid-up capital of the Company as carries voting rights have a right to requisition the directors to call for a general meeting of the Company. Members holding not less than 10% of the issued shares of the Company are also entitled to call for a general meeting of the Company without requisitioning the directors to do so.

(c) Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

(d) Transfer of Shares

Subject to the Constitution, Corporations Act, Listing Rules and ASX Settlement Rules, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by a written instrument of transfer which complies with the Articles or by any other method permitted by the Corporations Act, Listing Rules or ASX Settlement Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Articles, Listing Rules or ASX Settlement Rules.

(e) Issue of further Shares

Subject to the Corporations Act and Listing Rules, the Company may issue further shares on such terms and conditions as the Board resolves, under a general, wide-ranging mandate customarily given by Shareholders at each annual general meeting of the Company.

(f) Purchase of own Shares

Subject to the Corporations Act, the Company may purchase or otherwise acquire its own shares upon such terms and subject to such conditions as the Company may deem fit.

(g) Winding Up

If the Company is wound up, then subject to a special resolution of the Shareholders, any surplus must be divided amongst the Company's members as determined by the liquidator.

(h) Unmarketable parcels

Subject to the Constitution, Listing Rules and ASX Settlement Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares under an 'opt-out' procedure.

(i) Variation of rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Articles, the Corporations Act, Listing Rules, and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) by a special resolution of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(j) Directors – appointment and removal

The minimum number of Directors is one and the maximum is six. Currently, there are three Directors.

At the first annual General Meeting all Directors shall retire from office, and at subsequent annual General Meetings, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire.

A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual General Meeting. The Company may elect a person as a Director by resolution passed at a General Meeting. A Director elected at a General Meeting is taken to have been elected with effect immediately after the end of that General Meeting unless the resolution by which the Director was appointed or elected specifies a different time.

(k) Directors – remuneration

The Constitution provide that Non-Executive Directors are entitled to a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve.



This limit does not apply to the salary and other remuneration of Executive Directors.

(l) Indemnities

(i) The Company, to the extent permitted by law, indemnifies each Director against any liability (other than legal costs) incurred in acting as Director, other than:

- (A) a liability owed to the Company or a Related Body Corporate;
- (B) a liability for a pecuniary penalty order under the Corporations Act; or
- (C) a liability that did not arise out of conduct in good faith.

(ii) The Company, to the extent permitted by law, indemnifies each Director for costs and expenses incurred in defending an action for liability incurred in acting as Director, except for legal costs incurred:

- (A) in defending or resisting any proceedings in which the Director is found to have a liability for which they cannot be indemnified under (i) above;
- (B) in defending or resisting criminal proceedings in which the Director is found guilty;
- (C) in defending or resisting proceedings brought by a regulator in any other jurisdiction or by a liquidator for a court order if the grounds for making the order are found by the court to be established, except for costs incurred in responding to actions taken by the regulator in any other jurisdiction or a liquidator as part of an investigation before commencing proceedings for the court order; or
- (D) in connection with proceedings for relief to the Director under the Corporations Act in which the relief is denied by the court.

(m) Litigation

Under the Corporations Act as well as at common law, a member of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company.

(n) Alteration to the Articles

The Articles can only be amended by a special resolution passed by at least 75% of the Company's members present and voting at a General Meeting.

(o) Transactions requiring shareholder approval

The types of “transactions” that require shareholder approval are governed by the Corporations Act and the Articles. Generally speaking, the following types of transactions will require shareholder approval:

- (i) amendments to the Constitution;
- (ii) amalgamations;
- (iii) disposing of substantially the whole of the company’s property or undertaking;
- (iv) change of name of the company;
- (v) reduction of share capital;
- (vi) winding up;
- (vii) share buy-back;
- (viii) removal of company auditors; and
- (ix) certain alteration of capital and variations of rights attaching to Shares.

This is not an exhaustive list but sets out common transactions that require shareholder approval.

## 7. ADDITIONAL INFORMATION

### 7.1 Interests of Directors

No Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

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

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

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection

with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows.

### 7.2 Director's Holdings

The Directors and their related entities have the following interests in Shares as at the date of this Prospectus:

Director	Shares held
Mr Michael Fry, Non-Executive Chairman	0 <sup>1</sup>
Mr Ian Prentice, Executive Director	0 <sup>2</sup>
Mr Sonu Cheema, Non-Executive Director	1 <sup>3</sup>

Note:

1. Mr Michael Fry will be issued 2,000,000 Options upon admission of the Company to the Official List.

2. Mr Ian Prentice will be issued 25,000 Shares and 100,000 Class A Performance Shares at completion of the KOP Agreement, and 4,000,000 Options upon admission of the Company to the Official List.

3. Mr Sonu Cheema will be issued 500,000 Options upon admission of the Company to the Official List.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Shares on Admission:

Director	Shares held
Mr Michael Fry, Non-Executive Chairman	0 <sup>1</sup>
Mr Ian Prentice, Executive Director	25,000 <sup>2</sup>
Mr Sonu Cheema, Non-Executive Director	1 <sup>3</sup>

Note:

1. Mr Michael Fry will be issued 2,000,000 Options upon admission of the Company to the Official List.

2. Mr Ian Prentice will be issued 25,000 Shares and 100,000 Class A Performance Shares at completion of the KOP Agreement, and 4,000,000 Options upon admission of the Company to the Official List.

3. Mr Sonu Cheema will be issued 500,000 Options upon admission of the Company to the Official List.

### 7.3 Remuneration of Directors

The Directors have received the following remuneration since 1 July 2016 in respect of the financial year ended 30 June 2016 and 30 June 2017.

Director	Remuneration
Mr Michael Fry, Non-Executive Chairman	Nil
Mr Ian Prentice, Executive Director	A\$10,000 <sup>1</sup>
Mr Sonu Cheema, Non-Executive Director	Nil <sup>2</sup>

Note:

1. This remuneration was paid to Newstead Consulting Pty Ltd, a company associated with Mr Ian Prentice, for the provision of consulting services from 1 June 2016 to 30 September 2016.

2. Mr Sonu Cheema is a director and shareholder of Cicero Corporate. Further details of the interests of Cicero Corporate are set out in Section 7.4.

### 7.4 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:

- (d) Cicero Corporate, a company of which Mr Sonu Cheema (a Non-Executive Director) is a director and shareholder, will be paid A\$10,000 per month for the provision of office space, administration and corporate secretarial services to the Company.

The amounts disclosed above are exclusive of GST (if any) payable by the Company in respect of those amounts.

## 7.5 Related Party Transactions

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

## 7.6 Expenses of Offer

The total expenses of the Offer payable by the Company are:

	<b>A\$4,000,000 raised</b>
ASIC Lodgement Fee	A\$2,350
ASX Quotation Fee	A\$55,100
Broker Commissions <sup>1</sup>	A\$240,000
Australian Legal Fees	A\$50,000
Investigating Accountant Fees	A\$12,000
Independent Geologist	A\$10,000
Corporate Advisory Fees	A\$100,000
Share Registry Fees	A\$5,000
Printing and postage	A\$5,000
Miscellaneous	A\$3,550
<b>Total</b>	<b>A\$483,000</b>

Note:

1. Refer to section 1.18

## 7.7 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	Percentage of Shares
Mr Ian William Dorney	150,000	5.77%
Finnian Group Pty Ltd	250,000	9.62%
Mr Bin Liu	250,000	9.62%
Contango Nominees Pty Ltd	150,000	5.77%
Mr Simon William Tritton	150,000	5.77%
SJ Capital Pty Ltd	200,000	7.69%
Mr Eugene Loy	150,000	5.77%
Mrs Allison Maree Bulseco	150,000	5.77%
Khaza Nominees Pty Ltd	200,000	7.69%

Based on the information known as at the date of this Prospectus, on Admission, the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	Percentage of Shares <sup>1</sup>
Twentieth Century	1,850,000	7.37%

Note:

1. Assuming that all Shares and Class A Performance Shares under the KOP Agreement have been issued, however that no Class A Performance Shares milestones have been achieved and no Options have been exercised.

## 7.8 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. 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.

## 7.9 Continuous Disclosure Obligations

The Company will be a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

## **7.10 Litigation and Claims**

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

## **7.11 Consents**

Each of the parties referred to in this Section 7.11:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 7.11.

None of the parties referred to in this Section 7.11 authorised or caused the issue of this Prospectus or the making of the Offer.

PAC Partners Pty Ltd has given its written consent to being named as the Lead Manager in respect to the Offer. PAC Partners Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Cicero Advisory has given its written consent to being named as the corporate advisor to the Company in respect to the Offer. Cicero Advisory has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Cicero Corporate has given its written consent to being named as the provider of corporate secretarial services to the Company in respect to the Offer. Cicero Corporate has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

HLB Mann Judd has given its written consent to be named as Investigating Accountants and to the inclusion of the Investigating Accountant's Report in Section 4 of the Prospectus in the form and context in which the report was included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Security Transfer Registrars Pty Ltd has given its written consent to being named as the share registry to the Company. Security Transfer Registrars Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

HLB Mann Judd has given its written consent to being named as auditor to the Company. HLB Mann Judd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Al Maynard & Associates Pty Ltd has given its written consent to being named as the independent geologist and to the inclusion of the Independent

Geologist's Report in Section 8 of the Prospectus in the form and context in which the report was included. Al Maynard & Associates Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

All Mining Legal Pty Ltd has given its written consent to be named as Legal Advisor Reporting on the Tenements and to the inclusion of the Legal Report on Tenements in Section 9 of the Prospectus in the form and context in which the report was included. All Mining Legal Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Eaton Hall has given its written consent to being named as Australian legal advisor to the Company. Eaton Hall has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

## **7.12 Electronic Prospectus**

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

## **7.13 Documents Available for Inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Suite 9, 330 Churchill Avenue, Subiaco, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.11.

## **7.14 Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 4, there have not been any circumstances that have arisen or that have materially



affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

## **8. INDEPENDENT GEOLOGIST'S REPORT**

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For personal use only

# AL MAYNARD & ASSOCIATES Pty Ltd

## Consulting Geologists

[www.geological.com.au](http://www.geological.com.au)

ABN 75 120 492 435

9/280 Hay Street,  
SUBIACO, WA, 6008  
Australia

Tel: (+618) 9388 1000  
Fax: (+618) 9388 1768

Mob: 04 0304 9449  
[al@geological.com.au](mailto:al@geological.com.au)

*Australian & International Exploration & Evaluation of Mineral Properties*

### INDEPENDENT CONSULTING

### GEOLOGISTS' REPORT

On the

### GABANINTHA VANADIFEROUS - TITANIFEROUS PROJECT



prepared for

**TECHNOLOGY METALS AUSTRALIA LIMITED**

Author: Allen J Maynard BAppSc(Geol), MAIG, MAusIMM  
Company: Al Maynard & Associates Pty Ltd  
Date: 7<sup>th</sup> October, 2016

## Executive Summary

Al Maynard and Associates Pty Ltd (“AM&A”) has been engaged by Technology Metals Australia Limited (ACN: 612 531 389) (“TMA” or “the Company”) to prepare an Independent Geological Report (“Report”) on the Gabanintha vanadiferous - titaniferous project (“Project” or “TMA Project”) comprising prospecting licences P51/2785, P51/2942, P51/2943 and P51/2944, and exploration licence E51/1510 (“Tenements”). The Company has agreed to acquire a 100% interest in the Project, via its purchase of 100% of shares in The Kop Ventures Pty Ltd (ACN 604 932 676) (“KOP”), conditional upon the Company completing a capital raising of not less than \$4.0 million and being admitted to the official list of the Australian Securities Exchange (“ASX”). Summaries of the material terms of the acquisition agreement are outlined elsewhere in the prospectus.

This Report is to be included in a prospectus to be lodged with the Australian Securities and Investments Commission (“ASIC”) on or about the 12<sup>th</sup> October, 2016 offering 20,000,000 shares at an issue price of 20 cents per share (“Prospectus”) to raise \$4.0 million (before costs associated with the issue). These funds will primarily be used for the exploration, evaluation and development of the Project as outlined in this Report.

This report provides an independent technical review of the Project as at 7<sup>th</sup> October 2016. The AM&A report has been prepared in accordance with the guidelines of the JORC Code (2012) and the Valuation of Mineral Assets and Mineral Securities for Independent Expert’s Reports (the “Valmin Code”) (2015) as adopted by the Australian Institute of Geoscientists (“AIG”) and the Australasian Institute of Mining and Metallurgy (“AusIMM”).

TMA is a company preparing to list on the Official List of Australian Securities Exchange Limited (“ASX – TMT”). Its principal business is mineral exploration. TMA has agreed to acquire 100% of the shares in KOP the owner of the Project situated near the ghost town of Gabanintha about 830 km north-northwest of the States capital, Perth and 40 km southeast of Meekatharra. The Project comprises 5 licences covering 5.09 km<sup>2</sup> and is considered prospective for vanadium and titaniferous magnetite mineralisation based on previous exploration results.

Planned exploration may discover commercial concentrations of valuable minerals or alternatively fail to provide encouraging results. TMA has agreed to acquire a 100% interest in the Project, via acquiring KOP, primarily for its potential to contain vanadium but there is also the possibility that any of the areas could also contain titanium and iron.

It is AM&A’s opinion that the mineral properties described in this Report warrant the proposed evaluation exploration and testing programs budgeted at \$2.05M, based on the proposed capital raising under terms of the Prospectus. It is noted that proposed programs may be subject to change according to results yielded as work is carried out.

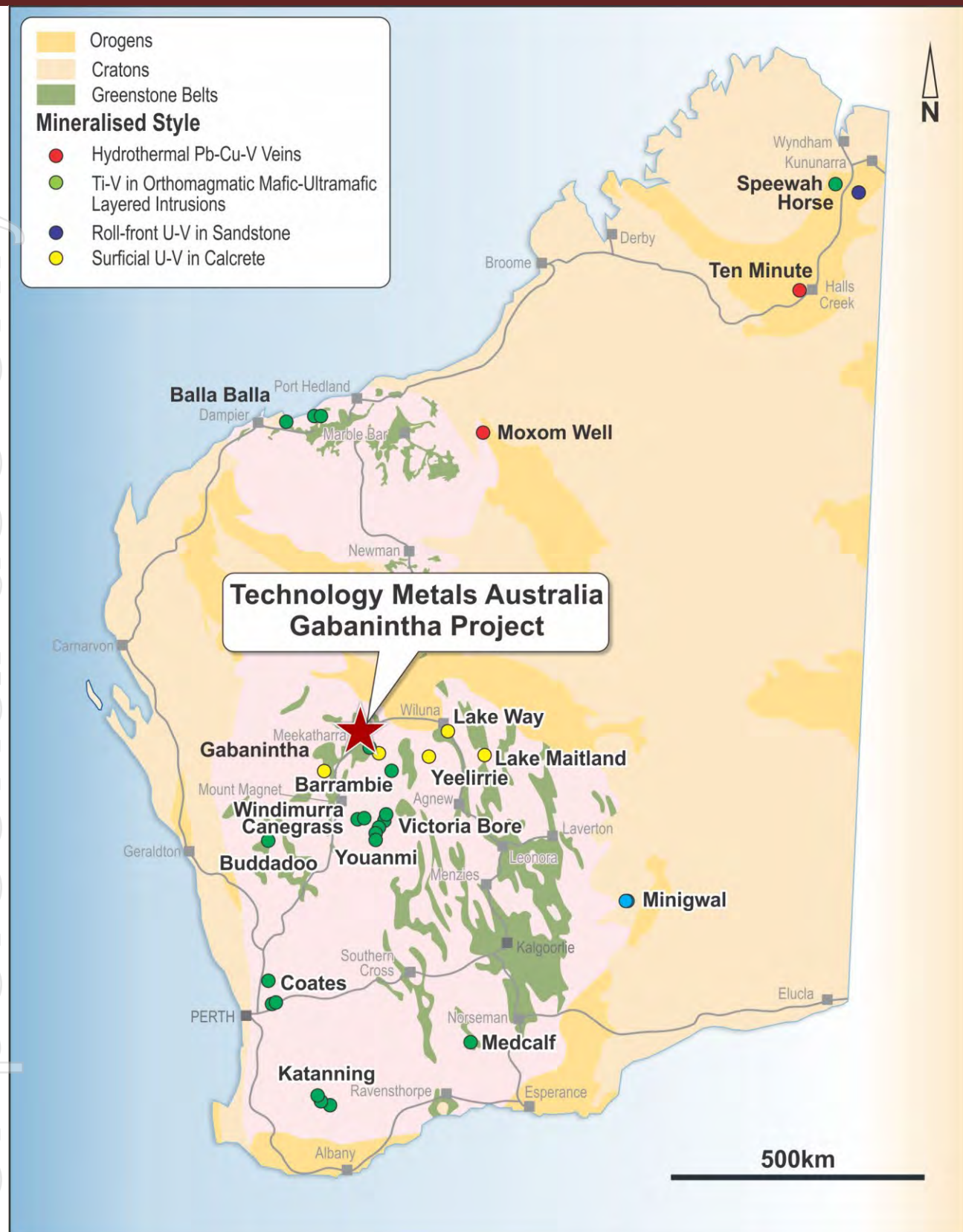


Figure 1: Technology Metals Australia Limited Project Location Plan.

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The Directors  
Technology Metals Australia Limited  
Suite 9, 330 Churchill Avenue  
Subiaco, WA 6008  
Australia

7<sup>th</sup> October, 2016

Dear Sirs,

**INDEPENDENT REPORT ON THE GABANINTHA VANADIFEROUS -  
TITANIFEROUS DEPOSIT**

## **1.0 Introduction**

Al Maynard and Associates Pty Ltd (“AM&A”) has been engaged by Technology Metals Australia Limited (ACN: 612 531 389) (“TMA” or “the Company”) to prepare an Independent Geological Report (“Report”) on the Gabanintha vanadiferous - titaniferous project (“the Project”). The Company has agreed to acquire a 100% interest in KOP and therefore the Project, conditional upon the Company completing a capital raising of not less than \$4.0 million and being admitted to the official list of the Australian Securities Exchange (“ASX”). Summaries of the material terms of the acquisition agreements are outlined elsewhere in the prospectus.

This Report is to be included in a prospectus to be lodged with the Australian Securities Exchange (“ASX”) on or about the 12<sup>th</sup> October, 2016 offering for subscriptions of 20,000,000 shares at an issue price of 20 cents per share (“Prospectus”) to raise \$4.0 million (before costs associated with the issue). These funds will primarily be used for the exploration, evaluation and development of the Project as outlined in this Report. The reader is referred to table 3 on page 13 of this Report for the proposed budget.

The legal status, including Native Title considerations associated with the Tenements, is subject to a separate Independent Solicitor’s Report on the Tenements, which appears in Section 10 of this Prospectus. These matters have not been independently verified by AM&A. The present status of Tenements listed in this Report is based on information provided by TMA and the Report has been prepared on the assumption that the Tenements will prove lawfully accessible for evaluation and development.

AM&A have not undertaken any independent title searches to establish good standing nor to establish their ownership. The solicitors to the prospectus have undertaken these tasks.

In the course of the preparation of this Report, TMA has provided access to all relevant data held by the Company. AM&A have made all reasonable endeavours to verify the accuracy and relevance of the database.

TMA has warranted to AM&A that full disclosure has been made of all material in its possession and that the information provided, is to the best of its knowledge, accurate and true. None of the information provided, has been specified as being confidential and not to be disclosed in our Report. The author is familiar with the area covered by the Tenements. As recommended by the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 (the “Valmin Code”), TMA has indemnified AM&A for any liability that may arise from AM&A’s reliance on information provided by or not provided by the Company.

Geologist, A.J. Maynard, who is a Member of the Australian Institute of Geoscientists (“AIG”) and the Australasian Institute of Mining and Metallurgy (“AusIMM”) has prepared this Report. Mr Maynard has more than 35 years continuous professional experience and qualifies as an Expert as defined in the Valmin Code. The information in this Report that relates to exploration results, mineral resources or ore reserves is based on information compiled by A.J. Maynard. Mr Maynard is employed by AM&A and has sufficient experience which is relevant to the style of mineralisation

and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Maynard consents to the inclusion in this Report of the matters based on his information in the form and context in which they appear.

This Report has been prepared in accordance with the relevant requirements of the ASX Listing Rules, ASIC Regulatory Guides 111 & 112, JORC Code (2012) and the Valmin Code 2015, which is binding on Members of AIG and Members of AusIMM.

AM&A is an independent geological consultancy established 30 years ago and has operated continuously since that time. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in TMA nor in any of the mineral properties included in this Report nor in any other asset of TMA nor has such interest existed in the past. This Report has been prepared by AM&A strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes our only commercial interest in TMA. Payment of fees is in no way contingent upon the conclusions in this document.

TMA will be invoiced and expected to pay a fee, estimated to be between \$8,000 and \$10,000 +GST for the preparation of this Report. This fee comprises a normal, commercial daily rate plus expenses. Except for these fees, neither the writer nor any family members nor Associates have any interest, nor the rights to any interest in TMA nor any interest in the mineral assets reported upon. TMA has confirmed in writing that all technical data known to it was made available to the writer. The title of this report shall not pass to the Company until all professional fees have been paid in full.

## **1.1 Statement of Competence**

This Report has been prepared by Allen J. Maynard. He is the Principal of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") (No 104986) and a Member of the Australian Institute of Geoscientists ("AIG" #2062). He has had over 35 years of continuous experience in mineral exploration and evaluation and more than 30 years' experience in mineral asset valuation. The writer holds the appropriate qualifications, experience and independence to qualify as an independent "Expert" and "Competent Person" under the definitions of the JORC Code and the Valmin Code.

## **2.0 Gabanintha Vanadiferous – Titaniferous Project**

### **2.1 Introduction**

The 5.09 km<sup>2</sup> of Tenements which TMA has agreed to acquire a 100% interest in are presented in Table 1 and depicted on Figures 1, 2 and 4. All Tenements on which TMA has agreed to acquire are at the exploration stage and therefore are speculative involving a degree of risk. We consider that the Project is in a favourable geological and structural environment where there is potential, given normal exploration risk, for providing positive results. This assumption is based on historical drill results, known mineralisation along strike and geophysical data.

Planned exploration may discover commercial concentrations of valuable minerals or alternatively fail to provide encouraging results. TMA has agreed to acquire a 100% interest in these Tenements primarily for their potential to contain vanadium but there is also the possibility that any of the areas could also contain titanium and iron mineralisation.

The Gabanintha region is an historic gold mining area. The nearby Gabanintha Gold Mine produced gold from an open pit between 1987 and 1991 (Raw Materials Group, 2011). Copper is also known to occur in the region.



The Project is located over the known northern and southern extremes of an anorthositic gabbroic intrusive. This layered intrusive, which has a North-North-West strike length of at least 20 km of which 4.5 km is contained within the Project area and has intruded granitic rocks. Within the Tenements the gabbroic intrusive hosts a number of massive vanadium, titanium and iron-rich units.

## 2.2 Location, Access and Tenement Holding

The Project area is located near the ‘ghost town’ of Gabanintha about 830 km North-Northwest of the State capital, Perth and 40 km South-East of Meekatharra. Access to the Project area is along the Meekatharra to Sandstone Road, which passes about 2 km east of E51/1510, P51/2785, P51/2943 and P51/2944 and southwest of P51/2942. Meekatharra is also serviced by several airline flights weekly.

The Tenements on which TMA has agreed to acquire a 100% interest in are presented in Table 1 and depicted on Figures 1, 2 and 4. These Tenements comprise four granted Prospecting Licences (“PLs”) and one granted Exploration Licence (“EL”). All are located within the Murchison Gold Field of Western Australia and the Shire of Meekatharra.

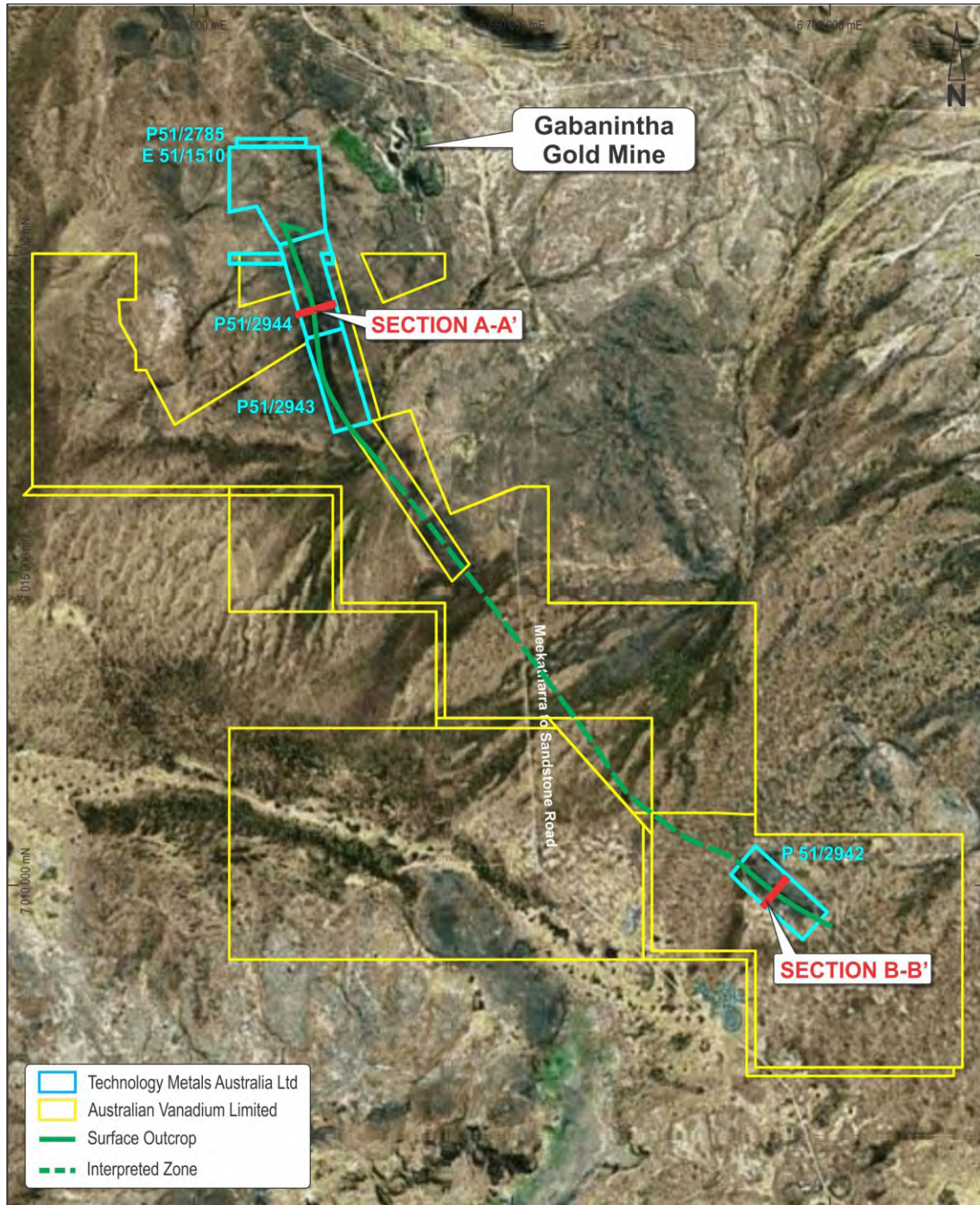
The Project is located on the Glengarry 1:250,000 map sheet SG50-12 and Sandstone 1:250,000 map sheet SG50-16. Situated within the Shire of Meekatharra, the Tenements are contained within the Gabanintha 1:100,000 scale map sheet 2644 and Nowthanna map sheet 2643.

Tenement	Granted	Expiry	Area ha	Min. Expend A\$	Rent A\$
P51/2942	15 Dec 2015	14 Dec 2019	94	3,760	226
P51/2943	3 Dec 2015	2 Dec 2019	94	3,760	226
P51/2944	3 Dec 2015	2 Dec 2019	100	4,000	240
P51/2785	8 May 2013	7 May 2017	19	2,000	46
E51/1510	2 July 2012	1 July 2017	202	10,000	301
<b>TOTALS</b>			509	23,520	1,039

**Table 1: TMA Tenement Holdings.**

TMA is to acquire all the shares in KOP which owns the Tenements within the Meekatharra Mining District. The Company provided the full Tenement details to AM&A. The status of the Tenements has been verified based on examination of open-source files accessed on Tengraph pursuant to paragraphs 67 and 68 of the VALMIN Code. The Tenements are believed to be in good standing at the date of this valuation as represented by TMA. A solicitor’s report on the Tenements is included elsewhere in the Prospectus.

The general configuration of the Tenements is presented in Figure 2.



**Figure 2: TMA Gabanintha Project - Tenements, Cross-section Locations and Gabbroic Intrusive Trace on Google Image.**

The climate is arid to semi-arid, with an average annual rainfall of only 250 mm. However, rainfall can vary widely from year to year, with droughts followed by very wet years, usually as a result of the spin-off from tropical cyclones and lows.

Five classes of vegetation are recognised in the district, viz: mulga woodlands, acacia and tea-tree scrub, grasslands with scattered trees, succulents and salt-lake communities. Variations in vegetation can generally be attributed to changes in regolith, bedrock and rainfall.





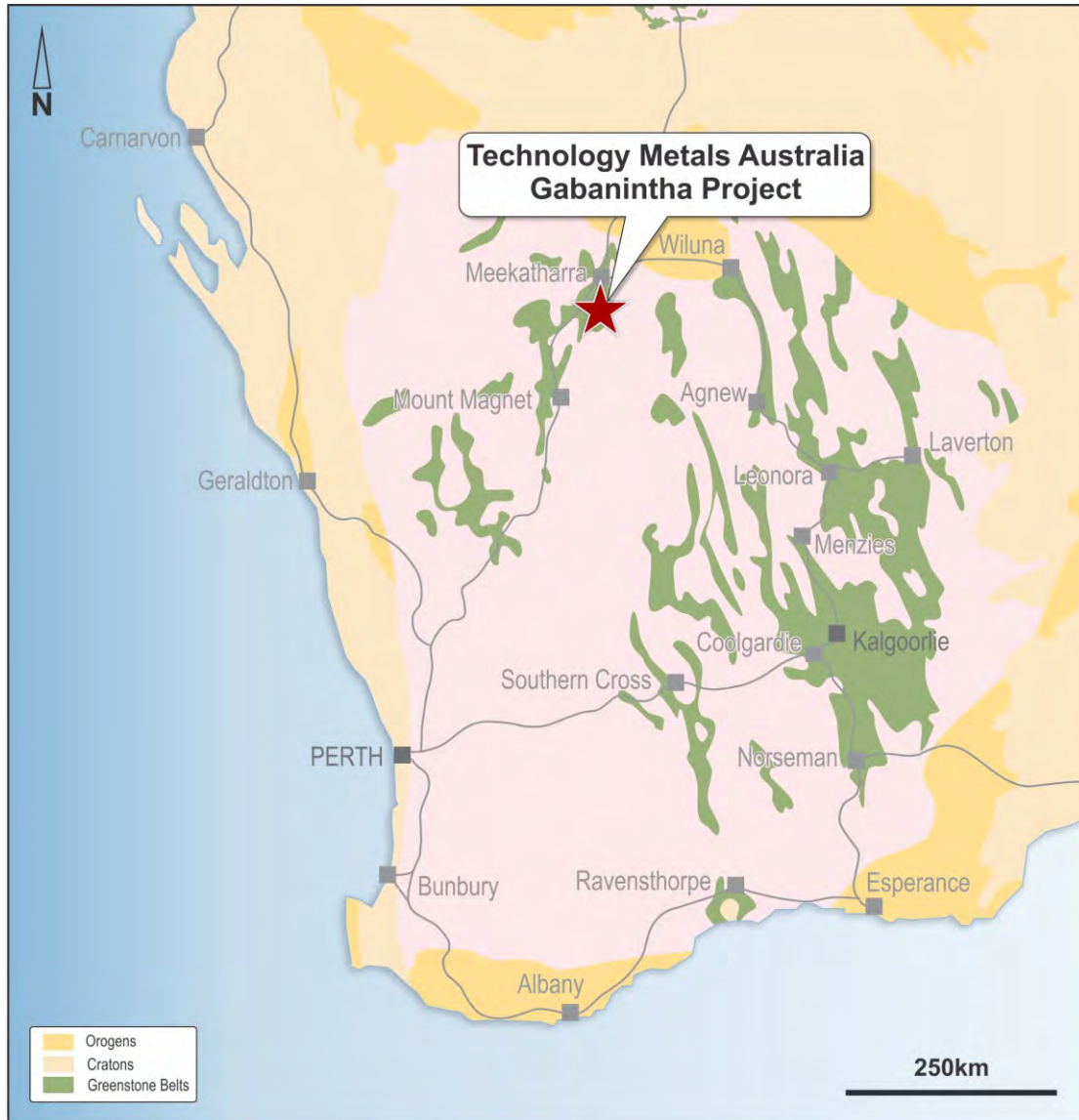
**Figure 3: TMA Tenement Typical Scenery and Topography.**

### **2.3 Regional Geological Setting.**

The Gabanintha titaniferous - vanadiferous magnetite project is situated within the Archaean Meekatharra -Wydgee Greenstone Belt on the Western Australian Yilgarn Craton (Figures 4 and 5). This ancient large southern Western Australian craton hosts a number of commercially viable mineralised regions.

The Meekatharra-Wydgee Greenstone Belt is a regional synclinal feature which comprises metamorphosed mafic, ultramafic volcanics and intrusives, felsic volcanics and sediments (Elias *et. al.*, 1979). Mafic extrusives are the most dominant rock type within the greenstone (Tingey, 1985). Stratigraphically, the Meekatharra-Wydgee Greenstone Belt comprises a lower mafic unit overlain by a lower felsic volcanoclastic unit, which in turn is overlain by an upper mafic unit then an upper felsic volcanoclastic. Only the upper units show evidence of pillow lavas and sedimentary structures.

The Meekatharra-Wydgee Greenstone Belt is subdivided into the Luke Creek and Mount Farmer Groups. Only the Luke Creek Group is interpreted to be present in the region where the Project is located. This group comprises ultramafic, mafic and metasediments (Pirajno *et. al.*, 1998). Mafic and ultramafic rocks in structurally dismembered layered intrusions comprise approximately 40% by volume of greenstones (Ivanic *et. al.*, 2010). While outcrop is poor, aeromagnetic data indicate the greenstones trend North-northeast and Northerly.



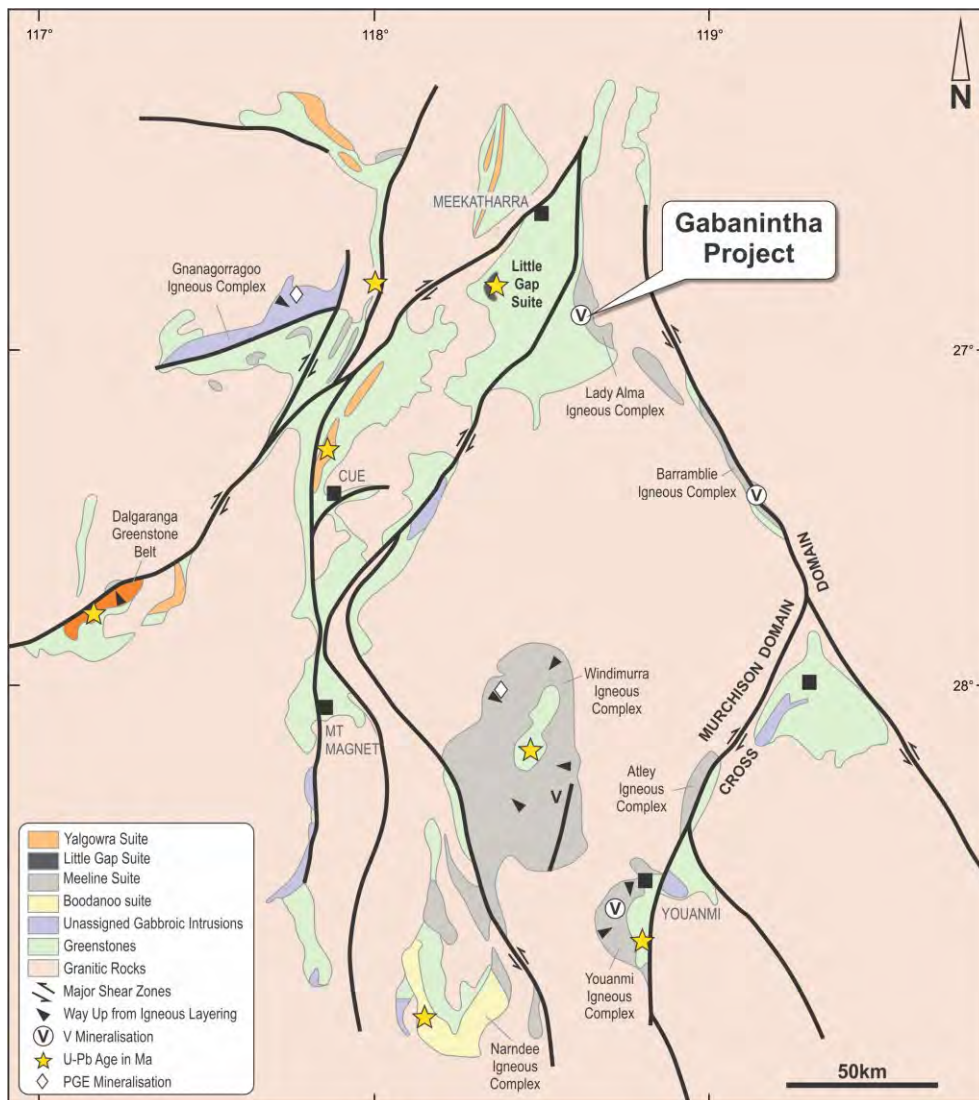
**Figure 4: TMA Gabanintha Project Location within the Yilgarn Craton.**

According to Elias *et al.*, (1979), the lower ultramafic complex in the Gabanintha region comprises a metamorphosed sequence of mafic and ultramafic intrusives, fine-grained mafic volcanics and ultramafic actinolite-chlorite rocks. Actinolite-chlorite fragmental rock outcrops in the old Gabanintha townsite. Here, they contain crystal, lithic and vitric fragments of ultramafic composition.

A sequence of felsic volcanic and tuffaceous rocks together with related kaolinite sediments are preserved between the lower and upper mafic units. South of Meekatharra, basalt occurs within this sequence. South-West of Gabanintha the lower felsic-volcanoclastic unit comprises felsic lava and poorly exposed tuffaceous rocks and thin jaspilite beds. Near its base a layered sill of gabbro containing anorthosite and magnetite layers has intruded this unit (Elias *et. el.*, 1979). It is this coarsely crystalline magnetite unit that hosts the vanadium and titanium mineralisation contained within the Tenements.

Komatiitic and tholeiitic basalts occupy the synclinal core of the Meekatharra-Wyldgee Greenstone Belt. The former contains acicular textures, while the tholeiitic basalts contain pillow lavas. Andesite, dacite and related volcanoclastic rocks comprise the upper unit of the Greenstone Belt. These rock types form the core of the syncline to the west near Polelle Homestead. Small lenses of metasediments are common. These metasediments comprise schistose quartzo-felspathic metasediments, quartzite, black slate and phyllite





**Figure 5: TMA Gabanintha Project - Regional Geological Map (after Ivanic *et. el.*, 2010).**

Ivanic *et. el.* (2010) more recently reclassified igneous rocks of the Meekatharra-Wyldgee Greenstone Belt into the Meeline Suite of the Windimurra Igneous Complex which date at approximately 2.81 Ma. Geochemically the Windimurra Igneous Complex conforms to tholeiitic magma. Similar chemical compositions are present in the other Meeline Suite units suggesting that the rest of the suite has formed from a similar magma type.

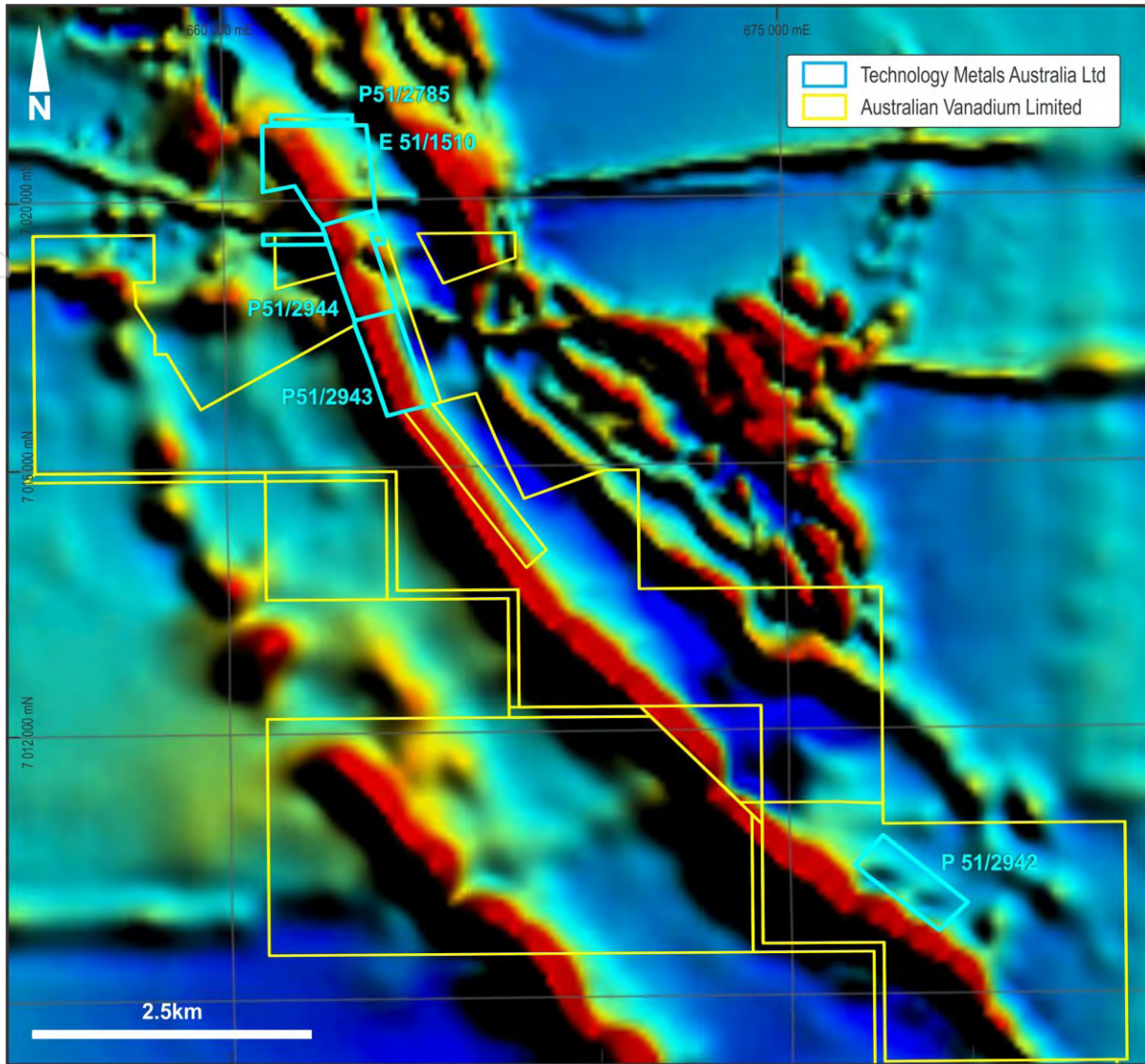
This Greenstone Belt has been subjected to low-grade metamorphism. The host rocks are in turn intruded by granitic rocks (Baxter, 1978).

Greenstone Belts, comprising mafic volcanics, intermediate volcanoclastics, sedimentary sequences, felsic volcanic sequences and ultramafic rocks, are interspersed with granite and granite-gneiss complexes throughout the Eastern Goldfields region. These rocks have been multiply deformed and metamorphosed, with the major deformations comprising east-over-west compression followed by sinistral transpression. Metamorphism varies in degree locally but is predominantly mid-greenschist to lower amphibolite facies, and coincides with the major deformations. Regional transpression is synchronous with the development of the vast majority of gold deposits throughout the region.

## 2.4 Local Geological Setting

The Project is located over the known northern and southern extremes of an anorthositic gabbroic intrusive. This layered intrusive, which has a North-northwest strike length of at least 20 km of which 4.5 km is contained within the Project area, intruded granitic rocks. Within the Tenements the gabbroic intrusive hosts a number of massive vanadium, titanium and iron-rich units.

Iron within the gabbroic intrusive provides a magnetic response enabling mapping of the unit where it does not crop out (Figure 6). The gabbroic intrusives discontinuously outcrop as low ironstone ridges and is understood to dip 60° to the West.



**Figure 6: TMA Gabanintha Project - Aeromagnetic Response to the Gabbroic Intrusion.**

The unrelated Australian Vanadium Limited (“Australian Vanadium”) formerly Yellow Rock Resources Limited, also holds tenements in close proximity to the Project with licences located immediately south of P51/2943 and north of P51/2942 (Figure 2). Australian Vanadium has identified a JORC Code (2012) compliant resource within this adjacent Project area<sup>1</sup>. According to information on the Australian Vanadium website there is a total resource of 91.4 Mt with  $V_2O_5$  averaging 0.82%, Fe averaging 35% and  $TiO_2$  averaging 10% (Yellow Rock Resources, November 2015). This total comprises 24.7 Mt in the Measured and Indicated category and 66.7 Mt in the Inferred category<sup>1</sup>. While the TMA Project is along strike of the Australian Vanadium area, the delineation of a JORC Code (2012) compliant resource by Australian Vanadium does not automatically imply that a JORC Code compliant resource may be defined within the TMA Project area.

## 2.5 Mineralisation

Vanadium mineralisation within the Project area is contained within a metamorphosed Archaean layered medium to coarse grained anorthositic gabbro intrusive. This unit has intruded mafic and ultramafic rocks belonging to the Gabanintha Formation close to the contact with the volcanoclastic Windaning Formation. Vanadium mineralisation occurs as segregations within a stratiform intrusive while the magnetite bands are associated with anorthositic phases of the intrusion. The gabbroic

<sup>1</sup> Brian Davis and John Tyrrell, Substantial high-grade vanadium resource highlights Gabanintha's world-class potential, 10 November 2015, available as part of ASX announcement by Yellow Rock Resources Limited (ASX: YRR) dated 10 November 2015 (“Report”). The Report was not prepared in connection with this document and the authors of the Report have not consented to the use of this information in the Prospectus, although it is in the Public Domain.



intrusive contains two vanadiferous titanomagnetite units, which outcrop as low ironstone ridges (Figure 7). This intrusive dips  $60^{\circ}$  to the west.

Both the gabbro and anorthositic gabbro are almost completely saussuritized. Some contain cumulate plagioclase crystals with interstitial actinolite. The intrusion has been extensively faulted which has caused fragmentation of the magnetite rich zone into several distinct areas containing isolated lenses.

Within the Gabanintha region, vanadium enrichment has accompanied the formation of hematite and magnetite. Vanadium enrichment occurs in the zone of weathering and may remain in the mineral structure as a substitution of iron and titanium ions (Baxter, 1978). The depth of oxidation varies from 25 m to 50 m.



**Figure 7: TMA Gabanintha Project – Gabbroic outcrop of Vanadiferous – Titaniferous Magnetite.**

Exploration drilling and subsequent assaying has established that the vanadium mineralisation comprises massive to disseminated bands of titaniferous magnetite and ilmenite hosted in a differentiated gabbro belonging to the Gabanintha Formation. Two distinct zones of mineralisation occur within the gabbroic unit. These comprise a basal, massive, high-grade band and an upper lower grade disseminated band. The mineralised bands vary from 5 m to 30 m thick and have the same orientation as the gabbro host. Transition mineralisation comprises up to 15% magnetite, up to 60% hematite, 15% ilmenite and 10% kaolinite. The footwall contact of the magnetite bands is sharp against the gabbro, while a zone of disseminated magnetite accompanies the hanging wall contact. Ilmenite forms irregular inclusions within the magnetite grains. The footwall is a talc-carbonate ultramafic. Mineralisation in some areas is offset by later dolerites and granites and a series of east and east-southeast trending faults.

An inner zone of disseminated mineralisation is partially oxidised and contains octahedral magnetite in saprolitic clays and altered ultramafic rocks, which vary from 'stringers' (very thin) to massive (very broad). Assaying has returned grades from 0.28% to 0.70%  $V_2O_5$  within this zone over varying widths up to 95 m. Higher grade, thinner lenses are also present in this inner zone with intersections of 15.4 m at 1.21%  $V_2O_5$ . The outer zone is lower in grade but can be up to 75 m thick.

## 2.6 Previous Exploration

Leases for gold were taken out in the Gabanintha region as early as 1895 (Wikipedia, 2011). Dating from 1906, copper has been mined in the region.

The titaniferous-vanadiferous magnetite occurrence near Gabanintha was investigated as a possible iron deposit during 1959 but was found to be unsuitable due to its high titanium content.<sup>2</sup> During the following year Mangore (Australia) Pty Ltd (“Mangore”) identified vanadium mineralisation near Gabanintha and other regions.<sup>3</sup> Mangore drilled 14 diamond drillholes within the area of the outcropping vanadiferous magnetite rich rocks over approximately 12 km of strike.<sup>3</sup> These holes were drilled to a depth of 61.5 m.<sup>3</sup>

During 1998, Intermin Resources Limited (“Intermin”) drilled five reverse circulation exploratory holes for a total of 316 metres within its then P51/2184<sup>4</sup>; located within the Project area.

These five holes targeted outcropping areas within that tenement (Figure 8) and were drilled at 60 degrees to the east.<sup>4</sup> Results from this drilling program that returned a number of encouraging results are presented in Table 2.<sup>4</sup>

Analysis of samples collected from this program yielded intersections in the primary mineralised zone grading between 1.08% and 1.26%  $V_2O_5$  with an average grade of 1.15%.<sup>4</sup> The calculated average true width of the massive titanomagnetite was 12 m.<sup>4</sup> The drilling also indicated the oxidized lower grade unit has an average grade of 0.52%  $V_2O_5$  with an average width of 17 m.<sup>4</sup> The original area within P51/2184 is now contained within P51/2943 and P51/2944. The cross section of reverse circulation (“RC”) drill-holes GRC9804 & 5 is presented in Figure 9.<sup>4</sup>

<sup>2</sup> H. J. Ward, Geological Outline (Gabanintha, Andover), 1960, available as open file exploration data from the Western Australian Department of Mines and Petroleum WAMEX database (“Report”). The Report was not prepared in connection with this document and the author of the Report has not consented to the use of this information in the Prospectus.

<sup>3</sup> A. W. Heuck, Economic Evaluation of Vanadiferous Magnetite Deposits of W. Australia, 27 April 1962, available as open file exploration data from the Western Australian Department of Mines and Petroleum WAMEX database (“Report”). The Report was not prepared in connection with this document and the author of the Report has not consented to the use of this information in the Prospectus.

<sup>4</sup> Bryan Smith, Technical Report on P51/2184 at Gabanintha, W.A. for the Period 22<sup>nd</sup> April 1998 to 21<sup>st</sup> April 1999, June 1999, available as open file exploration data from the Western Australian Department of Mines and Petroleum WAMEX database (“Report”). The Report was not prepared in connection with this document and the author of the Report has not consented to the use of this information in the Prospectus.



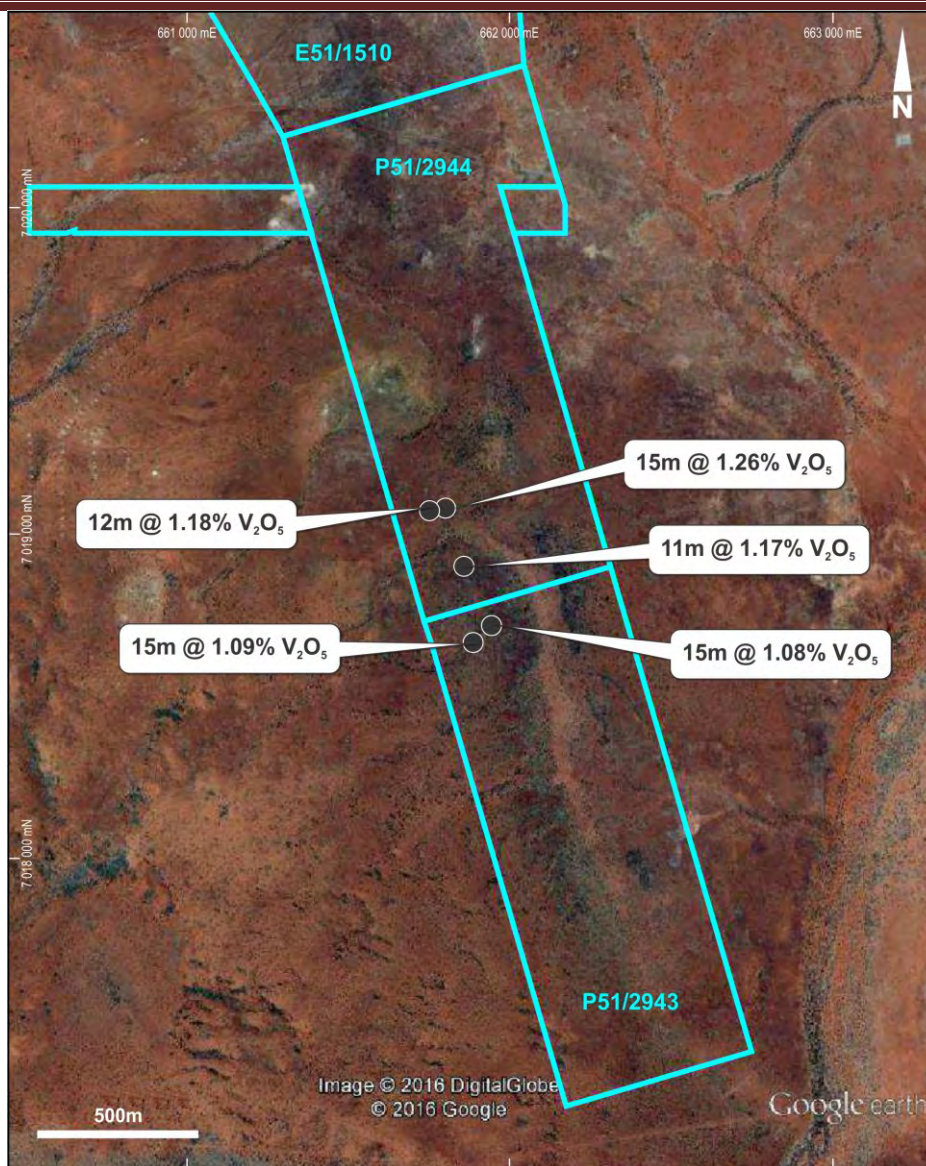


Figure 8: Intermin RC Drill-hole Location on P51/2943 and P51/2944 with a Topographic Feature Interpreted to Represent the Gabbroic Layered Intrusive.

Hole	Northing	Easting	Intersection % V <sub>2</sub> O <sub>5</sub>	From (m)
GRC9801	7018678	661903	15m at 1.08	30
GRC9802	7018648	661856	15m at 1.09	74
GRC9803	7018879	661830	11m at 1.17	23
GRC9804	7019051	661772	15m at 1.26	31
GRC9805	7019034	661724	12m at 1.18	80
GRC9815	7009945	668547	10m at 1.09	22
GRC9816	7009907	668514	9m at 1.20	60
GRC9817	7009563	669050	25m at 1.08	35

Table 2: TMA Gabanintha Project - V<sub>2</sub>O<sub>5</sub> Intersections from 1998 Intermin RC Drillholes.<sup>4, 5</sup>



**Figure 9: Cross section Through P51/2944 Showing GRC9804 & 5 Mineralised Intersections.<sup>4</sup>**

A further three holes, GRC9815 to 9817, were drilled into P51/2942 (Figure 10) at an angle of 60 degrees to East-North-East.<sup>5</sup> The location of these drill holes needs to be verified in the field. Analysis of these three holes, GRC 9815, 9816 and 9817, yielded 10 m at 1.09% V<sub>2</sub>O<sub>5</sub>, nine metres at 1.2% V<sub>2</sub>O<sub>5</sub> and 25 metres at 1.08% V<sub>2</sub>O<sub>5</sub> (Table 2). The cross section of RC drillhole GRC9817 is presented in Figure 11.

<sup>5</sup> Bryan Smith, Technical Report on P51/2183 at Yarrabubba, W.A. for the Period 22<sup>nd</sup> April 1998 to 21<sup>st</sup> April 1999, June 1999, available as open file exploration data from the Western Australian Department of Mines and Petroleum WAMEX database ("Report"). The Report was not prepared in connection with this document and the author of the Report has not consented to the use of this information in the Prospectus



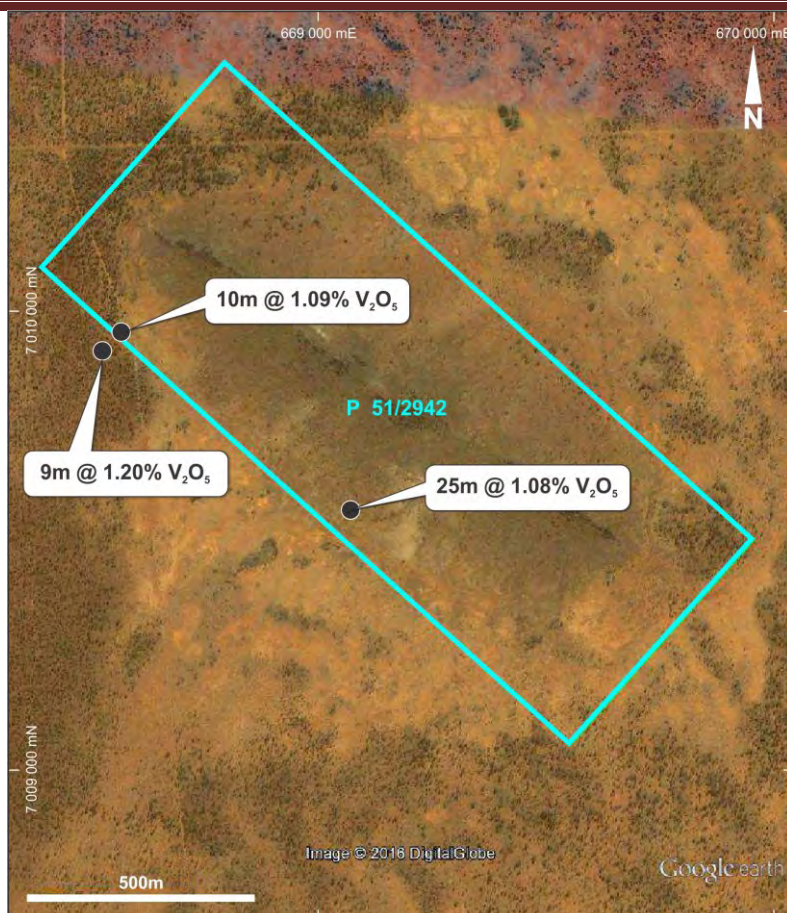


Figure 10: - Intermin RC Drillhole Location on P51/2942 with a Topographic Feature Interpreted to Represent The Gabbroic Layered Intrusive Southern Extension.<sup>5</sup>



Figure 11: Cross section through P51/2942 showing GRC9817 Mineralised Intersection.<sup>5</sup>

To the south of P51/2943, Australian Vanadium has subsequently carried out further exploration on its ground, resulting in the definition of a JORC Code (2012) compliant resource of 91.4 Mt with V<sub>2</sub>O<sub>5</sub> averaging 0.82%, Fe averaging 35% and TiO<sub>2</sub> averaging 10% (Yellow Rock Resources, November 2015).<sup>6</sup> This total comprises 24.7 Mt in the Measured and Indicated category and 66.7 Mt in the Inferred category<sup>6</sup>. While the TMA Project is along strike of the Australian Vanadium area, the delineation of a JORC Code (2012) compliant resource by Australian Vanadium does not automatically imply that a JORC Code compliant resource may be defined within the TMA Project area. Australian Vanadium's 2015 Mineral Resource estimate relies on analytical data collected from 233 RC percussion and 17 diamond core drill holes, included from its 2009 and 2015 drilling programs (Yellow Rock, November 2015)<sup>6</sup>.

Australian Vanadium has conducted metallurgical testwork on oxide, transitional and fresh massive and disseminated mineralisation from its project. This work suggested that all material types are amenable to magnetic beneficiation producing a high grade concentrate suitable for feed into a vanadium roast leach plant (Australian Vanadium Limited, December 2015)<sup>7</sup>.

## 2.7 Recent Exploration

Minimal physical work (literature research) and no further drilling has been undertaken by TMA on the Tenements.

## 2.8 Exploration Potential and Budget

Based on the proposed \$4.0 million capital raising under terms of the Prospectus, TMA have provided AM&A with a proposed budget to evaluate the Tenements over the initial two years after being admitted to the Official List of the ASX (Table 3). Results acquired during the first year will impact on work required during the following year. The exploration program and budget presented may therefore vary during the second year of operations.

\$4.0m Raising	Expenditure A\$		
	Year 1	Year 2	Total
Access Tracks	7,500	2,500	10,000
Ground Magnetics	20,000		20,000
RC Drilling	600,000	400,000	1,000,000
Diamond Drilling	50,000	150,000	200,000
Analysis	90,000	60,000	150,000
Logistical Support	27,500	25,000	52,500
Field Staff	65,000	62,500	127,500
Reporting	15,000	15,000	30,000
Metallurgical Testing	50,000	135,000	185,000
Resource Estimation / Scoping Study	75,000	200,000	275,000
<b>Total</b>	<b>\$1,000,000</b>	<b>\$1,050,000</b>	<b>\$2,050,000</b>

**Table 3: TMA Gabanintha Project – Two Year Exploration Budget.**

<sup>6</sup> Ibid, footnote 1, at page 8.

<sup>7</sup> David Pass, Outstanding metallurgical results highlight strong economic potential of Gabanintha vanadium project in WA, 7 December 2015, available as part of ASX announcement by Australian Vanadium Limited (ASX: AVL) dated 7 December 2015 (Report). The Report was not prepared in connection with this document and the author of the Report has not consented to the use of this information in the Prospectus

TMA intends that it will spend most of its exploration effort on drilling. Given the status of the Project with historical vanadium intersections obtained from the small number of holes drilled into the Tenements, AM&A agree with this exploration approach. An additional amount has also been set aside for metallurgical evaluation. The nature of the ore requires knowledge on the best method to concentrate mined ore and therefore this approach requires detailed attention.

Based on the proposed exploration program and budget presented, it is AM&A's belief that at the conclusion of the initial two years, the Company should have a much better understanding on the known mineralisation within the Project area. Exploration results may either enhance or down-grade the Project.

## 2.9 CONCLUSIONS

Only a limited number of positive drillhole intersections from drilling within the Project area are available, however this drilling has proved vanadium mineralisation is contained within the Tenements subject to the KOP acquisition proposal. This historic data indicates that additional exploration, especially drilling, is warranted. A detailed ground magnetic survey will assist siting of drillholes to test the potential for the existence of economic mineralisation. Such additional exploration is required to establish if a commercially minable operation is feasible within the Project area.

The Project sandwiches, in a strike direction, known mineralisation contained within tenements held by Australian Vanadium, who have announced a JORC Code (2012) compliant resource to the ASX within its own ground<sup>8</sup>.

While further work is required to establish a JORC Code (2012) compliant resource within the TMA ground, the limited exploration undertaken to date within the Project area is encouraging.

It is AM&A's opinion that the Tenements described in this Report warrant the proposed evaluation exploration and testing programs. It is noted that proposed programs may be subject to change according to results yielded as work is carried out.

Having regard to the stated objectives of TMA, AM&A consider that the proposed exploration and associated expenditure programs are reasonable.

Yours faithfully,



Allen J. Maynard  
BAppSc(Geol), MAIG, MAusIMM.

### Competent Persons Statement

*The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under*

<sup>8</sup> Ibid, footnote 1, at page 8.

consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves”. (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

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#### 4.0 Glossary of Technical Terms and Abbreviations

<b>Actinolite</b>	An amphibole silicate mineral formed by metamorphism and having blade like crystals.
<b>Aeromagnetic survey</b>	A survey made from the air for the purpose of recording the magnetic characteristics of rocks.
<b>Anorthosite</b>	Anorthosite is a phaneritic, intrusive igneous rock characterized by a predominance of plagioclase feldspar (90–100%), and a minimal mafic component.
<b>Archaean</b>	The oldest rocks of the Precambrian Era, older than 2,500 million years.
<b>Assay</b>	Test for the purpose of determining the presence, or amount of one or more substances.
<b>Craton</b>	Stable interior portion of a continent characteristically composed of ancient crystalline basement rock.
<b>Diamond Drilling</b>	Rotary drilling using diamond-impregnated bits to produce a solid continuous core sample of the rock penetrated.
<b>Dip</b>	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
<b>Dolerite</b>	Volcanic rock similar in composition to basalt, but it contains crystals, which can be seen with a hand lens. This indicates that it cooled a more slowly than basalt. Dolerites are considered to have solidified below the surface whereas basalts were extruded onto the land surface or underwater where they solidified.
<b>Fault</b>	A fracture in rocks on which there has been movement on one

		side relative to the other, parallel to the fracture.
<b>Felsic</b>		An igneous rock, which is composed predominantly of light coloured minerals.
<b>Fold</b>		A bend in the rock strata or planar structure.
<b>Footwall</b>		Rocks underlying mineralisation.
<b>Formation</b>		Primary unit of lithostratigraphy. A mappable stratigraphic unit.
<b>Gabbro</b>		A plutonic igneous rock with the same mineral content as basalt but as a plutonic rock it cooled much more slowly, resulting in a coarse grained texture. They are composed chiefly of plagioclase and pyroxene, commonly with small amounts of other ferromagnesian minerals. Gabbros are usually black or dark green in colour.
<b>Gabbroic</b>		Coarse-grained igneous rock composed chiefly of calcic plagioclase and pyroxene.
<b>Granitic</b>		A common, coarse-grained, light-coloured, hard igneous rock consisting chiefly of quartz, orthoclase or microcline, and mica.
<b>Granite</b>		A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
<b>Greenschist facies</b>		One of the major divisions of the mineral facies classification of metamorphic rocks. Low grade metamorphic rock type. Greenschists form under conditions of low temperature and low pressure.
<b>Greenstone</b>		Zones of variably metamorphosed mafic and ultramafic volcanic rocks associated with sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss rock types.
<b>Group</b>		Comprises more than one stratigraphic formation.
<b>Hanging Wall</b>		Rocks overlying mineralisation.
<b>Igneous</b>		Rock formed by the solidification of molten or partly molten magma.
<b>Ilmenite</b>		Oxide of iron and titanium.
<b>Intrusive</b>		A body of igneous rock that has been injected while molten into pre-existing rocks.
<b>Jaspilite</b>		Ferruginous quartz, formed as a result of the metamorphism of iron-silica minerals and volcanic deposits. It consists of alternating layers of magnetite and hematite ores and layers of quartz measuring 0.5-3 mm in thickness.
<b>JORC (2012)</b>	<b>Code</b>	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and Minerals Council of Australia, effective December 2012.
<b>Kaolinite</b>		A clay mineral formed by the alteration of alkali feldspars and other aluminium bearing minerals.
<b>Komatiite</b>		A type of ultramafic mantle derived volcanic rock.
<b>Lava</b>		Refers both to molten rock expelled by a volcano during an eruption and the resulting rock after solidification and cooling.
<b>Lithic</b>		Containing abundant fragments of previously formed rock.
<b>Lithology</b>		Description of a rock.
<b>Ma</b>		Million years ago.
<b>Mafic</b>		A loosely used group name for silicate minerals that are rich in iron and magnesium, and for rocks in which these minerals are abundant.
<b>Magma</b>		Mixture of molten rock that is found beneath Earth's the surface, which may also contain suspended crystals and dissolved gas and sometimes also gas bubbles. It may be intruded into adjacent rocks or extruded onto the surface as lava.
<b>Magnetite</b>		Ferrimagnetic mineral with chemical formula Fe <sub>3</sub> O <sub>4</sub> .
<b>Metamorphic</b>		Rock type formed by mineralogical and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed



	with “meta” as in metabasalt.
<b>Metamorphosed</b>	The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed "meta" as in "metabasalt".
<b>Metasediment</b>	Sedimentary rock that has been subjected to and altered by metamorphism.
<b>Mineralisation</b>	The introduction of valuable minerals into a rock body
<b>Phyllite</b>	An intermediate-grade foliated metamorphic rock that resembles its sedimentary parent rock, shale, and its lower-grade metamorphic counterpart.
<b>Pillow lava</b>	Lavas that contain characteristic pillow-shaped structures that are attributed to the extrusion of the lava under water.
<b>Plagioclase</b>	Common feldspar mineral
<b>Quartzite</b>	A hard metamorphic rock, which was originally sandstone containing quartz and feldspar.
<b>Reverse Circulation Drilling (RC)</b>	Often just called RC Drilling is a common mineral exploration drilling method using reverse circulation techniques and is commonly used in exploration to obtain samples at depth for analytical analysis.
<b>Schist</b>	Schists constitute a group of medium-grade metamorphic rocks, chiefly notable for the preponderance of lamellar minerals
<b>Schistose</b>	Any of various medium-grained to coarse-grained metamorphic rocks composed of laminated, often flaky parallel layers of chiefly micaceous minerals.
<b>Sediment</b>	A rock in which its components have been transported from one site by wind, ice, gravity or water and subsequently deposited elsewhere.
<b>Sedimentary</b>	Rocks are formed by sedimentation of material at the Earth's surface.
<b>Sill</b>	A sheet-like body of igneous rock that is conformable with the layers it intrudes.
<b>Slate</b>	A fine-grained, foliated, homogeneous metamorphic rock derived from an original shale-type sedimentary rock composed of clay.
<b>Strike</b>	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
<b>Syncline</b>	A fold where the rock strata dip inwards and downwards the axis.
<b>Tenement</b>	Mineral property granted by the appropriate government agency and giving the title holder the right to explore within its confines
<b>TiO<sub>2</sub></b>	Titanium dioxide.
<b>Titaniferous</b>	Containing titanium.
<b>Titanomagnetite</b>	Magnetite with inclusions of ilmenite.
<b>Tuff</b>	Rock consisting of consolidated volcanic ash ejected from vents during a volcanic eruption.
<b>Tuffaceous</b>	A rock composed of compacted volcanic ash varying in size from fine sand to coarse gravel.
<b>Ultramafic</b>	Igneous rocks containing virtually no quartz or feldspar and less than 45% silicon dioxide (SiO <sub>2</sub> ).
<b>V<sub>2</sub>O<sub>5</sub></b>	Vanadium pentoxide
<b>Vanadiferous</b>	Containing vanadium.
<b>Vanadium</b>	Vanadium is a soft, silvery grey metal used in alloys with iron to provide high strength steel. It is also used in the aerospace industry and as a superconductor
<b>Volcanic</b>	An igneous rock extruded on the surface of the Earth as magma and solidified.
<b>Volcanoclastic</b>	Volcanic material has been transported and reworked through mechanical action, such as by wind or water.

**Abbreviations**

g	gram	m <sup>3</sup>	cubic metre
kg	kilogram	mm	millimetre
km	kilometre	M	million
km <sup>2</sup>	square kilometre	oz	troy ounce
m	metre	t	tonne
m <sup>2</sup>	square metre		

## **9.   LEGAL REPORT ON TENEMENTS**

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For personal use only



11 October 2016

The Directors  
Technology Metals Australia Limited  
Suite 9, 330 Churchill Avenue  
SUBIACO WA 6008

Dear Sirs

### SOLICITOR'S REPORT ON TENEMENTS

This Solicitor's Report (**Report**) is prepared for the inclusion in a prospectus to be dated on or about 13 October 2016 for issue by Technology Metals Australia Limited ACN 612 531 389 (**Company**).

#### Scope

1. We have been requested to report on certain mining tenements in which the Company has an interest (**Tenements**).
2. The Tenements are located in Western Australia and are listed in the Tenements Schedule (**Schedule**) at the end of this Report.
3. This Report is limited to the Searches detailed at clause 4 of this Report.

#### Searches

4. For the purpose of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows (**Searches**):
  - (a) we have obtained searches of the Tenement from the register maintained by the Western Australian Department of Mines and Petroleum (**DMP**) pursuant to the *Mining Act* (WA) (**Mining Act**) on 16 September 2016;
  - (b) we have obtained quick appraisal searches of the Tenements obtained on-line from the Tengraph system maintained by DMP dated 16 September 2016;
  - (c) we have obtained Land Property Searches from Landgate on 21 September 2016;
  - (d) we have obtained extracts of registered native title claims and native title determinations that apply to the Tenements, as determined by the Native Title Tribunal (**NNTT**). This material was obtained on 16 September 2016. Details of native title claims and determinations are set out in Part II of the attached schedule; and
  - (e) we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Western Australian Department of Aboriginal Affairs (**DAA**) for Registered Sites and other Heritage Places recorded in the Register of Aboriginal sites that are within partially or wholly the Tenements. This material was obtained on 16 September 2016. The details of the Aboriginal Sites and other Heritage Places are set out in Part II of the attached schedule.

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## Opinions

5. As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:
  - (a) **(Company's Interest)**: the Company's interest in the Tenements;
  - (b) **(Good Standing)**: the validity and good standing of the Tenements; and
  - (c) **(Third party interests)**: third party interests, including encumbrances, in relation to the Tenements.

## Description of the Tenements

6. The Tenements comprise of 1 Exploration Licence and 4 Prospecting Licences granted under the Mining Act. Part I of the Schedule provides a list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

### *Prospecting Licence*

7. **Application**: A person may lodge an application for a prospecting licence in accordance with the Mining Act. The Mining Registrar or Warden decides whether to grant an application for a prospecting licence.
8. **Land excluded from Prospecting Licences**: Where an application for a prospecting relates to land that is, or was when the application was made, the subject of a mining tenement, any prospecting licence granted in respect of that application shall not include that land.
9. **Rights**: The holder of a prospecting licence is entitled to enter the land and undertake operations for the purpose of prospecting for minerals.
10. **Terms**: A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted, the Minister may extend the term by one period of 4 years and if retention status is granted (see below) by further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.
11. **Retention Status**: The holder of a prospecting licence may apply to the Minister for approval of retention status for the prospecting licence. The Minister may approve retentions status for the whole or any part of the land subject of a prospecting licence where there is an identified mineral resource within the prospecting licence, but it is impracticable to mine the resource for prescribed reasons. On the approval of retention status the Minister may impose a condition requiring the holder to comply with a specific programme of works or require the holder to apply for a mining lease.
12. **Conditions**: Prospecting licences are granted subject to various standard conditions relating to minimum expenditure, the payment of rent and observance of environment protection and reporting requirements. Non-compliance with these conditions may lead to forfeiture of the prospecting licence.
13. **Priority to apply for a Mining Lease**: The holder of a prospecting licence has a right in priority to apply for a mining lease. The application for the mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.
14. **Transfer**: There is no restriction on transfer or other dealing in a prospecting licence.



### **Exploration Licence**

15. **Application:** A person may lodge an application for an exploration licence in accordance with the Mining Act. The Minister, after receiving a recommendation from the Mining Registrar or Warden, decides whether to grant any application for an exploration licence on such terms and conditions as the Minister may determine.
16. **Rights:** The holder of an exploration licence is entitled to enter the land and undertake the operations for the purposes of exploration for minerals.
17. **Term:** An exploration licence has a term of 5 years from and including the date on which it was granted. The Minister may extend the term:
  - (a) one period of 5 years; and
  - (b) by a further period of 2 years,
 over the whole or any part of the land the subject of the exploration licence and on terms and conditions the Minister thinks fit.
18. Where an exploration licence is transferred before an extension of term application has been determined, the transferee is deemed to be the applicant.
19. **Retention Status:** The holder of an exploration licence may apply to the Minister for approval of retention status for the exploration licence. The Minister may approve the application for the whole or any part of the land the subject of the exploration licence where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Upon approval of the retention status the Minister may impose a condition requiring the holder to comply with a specific programme of works or require the holder to apply for a mining lease.
20. **Conditions:** Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. In the case of an exploration licence that has retention status, expenditure conditions are to provide for a reduction of the amount of expenditure required during the year of the term of the licence in which retention status is approved. Non-compliance with the conditions of the licence may lead to forfeiture of the exploration licence.
21. **Surrender of Certain Areas:** If the term of the exploration licence has been extended (or an application for extension has been made but not determined) the holder of an exploration licence must, on or before the day that is 6 years after the day on which the licence was granted in respect of more than 10 graticular blocks, surrender:
  - (a) 40% of the graticular blocks that are the subject of the licence; or
  - (b) if 40% of that number is not a whole number, the nearest whole number of graticular blocks,
 unless retention status has been approved.
22. **Priority to apply for Mining Lease:** The holder of an exploration licence has priority to apply for a mining lease over any of the land the subject of the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.
23. **Transfer:** An exploration licence cannot be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restrictions on transfers or dealings.



### **Mining Lease**

24. **Applications:** A person may lodge an application for a mining lease in accordance with the Mining Act, however, a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister, after receiving a recommendation from the Mining Registrar or Warden, decides whether to grant any application for a mining lease on such terms and conditions as the Minister may determine.
25. An application for a mining lease must be accompanied by either:
  - (a) a mining proposal; or
  - (b) a statement setting out the mining operations that are likely to be carried out in, on, or under the relevant land together with a mineralisation report or a resource report indicating there is significant mineralisation in the area over which a mining lease is sought.
26. A mining lease accompanied by a mineralisation report will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.
27. **Rights:** The holder of a mining lease is entitled to enter and re-enter the land and undertake operations for the purposes of mining and extracting minerals. The holder has exclusive rights to the land for mining purposes.
28. **Term:** A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.
29. **Conditions:** Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Non-compliance with these conditions may lead to the mining lease being subject to forfeiture.
30. **Retention Status:** If an application for renewal is made during the final year of the term of a mining lease, the Minister may renew or further renew a mining lease for successive terms, however each term must not exceed a period of 21 years.
31. **Transfer:** The consent of the Minister is required to transfer a mining lease.

### **Aboriginal Heritage**

32. The Company must ensure that it does not breach any applicable legislation relating to Aboriginal heritage (see below). A Tenement may contain sites or objects of Aboriginal significance. In Western Australia, these sites are recorded in the Register of Aboriginal sites, however this is not an exhaustive list and to ensure that it does not contravene any applicable legislation, and to accord with industry standard, it is the usual course for a company to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation as it is an offence to alter or damage a site or object of Aboriginal significance. It should also be noted that it may also be necessary for the Company to enter into separate agreements with the traditional owners of the sites.

### **Commonwealth Legislation**

33. The *Aboriginal and Torres Strait Islander Heritage Act 1984 (Cth)* (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginals and objects that may be located on the Tenements.



34. Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

35. It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

#### **Western Australian Legislation**

36. Tenements are granted subject to conditions requiring the observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

37. The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to an Aboriginal site or any objects on or under that site.

38. Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

#### **Native Title**

##### **Introduction**

39. On 3 June 1992 the High Court of Australia held in *Mabo v Queensland (No 2)* (1992) 175 CLR 1 (**Mabo No 2**) that the common law of Australia recognises native title. The High Court held that in order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land.

40. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.

41. In order for native title to be recognised the following conditions must be met:

- (a) the rights and interests are possessed under the traditional laws that are currently acknowledged and the traditional customs are currently observed by the relevant Indigenous people;
- (b) those Indigenous people have a 'connection' with the area in question by those traditional laws and customs; and
- (c) the rights and interests are recognised by the common law of Australia.

42. The *Racial Discrimination Act 1975 (RDA)* which was enacted by the Federal Parliament, is binding on the State of Western Australia and makes racial discrimination unlawful. Some legal commentators have raised the question of whether, in the case of the grant of a post 1975 mining tenement, if such grant is found to be discriminatory and therefore unlawful under the RDA, the result may be either that the grant of the mining tenement is invalid, or that such grant would give rise to a claim for compensation by the affected Aboriginal group against the Commonwealth.

43. The Commonwealth Parliament responded to the Mabo decision by passing the *Commonwealth Native Title Act 1993 (NTA)*.



### **The Native Title Act 1993**

44. The NTA provides for:

- (a) the establishment of the National Native Title Tribunal (**NNTT**) where Indigenous people may lodge claims for native title rights over land and have those claims registered;
- (b) the Courts to assess native title claims and determine if native title rights exist and where a Court completes the assessment of a native title claim, to issue a native title determination that specifies whether or not native title rights exist; and
- (c) that an act (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Acts Provisions**.

### **The Future Act Provisions**

- 45. The Future Act Provisions vary depending on the Future Act to be carried out. We note that the grant of a tenement does not need to comply with Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement.
- 46. Unless it is clear that native title does not exist (for example in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement, and as such, the Future Act Provisions apply.
- 47. The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives:
  - (a) the Right to Negotiate;
  - (b) an Indigenous Land Use Agreement (**ILUA**); and
  - (c) the Expedited Procedure.

These are summarised below.

### **Right to Negotiate**

- 48. The Right to Negotiate (**RTN**) involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The RTN objective is for the parties to negotiate in good faith and agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement, for example, in relation to heritage surveys.
- 49. If an agreement is not reached, or not likely to be reached, after 6 months of the notification of the application to the native title party, the matter may be referred to the NNTT for determination on whether the tenement can be granted and if so, on what conditions. The NNTT has six months from the date of the application for determination to make a decision.



## ILUA

50. An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.
51. An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.
52. Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

## Expedited Procedure

53. The NTA establishes a simplified, fast-track process for the carrying out of a Future Act that is likely to have minimal impact on native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:
  - (a) the grant will not interfere directly with the carrying on of the community of social activities of the persons who are the holders of native title in relation to the land;
  - (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
  - (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbances to any land.
54. If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.
55. If there is no objection lodged by a registered native title claimant or native title holder within four months of the notification date, the State may grant the tenement.
56. If one or more registered native title claimants or native title holders object within the four months of the notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Further Act Provisions, such as the RTN or ILUA, must be followed before the tenements can be granted.
57. The State of Western Australia currently follows a policy of granting prospecting and exploration licences under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activities carried out within the tenement.

## Registered Native Title Claims and Determinations

58. Our Searches indicate that the Tenements are subject to the following registered native title claims and determinations.

Tenement	Native Title Claim/s
P51/2942	WC1999/010 and WC1999/046
P51/2943	WC1999/046
P51/2944	WC1999/046
P51/2785	WC1999/046
E51/1510	WC1999/046

59. The status of the native title claims is summarised in Part II of the Schedule.

60. The native title claimants and holders of native title under the determinations are entitled to certain rights under the Future Acts Provisions.

#### **Validity of Tenements under the NTA**

61. The sections below examine the validity of the Tenements under the NTA.

#### ***Tenements granted before 23 December 1996***

62. Our Searches indicate that none of the Tenements were granted before 23 December 1996.

#### ***Tenements granted after 23 December 1996***

63. Our Searches indicate that all of the Tenements were granted after 23 December 1996. Refer to Part I of the Schedule for the Tenements.

64. We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

#### ***Tenements renewed after 23 December 1996***

65. Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

66. An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is no longer than the term of the old mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the old mining tenement.

67. Our Searches indicate that none of the Tenements were renewed after 23 December 1996.

68. The future renewals of the Tenements will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in this Report will need to be involved as appropriate under the Future Acts Provisions.



### Valid grant of applications for the Tenements

69. The Future Act Provisions must be complied with when granting any applications for tenements. This will ensure that newly granted tenements are valid under the NTA.
70. While the Tenements are all granted, we note, however, that the grant of any tenements in the future in relation to the Tenements (for example, the grant of a mining lease being converted from an exploration licence) will also need to comply with the Future Acts Provisions.

### Access Issues

#### Pastoral lease

71. The following pastoral leases underlie the Tenements.

Pastoral Lease	Tenement	Primary Interest Holder
PL N050535 (Polelle)	P51/2785	James Edward John Lacy
PL N050535 (Polelle)	E51/1510	James Edward John Lacy
PL N49683 (Yarrabubba)	P51/2942	Allan William Howden, Patrine Howden and Ross Kingsley Howden
PL N050535 (Polelle)	P51/2944	James Edward John Lacy

72. The Mining Act:

- (a) prohibits the carrying out of mining activities on land:
- (i) for the time being under crop, or which is situated within 100 meters of that land;
  - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
  - (iii) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;
  - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
  - (v) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,
- without the consent of the lessee, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any



substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.

73. If it has not already done so, the Company should consider entering into compensation and access agreements with each of the pastoral lessees in relation to the pastoral leases to ensure the requirements of the Mining Act are satisfied and to avoid any future disputes arising in relation to amounts of compensation which may be applicable. In the absence of an agreement, the Warden's court determines compensation payable.
74. The DMP will impose standard conditions on mining tenements that overlay pastoral leases. It appears that the Tenements incorporate a standard condition to notify the holder of any pastoral lease prior to undertaking airborne geophysical surveys or any ground disturbing activities.

#### Other potential interests

75. Our enquiries also indicated that E51/1510, P51/2785, P51/2943 and P51/2944 encroach on (expired) Reserve Lease J833663 which was granted on 1 July 2006 for grazing purposes only. The Lease was granted for a term of 10 years, without a right for renewal. Our Searches have not identified a further Reserve Lease being granted in respect of this ground, however, if a further Lease is granted, mining activities on or near that interest will also be subject to the same compensation requirements summarised above at paragraph 72(c) in relation to pastoral leases.

#### Material Agreements

76. **Royalty Deed – Net Profits Interest:** Peter Romeo Gianni (**Gianni**) and Pennyweight Minerals Pty Ltd (**Pennyweight**) are parties to a legally binding Royalty Deed dated 7 May 2012 whereby Pennyweight, pursuant to an Option Agreement to acquire E51/1510 and P51/2785 from Gianni dated 28 March 2016, agreed to pay a 1.5% royalty on any "Product" produced and sold, removed or otherwise disposed of in respect of E51/1510 and P51/2785 (**Royalty**).
- (a) "Product" is defined to mean a "Mineral" or metallic product extracted and recovered from Minerals from the relevant tenements which is capable of being sold or otherwise disposed of including "Ore", "Concentrates", or other items produced from a Minerals;
  - (b) "Mineral" is defined to mean all naturally occurring substances obtained or obtainable by mining carried out on or under the surface of the land the subject of the relevant tenements;
  - (c) "Ore" is defined to mean any Mineral or mixture of Minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level; and
  - (d) "Concentrate" is defined to mean Ore in which particular Minerals are the principal components having commercial value.
77. The royalty payable under the Royalty Deed is calculated by multiplying the royalty Percentage (of 1.5%) by the Net Profits, being the "Gross Revenue" and "Adjustments" minus the "Allowable Deductions" for the quarter.
- (a) "Gross Revenue" is defined to mean the gross proceeds actually received by the payer from the sale or other disposal of Products or in relation to the Products;
  - (b) "Adjustments" is defined to mean any adjustment that may be made by the payer to the royalty records and a royalty statement which arise from a subsequent adjustment to the amount paid to the payer based on the actual Products recovered after refining, to correct any accounting errors from the previous quarter or which are otherwise in accordance with the Royalty Deed or agreed by the parties; and



- (c) "Allowable Deductions" is defined to mean all costs actually paid or incurred by the payer in relation to the sale of Products extracted and recovered from the relevant tenements, for example, all costs of smelting and refining and retorting the Ores and Minerals.

78. The Royalty must be paid quarterly in arrears within 30 business days after the end of each quarter and is payable to each of the following recipients:

Recipient	Royalty share (%)
Mr Peter Gianni	33.34%
Mr Brenton Parry	33.33%
Mr Adam Hill	33.33%

79. The Royalty Deed states that the Royalty is not capable of assignment by any recipient, however it is capable of assignment by Pennyweight upon the execution of a deed of assignment and assumption in favour of the recipients whereby the assignee covenants in favour of the recipients to be bound by the provisions of the Royalty Deed. Following the deregistration of Pennyweight on 18 February 2016, Pennyweight is no longer a legal entity that is capable of executing an assignment. However, Kop Ventures Pty Ltd (**Kop Ventures**), as the registered holder of the Tenements, has documented by way of a signed memorandum that it intends to honour payment of the Royalty to the stated recipients.
80. **Term Sheet – Tenement Sale Agreement – E51/1510 and P51/2785:** KOP Ventures and Pennyweight are parties to a legally binding Term Sheet executed by the Kop Ventures on 8 October 2015 and Pennyweight on 9 October 2015 whereby Kop Ventures acquired 100% legal and beneficial ownership in E51/1510 and P51/2785 from Pennyweight for \$15,000 (exclusive of GST).
81. **Share Sale Agreement – Technology Metals Australia Limited, Twentieth Century Motor Company Pty Ltd, Station Nominees Pty and Ian Prentice:** The Company and Twentieth Century Motor Company Pty Ltd, Station Nominees Pty Ltd and Ian Prentice (**Sellers**) are parties to a Share Sale Agreement dated 28 July 2016. The Sellers own all of the issued shares in KOP Ventures.
82. By the Share Sale Agreement the Company is entitled to acquire all of the issued shares in KOP Ventures upon all required regulatory or other approvals being obtained on terms satisfactory to the parties, including the Listing Approval (meaning the Company receiving conditional approval of its listing application from the ASX) and the passing of resolutions by the directors and/or shareholders of the Company (as may be required) duly approving the execution of the Share Sale Agreement and authorising the transaction contemplated, including the issue and allotment of shares pursuant to the purchase price.
83. The purchase price for the KOP Ventures shares is:
- (a) up to \$15,000 for reimbursement of expenditure incurred by the Sellers in project development over the Tenements;
  - (b) 4,000,000 fully paid ordinary shares in the Company at \$0.20 per share and
  - (c) 10,000,000 Class A Performance Shares at \$0.20 per share (including the Class B Performance Shares).
84. A Class A or Class B Performance Share confers on the holder the right to receive notices of general meetings and financial reports and accounts of the Company and the right to attend general meetings. It does not confer voting rights (except as required by law), a return of capital, participation in new issues of capital offered to holders of shares (such as bonus issues and entitlement issues) or



dividends or a right to participate in surplus profits or assets of the Company upon winding up. Class A or Class B Performance Shares are not also transferrable.


85. A Class A Performance Share will convert into one fully paid ordinary share and one Class B Performance Share upon the definition by the Company (or an entity controlled by the Company) of an inferred resource of 30,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Tenements on or before 31 December 2019. If this milestone is not achieved then each Class A Performance Share will be automatically redeemed by the Company for the sum of \$0.00001 within 10 business days of non-satisfaction.
86. A Class B Performance Share will convert into one fully paid ordinary share upon the definition by the Company (or an entity controlled by the Company) of an indicated resource of 20,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Tenements on or before 31 December 2019. If this milestone is not achieved then each Class B Performance Share will be automatically redeemed by the Company for the sum of \$0.00001 within 10 business days of non-satisfaction.
87. The share into which a Class A or Class B Performance Share may convert will rank pari passu in all respect with the existing Company shares.
88. **Variation Deed - Technology Metals Australia Limited, Twentieth Century Motor Company Pty Ltd, Station Nominees Pty and Ian Prentice:** The Company and Twentieth Century Motor Company Pty Ltd, Station Nominees Pty Ltd and Ian Prentice (**Sellers**) are parties to a variation deed to the Share Sale Agreement dated 28 July 2016 (as detailed above) whereby the Share Sale Agreement is varied, relevantly, to provide that the purchase price of the KOP Ventures shares is:
  - (a) up to \$15,000 for reimbursement of expenditure incurred by the Sellers in project development over the Tenements;
  - (b) 2,500, 000 fully paid ordinary shares in the Company at \$0.20 per share and
  - (c) 10,000,000 Class A Performance Shares at \$0.20 per share (including the Class B Performance Shares).
89. The Variation Deed was executed by the parties on 9 August 2016.

#### **Qualifications and Assumptions**

90. This Report is subject to the following qualifications and assumptions:
  - (a) This Report is accurate as at the date(s) the Searches that were performed.
  - (b) We have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT.
  - (c) We assume that the registered holder of a Tenement has a valid legal title to the Tenement.
  - (d) This Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us.
  - (e) With respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements complied with the applicable Future Act Provisions.
  - (f) We have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives.

- (g) Unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing.
- (h) Reference in the Schedule to any area of land are taken from details shown on Searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey.
- (i) The information in the Schedule is accurate as at the date the relevant Searches.

Yours faithfully

  
All Mining Legal Pty Ltd



## PART I – TENEMENT SCHEDULE

	Tenement	Registered Holder	Application Date	Grant Date	Expiry Date	Area	Minimum Annual Expenditure	Other interests
1.	E51/1510-I <sup>34</sup>	The Kop Ventures Pty Ltd	17 October 2011	2 July 2012	1 July 2017	1 Graticular Block (201.82 Ha)	\$10,000 <sup>1</sup>	1.5% Royalty on Products <sup>2</sup>
2.	P51/2785-I <sup>3</sup>	The Kop Ventures Pty Ltd	24 February 2012	8 May 2013	7 May 2017	18.36 Ha	\$2,000	1.5% Royalty on Products <sup>2</sup>
3.	P51/2942	The Kop Ventures Pty Ltd	24 March 2015	15 December 2015	14 December 2019	93.292 Ha	\$3,760	-
4.	P51/2943	The Kop Ventures Pty Ltd	25 March 2015	3 December 2015	2 December 2019	93.27450 Ha	\$3,760	-
5.	P51/2944	The Kop Ventures Pty Ltd	24 March 2015	3 December 2015	2 December 2019	99.69610 Ha	\$4,000	-

**Note 1:** The minimum annual expenditure amount is applicable for the first term only of E51/1510-I (being years 1 to 5). Upon an extension of term being granted, the minimum annual expenditure commitment will increase to 15,000 for year 6 and year 7 and then \$20,000 from year 8 and for every year thereafter.

**Note 2:** See "Royalty Deed – Net Profits Interest" detailed in Material Contracts.

**Note 3:** This Tenement has received authorised under section 111 of the Mining Act to conduct mining operations for iron.

**Note 4:** To the extent that E51/843, 51/960, M51/836, P51/2332, P51/2656 and P51/2674 are within the boundaries of E51/1510, those areas are specifically excluded from the grant of E51/1510.

## PART II – NATIVE TITLE CLAIMS AND ABORIGINAL HERITAGE

### Native Title Claims

Tribunal Number	Federal Court Number	Application Name	Registered	Status
WC1999/010	WAD6064/1998	Wutha	Yes	Active
WC1999/046	WAD6132/1998	Yugunga-Nya People	Yes	Active

### ILUAs

Tenement	Short Name	Type
E51/1510-I	Yugunga-Nya People & Sandfire ILUA	Area Agreement
P51/2785-I	Yugunga-Nya People & Sandfire ILUA	Area Agreement
P51/2943	Yugunga-Nya People & Sandfire ILUA	Area Agreement
P51/2944	Yugunga-Nya People & Sandfire ILUA	Area Agreement

### Aboriginal Heritage Information

Tenement	Registered Aboriginal Site/s	Other Heritage Places
E51/1510-I	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement
P51/2785-I	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement
P51/2942	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement
P51/2943	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement
P51/2944	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement

## 10. AUTHORISATION

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This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act, and has not withdrawn that consent.

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

A handwritten signature in black ink, appearing to be 'MF' with a large loop at the end.

Mr Michael Fry  
Non-Executive Chairman  
Dated 13 October 2016

## 11. GLOSSARY OF TERMS

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

**A\$** means Australian dollars.

**Admission** means Admission of the Company to the Official List, following completion of the Offer.

**Allotment Date** means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

**Application Form** means the application form attached to this Prospectus.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Shares under the Offer made pursuant to an Application Form.

**Application Monies** means Application monies for Shares under the Offer received and banked by the Company.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

**Board** means Directors of the Company as at the date of this Prospectus.

**CHES** means Clearing House Electronic Subregister System.

**Cicero Corporate** means Cicero Corporate Services Pty Ltd (ACN 130 397 714).

**Cicero Advisory** means Cicero Advisory Services Pty Ltd (ACN 166 321 393).

**Class A Performance Share** means a Class A Performance Share in the capital of the Company, which shall will convert into one Share and one Class B Performance Share upon the definition by the Company (or an entity controlled by the Company) of an inferred resource of 30,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Gabanintha Project on or before 31 December 2019.

**Class B Performance Share** means a Class B Performance Share in the capital of the Company, which shall convert into one Share upon the definition by the Company (or an entity controlled by the Company) of an indicated resource of 20,000,000 tonnes of vanadium oxide ore at greater than 0.8% at the Gabanintha Project on or before 31 December 2019.

**Closing Date** means the closing date of the Offer detailed in the Indicative Timetable.

**Company** means Technology Metals Australia Limited (ACN 612 531 389).

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of the Company.

**Electronic Prospectus** means the electronic copy of this Prospectus located at the Company's website, [www.tmtlimited.com.au](http://www.tmtlimited.com.au).

**Executive Director** means Mr Ian Prentice.

**Exposure Period** means in accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.

**Gabanintha Project** means the Company's proposed exploration project based on or around the Tenements.

**General Meeting** means a general meeting of Shareholders.

**Group** means the Company and KOP.

**GST** means Goods and Services Tax.

**HIN** means Holder Identification Number.

**Independent Geologist** means Al Maynard & Associates Pty Ltd.

**Independent Geologist's Report** means the report contained in Section 8.

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

**Investigating Accountant** means HLB Mann Judd.

**Investigating Accountant's Report** means the report contained in Section 4.

**KOP** means The Kop Ventures Pty Ltd (ACN 604 932 676).

**KOP Shareholders** means:

- (a) Station Nominees;
- (b) Twentieth Century; and
- (c) Mr Ian Prentice.

**KOP Shares** means ordinary fully paid voting shares in the capital of KOP.

**Lead Manager** means PAC Partners Pty Ltd (ACN 165 738 438), a corporate authorised representative of PAC Asset Management Pty Ltd, holder of Australian Financial Services Licence 335374).

**Listing Rule** means the listing rules of the ASX.

**Minimum Subscription** has the meaning given in section 1.2.

**Non-Executive Directors** means Mr Michael Fry and Mr Sonu Cheema.

**Offer** means the offer by the Company, pursuant to this Prospectus, of 20,000,000 Shares at an issue price of A\$0.20 each to raise A\$4,000,000.

**Official List** means the official list of the ASX.

**Official Quotation** or **Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Opening Date** means the date specified as the opening date in the Indicative Timetable.

**Option** means an unlisted option to acquire a Share exercisable at A\$0.25 on or before 31 December 2019.

**Prospectus** means this prospectus dated 13 October 2016.

**Related Bodies Corporate** means a body corporate that is deemed by the Corporations Act to be related to the principal entity.

**Relevant Interest** has the meaning given in the Corporations Act.

**Section** means a section of this Prospectus.

**Share Registry** means Security Transfer Registrars Pty Ltd.

**Shareholder** means any person holding Shares.

**Shares** means ordinary fully paid voting shares in the capital of the Company.

**Station Nominees** means Station Nominees Pty Ltd as trustee for the Station Superannuation Fund.

**Tenements** means:

- (a) prospecting licence P51/2785;
- (b) prospecting licence P51/2942;
- (c) prospecting licence P51/2943;
- (d) prospecting licence P51/2944; and
- (e) exploration licence E51/1510.

**Twentieth Century** means Twentieth Century Motor Company Pty Ltd as trustee for the Twentieth Century Motor Company Superannuation Fund.



### **13. APPLICATION FORM**

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# Technology Metals Australia Limited

ABN 64 612 531 389

## APPLICATION FORM

Share Registrars use only

Broker/Dealer stamp only

Before completing this application form, you should read the Prospectus dated 13 October 2016, and all instructions on the reverse of this form. No Shares will be issued pursuant to the Prospectus after 13 months from the date of the Prospectus.

**A** Number of Shares applied for

at A\$0.20 each =

**B** Total amount payable  
cheque(s) to equal this amount

A\$

**You must apply for a minimum of 10,000 Shares (A\$2,000) and thereafter in multiples of 1,000 Shares (A\$200)**

You may be allocated all of the Shares above or a lesser number by the Directors.

**C** Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

**D** Tax file number(s)  
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

**E** Full postal address

Number/street

Suburb/town

State/postcode

**F** CHESS HIN (if applicable)

**G** Contact Details

Contact email address

Contact Name

Contact daytime telephone number

**H** Cheque payment details

Drawer

Cheque number

BSB number

Account number

Total amount of cheque

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Cheques should not be marked "Not Negotiable" and made payable "Technology Metals Australia Limited".

### DECLARATION AND STATEMENTS:

By lodging this application form:

- I/We declare that all details and statements made by me/us are complete and accurate;
- I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/We request so during the currency of the Prospectus;
- I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning the Application Form with the Application Monies will constitute my/our offer to subscribe for Shares in Technology Metals Australia Limited and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 13 OCTOBER 2016.



## Guide to Technology Metals Australia Limited Application Form

This Application Form relates to the offer of 20,000,000 fully paid ordinary shares ("Shares") in Technology Metals Australia Limited at A\$0.20 per Share. The expiry date of the Prospectus is the date that is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus. While the Prospectus is current, the Company will send paper copies of the Prospectus and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the sum of \$0.20.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (**CHES**) participants should complete their name and address in the same format as that is presently registered in the CHES system.
- D** Enter your Tax File Number (**TFN**) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** The Company will apply to ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES sub-register, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment the Company will sponsor you and an SRN will be allocated to you.
- G** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- H** Please complete cheque details as requested:

Make your cheque payable to **"Technology Metals Australia Limited"** and cross it "Not Negotiable". Applicants resident in Australia should make their cheques payable in A\$, based on an issue price of A\$0.20 per Share. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Privacy** – Please refer to the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Application Form, the Company may not be able to accept or process your Application.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
<b>Individual</b> Use names in full, no initials	<i>Mr John Alfred Smith</i>	<i>JA Smith</i>
<b>Minor</b> (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor.	<i>John Alfred Smith</i> < <i>Peter Smith</i> >	<i>Peter Smith</i>
<b>Company</b> Use company title, not abbreviations	<i>ABC Pty Ltd</i>	<i>ABC P/L</i> <i>ABC Co</i>
<b>Trusts</b> Use trustee(s) personal name(s), do not use the name of the trust	<i>Mrs Sue Smith</i> < <i>Sue Smith Family A/C</i> >	<i>Sue Smith Family Trust</i>
<b>Deceased Estates</b> Use executor(s) personal name(s), do not use the name of the deceased	<i>Ms Jane Smith</i> < <i>Est John Smith A/C</i> >	<i>Estate of late John Smith</i>
<b>Partnerships</b> Use partners personal names, do not use the name of the partnership	<i>Mr John Smith and Mr Michael Smith</i> < <i>John Smith and Son A/C</i> >	<i>John Smith and Son</i>

Return your completed Application Form to:

#### By Post to

Technology Metals Australia Limited  
C/- Security Transfer Registrars Pty Ltd  
PO Box 535, Applecross WA 6953

#### Or Delivered to

Technology Metals Australia Limited  
C/- Security Transfer Registrars Pty Ltd  
770 Canning Highway, Applecross WA 6153

**Application Forms must be received no later than 5.00 pm WST time on 18 November 2016**