



ASX: KTG

ASX Announcement | 10 January 2025

K-TIG Limited (**K-TIG** or the **Company**) is pleased to announce a notice of meeting to hold a general meeting on 11 February 2025 (**Notice of Meeting**). Shareholder approval will be sought at the general meeting for the proposed acquisition of Metal Powder Works Inc. announced by the Company on 17 December 2024 (**Acquisition**).

The ASX has granted a short extension to the date on which the Company is scheduled to be delisted under ASX's policy on removing long term suspended entities. The extension is subject to certain conditions, including that the Notice of Meeting is released on the ASX market announcements platform on or before 14 January 2025. Further details are contained in section 4.21 of the Notice of Meeting.

K-TIG also advises that the vesting conditions applicable to the performance rights to be issued to the vendors as partial consideration for the Acquisition have been varied. The terms and conditions of the performance rights are contained in Schedule 5 of the Notice of Meeting.

--ENDS--

This announcement was authorised for issue by the Board of K-TIG Limited.

For more information, please contact:

Company enquiries

investors@K-TIG.com.au

K-TIG Limited

P: +61 8 7324 6800

Corporate enquiries

George Rogers

White Hutt

+61 438 815 495

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ASX: KTG

10 January 2025

Dear Shareholder,

K-TIG Limited – Upcoming General Meeting

K-TIG Limited (ASX:KTG) (Company) will be holding General Meeting at the offices of Automic Group, Level 5, 191 St Georges Terrace, Perth WA 6000 on Tuesday 11 February 2025 at 9.00am (AWST) (**Meeting**).

The Notice of Meeting and Explanatory Memorandum can be found at

<https://www.k-tig.com/investors#announcements>

Shareholders who have nominated an email address and elected to receive electronic communications from the Company, will receive an email to their nominated email address with a link to an electronic copy of the important meeting documents.

If you are unable to access any of the Meeting documents online or if you wish to receive a hard copy of the Meeting documents please contact our Company Secretary, Mr Jack Rosagro via email at jack.rosagro@automicgroup.com.au.

A copy of your Proxy Form is enclosed for convenience. The Company strongly encourages Shareholders to lodge a directed proxy form prior to the meeting.

Your right to elect to receive documents electronically or in hard copy.

In accordance with the Corporations Act 2021 (Cth), no hard copy of the Notice of General Meeting and Explanatory Memorandum will be circulated, unless a shareholder has requested a hard copy.

In order to receive electronic communications or to elect to receive or not receive documents (including the Notice of Meeting) from the Company in the future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents).

Yours sincerely

Jack Rosagro
Company Secretary
K-TIG Limited

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

Notice of General Meeting

Time and date: 11 February 2025 at 9.00 (AWST)

Location: Level 5, 191 St George's Terrace, Perth, Western Australia

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on 1300 441 596.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

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

Notice of General Meeting

Notice is hereby given that a General Meeting of Shareholders of K-TIG Limited (to be renamed 'Metal Powder Works Limited') will be held at Level 5, 191 St George's Terrace, Perth, Western Australia on 11 February 2025 at 9.00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 9 February 2025 at 4.00pm (AWST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolution 1 – Consolidation of capital

To consider and, if thought fit, to pass with or without amendment as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the terms and conditions in the Explanatory Memorandum, on the basis that:

- (a) *every 13 Shares be consolidated into 1 Share; and*
- (b) *all Convertible Securities be adjusted in accordance with Listing Rule 7.21,*

and where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole Security. The Consolidation is to take effect on Wednesday, 12 February 2025.'

Resolution 2 – Approval to change in nature and scale of activities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Transaction and the Public Offer, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 3 – Approval to issue Public Offer Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Shares (on a post Consolidation basis) on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 4 – Approval to issue Consideration Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to and conditional upon the passing of all Transaction Resolutions, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights to the MPW Vendors (or nominee/s) on a post-Consolidation basis, on the terms and conditions in the Explanatory Statement accompanying this Notice.'

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by Stantons Corporate Finance Pty Ltd for the purposes of Shareholder approval in relation to Resolution 4. The Independent Expert's report comments on the fairness and reasonableness of the issue of the Performance Rights under this Resolution 4. The Independent Expert has determined that the issue of the Consideration Performance Rights is **FAIR AND REASONABLE** to non-associated Shareholders.

Resolution 5 – Approval to issue White Hutt Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,346,154 Shares to White Hutt (or nominee/s) on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval to issue Ventnor Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,345,057 Shares to Ventnor Equities & Advisory Pty Ltd (or nominee/s) on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval to issue Powerhouse Ventures Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 550,000 Shares to Powerhouse Ventures Limited (or nominee/s) on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval to amend terms of March 2023 Note Deeds

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, Shareholders approve the proposed amendments to the March 2023 Note Deeds on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Approval to issue March 2023 Conversion Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, the issue of 7,692,308 Shares and 7,692,308 Options to the March 2023 Noteholders (or nominee/s) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Approval to issue June 2024 Conversion Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, the issue of 6,923,076 Shares and 6,923,076 Options to the June 2024 Noteholders (or nominee/s) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 11 – Approval to issue Director Conversion Securities

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of:

- (a) 192,308 Shares and 192,308 Options to Stuart Carmichael (or nominee/s);
- (b) 192,308 Shares and 192,308 Options to Darryl Abotomey (or nominee/s);
- (c) 192,308 Shares and 192,308 Options to Anthony McIntosh (or nominee/s); and

(d) 192,308 Shares and 192,308 Options to Adrian Smith (or nominee/s).

on the terms and conditions in the Explanatory Memorandum.'

Resolution 12 – Approval to issue October 2024 Conversion Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, the issue of 3,125,000 Shares to the October 2024 Noteholder (or nominee/s) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 13 – Approval to issue MPW Conversion Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, the issue of 5,625,000 Shares to the MPW Noteholders (or nominee/s) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 14 – Approval to issue Director MPW Conversion Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 937,500 Director MPW Conversion Shares to Anbu Investments Pty Ltd (or nominee/s) on the terms and conditions in the Explanatory Memorandum.'

Resolution 15 – Election of Director – John Barnes

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Article 7.6(c) of the Constitution and for all other purposes, John Barnes, being eligible and having consented to act, be elected as a Director on and from Completion.'

Resolution 16 – Election of Director – Leo Christodoulou

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Article 7.6(c) of the Constitution and for all other purposes, Leo Christodoulou, being eligible and having consented to act, be elected as a Director on and from Completion.'

Resolution 17 – Election of Director – Bruno Campisi

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Article 7.6(c) of the Constitution and for all other purposes, Bruno Campisi, being eligible and having consented to act, be elected as a Director on and from Completion.'

Resolution 18 – Approval of issue of Shares in lieu of fees to Directors

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 384,616 Director Shares as follows:

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

on the terms and conditions in the Explanatory Memorandum.'

Resolution 19 – Change of Company name

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "Metal Powder Works Limited", with effect from the date that ASIC alters the details of the Company's registration.'

Voting Exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

Resolution 2: by or on behalf of a counterparty to the Transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company's activities and any other person who will obtain a material benefit as a result of the Transaction (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

Resolution 3: by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Public Offer Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

Resolution 4: by or on behalf of each of the MPW Vendors and any other person who will obtain a material benefit as a result of the proposed issue of Consideration Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 5: by or on behalf of White Hutt and any other person who will obtain a material benefit as a result of the issue of the White Hutt Shares, or any of their respective associates.

Resolution 6: by or on behalf of Ventnor and any other person who will obtain a material benefit as a result of the issue of the Ventnor Shares, or any of their respective associates.

Resolution 7: by or on behalf of Powerhouse Ventures and any other person who will obtain a material benefit as a result of the issue of the Powerhouse Ventures Shares, or any of their respective associates.

Resolution 9: by or on behalf of the March 2023 Noteholders and any other person who will obtain a material benefit as a result of the issue of the March 2023 Conversion Securities, or any of their respective associates.

Resolution 10: by or on behalf of the June 2024 Noteholders and any other person who will obtain a material benefit as a result of the issue of the June 2024 Conversion Securities, or any of their respective associates.

Resolution 11(a): by or on behalf of Stuart Carmichael and any other person who will obtain a material benefit as a result of the issue of these Director Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 11(b): by or on behalf of Darryl Abotomey and any other person who will obtain a material benefit as a result of the issue of these Director Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 11(c): by or on behalf of Anthony McIntosh and any other person who will obtain a material benefit as a result of the issue of these Director Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 11(d): by or on behalf of Adrian Smith and any other person who will obtain a material benefit as a result of the issue of these Director Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 12: by or on behalf of the October 2024 Noteholder and any other person who will obtain a material benefit as a result of the issue of the October 2024 Conversion Shares, or any of their respective associates.

Resolution 13: by or on behalf of the MPW Noteholders and any other person who will obtain a material benefit as a result of the issue of the MPW Conversion Shares, or any of their respective associates.

Resolution 14: by or on behalf of Anbu Investments Pty Ltd, Bruno Campisi and any other person who will obtain a material benefit as a result of the issue of the Director MPW Conversion Shares, or any of their respective associates.

Resolution 18(a): by or on behalf of Darryl Abotomey and any other person who will obtain a material benefit as a result of the issue of these Director Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

Resolution 18(b): by or on behalf of Anthony McIntosh and any other person who will obtain a material benefit as a result of the issue of these Director Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

Resolution 6, Resolution 11(a) to (d) (inclusive) and Resolution 18(a) to (b) (inclusive):

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibitions do not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read "Stuart Carmichael", with a horizontal line underneath.

Stuart Carmichael
Director
K-TIG Limited (to be renamed 'Metal Powder Works Limited')
Dated: 10 January 2025

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

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 5, 191 St George's Terrace, Perth, Western Australia, on 11 February 2025 at 9.00am (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Conditional Transaction Resolutions
Section 4	Background to the Transaction
Section 5	Risks associated with the Transaction
Section 6	Resolution 1 – Consolidation of capital
Section 7	Resolution 2 – Approval to change in nature and scale of activities
Section 8	Resolution 3 – Approval to issue Public Offer Shares
Section 9	Resolution 4 – Approval to issue Consideration Securities
Section 10	Resolution 5 – Approval to issue White Hutt Shares
Section 11	Resolution 6 – Approval to issue Ventnor Shares
Section 12	Resolution 7 – Approval to issue Powerhouse Ventures Shares
Section 13	Resolution 8 – Approval to amend terms of March 2023 Note Deeds
Section 14	Resolution 9 – Approval to issue March 2023 Conversion Securities
Section 15	Resolution 10 – Approval to issue June 2024 Conversion Securities
Section 16	Resolution 11 – Approval to issue Director Conversion Securities

Section 17	Resolution 12 – Approval to issue October 2024 Conversion Shares
Section 18	Resolution 13 – Approval to issue MPW Conversion Shares
Section 19	Resolution 14 – Approval to issue Director MPW Conversion Shares
Section 20	Resolution 15 – Election of Director – John Barnes
Section 21	Resolution 16 – Election of Director – Leo Christodoulou
Section 22	Resolution 17 – Election of Director – Bruno Campisi
Section 23	Resolution 18 – Approval of issue of Shares in lieu of fees to Directors
Section 24	Resolution 19 – Change of Company name
Schedule 1	Definitions
Schedule 2	Independent Expert's Report
Schedule 3	Transaction Based Comparison Table
Schedule 4	Metal Powder Works Financial Statements
Schedule 5	Terms and Conditions of Consideration Performance Rights
Schedule 6	Terms and conditions of Conversion Options
Schedule 7	Pro forma Balance Sheet
Schedule 8	Terms and conditions of March 2023 Notes (as amended)
Schedule 9	Terms and conditions of June 2024 Convertible Notes
Schedule 10	Terms and conditions of the October 2024 Note
Schedule 11	Terms and conditions of the MPW Notes
Schedule 12	Terms and conditions of ASX waivers

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Voting by proxy

A Proxy Form is provided with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;

- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 6, Resolution 11(a)-(d) (inclusive), and Resolution 18(a)-(b) (inclusive), by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though these Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at jack.rosagro@atomicgroup.com.au by 4:00pm on Friday, 31 January 2025.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Conditional Transaction Resolutions

Resolution 1 to Resolution 4 (inclusive), Resolution 8 to Resolution 17 (inclusive), and Resolution 19 (**Transaction Resolutions**) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Transaction Resolutions are not approved at the Meeting, none of the Transaction Resolutions will take effect and the Transaction and other matters contemplated by the Transaction Resolutions will not be completed.

4. Background to the Transaction

4.1 Existing activities of the Company

The Company was incorporated on 11 May 2012 and admitted to the Official List of ASX on 30 October 2012 as Magnolia Resources Limited. Following a re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company was reinstated to Official Quotation on 9 October 2019 under its current name, K-TIG Limited.

The Company's securities were suspended from official quotation on 27 January 2023 at the request of the Company and have remained suspended since that date.

On 21 March 2023, the Company entered into a formal share purchase agreement with the securityholders of Graham Engineering Limited (**GEL**) whereby the Company would, on the satisfaction of various conditions precedent, acquire 100% of the issued capital in GEL. This acquisition did not proceed due to challenging capital market conditions caused by underlying macro and geopolitical events.

On 21 February 2024, the Company announced the appointment of voluntary administrators to the Company and its wholly owned subsidiary, Keyhole TIG Pty Ltd (**Keyhole TIG**). Voluntary administrators were not appointed to the Company's United States and United Kingdom domiciled subsidiaries which continued to trade. A Deed of Company Arrangement (**DOCA**) was executed on 12 April 2024 and effectuated on 16 April 2024. Upon effectuation, the Company and Keyhole TIG exited external administration and control was returned to existing directors.

Since the effectuation of the DOCA, the Company has continued operations. During the September quarter, the Company generated cash receipts of approximately \$425,000 from customers in Europe and the USA.

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

4.2 **Share Purchase Agreement**

The key terms of the Share Purchase Agreement are summarised below:

(a) **Consideration**

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

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

Tranche	Vesting Condition	Revenue	% of vesting Performance Rights
Tranche 1 (25,000,000 Performance Rights)	(a) Metal Powder Works, Inc. achieving the specified Revenue for calendar year 2026 (Vesting	Less than USD\$3,000,000	0%
		USD\$3,000,000-5,000,000	<i>(MPW Revenue in 2026 calendar year / USD\$5,000,000) x 100</i>

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

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

Refer to Schedule 5 for full terms of the Consideration Performance Rights.

(b) **Conditions precedent**

The SPA is subject to certain conditions precedent, including:

- (i) ASX providing a conditional reinstatement letter to the Company on terms satisfactory to the Company (acting reasonably);
- (ii) the minority holders of MPW entering into a minority shareholder agreement (**Minority MPW SPA**) and the Company being entitled to complete under the Minority MPW SPA;
- (iii) the Company's Shareholders approving the Transaction Resolutions;
- (iv) the Company raising the Minimum Subscription of \$7,000,000 under the Public Offer,

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

(c) **Convertible Notes**

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

The key terms of the MPW Notes are summarised below:

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

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

(d) **Board Nominees**

On Completion, the Board of the Company will consist of up to four directors, two of whom must reside in Australia. The MPW Vendors have the right to nominate up to 3 Directors (**Board Nominees**), subject to the Australian residency requirement.

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

(e) **Termination**

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

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

4.3 **MPW Vendors**

On Completion, the Consideration Securities will be issued to the MPW Vendors in proportion to their respective shareholder interests in MPW.

The MPW Vendors consist of:

- (a) Proposed Directors:
 - (i) John Barnes who has a 35.2% shareholding in MPW;
 - (ii) Leo Christodoulou who has a 0.4% shareholding in MPW; and
 - (iii) Bruno Campisi who has a 10.5% shareholding in MPW; and
- (b) approximately 30 other MPW Vendors, none of whom are a related party or substantial Shareholder of the Company.

Proposed directors John Barnes, Leo Christodoulou and Bruno Campisi (together, the **Proposed Directors**) will become related parties of the Company as a result of their appointment as Directors on Completion.

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

4.4 **Overview of Metal Powder Works**

(a) **General overview**

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

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

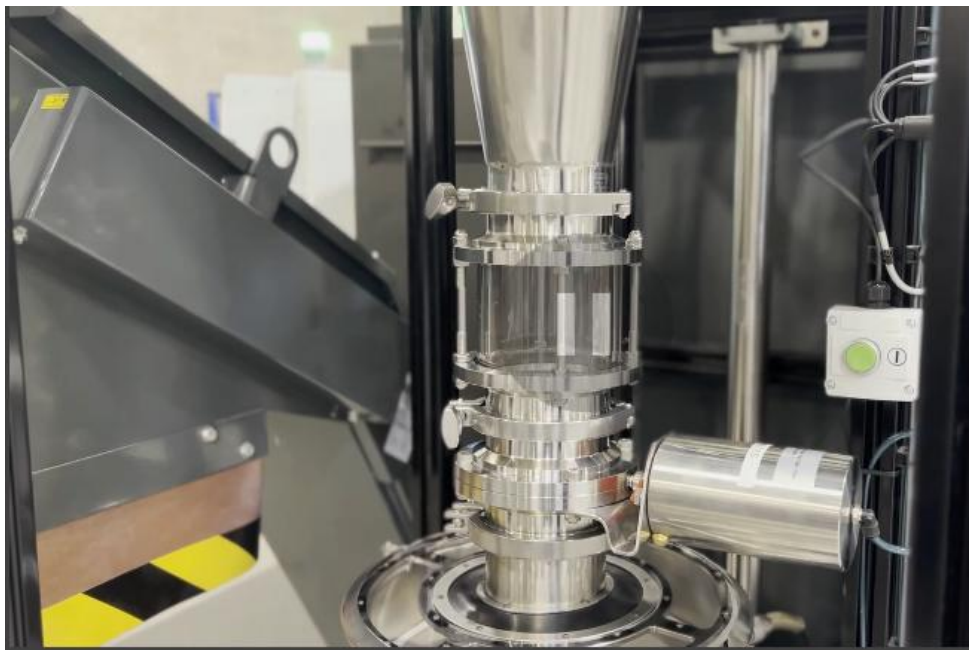
The DirectPowder™ Process stands out by enabling precise control over powder size and shape through numerical control, which is crucial for economic efficiency and consistent processing results. This technology achieves a 95% yield from infeed material, a substantial improvement over traditional atomization methods, which typically yield only 20-30% depending on the metal.

Moreover, the DirectPowder™ Process is highly energy-efficient and environmentally friendly, reducing energy consumption and CO2 emissions by up to 83% compared to gas atomization and up to 89% compared to water atomization. This makes it a superior alternative for most powder metallurgy and additive manufacturing processes, aligning with the industry's move towards more sustainable practices.

(b) **MPW's Direct Powder**

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

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



The MPW process has three main components that are connected:

- (i) materials science: how MPW heats, treats, conditions, treats, heats and cools the bar to improve productivity;
- (ii) tooling: the tooling material and geometry design and how that impacts the quality of the powder and process efficiency; and

- (iii) process dynamics: speed, rigidity, and other factors affecting the rotating equipment.



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

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

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

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

Key advantages of the Metal Powder Works process include:

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

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

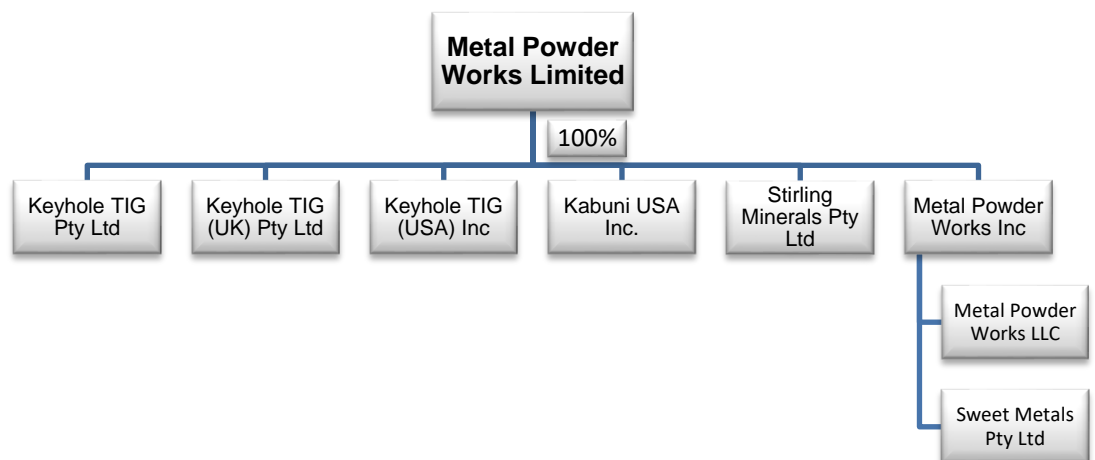
In 2024, Metal Powder Works was nominated for Material Company of the Year by 3D Printing Industry (3DPI) awards.

(c) **Corporate structure**

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

Metal Powder Works LLC was established in Pennsylvania in 2017. Sweet Metals Pty Ltd was incorporated in Australia on November 21, 2017. Currently, Sweet Metals Pty Ltd remains a dormant entity.

On Completion, Metal Powder Works will become a wholly owned subsidiary of the Company to form the **Merged Group**, and the Merged Group's main undertaking will be additive manufacturing powder production, in accordance with the strategy described in Section 4.4(g). A diagram setting out the corporate structure of the Merged Group is set out below:



Details of the Merged Group's material subsidiaries are as follows:

- (i) Keyhole TIG Pty Ltd was incorporated in Australia on 10 December 2010. Its business is the Australian operating entity delivering advanced TIG welding technology.
- (ii) Keyhole TIG (UK) Pty Ltd was incorporated in the United Kingdom on 12 July 2021. Its business is the Company's UK operating entity.
- (iii) Keyhole TIG (USA) Inc. was incorporated in the United States on 11 August 2020. Its business is the Company's United States operating entity.
- (iv) Metal Powder Works, Inc. was registered in the United States on 9 August 2021 and is the parent entity of as the parent entity of Metal Powder Works LLC.
- (v) Metal Powder Works LLC was registered in the United States on 28 March 2016 as the MPW business' operating entity.
- (vi) Sweet Metals Pty Ltd (in liquidation) was incorporated in Australia on 21 November 2017 and was a dormant entity when the decision was made by MPW to wind up the entity.

(d) **Financials**

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

MPW's audited accounts for the financial years ending 31 December 2022, 31 December 2023 and 6 months to 30 June 2024 are set out in Schedule 4 of this Notice.

(e) **Key management personnel of MPW**

As at the date of this notice, MPW currently has 7 employees, plus the following key management personnel:

(i) **John Barnes (current CEO of MPW, proposed Managing Director of K-TIG)**

Refer to Section 20.2 for a summary of Mr Barnes' background and experience.

(ii) **Chris Aldridge (current Chief Technology Officer of MPW, proposed Chief Technology Officer of K-TIG)**

Mr Aldridge has worked in advanced manufacturing process development and machine design for more than 15 years. During this time, he has led or managed projects in high precision machining, powder handling, and nearly all aspects of additive manufacturing (**AM**). Mr Aldridge started his career at Lockheed Martin Skunk Works™, focusing on maturing AM from a prototyping tool to a production-capable technology. This early work created a foundational understanding of the challenges to overcome before the transformative promises of AM could be achieved. Mr Aldridge's work in the

Offshore Oil and Gas field provided valuable experience in safety-critical machine design and greater insight into AM challenges to help achieve widespread adoption. At Arconic, Mr Aldridge had the opportunity to further progress the maturation of AM to a single qualified production process, but not before gaining hands-on experience in AM machine operation, powder handling, and process simulation.

(f) **Revenue model**

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

Metal Powder Works currently derives (or in the case of Section 4.4(f)(iii), plans to derive) revenue through the following revenue models:

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

(g) **Strategy**

Metal Powder Works intends to execute the following growth strategy:

- (i) **Short term (1-2 years)**
 - (A) Sales expansion: expand sales, initially targeting the US market, followed by Europe and Asia, as well as maintain and broaden alloy powder development collaborations with the defence sector;
 - (B) Invest in sales and marketing: Expand sales and marketing team to sell capacity as well as drive revenue growth in copper, bronze and high strength aluminium markets;
 - (C) Leverage capacity: complete NextGen implementation to support CP Titanium opportunities; and
 - (D) Low-Rate Initial Production (LRIP) and Pilot-Scale Programs:
 - (1) conduct small-quantity production for customers to test products against application requirements, utilising these programs to refine machines and processes for mass production environments; and
 - (2) expand production output by leveraging MPW's ability to produce High Mix Low Volume metals which solve lead time and availability issues.

(ii) **Medium term (1-3 years)**

- (A) Resiliency and Cost Optimisation: enhance powder production resiliency and reduce costs by optimising unique aspects of MPW's processes (eg. surveying tooling manufacturing options, refining in-house grinding processes);
- (B) Technology Licensing: License technologies that reduce waste and improve sales through vertical and horizontal expansion;
- (C) Alloy and Tooling Range Expansion: expand the range of alloys and tooling with a library of machine settings for tuning alloy powder properties suited to supply a wide range of production technologies, including:
 - (1) reactive metals such as titanium and zirconium;
 - (2) C103; and
 - (3) copper alloys, bronze, and brass alloys; and
- (D) Collaborative Development: expand collaborative development with industry and research institutions to develop more industrial applications of metal alloy powders.

(iii) **Long Term (1-5 years)**

- (A) Large Scale Offtake Agreements;
- (B) Industry Sector Strategy: Survey of industry sector landscape, develop and implement strategy to acquire technologies and companies to supply a significant market share of high growth, high value alloy powders with upstream and downstream process control; and
- (C) Diverse Industry Engagement: Continue to engage with partners outside of additive manufacturing, exploring opportunities in industry segments such as hydrogen generation and energy production and storage.

(h) **Industry overview**

(i) **Additive manufacturing (AM) market**

The AM industry, also known as 3D printing, has experienced significant growth in recent years, revolutionizing traditional manufacturing methods across various sectors, such as aerospace, automotive, healthcare, and industrial goods. Additive manufacturing builds three-dimensional objects layer by layer from digital designs, offering greater design flexibility, reduced material waste, and shortened lead times compared to traditional subtractive manufacturing techniques.

(ii) **Metal additive manufacturing**

One of the fastest-growing segments within the additive manufacturing industry is metal additive manufacturing, which uses metal feedstocks such as powders and wire to create high-performance parts with intricate geometries that would be challenging or impossible to achieve using conventional methods. Metal AM is becoming a key technology for industries that require components with high precision, mechanical strength, and durability, including aerospace, medical devices, oil & gas, and energy sectors. In particular, the aerospace and defense industries are major adopters of metal AM for producing lightweight, high-strength parts that meet stringent safety and performance standards.

(iii) **Metal powders in additive manufacturing**

Metal powders are the primary raw materials used in metal additive manufacturing processes such as powder bed fusion, direct energy deposition, and binder jetting. The quality, consistency, and properties of these metal powders are critical to the success of the AM process, influencing the mechanical performance, surface finish, and structural integrity of the final product.

The most commonly used metal powders in AM include titanium, aluminium, stainless steel, nickel alloys, and cobalt-chrome, each chosen for their specific material properties such as strength-to-weight ratio, corrosion resistance, or heat tolerance. These powders are typically atomized to fine particle sizes (ranging from 0 to 300 microns). Atomizing produces spherical shapes, which assist in flowability and packing density during the printing process.

Metal powders are the cornerstone of metal AM processes, such as powder bed fusion, direct energy deposition, and binder jetting. The quality and characteristics of these powders—such as particle size, shape, surface texture, and chemical composition—play a crucial role in determining the performance, structural integrity, and mechanical properties of the final 3D-printed part.

The global metal powder market size as estimated by AM Research is valued at USD\$6.90 billion in 2023. The total value of the metal additive powders is estimated by AM Research to be US\$878 million.

4.5 **Dividend Policy**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

4.6 **ASX Guidance Note 12 - Annexure A Disclosure**

ASX Guidance Note 12 - Annexure A (**Annexure A**) sets out various disclosure requirements that an entity must satisfy prior to its securities being reinstated to trading. The Company

provides the following disclosure in accordance with Annexure A, to the extent that the information has not been provided elsewhere in this Notice.

(a) **Parties and material terms of the Transaction**

Refer to Sections 4.2 and 4.3 for a summary of the Share Purchase Agreement and the MPW Vendors respectively.

(b) **Transaction analysis**

Refer to Schedule 3 for a transaction based comparison table and Schedule 5 for a pro forma statement of financial position (based on 30 June 2024 audited accounts of the Company and reviewed accounts of MPW for the half year to 30 June 2024) for information regarding the effect of the Transaction.

(c) **Capital structure**

The Company intends to undertake a consolidation of the Company's issued capital on a 13 to 1 basis (**Consolidation**). Refer to Section 6.6 for a summary of the effect of the Consolidation.

The effect of the Transaction of the Company's issued capital is outlined in Section 4.13.

(d) **Issues in the previous 6 months**

(i) **Company**

In October 2024, the Company issued the October 2024 Note to Mr Rick Smith, who is not a related party or substantial Shareholder of the Company or MPW (refer to Section 17 and Schedule 10 for details of the terms and conditions).

The issue of the October 2024 Note raised \$500,000 (before costs), consisting of 500 convertible notes with a face value of \$1,000 each. The October 2024 Note will convert into Shares on Completion at a conversion price of \$0.16 per Share. The issue of October 2024 Note was not underwritten.

Funds raised through the issue of the October 2024 Note were used for working capital purposes including salaries, ongoing professional service costs, costs associated with assessing potential acquisition opportunities and the Transaction.

The Company has not issued any Securities in the past 6 months.

(ii) **MPW**

MPW has not issued any securities in the 6 months prior to the date of this Notice.

(e) **Proposed issue of Securities**

(i) **Company**

The Company intends to issue the following Securities subject to Shareholders approving the respective Resolutions in this Notice:

- (A) up to 50,000,000 Shares under the Public Offer (Resolution 3);
- (B) the Consideration Securities (Resolution 4), comprising 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights;
- (C) 1,346,154 Shares to White Hutt (or nominee/s) (Resolution 5);
- (D) 1,345,057 Shares to Ventnor (or nominee/s) (Resolution 6);
- (E) 550,000 Shares to Powerhouse Ventures Limited (or nominee/s) (Resolution 7);
- (F) 7,692,308 Shares and 7,692,308 attaching Options on conversion of the March 2023 Notes (Resolution 9);
- (G) 7,692,308 Shares and 7,692,308 Options on conversion of the June 2024 Notes, including the issue of 769,232 Shares and 769,232 attaching Options to certain Directors (Resolution 10 and Resolution 11(a) to (d) (inclusive));
- (H) 3,125,000 Shares on conversion of the October 2024 Note (Resolution 12);
- (I) 6,562,500 Shares on conversion of the MPW Notes, including 937,500 Shares to be issued to Anbu Investments Pty Ltd, an entity controlled by Proposed Director Bruno Campisi (Resolution 13 and Resolution 14 respectively);
- (J) 384,616 Shares to certain Directors in lieu of accrued Director fees, comprising:
 - (1) 192,308 Director Shares to Darryl Abotomey (or nominee/s) (Resolution 18(a)); and
 - (2) 192,308 Director Shares to Anthony McIntosh (or nominee/s) (Resolution 18(b)).

None of the proposed issues of Securities will be underwritten.

(ii) **MPW**

(A) **2024 MPW Notes**

In November 2024, MPW issued the MPW Notes to various Accredited Investors in the United States. None of the MPW Noteholders are a related party or substantial shareholder of the Company or MPW. The issue of MPW Notes was not underwritten.

The issue of MPW Notes raised \$1,050,000 (before costs), consisting of 1,050 convertible notes with a face value of \$1,000 each. The MPW Notes will convert directly into K-TIG Shares at a conversion price of \$0.16 each, resulting in the issue of 6,562,500 Shares on Completion.

Interest will accrue on the MPW Notes at the rate of the lesser of 4% and the short term applicable federal rate as at the date of the MPW Note. Interest that accrues on the MPW Notes will be repaid in cash on conversion of the MPW Notes at Completion.

Funds will be used for working capital to fund the ongoing operations of MPW until Completion.

(B) **New Electric Mandate**

MPW is party to an adviser agreement with New Electric Partners International Pte Ltd (**New Electric Partners**) dated 18 September 2024 (**New Electric Mandate**) pursuant to which New Electric Partners was engaged by MPW to provide strategic and financial advice in relation to the Transaction.

As consideration for these services, MPW agreed to issue such number of MPW shares to New Electric Partners equal to 5% of the fully diluted issued capital of MPW immediately prior to completion of the Transaction.

New Electric Partners are not a related party or substantial shareholder of MPW or the Company.

(C) **2023 MPW Convertible Notes**

In June 2023, MPW raised US\$301,171 via the issue of convertible notes to 5 investors, including US\$150,000 invested by Metal Powder Holdings, LLC, an entity controlled by Proposed Director John Barnes. The 2023 MPW Convertible Notes are subject to an interest rate of 5% per annum and will convert into MPW Shares prior to completion of the Transaction. The number of MPW Shares issued on conversion of the 2023 MPW Convertible Notes is expected to represent approximately 5.65% of the MPW Shares on issue at Completion.

MPW is not proposing to issue any additional securities prior to Completion other than those noted above.

(f) **No change in control**

No person will acquire control of, or voting power of 20% or more, in the Company as a result of the Transaction.

(g) **Changes to the Board**

Refer to Section 4.17 for further details on the composition of the Board following Completion.

(h) **Timetable**

Refer to Section 4.16.

(i) **Principal activities and jurisdictions**

Refer to Section 4.3. The Company's activities following Completion will be conducted in Australia, the USA, and the UK.

(j) **Metal Powder Works business model and dependencies and risks**

Refer to Section 4.4(a) to 4.4(b) (inclusive) for a summary of MPW's manufacturing capabilities and products intended to be supplied by the Company.

Refer to Section 4.4(f) for a summary of MPW's revenue model and Section 4.4(g) for a summary of MPW's strategy and business model.

The main expenses for MPW are:

- (i) salaries and wages;
- (ii) equipment purchases;
- (iii) corporate expenses; and
- (iv) marketing and business development.

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

(k) **Metal Powder Works Accounts**

Refer to Schedule 4 for MPW's audited accounts for the years ended 31 December 2022, 31 December 2023 and 6 months ended 30 June 2024.

(l) **Regulatory Approvals and Waivers**

The Company has applied for:

- (i) a waiver from Listing Rule 1.1 Condition 12 to permit the Company to have the Consideration Performance Rights on issue with an exercise price of less than \$0.20;
- (ii) a waiver from Listing Rule 1.1 Condition 12 to permit the Company to have the June 2024 Conversion Options on issue with an exercise price of less than \$0.20;
- (iii) a confirmation that the terms of the Consideration Performance Rights are appropriate and equitable for the purposes of Listing Rule 6.1; and
- (iv) a standard waiver from Listing Rule 10.13.5 to permit the Notice not to state that the following Securities will be issued no later than one month after the date of the Meeting:
 - (A) the Ventnor Shares to be issued to Ventnor (or nominee/s), an entity controlled by Director Stuart Carmichael;
 - (B) the Director Conversion Securities to be issued to Messrs Carmichael, Abotomey, McIntosh and Smith (or nominee/s);

- (C) the Director Shares to be issued to Messrs Abotomey and McIntosh (or nominee/s); and
- (D) the Director MPW Conversion Shares to be issued to Anbu Investments Pty Ltd (or nominee/s), an entity controlled by Proposed Director Bruno Campisi.

The Company must obtain Shareholder approval for the Transaction Resolutions. No further regulatory approvals are required.

(m) **Facilitation and Advisor fees**

The Company will pay the following fees for services to be provided in connection with the Transaction:

(A) **Lead Manager Fees**

The Company will pay Morgans Corporate Limited a management fee of 2% and a selling fee of 4% of the proceeds of the Public Offer in return for its services as lead manager. The terms and conditions of the Lead Manager Mandate are summarised in Section 4.9(b)(ii).

(B) **Corporate Advisory Fees**

The Company will issue 538,462 Shares to White Hutt Pty Ltd (subject to Shareholders approving Resolution 5) and 768,794 Shares to Ventnor Equities & Advisory Pty Ltd (subject to Shareholders approving Resolution 6) as consideration for corporate advisory services provided in connection with the Transaction.

A further 807,692 Shares will be issued to White Hutt pursuant to the White Hutt DOCA Mandate summarised in Section 4.9(b)(iii)(C) (subject to Shareholders approving Resolution 5) and a further 576,263 Shares will be issued to Ventnor in lieu of fees for previous corporate advisory services (subject to Shareholders approving Resolution 6).

(C) **Facilitator Fees**

Subject to Shareholders approving Resolution 7, the Company will issue 550,000 Shares to Powerhouse Ventures Limited (ASX:PVL) as a fee for introducing the Transaction.

(n) **Appropriate Enquiries**

The Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses and prospects of MPW to be satisfied that the Transaction is in the interests of the Company and its security holders.

As part of its enquiries, as at the date of this Notice, the Company has completed legal and financial due diligence on MPW's operations.

The Directors confirm that this Notice includes all material and accessible information available to the Directors as at the date of this Notice.

(o) **Reinstatement on ASX**

Refer to Section 4.8.

(p) **ASX takes no responsibility**

ASX takes no responsibility for the contents of this Notice or the Explanatory Memorandum.

(q) **Listing Rule 3.1**

The Company confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

4.7 **Independent Expert's Report**

In circumstances where shareholder approval is sought for the issue of performance securities, ASX may require an independent expert's report to be provided to shareholders where the quantum of performance securities is such that, if converted to shares, those shares would comprise more than 10% of issued capital.

The Directors have engaged Stantons Corporate Finance Pty Ltd (**Independent Expert**) to provide the Independent Expert's Report to assist non-associated Shareholders to decide how to vote on Resolution 4. The Independent Expert has concluded that the proposed issue of performance securities pursuant to Resolution 4 is fair and reasonable to non-associated Shareholders.

4.8 **Reinstatement on ASX**

As the Company is currently proposing to make a significant change in the nature and scale of the Company's activities through the acquisition of MPW, the Company must re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules prior to its securities recommencing quotation on ASX.

Pursuant to Listing Rules 11.1.2 and 11.1.3, the change in the nature and scale of the Company's activities requires the approval of Shareholders and the Company to re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules. The Transaction will not proceed if Shareholder approval is not obtained for all of the Transaction Resolutions, including for the purposes of Listing Rule 11.1.2 (Resolution 2).

The Company's Shares have been suspended from trading on ASX since 27 January 2023 and will not be reinstated unless each Transaction Resolution is passed by Shareholders and ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

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

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

It is expected that the conduct of the Public Offer (for which Shareholder approval is sought pursuant to Resolution 3) will enable the Company to satisfy the above requirements.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Public Offer. In this regard, the Company notes that:

- (a) ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Transaction may not proceed if ASX exercises that discretion to not re-admit the Company; and
- (b) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

The Company has sought in-principle advice from ASX in which ASX has set out, on an in-principle basis, that it has not identified any reasons to date, to exercise its discretion to prevent the Company from being re-admitted to the Official List. Investors are cautioned however, that such advice is not binding and cannot be relied upon to prevent ASX from exercising its discretion as it sees fit.

4.9 **Material contracts and arrangements**

The Directors consider that certain contracts entered into by the Company and Metal Powder Works are material to the Company and the Merged Group or are of such a nature that an investor may wish to have particulars of them when assessing whether to approve the Transaction or apply for Shares under the Public Offer. The provisions of such material contracts and arrangements are summarised in this Section.

(a) **Metal Powder Works material contracts and arrangements**

(i) **Toho Titanium**

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

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

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

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

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

Phase two began in May 2024 and recently completed..

In phase two, MPW advanced the technology to a technology readiness level of six, at which point a representative model or prototype system was tested in a relevant environment. This has been achieved and was a necessary milestone in order to sell commercial quantities of powder.

MPW received a total of USD\$350,000 in respect of phase two, which was paid in monthly increments.

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

(ii) **Solvus Global**

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

Under a purchase commitment dated 19 June 2023 (**Purchase Commitment**), purchases from Solvus Global have aggregated approximately USD\$215,000 in the period from June 2023 until the date of this Notice. The purchases are in relation to powder production recipes, powder standards and aluminium and copper-based powders. Whilst Solvus Global is bound under the Purchase Commitment to provide further purchases to a balance of USD\$35,000 (which is expected to occur by 31 December 2024), there is no binding obligation beyond that. MPW expects that Solvus Global will continue to make purchase orders, but there can be no guarantee this will be the case.

(iii) **Other customers**

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

(iv) **Lease**

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

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

(b) **Company material contracts**

(i) **Share Purchase Agreement**

The SPA is summarised in Section 4.2.

(ii) **Lead Manager Mandate**

The Company entered into a lead manager mandate dated 29 October 2024 appointing Morgans Corporate Limited (ACN 010 539 607) (AFSL 235407) (**Lead Manager** or **Morgans**) as exclusive lead manager and broker to the Public Offer (**Lead Manager Mandate**).

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

(A) The Company will pay the following fees to the Lead Manager (or nominee/s) pursuant to the Lead Manager Mandate subject to the successful completion of the Public Offer: a management fee of 2% of the proceeds from the Public Offer; and

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

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

(iii) **White Hutt Mandates**

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

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

(B) **White Hutt Transaction Mandate**

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

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

- (1) identifying potential target businesses that align with the Company's strategic objectives and growth goals;
- (2) conducting financial and operational due diligence on target businesses to assess their value and potential risks;
- (3) negotiating and structuring deal terms; and

- (4) developing a detailed integration plan to smoothly transition the target business into the Company's operations post-acquisition.

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

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

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

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

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

(C) **White Hutt DOCA Mandate**

The Company entered into a mandate dated 1 October 2024 (**White Hutt DOCA Mandate**) engaging White Hutt to provide corporate services in relation to the Company's restructuring in connection with the Deed of Company Arrangement.

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

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

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

- (1) a monthly retainer of \$7,500 (excluding GST); and

- (2) the issue of 807,692 Shares (post-Consolidation) at a deemed issue price of \$0.16 per Share (to the value of \$175,000) (**White Hutt DOCA Shares**, together with the White Hutt Advisor Shares, the **White Hutt Shares**).

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

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

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

(iv) **Ventnor Mandate**

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

Ventnor's services under the Ventnor Mandate include:

- (A) assisting the Company with corporate advisory services as required;
- (B) transaction advice including regarding pricing and due diligence;
- (C) project management of any transaction;
- (D) assisting the Company in relation to any capital raising;
- (E) strategic, financial and tactical advice; and
- (F) overall project management.

The Company has agreed to pay Ventnor:

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

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

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

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

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

Stuart Carmichael, a Director, is a director and shareholder of Ventnor.

(v) **Powerhouse Ventures Agreement**

The Company entered into a mandate with Powerhouse Ventures Limited (**Powerhouse Ventures**) dated 25 November 2024 (**Powerhouse Ventures Agreement**) under which the Company agreed to issue 550,000 Shares (**Powerhouse Ventures Shares**) to Powerhouse Ventures as a facilitation fee for introducing the Transaction to the Company. The issuance of Powerhouse Ventures Shares is subject to completion of the Transaction, including Shareholders approving the issue under Resolution 7.

(vi) **Convertible Note Agreements**

The Company has 3 separate tranches of convertible notes on issue. The issue of Shares on conversion of each tranche of these convertible notes is the subject of Resolution 9, Resolution 10 and Resolution 12 respectively. The background and terms of each tranche is set out in Sections 13 to 17.

4.10 **Escrow arrangements**

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

The Securities likely to be subject to escrow (in their entirety or in part) are the Consideration Securities, White Hutt Shares, Ventnor Shares, Powerhouse Ventures Shares, March 2023 Conversion Securities, June 2024 Conversion Securities, Director Conversion Securities, October 2024 Conversion Shares, Director MPW Conversion Shares and Director Shares. Shares offered under the Public Offer will not be subject to any escrow restrictions.

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

4.11 **Public Offer**

As set out in 4.2(b)(iv) above, one of the conditions precedent to Completion is the completion of the Public Offer.

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

The Company has appointed the Lead Manager as lead manager to the Public Offer on the terms set out in 4.9(b)(ii).

4.12 Pro forma balance sheet

A pro forma statement of financial position of the Company as at 30 June 2024 based on the audited accounts of the Company and MPW is set out in Schedule 7.

4.13 Effect on capital structure

The proposed capital structure of the Company following Completion (on a post-Consolidation basis) is set out below:

Shares	Minimum Subscription		Maximum Subscription	
	Number	%	Number	%
Existing Securities ¹	5,640,647	4.54	5,640,647	4.05
Public Offer Shares ²	35,000,000	28.15	50,000,000	35.88
Consideration Shares ³	55,000,000	44.23	55,000,000	39.47
Advisor Shares ⁴	3,241,211	2.61	3,241,211	2.33
March 2023 Conversion Shares ⁵	7,692,308	6.19	7,692,308	5.52
June 2024 Conversion Shares ⁶	7,692,308	6.19	7,692,308	5.52
October 2024 Conversion Shares ⁷	3,125,000	2.51	3,125,000	2.24
MPW Conversion Shares ⁸	6,562,500	5.28	6,562,500	4.71
Director Shares ⁹	384,616	0.31	384,616	0.28
Total	124,338,590	100.00	139,338,590	100.00

Notes:

1. The Company intends to undertake a consolidation of its issued capital on a consolidation ratio of 13 to 1, the subject of Resolution 1. The final number of Existing Shares (post-Consolidation) may change as a result of rounding.
2. Refer to Section 4.11 for details of the Public Offer.
3. Refer to Sections 4.2 for further details of the Share Purchase Agreement.
4. Comprising the White Hutt Shares, Ventnor Shares and Powerhouse Ventures Shares. Refer to Section 4.9(b)(iii) for a summary of the White Hutt Transaction Mandate, Section 4.9(b)(iv) for a summary of the Ventnor Mandate and Section 4.9(b)(v) for a summary of the Powerhouse Ventures Agreement.
5. Refer to Section 14.1 for details of the March 2023 Notes.
6. Refer to Section 15.1 for details of the June 2024 Notes.
7. Refer to Section 17.1 for details of the October 2024 Note.
8. Refer to Section 18.1 for details of the MPW Notes.
9. Refer to Section 23.1 for details of the Director Shares.

Options	Number	%
Existing Options	0	-
Conversion Options ¹	15,384,616	100.00
Total (post-Consolidation)	15,384,616	100.00

Notes:

1. Comprising:
 - (a) 7,692,308 March 2023 Conversion Options; and
 - (b) 7,692,308 June 2024 Conversion Options.

Performance Rights	Number	%
Existing Performance Rights (pre-Consolidation) ¹	2,400,000	-
Existing Performance Rights (post-Consolidation)	184,615	0.37
Consideration Performance Rights ^{2,3}	50,000,000	99.63
Total (post-Consolidation)	50,184,615	100.00

Notes:

1. Comprising:
 - (a) 800,000 performance rights vesting when the Company achieves a 20-day VWAP of at least \$0.35 (pre-Consolidation) before 1 April 2021. These performance rights have vested but have not been converted into Shares. The holder may exercise the right to convert the performance rights into Shares at any time prior to their expiry date of 22 December 2025;
 - (b) 800,000 performance rights vesting when the Company achieves a 20-day VWAP of at least \$0.50 (pre-Consolidation) before 1 October 2021. These performance rights have vested but have not been converted into Shares. The holder may exercise the right to convert the performance rights into Shares at any time prior to their expiry date of 22 December 2025; and
 - (c) 800,000 performance rights vesting when the Company achieves a 20-day VWAP of at least \$0.75 (pre-Consolidation) before 1 October 2022. These performance rights have vested but have not been converted into Shares. The holder may exercise the right to convert the performance rights into Shares at any time prior to their expiry date of 22 December 2025.
2. Refer to Section 4.2 and Schedule 5 for details of the Consideration Performance Rights.
3. Refer to the Independent Expert's Report contained in Schedule 2 for further information with respect to the fairness and reasonableness of the Company's proposed issue of the Consideration Performance Rights.

4.14 Substantial Shareholders' voting power

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

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

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

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

4.15 Proposed use of funds

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

Source of funds	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Existing cash ¹	436,886	5.87	436,886	4.19
Funds raised from the Public Offer	7,000,000	94.13	10,000,000	95.81
Total funds	7,436,886	100.00	10,436,886	100.00

Notes:

- Based on the Company's cash balance as at 27 November 2024.

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

Minimum Subscription	\$			%
	Year 1	Year 2	Total	
Scale NextGen System ¹	750,000	500,000	1,250,000	16.81
Sales and marketing	750,000	750,000	1,500,000	20.17

Powder development production (Titanium, other alloys) ²	1,250,000	1,250,000	2,500,000	33.62
Market expansion assessment	250,000	-	250,000	3.36
Transaction and recompliance costs	660,000	-	660,000	8.87
Working Capital ³	653,443	623,443	1,276,886	17.17
Total funds	4,313,443	3,123,443	7,436,886	100.00

Notes:

1. Comprises the further refinement to the DirectPowder production process to further improve yield levels and metal compatibility
2. Metal Powder Works currently has 16 alloys in production. A key strategy is to expand the number of metal powders available for production to satisfy customer requirements.
3. Comprises of general administration expenses, including director fees, legal, ASX fees, accounting and book keeping costs, and general working capital.

Maximum Subscription	\$			%
	Year 1	Year 2	Total	
Scale NextGen System ¹	750,000	500,000	1,250,000	11.98
Sales and marketing	750,000	750,000	1,500,000	14.37
Powder development production (Titanium, other alloys) ²	2,250,000	2,250,000	4,500,000	43.12
Market expansion assessment	250,000	-	250,000	2.40
Transaction and recompliance costs	840,000	-	840,000	8.05
Working Capital ³	1,063,443	1,033,443	2,096,886	20.09
Total funds	5,903,443	4,533,443	10,436,886	100.00

Notes:

1. Comprises the further refinement to the DirectPowder production process to further improve yield levels and metal compatibility
2. Metal Powder Works currently has 16 alloys in production. A key strategy is to expand the number of metal powders available for production to satisfy customer requirements.
3. Comprises of general administration expenses, including director fees, legal, ASX fees, accounting and book keeping costs, and general working capital.

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

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

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

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

4.16 **Indicative timetable for the key business the subject of the Transaction Resolutions**

Description	Indicative timing
Despatch of Notice of General Meeting	Friday, 10 January 2025
Lodgement of Prospectus with ASIC	Tuesday, 14 January 2025
Opening of the Public Offer	Wednesday, 22 January 2025
General Meeting held to approve the Transaction	Tuesday, 11 February 2025
Effective Date of Consolidation	Wednesday, 12 February 2025
Closing of Public Offer	Thursday, 13 February 2025
Settlement date of the Public Offer Completion of the Transaction Despatch of holding statements for Securities issued under the Public Offer	Thursday, 20 February 2025
Expected date for Reinstatement of Securities to trading on ASX	Friday, 28 February 2025

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

4.17 **Composition of Board of Directors**

In connection with the Transaction:

- (a) Anthony McIntosh will resign as Non-Executive Director;
- (b) John Barnes will be appointed as the Managing Director on Completion;
- (c) Leo Christodoulou will be appointed as a Non-Executive Director on Completion; and
- (d) Bruno Campisi will be appointed as a Non-Executive Director on Completion.

On Completion, the Board will consist of:

- For personal use only
- (a) Stuart Carmichael – Non-Executive Chair;
 - (b) John Barnes – Managing Director;
 - (c) Darryl Abotomey – Non-Executive Director;
 - (d) Leo Christodoulou – Non-Executive Director; and
 - (e) Bruno Campisi – Non-Executive Director.

4.18 **Advantages of the proposed Transaction**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Transaction Resolutions:

- (a) the Transaction is synergistic with the Company's existing operations, assets and specialist skills and is highly aligned with its strategy;
- (b) Completion will enable the Company to be reinstated to the Official List with MPW as a wholly owned subsidiary, a strong Board and management team and defined growth strategy;
- (c) the Public Offer will provide the Company with sufficient funds to support its strategy post-completion of the Transaction;
- (d) the Company will re-comply with the Listing Rules, ensuring its reinstatement to quotation and continued liquidity of its listed Shares (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the Listing Rules);
- (e) Shareholders will be able to share in the growth of the Merged Group and will also be able to buy or sell Shares on ASX;
- (f) the potential increase in market capitalisation of the Company following completion of the Transaction and associated Public Offer may lead to access to improved equity capital market opportunities and increased liquidity;
- (g) the Company will acquire an operating subsidiary which is revenue generating; and
- (h) Proposed Directors John Barnes, Leo Christodoulou and Bruno Campisi bring significant experience and knowledge to the Board, and MPW has a highly credible and experienced management team to progress the commercialisation and expansion of its technology.

4.19 **Disadvantages of the proposed Transaction**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Transaction Resolutions:

- (a) the Transaction will provide Shareholders with exposure to an established operating entity based in the USA, which may be different from the investment objectives of some existing Shareholders;

- (b) the Transaction will lead to the Company having increased operations in Australia, the USA and the United Kingdom which will increase the complexity of the Company's operations;
- (c) Shareholders will be diluted through the issue of Shares under the Public Offer; and
- (d) there are inherent risks associated with Metal Powder Works's business as well as other risks which may not suit a Shareholders risk profile or be consistent with their objectives (a summary of key risks to be faced by the Merged Group is set out in Section 5).

4.20 **Taxation**

The Transaction may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Transaction Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Transaction or the Transaction Resolutions.

4.21 **Plans for the Company if the Transaction Resolutions are not passed or if the Transaction does not proceed**

If the Transaction Resolutions are not passed, the Company will not be able to re-comply with Chapters 1 and 2 of the Listing Rules, and its Shares will not be reinstated to Official Quotation. The Company's Shares were suspended from Official Quotation on 27 January 2023. Under ASX's policy on long-term suspended entities, an entity will be removed from the Official List if its Shares remain suspended for a continuous period of two years (unless ASX grants an extension). Accordingly, if the Transaction Resolutions are not passed, the Company will be removed from the Official List on 27 January 2025.

Section 3.4 of ASX Guidance Note 33 provides that ASX may grant a short extension (usually not more than three months) to the date for automatic removal if the entity can demonstrate that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities. For these purposes, being in the "final stages" of implementing a transaction means that the entity has:

- (a) announced the transaction to the market;
- (b) signed definitive legal agreements for the transaction (including any required financing);
- (c) lodged the prospectus with ASIC, if required, and is not subject to a stop order or other regulatory action by ASIC; and
- (d) obtained all necessary approvals from security holders, governmental agencies, or financiers.

ASX has granted the Company a short extension to the delisting deadline in accordance with the decision below:

Based solely on the information provided, ASX has decided to grant KTG an extension of its current removal deadline of 27 January 2025, being two continuous years

following KTG's initial suspension from quotation. The extension is conditional on the following occurring (in line with KTG's proposed timetable in section 4.16 of its Notice of Meeting provided to ASX on 8 January 2025):

- The notice of meeting for shareholders to approve the MPW transaction being lodged on the Market Announcements Platform on or before 14 January 2025; and
- KTG lodging its prospectus with ASIC and on the Market Announcements Platform on or before 14 January 2025.

Should the above occur by 27 January 2025, ASX will be likely to grant an extension to the removal deadline to 14 February 2025 (being KTG's proposed date on which it will seek shareholder approval for the MPW transaction). Should shareholders approve the transaction, ASX will be likely to grant a further extension of the removal date to the end of the three-month prospectus quotation condition period under section 723(3) of the Corporations Act (ie. on or around 14 April 2025).

The Company will not issue the Securities under the Transaction Resolutions unless, and until, ASX confirms in a conditional reinstatement letter that completion of the Transaction (and the satisfaction of any conditions specified by ASX) will result in the resumption of trading in the Company's Shares on ASX.

If the Company were to be delisted, there may not be a liquid market for its Securities and, as a result, the existing shareholders of the Company may be unable to sell their Securities. While the Company may look for opportunities to realise the value of its existing assets and/or pursue opportunities for relisting its Securities on a recognised stock exchange, there is no certainty that either of these outcomes could be achieved and both would require further working capital and are likely to take a considerable amount of time.

4.22 Directors' interests in the Company

The Directors, Proposed Directors and Key Management Personnel (and their respective related entities) have the following interests in Securities as at the date of this Notice (on a pre-Consolidation basis):

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

Notes:

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

Set out in the table below are details of the anticipated relevant interests of the Directors and Proposed Directors (and their respective related entities) in the Securities of the Company upon Completion (on a post-Consolidation basis):

Directors, Proposed Directors & KMP	Shares	% ¹		Performance Rights	Options
		Minimum Subscription	Maximum Subscription		
John Barnes ²	19,262,184	15.49	13.82	17,511,076	-
Leo Christodoulou ³	228,465	0.18	0.16	207,695	-
Bruno Campisi ⁴	6,701,165	5.39	4.81	5,239,696	-
Stuart Carmichael ⁵	1,542,764	1.24	1.11	46,154	192,308
Anthony McIntosh ⁶	423,408	0.35	0.31	46,154	192,308
Darryl Abotomey ⁷	384,616	0.31	0.28	-	192,308
Chris Aldridge ⁸	3,860,806	3.11	2.77	3,509,825	-

Notes:

1. On an undiluted basis and assumes that no further Shares are issued or Performance Rights exercised and converted into Shares.
2. Mr Barnes' Securities will consist of:
 - (a) 19,262,184 Consideration Shares; and
 - (b) 17,511,076 Consideration Performance Rights.
3. Mr Christodoulou's Securities will consist of:
 - (a) 228,465 Consideration Shares; and
 - (b) 207,695 Consideration Performance Rights.
4. Mr Campisi's Securities will consist of:
 - (a) 5,763,665 Consideration Shares;
 - (b) 5,239,696 Consideration Performance Rights; and
 - (c) 937,500 MPW Conversion Shares.
5. Mr Carmichael's Securities will consist of:
 - (a) 2,430 Shares, 46,154 Performance Rights held indirectly through SBV Capital Pty Ltd;
 - (b) 2,969 Shares held indirectly through SJ & T Carmichael Superannuation Pty Ltd;
 - (c) 1,345,057 Ventnor Shares;
 - (d) 192,308 Director Conversion Shares; and
 - (e) 192,308 Director Conversion Options.
6. Mr McIntosh's Securities will consist of:

- (a) 46,154 Performance Rights held indirectly through Mutual Trust Pty Ltd holds securities on behalf of Anthony McIntosh;
- (b) 38,792 Shares held indirectly through Interdale Pty Ltd <Maple Super Fund>;
- (c) 192,308 Director Conversion Shares;
- (d) 192,308 Director Conversion Options; and
- (e) 192,308 Director Shares.

Mr McIntosh will resign on Completion.

- 7. Mr Abotomey's Securities will consist of:
 - (a) 192,308 Director Conversion Shares;
 - (b) 192,308 Director Conversion Options; and
 - (c) 192,308 Director Shares.
- 8. Mr Aldridge's Securities will consist of:
 - (a) 3,860,806 Consideration Shares; and
 - (b) 3,509,825 Consideration Performance Rights.

5. Risks associated with the Transaction

This Section identifies the key dependencies and areas of risk associated with the Transaction, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. References to the Company in this Section 5 include the Merged Group.

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

(a) Re-Quotation of Shares on ASX

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

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

(b) Dilution risk

As set out in Section 4.13, the Company currently has 73,328,415 Shares on issue (on a pre-Consolidation basis). On Completion (assuming that the Maximum Subscription is raised):

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

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

(c) **Completion, counterparty and contractual risk**

As set out in Section 4.1, the Company has agreed to acquire 100% of the issued capital of MPW subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent for Completion will not be fulfilled and, in turn, that Completion will not occur.

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

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

(d) **Delisting risk**

The Company's Securities have been suspended from Official Quotation since 27 January 2023 and as such the Company is a long-term suspended entity for the purposes of the ASX Listing Rules (notably ASX Guidance Note 33). Whilst the ASX has granted a short extension to the delisting deadline on the terms outlined in Section 4.21, there is no guarantee that the Company will be able to complete the Transaction within the required timing.

Section 4.21 provides further information regarding the risk of the Company being delisted and the associated consequences.

5.2 **Specific risks applicable to the Merged Group**

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

(a) **Future Capital Needs**

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

Although the Directors consider that the Company will, on completion of the Public Offer, have sufficient working capital to carry out its stated objectives, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

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

An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant uncertainty on the Company's ability to continue as a going concern.

(b) **Reliance on key customers**

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

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

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

(d) **Product quality risks**

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

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

(e) **Manufacturing risks**

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

(f) **Competition**

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

potential competitors, who may have significantly more resources, develop new or superior products or improve existing products to compete with the Merged Group.

(g) **Supplier risk**

The Merged Group will source certain key components for its systems from third party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force Merged Group to shift to another supplier.

(h) **Key personnel risk**

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

(i) **Intellectual Property Risk**

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

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

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

(j) **Development risks**

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

(k) **Operating in multiple jurisdictions**

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

(l) **Supply chain risk**

The MPW business depends on the supply of raw material in the form of bar and tooling inserts. The quality of the bar material and tooling inserts directly affects the

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

(m) **Contract risk**

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

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

(n) **Workplace health and safety**

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

(o) **Regulatory risk**

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

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

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

(p) **Product liability and warranty risk**

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

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

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

5.3 **General risks**

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

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

(b) **Investment in capital markets**

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

(c) **General economic conditions**

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

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

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

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

(e) **Unforeseen expenditure risk**

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

(f) **Taxation**

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

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

(g) **Litigation risk**

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

6. **Resolution 1 – Consolidation of capital**

6.1 **General**

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 13 to 1 basis (**Consolidation**).

All Securities in this Notice are on a post-Consolidation basis unless otherwise stated.

Resolution 1 is an ordinary resolution.

Resolution 1 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions.

6.2 **Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a

general meeting, convert all or any of its Shares into a larger or smaller number.

Listing Rule 7.20 provides that where an entity proposes to reorganise its capital, it must tell Equity Security holders:

- (a) the effect of the proposal on the number of Securities and the amount unpaid (if any) on the Securities;
- (b) the proposed treatment of any fractional entitlements; and
- (c) the proposed treatment of any Convertible Securities on issue. Listing Rule 7.21 provides that a listed entity which has Convertible Securities (except options) on issue may only reorganise its capital if, in respect of the Convertible Securities, the number of its Convertible Securities or the conversion price, or both, is reorganised so that the holder of the Convertible Securities will not receive a benefit that holders of ordinary Securities do not receive.

If Resolution 1 is passed, the Company will be able to proceed with the Consolidation and the number of Securities on issue is anticipated to be adjusted as follows, based on the Securities on issue as at the date of this Notice (in each case, subject to rounding):

Security	Pre-Consolidation	Post-Consolidation
Shares	73,328,415	5,640,647
Performance Rights	2,400,000	184,615

If Resolution 1 is not passed, the Company will not be able to proceed with the Consolidation.

6.3 Fractional entitlements

Not all Shareholders will hold that number of Securities (Shares or Performance Rights, as the case may be) which can be evenly divided by 13. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security (Shares, Options or Performance Rights, as applicable).

6.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

6.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities. It is the responsibility of each Shareholders to check the number of Securities held prior to disposal or exercise (as the case may be).

6.6 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current capital

structure is set out in the tables below. All numbers are subject to rounding.

(a) **Shares**

	Pre-Consolidation	Post-Consolidation
Shares currently on issue	73,328,415	5,640,647

(b) **Performance Rights**

	Pre-Consolidation	Post-Consolidation
Performance Rights currently on issue	2,400,000	184,615

6.7 **Consolidation timetable**

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable:

Event	Date
Company announces Consolidation using an Appendix 3A.3	Tuesday, 4 February 2025
General Meeting - Shareholders approve Consolidation	Tuesday, 11 February 2025
Effective Date of Consolidation	Wednesday, 12 February 2025
Last day for trading on a pre-Consolidation basis	Thursday, 13 February 2025
Post-Consolidation trading starts on a deferred settlement basis	Friday, 14 February 2025
Record date and last day for Company to register transfers on a pre-Consolidation basis	Monday, 17 February 2025
First day for Company to update its register of Securities on a post-Consolidation basis and first day for issue of holding statements	Tuesday, 18 February 2025
Last date for Company to update its register and send holding statements on a post-Consolidation basis and notify ASX that this has occurred	Monday, 24 February 2025
Normal trading of post-Consolidation Securities commences	Friday, 28 February 2025

The timetable is a proposed indicative timetable and the Board reserves the right to vary the dates in accordance with the Listing Rules.

6.8 **Additional information**

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

7. **Resolution 2 – Approval to change in nature and scale of activities**

7.1 **General**

Resolution 2 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Transaction.

A detailed description of the Transaction is outlined in Section 4 above.

Resolution 2 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions.

Resolution 2 is an ordinary Resolution.

7.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the Official List.

The Transaction constitutes a significant change in the nature and scale of the Company's activities, accordingly it is required to:

- (a) obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (b) re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

If Resolution 2 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the Transaction as outlined in this Notice.

If Resolution 2 is not passed, the Company will not be able to proceed with the Transaction and re-comply with the admission and quotation requirements of Chapters 1 and 2 of the Listing Rules.

7.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2. The Chair intends to exercise all available proxies in favour of Resolution 2.

8. Resolution 3 – Approval to issue Public Offer Shares

8.1 General

A detailed description of the Transaction is outlined in Section 4 above.

As summarised in Section 4.11, the Public Offer seeks to raise at least \$7,000,000 (before costs) and up to \$10,000,000 (before costs) through the issue of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share.

The Public Offer Shares will be issued under a Prospectus to be issued by the Company in order to re-comply with Chapters 1 and 2 of the Listing Rules.

The Company has appointed Morgans Corporate Limited as lead manager in respect of the Public Offer on the terms summarised in Section 4.9(b)(ii).

Resolution 3 seeks Shareholder approval for the issue of up to 50,000,000 Public Offer Shares. Resolution 3 is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions.

Resolution 3 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

Resolution 3 is an ordinary resolution.

8.2 **Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Public Offer Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks the required Shareholder approval to the issue of the Public Offer Shares under and for the purposes of Listing Rule 7.1.

If Resolution 3 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the issue of the Public Offer Shares and will issue the Public Offer Shares no later than 3 months after the date of the Meeting. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Public Offer Shares and the Transaction will not proceed.

8.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Public Offer Shares under this Resolution:

- (a) The maximum number of Shares to be issued as Public Offer Shares under this Resolution is 50,000,000 on a Maximum Subscription basis.
- (b) The Public Offer Shares will be issued to subscribers under the Public Offer, none of whom will be a related party of the Company.

- (c) The Public Offer Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The issue price of the Public Offer Shares will be \$0.20 per Share.
- (e) The Public Offer Shares are proposed to be issued to participants in the Public Offer who will be determined by the Lead Manager, in consultation with the Board and in accordance with the allocation policy set out in the Prospectus. No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:
 - (i) the number of Shares applied for;
 - (ii) the overall level of demand for the Offer;
 - (iii) the timeliness of the bid particular applicants;
 - (iv) the desire for a spread of investors, including institutional investors;
 - (v) recognising the ongoing support of existing Shareholders;
 - (vi) the likelihood that particular Applicants will be long-term Shareholders;
 - (vii) the desire for an informed and active market for trading Shares following completion of the Offer;
 - (viii) ensuring an appropriate Shareholder base for the Company going forward; and
 - (ix) any other factors that the Company and the Lead Manager consider appropriate. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.
- (f) The Public Offer Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (g) The Company's intended use of the funds raised from the issue of the Public Offer Shares is set out in Section 4.15 above.
- (h) Further details of the Transaction are set out in Section 4.
- (i) A voting exclusion statement is included in the Notice.

8.4 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3.

9. **Resolution 4 – Approval to issue Consideration Securities**

9.1 **Background**

The Transaction is summarised in Section 4.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue an aggregate 105,000,000 Consideration Securities, comprising 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights.

Refer to Schedule 5 for full terms of the Consideration Performance Rights.

Resolution 4 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

9.1 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The issue of the Consideration Securities does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

As is its usual practice, ASX has imposed a requirement under Listing Rule 6.1 and Guidance Note 19, that the Company obtain Shareholder approval to issue the Consideration Performance Rights.

If Resolution 4 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the issue of the Consideration Securities to the MPW Vendors (or their nominee/s).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Consideration Securities and the Transaction will not proceed.

9.2 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Securities:

- (b) The Consideration Securities will be issued to the MPW Vendors (or nominee/s), none of whom are a related party other than Proposed Directors John Barnes, Leo Christodoulou and Bruno Campisi, or a substantial Shareholder of the Company.

The SPA was negotiated on an arm's length basis prior to each of Mr Barnes, Mr Christodoulou and Mr Campisi's proposed appointment. Listing Rule 10.3(g) provides that Listing Rule 10.1 does not apply to an agreement or transaction with a person who would not otherwise be a related party but for the fact that they believe that they are likely to become a related party in the future because of the agreement or transaction. Similarly, Listing Rule 10.12 Exception 12 sets out an exception to Listing Rule 10.11 for an issue of Equity Securities under an agreement or transaction between an entity and a person who would not otherwise be a related party but for the fact that they believe, or have reasonable grounds to believe, that they are likely to become a related party in the future because of the agreement or transaction. As a result, the Company does not consider Mr Barnes, Mr Christodoulou or Mr Campisi (or any entities which they control) to be a party to which Listing Rules 10.1 or 10.11 apply for the purposes of the Resolutions contained in this Notice.

- (c) A maximum of 55,000,000 Consideration Shares and 50,000,000 Consideration Performance Rights will be issued.
- (d) The Consideration Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Consideration Performance Rights will be issued on the terms and conditions in Schedule 5.

- (f) The Consideration Securities will be issued no later than 3 months after the date of the Meeting.
- (g) The Consideration Securities will be issued for nil cash consideration and no funds will be raised by their issue.
- (h) A summary of the material terms of the MPW SPA is in Section 4.2.

A voting exclusion statement is included in the Notice.

9.3 **Guidance Note 19**

The following information is provided in respect of Guidance Note 19 of the Listing Rules:

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

The Consideration Performance Rights will be issued to the MPW Vendors (or their nominee/s), as detailed in Section 4.3 in proportion to their respective interests in MPW.

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

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

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

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

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

(i) **Purpose**

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

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

(ii) **Undertaking being acquired**

An overview of MPW is in Section 4.4.

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

Details of the MPW Vendors is in Section 4.3.

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

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

(d) **Terms of Performance Rights**

The Consideration Performance Rights are subject to the terms and conditions in Schedule 5.

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

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

(e) **Effect on capital structure**

The effect on the Company's capital structure if the vesting conditions for the Consideration Performance Rights are satisfied and all Consideration Performance Rights convert into Shares is as follows (and assuming each other Resolution in this Notice is passed):

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

Total	124,338,590	71.32	139,338,59	73.59
Shares to be issued on conversion of Consideration Performance Rights	50,000,000	28.68	50,000,000	26.41s
Total	174,338,589	100.00	189,338,589	100.00

9.4 Independent Expert's Report

The Independent Expert has concluded that the proposed issue of Consideration Performance Rights under this Resolution 4 is **fair** and **reasonable** to non-associated Shareholders. Further information is set out in Section 4.7 and Schedule 2.

10. Resolution 5 – Approval to issue White Hutt Shares

10.1 General

Background to the proposed issue of the White Hutt Shares is summarised in Section 4.9(b)(iii).

Resolution 5 seeks Shareholder approval for the issue of the White Hutt Shares to White Hutt (or its nominee) under and for the purposes of Listing Rule 7.1.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 8.2.

If Resolution 5 is passed, the issue of White Hutt Shares can proceed.

If Resolution 5 is not passed, the Company will be unable to issue the White Hutt Shares. Consequently, the Company will need to consider alternative forms of compensation for White Hutt's services, which may include cash payments.

10.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the White Hutt Shares:

- (a) A maximum of 1,346,154 Shares will be issued to White Hutt (or its nominee) under this Resolution. White Hutt is not a related party or substantial Shareholder of the Company.
- (b) The White Hutt Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.
- (c) The White Hutt Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The White Hutt Shares will be issued for nil cash consideration as they are being issued as partial consideration for corporate advisory services provided by White Hutt.
- (e) A summary of the material terms of the White Hutt Mandates are set out in

Section 4.9(b)(iii).

(f) A voting exclusion statement is included in the Notice.

10.4 **Board recommendation**

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

11. **Resolution 6 – Approval to issue Ventnor Shares**

11.1 **General**

Background to the Ventnor Mandate and the proposed issue of the Ventnor Shares are summarised in Section 4.9(b)(iv).

Resolution 6 seeks Shareholder approval for the issue of the Ventnor Shares to Ventnor (or its nominee) under and for the purposes of Listing Rule 10.11.

11.2 **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to:

- (a) a related party;
- (b) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (30%+) holder in the entity;
- (c) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of any of the persons referred to above; or
- (e) a person who or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

Ventnor is a related party of the Company by virtue of being an entity controlled by Director Stuart Carmichael. As the issue involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Ventnor Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 6 is passed, the issue of Ventnor Shares can proceed.

If Resolution 6 is not passed, the Company will be unable to issue the Ventnor Shares. Consequently, the Company will need to consider alternative forms of compensation for

Ventnor's services, which may include cash payments.

the Company will not be able to proceed with issuing the Ventnor Shares and will need to consider other means of consideration for the services provided by Ventnor, which may include the payment of cash consideration.

11.3 ASX Waiver

The Company has obtained a waiver from Listing Rule 10.13.5 to enable the Company to issue the Ventnor Shares to Ventnor no later than 3 months after the date of the Meeting, rather than within one month after the date of the Meeting (as required by Listing Rule 10.13.5). The full terms and conditions of the waiver decision are set out in Schedule 12.

11.4 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Ventnor Shares:

- (a) A maximum of 1,345,057 Shares will be issued to Ventnor (or its nominee) under this Resolution. Ventnor falls into the category stipulated by Listing Rule 10.11.1 by virtue of being an entity controlled by a Director of the Company.
- (b) The Ventnor Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.
- (c) The Ventnor Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The Ventnor Shares will be issued for nil cash consideration, as they are being issued as consideration for services provided by Ventnor.
- (e) A summary of the material terms of Ventnor Mandate is set out in Section 4.9(b)(iv).
- (f) A voting exclusion statement is included in the Notice.

11.5 Chapter 2E of the Corporations Act

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

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

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

The issue of Ventnor Shares constitutes giving a financial benefit and Mr Carmichael is a related party of the Company by virtue of his position as a Director. The Board (with Mr Carmichael abstaining due to his personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Ventnor Shares, because the issue of the Ventnor Shares constitutes reasonable remuneration payable to Mr Carmichael and therefore falls within the exception stipulated by section 211 of the Corporations Act.

11.6 Board recommendation

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

12. Resolution 7 – Approval to issue Powerhouse Ventures Shares

12.1 General

Background to and terms of the Powerhouse Ventures Agreement and proposed issue of the Powerhouse Ventures Shares are summarised in Section 4.9(b)(v).

Resolution 7 seeks Shareholder approval for the issue of the Powerhouse Ventures Shares to Powerhouse Ventures (or its nominee) under and for the purposes of Listing Rule 7.1.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 8.2.

If Resolution 7 is passed, the issue of Powerhouse Ventures Shares can proceed.

If Resolution 7 is not passed, the Company will be unable to issue the Powerhouse Ventures Shares. Consequently, the Company will need to consider alternative forms of compensation for Powerhouse Ventures' services, which may include cash payments.

12.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Powerhouse Ventures Shares:

- (a) A maximum of 550,000 Shares will be issued to Powerhouse Ventures (or its nominee) under this Resolution. Powerhouse Ventures is not a related party or substantial Shareholder of the Company.
- (b) The Powerhouse Ventures Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.
- (c) The Powerhouse Ventures Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The Powerhouse Ventures Shares will be issued for nil cash consideration as they are being issued as consideration as a facilitation fee for introducing the opportunity to the Company.
- (e) A summary of the material terms of Powerhouse Ventures Agreement is set out in Section 4.9(b)(v).
- (f) A voting exclusion statement is included in the Notice.

12.4 Board recommendation

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

13. **Resolution 8 – Approval to amend terms of March 2023 Note Deeds**

13.1 **General**

On 15 March 2023, the Company issued 2,000 convertible notes with a face value of \$1,000 each to raise \$2,000,000 (**March 2023 Notes**). The March 2023 Notes were issued under convertible note deeds (**March 2023 Note Deeds**) entered with each noteholder (**March 2023 Noteholder**).

The existing key terms of the March 2023 Note Deeds are as follows:

- (a) the Notes convert into Shares at a conversion price equal to the issue price of Shares in the Capital Raising (defined below);
- (b) conversion is subject to:
 - (i) Shareholders approving the issue of the relevant number of Securities on conversion;
 - (ii) the Company successfully completing a capital raising of at least \$4,000,000 (**Capital Raising**),(together, the **Conversion Conditions**);
- (c) the Notes will convert into:
 - (i) Shares at a conversion price equal to the issue price of Shares under the Capital Raising; and
 - (ii) 1 unquoted option for every Share issued on conversion, with an exercise price equal to the issue price of Shares under the Capital Raising and an expiry date of 36 months after the date of conversion; and
- (d) If an Event of Default occurs, the Noteholder may then or at any time subsequently by notice to the Company:
 - (i) declare all money owing to be immediately due and payable, and the Company must immediately pay that money (including accrued interest and fees) and cash cover for the full amount of any money contingently owing; and/or
 - (ii) cancel its obligations (if any).

An 'Event of Default' includes if the Company:

- (i) suspends payment generally;
- (ii) becomes an externally-administered body corporate within the meaning of the Corporations Act;

- (iii) becomes subject to administration under Part 5.3A of Chapter 5 of the Corporations Act, or steps are taken which could reasonably be expected to result in the Company becoming so subject; or
- (iv) is or states that it is, or is deemed by applicable law to be, unable to pay its debts as and when they fall due;
- (e) interest accrues at a rate of 10% per annum.

13.2 Proposed amendments to March 2023 Note Deeds: DOCA

Background to the DOCA is in Section 4.1. The appointment of voluntary administrators to the Company and effectuation of the DOCA constituted an Event of Default under the March 2023 Notes, meaning that a March 2023 Noteholder could require the Company to repay any money owing (including accrued interest and fees) under the March 2023 Notes. The March 2023 Noteholders agreed to amend the terms of the March 2023 Note Deeds, subject to Shareholder approval, as follows:

- (a) each March 2023 Noteholder agreed to forbear taking action in relation to their outstanding debt position until such time as an equity conversion is achievable. That forbearance continues for a period of 24 months from the date of the DOCA, being 12 April 2024 (**Forbearance Period**);
- (b) the March 2023 Noteholders are prohibited from taking enforcement action (including demanding repayment of unsecured principal debt owed) until the earlier of:
 - (i) the end of the Forbearance Period; or
 - (ii) satisfaction of both of the following conditions:
 - (A) Shareholders approving the:
 - (1) issue of Shares upon the conversion of the Noteholder's debt to equity at a conversion price of \$0.02 (pre-Consolidation); and
 - (2) the issue of one unquoted Option for each Share issued upon the conversion of the Noteholders' debt to equity, with an exercise price of \$0.02 (pre-Consolidation) and an expiry date of 3 years from the date of conversion; and
 - (B) the terms of the March 2023 Note Deeds being amended such that the March 2023 Noteholders will have no entitlement to interest (upon conversion or redemption), redemption Options or any other amount payable to them under the March 2023 Note Deed, other than the Shares and Options to be issued upon the conversion of the Noteholders' debt to equity; or
 - (iii) an insolvency event occurs again in respect of the Company or its subsidiaries.

Shareholder approval is sought under this Resolution 8 to amend the terms of the March 2023 Noteholder as outlined above. A summary of the amended terms of the March 2023 Note Deeds can be found in Schedule 8.

13.3 **Approval of amendments**

Resolution 8 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

If Resolution 8 and the other Transaction Resolutions are passed, the Company will be able to proceed with amending the terms of the March 2023 Note Deeds as set out in Section 13.2 and Schedule 8.

If Resolution 8 is not passed, the Company will not be able to amend the terms of the March 2023 Note Deeds and the Transaction will not proceed.

13.4 **Additional information**

Resolution 8 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 8.

14. **Resolution 9 – Approval to issue March 2023 Conversion Securities**

14.1 **General**

A summary of the March 2023 Notes is in Section 13.

Resolution 9 seeks Shareholder approval pursuant to an in accordance with Listing Rule 7.1 for the issue of up to 7,692,308 Shares (**March 2023 Conversion Shares**) and 7,692,308 free attaching Options (**March 2023 Conversion Options**) to the March 2023 Noteholders (or nominee/s).

14.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 8.2.

The issue of the March 2023 Conversion Securities does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit. It therefore required the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 9 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

If Resolution 9 and each of the other Transaction Resolutions are passed, the Company can proceed with the issue of the March 2023 Conversion Securities and proceed with the Transaction as outlined in this Notice.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the March 2023 Conversion Securities and the Transaction will not proceed.

14.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the March 2023 Conversion Securities:

- (a) The March 2023 Conversion Securities will be issued to the March 2023 Noteholders (or nominee/s). None of the March 2023 Noteholders are a related party of the Company or a Material Investor.
- (b) A maximum of 7,692,308 Shares and 7,692,308 Options will be issued to the March 2023 Noteholders (or nominee/s) on conversion of the March 2023 Notes.
- (c) The March 2023 Conversion Securities will be issued no later than 3 months after the date of the Meeting.
- (d) The March 2023 Conversion Securities will be issued for nil additional cash consideration.
- (e) A summary of the amended terms and conditions of the March 2023 Notes is in Schedule 8, which is subject to the variations noted in Section 13.2.
- (f) The March 2023 Conversion Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.
- (g) The terms and conditions of the March 2023 Conversion Options are in Schedule 6.
- (h) A voting exclusion statement is included in the Notice.

14.4 Additional information

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

15. Resolution 10 – Approval to issue June 2024 Conversion Securities

15.1 General

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

The Company issued 1,000 convertible notes, each with a face value of \$1,000, post-effectuation of the DOCA (**June 2024 Notes**).

Subject to shareholder approval, the June 2024 Notes automatically convert into Shares at a conversion price of \$0.13 (post-Consolidation) (**June 2024 Conversion Shares**), together with a 1-for-1 free attaching Option with an exercise price equal to the conversion price and an expiry date of 3 years from the date of conversion (**June 2024 Conversion Options**).

Shareholder approval is sought under Resolution 10 for the issue of 6,923,076 June 2024

Conversion Shares and 6,923,076 June 2024 Conversion Options to the holders of the June 2024 Notes (**June 2024 Noteholders**). Shareholder approval to issue the balance of 769,232 June 2024 Note Conversion Shares (**Director Conversion Shares**) and 769,232 June 2024 Note Conversion Options (**Director Conversion Options**) (together, **Director Conversion Securities**) to certain Directors is sought under Resolution 11(a) to (d).

Full terms and conditions of the June 2024 Notes (as varied) are set out in Schedule 9.

Resolution 10 seeks Shareholder approval pursuant to an in accordance with Listing Rule 7.1 for the issue of the June 2024 Conversion Securities to the Noteholders (or nominee/s).

15.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 8.2.

Resolution 10 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

If Resolution 10 and each of the other Transaction Resolutions are passed, the Company can proceed with the issue of the June 2024 Conversion Securities and proceed with the Transaction as outlined in this Notice.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the June 2024 Conversion Securities and the Transaction will not proceed.

15.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the June 2024 Conversion Securities:

- (a) The June 2024 Conversion Securities will be issued to the June 2024 Noteholders (or nominee/s). None of the June 2024 Noteholders are a related party of the Company or a Material Investor, except for Directors Stuart Carmichael, Darryl Abotomey and Anthony McIntosh and former Director Adrian Smith, for which Shareholder approval is sought under Resolution 11(a) to (d).
- (b) A maximum of 6,923,076 Shares and 6,923,076 Options will be issued to the June 2024 Noteholders (or nominee/s) under Resolution 10.
- (c) The June 2024 Conversion Securities will be issued no later than 3 months after the date of the Meeting.
- (d) The June 2024 Conversion Securities will be issued for nil additional cash consideration.
- (e) A summary of the terms and conditions of the June 2024 Notes is in Schedule 9.
- (f) The June 2024 Conversion Shares will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares.
- (g) The terms and conditions of the June 2024 Conversion Options are in Schedule 6.
- (h) A voting exclusion statement is included in the Notice.

15.4 **Additional information**

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

16. **Resolution 11 – Approval to issue Director Conversion Securities**

16.1 **General**

The background to the June 2024 Notes is set out in Section 15.1. Directors Stuart Carmichael, Darryl Abotomey and Anthony McIntosh, and former Director Adrian Smith, each subscribed for \$25,000 of June 2024 Notes which, on conversion, will result in the issue of a total of 769,232 Shares.

Resolution 11(a) to (d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue the Director Conversion Securities as follows:

- (a) 192,308 Shares and 192,308 Options to Stuart Carmichael (or nominee/s);
- (b) 192,308 Shares and 192,308 Options to Darryl Abotomey (or nominee/s);
- (c) 192,308 Shares and 192,308 Options to Anthony McIntosh (or nominee/s); and
- (d) 192,308 Shares and 192,308 Options to Adrian Smith (or nominee/s).

Resolution 11(a) to (d) (inclusive) are Transaction Resolutions and are conditional on Shareholders passing each of the Transaction Resolutions.

16.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is at Section 11.2.

Each of Stuart Carmichael, Darryl Abotomey and Anthony McIntosh are a related party of the Company by virtue of being directors. Adrian Smith is a related party of the Company by virtue of having been a Director in the past 6 months.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Conversion Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Conversion Securities will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If each of Resolution 11(a) to (d) (inclusive) and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the issue of the relevant number of Shares set out in Section 15.1 and proceed with the Transaction as outlined in this Notice.

If any of Resolution 11(a) to (d) (inclusive) are not passed, the Company will not be able to proceed with the issue of the relevant number of Securities set out in Section 16.1 and the Transaction will not proceed.

16.3 **ASX Waiver**

The Company has obtained a waiver from Listing Rule 10.13.5 to enable the Company to issue the Director Conversion Securities to Messrs Carmichael, Abotomey, McIntosh and

Smith no later than 3 months after the date of the Meeting, rather than within one month after the date of the Meeting (as required by Listing Rule 10.13.5). The full terms and conditions of the waiver decision are set out in Schedule 12.

16.4 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Conversion Securities:

- (a) The Director Conversion Securities will be issued to Messrs Carmichael, Abotomey, McIntosh and Smith (or nominee/s) in the proportions set out in Section 16.1.
- (b) Stuart Carmichael, Darryl Abotomey, Anthony McIntosh and Adrian Smith fall into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director or former Director.
- (c) The Director Conversion Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The terms and conditions of the Director Conversion Options are in Schedule 6.
- (e) The Director Conversion Securities will be issued no later than 3 months after the date of the Meeting.
- (f) The Director Conversion Securities are being issued on conversion of the June 2024 Notes. Accordingly, nil additional cash consideration is payable and no funds will be raised as a result.
- (g) The proposed issue is not intended to remunerate or incentivise the relevant Directors.
- (h) A summary of the material terms of the June 2024 Notes is in Section 15.1 above.
- (i) A voting exclusion statement is included in the Notice.

16.5 **Chapter 2E of the Corporations Act**

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

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

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

The issue of Director Conversion Securities constitutes giving a financial benefit and the recipients are related parties of the Company by virtue of their positions as a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Conversion Securities because these Securities will be issued on the same terms as the June 2024 Conversion Securities to be

issued to non-related party June 2024 Noteholders under the Transaction and as such the giving of the financial benefit is on arm's length terms.

16.6 **Additional information**

Resolution 11(a) to (d) (inclusive) are separate ordinary resolutions.

17. **Resolution 12 – Approval to issue October 2024 Conversion Shares**

17.1 **General**

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

Subject to completion of the Transaction, the October 2024 Note converts into Shares at a conversion price of \$0.16 each, being a 20% discount to the issue price of Shares under the Public Offer. A total of 3,125,000 Shares will be issued on conversion of the October 2024 Note (**October 2024 Conversion Shares**).

The terms and conditions of the October 2024 Note are set out in Schedule 10.

Resolution 12 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of the October 2024 Conversion Shares to the holder of the October 2024 Note (**October 2024 Noteholder**).

17.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 8.2.

The issue of the October 2024 Conversion Shares does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit. It therefore required the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 12 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

If Resolution 12 and each of the other Transaction Resolutions are passed, the Company can proceed with the issue of the October 2024 Conversion Shares and proceed with the Transaction as outlined in this Notice.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the October 2024 Conversion Shares and the Transaction will not proceed.

17.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the October 2024 Conversion Shares:

- (a) The October 2024 Conversion Shares will be issued to Mr Rick Smith (or nominee/s) who is not a related party or substantial Shareholder of the Company or MPW.
- (b) A maximum of 3,125,000 Shares will be issued to the October 2024 Noteholder (or its nominee(s)) on conversion of the October 2024 Note.

- (c) The October 2024 Conversion Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The October 2024 Conversion Shares will be issued for nil additional cash consideration.
- (e) A summary of the terms and conditions of the October 2024 Note is in Schedule 10.
- (f) The October 2024 Conversion Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (g) A voting exclusion statement is included in the Notice.

17.4 **Additional information**

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

18. **Resolution 13 – Approval to issue MPW Conversion Shares**

18.1 **General**

The MPW Notes have an aggregate face value of \$1,050,000 and will convert into 6,562,500 Shares in the Company on Completion. Further background to the MPW Notes is in Section 4.6(d)(ii).

Resolution 13 seeks Shareholder approval for the issue of 5,625,000 MPW Conversion Shares. Separate Shareholder approval is sought under Resolution 14 for the issue of 937,500 MPW Conversion Shares to Anbu Investments Pty Ltd, and entity controlled by Proposed Director Bruno Campisi.

The terms and conditions of the MPW Notes are set out in Section 4.2(c).

In the event the Transaction does not complete, the Company will be under no obligation to issue the MPW Conversion Shares to the holders of MPW Noteholders.

Resolution 13 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

18.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 8.2.

The issue of the MPW Conversion Shares does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit. It therefore required the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 13 and each of the other Transaction Resolutions are passed, the Company can proceed with the issue of the MPW Conversion Shares and proceed with the Transaction as outlined in this Notice.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the

MPW Conversion Shares and the Transaction will not proceed.

18.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the MPW Conversion Shares:

- (a) The MPW Conversion Shares will be issued to the MPW Noteholders (or nominee/s), none of whom are a related party or a Material Investor, except for Proposed Director Bruno Campisi. Separate Shareholder approval for the issue of MPW Conversion Shares to Mr Campisi is sought under Resolution 14.
- (b) A maximum of 5,625,000 Shares will be issued to the MPW Noteholders (or nominee/s) under Resolution 13.
- (c) The MPW Conversion Shares will be issued no later than 3 months after the date of the Meeting.
- (d) The MPW Conversion Shares will be issued for nil additional cash consideration.
- (e) A summary of the material terms of the MPW Notes is in Schedule 11.
- (f) The MPW Conversion Shares to be issued to the MPW Noteholders will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares.
- (g) A voting exclusion statement is included in the Notice.

18.4 **Additional information**

Resolution 13 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 13.

19. **Resolution 14 – Approval to issue Director MPW Conversion Shares**

19.1 **General**

The background to the MPW Conversion Shares is set out in Sections 4.6(e)(ii) and 18.1.

Anbu Investments Pty Ltd (**Anbu Investments**), an entity controlled by Proposed Director Bruno Campisi, holds MPW Notes with a face value of \$150,000.

Resolution 14 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 937,500 MPW Conversion Shares to Anbu Investments (**Director MPW Conversion Shares**).

The terms and conditions of the MPW Notes are set out in Section 4.2(c).

In the event Completion does not occur, the Company will be under no obligation to issue the Director MPW Conversion Shares.

Resolution 14 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

19.2 **Listing Rule 10.11**

A summary of Listing Rule 10.11 is at Section 11.2.

Anbu Investments is a related party of the Company by virtue of being an entity controlled by Bruno Campisi. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director MPW Conversion Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director MPW Conversion Shares will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 14 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the issue of the Director MPW Conversion Shares to Anbu Investments and proceed with the Transaction as outlined in this Notice.

If Resolution 14 is not passed, the Company will be unable to proceed with the issue of the Director MPW Conversion Shares and the Transaction will not progress.

19.3 **ASX Waiver**

The Company has obtained a waiver from Listing Rule 10.13.5 to enable the Company to issue the Director MPW Conversion Shares to Bruno Campisi no later than 3 months after the date of the Meeting, rather than within one month after the date of the Meeting (as required by Listing Rule 10.13.5). The full terms and conditions of the waiver decision are set out in Schedule 12.

19.4 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director MPW Conversion Shares:

- (a) The Director MPW Conversion Shares will be issued to Anbu Investments (or nominee/s).
- (b) Anbu Investments falls into the category stipulated by Listing Rule 10.11.1 by virtue of being an entity controlled by a Proposed Director of the Company.
- (c) A maximum of 937,500 Director MPW Conversion Shares will be issued to Anbu Investments (or nominee/s).
- (d) The Director MPW Conversion Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director MPW Conversion Shares will be issued no later than 3 months after the date of the Meeting.
- (f) The Director MPW Conversion Shares are being issued on conversion of the MPW Notes. Accordingly, nil additional cash consideration is payable and no funds will be raised as a result.
- (g) The proposed issue is not intended to remunerate or incentivise Bruno Campisi.

- (h) A summary of the material terms of the MPW SPA is in section 4.2 above. A summary of the material terms of the MPW Notes is in section 18.1 above.
- (i) A voting exclusion statement is included in the Notice.

19.5 Chapter 2E of the Corporations Act

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

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

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

The proposed issue of Director MPW Conversion Shares constitutes giving a financial benefit to a related party of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director MPW Conversion Shares because these Shares will be issued on the same terms as the MPW Conversion Shares issued to non-related party MPW Noteholders under the Transaction and as such the giving of the financial benefit is on arm's length terms.

19.6 Additional information

Resolution 14 is an ordinary resolution.

20. Resolution 15 – Election of Director – John Barnes

20.1 General

Article 7.6(a) of the Constitution allows the Directors to appoint an additional Director. Under Article 7.6(b), a Director appointed under Article 7.6(a) may retire at the next general meeting of the Company and is eligible for election at that meeting. In connection with the Transaction (and subject to Completion), it is proposed that John Barnes, be appointed as Managing Director and under Article 7.6(c) and he be subject to election at this Meeting.

Resolution 15 seeks the approval of Shareholders for the election of Mr Barnes. The Resolution is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions.

20.2 John Barnes

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

for contributions to additive manufacturing, product development, and leadership in engineering.

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

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

The Company confirms that it took appropriate checks into Mr Barnes's background and experience and that these checks did not identify any information of concern.

If elected, Mr Barnes is not considered by the Board to be an independent Director as he will be employed in an executive capacity.

Mr Barnes has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

20.3 **Board recommendation**

The Board supports the election of Mr Barnes for the following reasons:

- (a) Mr Barnes's skills and significant experience in the additive manufacturing and materials engineering more generally are important additions to the Board's existing skills and experience; and
- (b) Mr Barnes is the co-founder and Chief Executive Officer of MPW.

20.4 **Additional information**

Resolution 15 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of this Resolution.

21. **Resolution 16 – Election of Director – Leo Christodoulou**

21.1 **General**

Article 7.6(a) of the Constitution allows the Directors to appoint an additional Director. Under Article 7.6(b), a Director appointed under Article 7.6(a) may retire at the next general meeting of the Company and is eligible for election at that meeting. In connection with the Transaction (and subject to Completion), it is proposed that Leo Christodoulou, be appointed as a Non-Executive Director and under Article 7.6(c) and he be subject to election at this Meeting.

Resolution 16 seeks the approval of Shareholders for the election of Mr Christodoulou. The Resolution is a Transaction Resolution and is subject to Shareholders passing each of the Transaction Resolutions.

21.2 **Leo Christodoulou**

Mr Christodoulou is the Chief Technologist, a direct report to the CTO of The Boeing Company. In this role, Dr Christodoulou leads the implementation and assessment of advanced manufacturing, based around seven verticals that ensure Boeing's competitive advantage in the second century. As part of his formal role, Dr Christodoulou also leads Boeing's companywide strategy and technology maturation for additive manufacturing.

Mr Christodoulou joined Boeing in October 2012 from the U.S. Department of Energy, where he was head of the Advanced Manufacturing Office and co-chairman of the Inter-Agency Working Group on the White House's Advanced Manufacturing Partnership Initiative, a program launched by President Obama in June 2011.

Before that assignment, Mr Christodoulou was Director of the Defense Sciences Office at the Defense Advanced Research Agency (DAPRA), where applied his research expertise to developing revolutionary capabilities for the U.S. military. As Defense Sciences Office (DSO) Director at DAPRA, he led interdisciplinary research and development across the fields of math, physics and quantum science, materials, portable energy and power, tactical medicine, biological warfare defense and neuroscience. As DAPRA Program Manager, he also pioneered the accelerated development of multifunctional materials to realize a new class of unmanned, micro aircraft used by U.S. forces today.

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

The Company confirms that it took appropriate checks into Mr Christodoulou's background and experience and that these checks did not identify any information of concern.

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

Mr Christodoulou has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

21.3 **Board recommendation**

The Board supports the election of Mr Christodoulou for the following reasons:

- (a) Mr Christodoulou's skills and significant experience in various industries but particularly in additive manufacturing will be a valuable addition to the Board's existing skills and experience.
- (b) Mr Christodoulou was previously a non-executive director MPW and has a strong working knowledge of the MPW business, its key contractors and its personnel that will be of use to the Board moving forward.

21.4 **Additional information**

Resolution 16 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of this Resolution.

22. **Resolution 17 – Election of Director – Bruno Campisi**

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

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

The Company confirms that it took appropriate checks into Mr Campisi's background and experience and that these checks did not identify any information of concern.

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

Mr Campisi has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

22.1 **Board recommendation**

The Board supports the election of Mr Campisi for the following reasons:

- (a) Mr Campisi's skills and significant experience in various industries but particularly in additive manufacturing will be a valuable additions to the Board's existing skills and experience.
- (b) Mr Campisi was previously a non-executive director of MPW and has a strong working knowledge of the MPW business, its key contractors and its personnel that will be of use to the Board moving forward

22.2 **Additional information**

Resolution 16 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of this Resolution.

23. **Resolution 18 – Approval of issue of Shares in lieu of fees to Directors**

23.1 **General**

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

Subject to obtaining Shareholder approval, the Company will issue:

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

(together, the **Director Shares**).

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

The Board took these actions to preserve cash and to allow the Company to retain funds to be used for operations to the maximum extent possible.

Resolution 18(a) to (b) (inclusive) seek the approval of Shareholders pursuant to Listing Rule 10.11 to allow the outstanding portion of the Directors' fees or remuneration for Directors for the Applicable Period to be satisfied through the issue of Shares, as set out in the table below. The number of Director Shares has been calculated based on a deemed issue price of \$0.26 per Share.

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

23.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is at Section 11.2.

Messrs Abotomey and McIntosh are related parties of the Company by virtue of being Directors. As the issue involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Director Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 18(a) to (b) (inclusive) are passed, the Company will be able to proceed with the issue of Director Shares to the Related Parties (or nominee/s) in the proportions set out in Section 23.

If Resolution 18(a) to (b) (inclusive) are not passed, the Company will not be able to proceed with the issue of Director Shares to the Related Parties (or nominee/s) and the Company will instead make payment of the outstanding amounts.

23.3 **ASX Waiver**

The Company has obtained a waiver from Listing Rule 10.13.5 to enable the Company to issue the Director Shares to Messrs Abotomey and McIntosh no later than 3 months after the date of the Meeting, rather than within one month after the date of the Meeting (as required by Listing Rule 10.13.5). The full terms and conditions of the waiver decision are set out in Schedule 12.

23.4 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Shares:

- (a) The Director Shares will be issued to the Related Parties in the proportions set out in Section 23, who are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.11.1.
- (b) Up to a total of 384,616 Director Shares will be issued to the relevant Directors in the proportions set out in Section 23.1.
- (c) The issue price of the Director Shares is nil as the Director Shares will be issued in lieu of accrued fees and remuneration. The deemed issue price of the Director Shares is \$0.26 per Share, a premium to the offer price of Shares under the Public Offer.
- (d) The Director Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company’s existing Shares on issue.
- (e) The Director Shares will be issued no later than 3 months after the date of the Meeting.
- (f) No funds will be raised from the issue of the Director Shares, which will be issued in lieu of unpaid director fees and remuneration, however the Company’s liability in relation to accrued remuneration will be fully satisfied.
- (g) The Company’s Directors did not receive any remuneration during the 2024 financial year as a result of all accrued director fees being written off upon entering voluntary administration and the Company was relieved of its obligation for payment. The total annual remuneration package (excluding statutory superannuation) of the relevant Directors is as below:

Director	\$
Darryl Abotomey	60,000
Anthony McIntosh	60,000

- (h) The Director Shares will not be issued pursuant to an agreement.
- (i) A voting exclusion statement is included in this Notice.

23.5 **Chapter 2E of the Corporations Act**

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

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

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

The issue of Director Shares will result in the giving of a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The issue of Director Shares constitutes giving a financial benefit and Messrs Abotomey and McIntosh are each a related party of the Company by virtue of their respective positions as a Director. The Board (with Messrs Abotomey and McIntosh abstaining due to their personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Shares, because the issue of the Director Shares constitutes reasonable remuneration payable to the Related Parties and therefore falls within the exception stipulated by section 211 of the Corporations Act.

23.6 **Additional information**

Resolution 18(a) to (b) (inclusive) are separate ordinary resolutions.

The Board declines to make a recommendation in relation to Resolution 18(a) to (b) (inclusive) due to their personal interests in the outcome of the Resolution.

24. **Resolution 19 – Change of Company name**

24.1 **Section 157 of the Corporations Act**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

The Company's current name is "K-TIG Limited" and Resolution 19 seeks the approval of Shareholders for the Company to change its name to "Metal Powder Works Limited."

Resolution 19 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

If Resolution 19 is passed, the change of Company name will take effect when ASIC alters the details of the Company's registration in accordance with section 164 of the Corporations Act.

If Resolution 19 is not passed, the Company will be unable to change its name to "Metal Powder Works Limited" and the Transaction will not proceed.

24.2 **Additional information**

Resolution 19 is a **special resolution** and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 19.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

2023 Convertible Noteholder	has the meaning given in Section 13.1.
20-day VWAP	means the volume weighted average price of the Company's Shares traded on the ASX over any twenty consecutive trading day period.
Accredited Investor	means an "accredited investor", within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the U.S. Securities Act of 1933.
Acquisition Agreements	has the meaning given in Section 4.1.
Anbu Investments	means Anbu Investments Pty Ltd.
Annexure A	means Annexure A of ASX Guidance Note 12.
AM	has the meaning given in Section 4.4(h)(i).
Applicable Period	has the meaning given in Section 23.1.
Article	means an article of the Company's constitution.
AWST	means Australian Western Standard Time being the time in Perth, Western Australia.
Board	means the board of Directors.
Board Nominees	means the persons nominated by the MPW Vendors for appointment to the Board.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means K-TIG Limited (to be renamed 'Metal Powder Works Limited') (ACN 158 307 549).
Completion	means completion under the Acquisition Agreements.
Conditions Precedent	has the meaning given in Section 4.2(b).
Consideration Performance Rights	has the meaning given in Section 4.2(a)(ii).
Consideration Securities	has the meaning given in Section 4.2(a).
Consideration Shares	has the meaning given in Section 4.2(a)(i).
Consolidation	has the meaning given in Section 6.1.

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Conversion Conditions	has the meaning given in Section 13.1.
Conversion Shares	has the meaning given in Section 14.1
Convertible Notes	has the meaning given in Section 14.1.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Director Conversion Securities	has the meaning given in Section 16.1.
Director Conversion Shares	has the meaning given in Section 16.1.
Director Shares	has the meaning given in Section 23.1.
Director MPW Conversion Shares	has the meaning given in Section 19.1
DOCA	has the meaning given in Section 4.1.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Forbearance Period	has the meaning given in Section 13.2.
Future Capital Raising	has the meaning given in Section 13.1.
GST	means goods and services tax.
June 2024 Conversion Options	has the meaning given in Section 15.1.
June 2024 Conversion Securities	means the June 2024 Conversion Shares and June 2024 Conversion Options.
June 2024 Conversion Shares	has the meaning given in Section 15.1.
June 2024 Notes	has the meaning given in Section 15.1.
June 2024 Noteholder	has the meaning given in Section 15.1.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the

	Company is part of a consolidated entity, of an entity within the consolidated group.
Keyhole TIG	means Keyhole TIG Pty Ltd.
Lead Manager Mandate	has the meaning given in Section 4.9(b)(ii).
Lead Manager or Morgans	has the meaning given in Section 4.9(b)(ii).
Listing Rules	means the listing rules of ASX.
March 2023 Conversion Options	has the meaning given in Section 14.1.
March 2023 Conversion Securities	means the March 2023 Conversion Shares and March 2023 Conversion Options.
March 2023 Conversion Shares	has the meaning given in Section 14.1.
March 2023 Note Deeds	has the meaning given in Section 13.1.
March 2023 Notes	has the meaning given in Section 13.1.
Material Investor	means in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, <p>who received Shares which constituted more than 1% of the Company's issued capital at the time of issue.</p>
Maximum Subscription	has the meaning given to that term in Section 4.11.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Merged Group	means the Company and its subsidiaries following Completion.
Minimum Subscription	has the meaning given to that term in Section 4.11.
Minority MPW SPA	has the meaning given in Section 4.1.
MPW Conversion Shares	has the meaning given in Section 4.2(c).
MPW Noteholders	has the meaning given in Section 4.2(c).
MPW Notes	has the meaning given in Section 4.2(c).

MPW or Metal Powder Works	has the meaning given in Section 4.1.
MPW Revenue	means revenue generated by the business of MPW through continuing business operations as set out in the Company's audited financial statements (expressed in USD\$), but does not include the revenue generated from operations of any other businesses that may be acquired by MPW or the Company after Completion.
MPW SPA	has the meaning given in Section 4.1.
MPW Vendors	has the meaning given in Section 4.2(a).
Noteholders	means the holders of the Convertible Notes.
Notice	means this notice of general meeting.
October 2024 Conversion Shares	has the meaning given in Section 17.1.
October 2024 Noteholder	has the meaning given in Section 17.1.
October 2024 Note	has the meaning given in Section 17.1.
Option	means an option to acquire a Share.
Powerhouse Ventures Shares	has the meaning given in Section 12.1.
Powerhouse Ventures	means Powerhouse Ventures Limited.
Powerhouse Ventures Agreement	has the meaning given in Section 4.9(b)(v).
Proposed Directors	means proposed Directors John Barnes, Leo Christodoulou and Bruno Campisi.
Proxy Form	means the proxy form attached to the Notice.
Public Offer	has the meaning given in Section 4.11.
Public Offer Shares	has the meaning given in Section 4.11.
Recommendations	means the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Related Body Corporate	has the meaning given to that term in section 50 of the Corporations Act.
Related Parties	has the meaning given in Section 23.1.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.

Section	means a section of this Notice.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Transaction	has the meaning given in Section 4.1.
Transaction Resolutions	has the meaning given in Section 3.
UK	means United Kingdom.
USA	means United States of America.
USD\$	United States dollars.
Ventnor	means Ventnor Equities & Advisory Pty Ltd.
Ventnor Mandate	has the meaning given in Section 4.9(b)(iv).
Ventnor Shares	has the meaning given in Section 4.9(b)(iv).
VWAP	means volume weighted average price of the Company's Shares traded on the ASX.
White Hutt	has the meaning given in Section 4.9(b)(iii).
White Hutt DOCA Mandate	has the meaning given in Section 4.9(b)(iii).
White Hutt DOCA Shares	has the meaning given in Section 4.9(b)(iii)
White Hutt Mandates	means the White Hutt Transaction Mandate and the White Hutt DOCA Mandate.
White Hutt Shares	means the White Hutt DOCA Shares and White Hutt Transaction Shares.
White Hutt Transaction Mandate	has the meaning given in Section 4.9(b)(iii)
White Hutt Transaction Shares	has the meaning given in Section 4.9(b)(iii).

Schedule 2 Independent Expert's Report

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10 January 2025

The Directors
K-TIG Limited
Level 5, 191 St Georges Tce
Perth WA 6000

Dear Directors,

Independent Expert's Report Relating to the Issue of Performance Securities

1 Executive Summary

Opinion

- 1.1 In our opinion, the issue of performance securities by K-TIG Limited (to be renamed Metal Powder Works Limited) ("**K-TIG**" or the "**Company**") as outlined in Resolution 4 of the Notice of Meeting ("**NoM**") is considered **FAIR** and **REASONABLE** to the non-participating security holders of K-TIG ("**Non-Participating Security Holders**") as at the date of this report.

Introduction

- 1.2 Stantons Corporate Finance Pty Ltd ("**Stantons**") were engaged by the directors of K-TIG to prepare an Independent Expert's Report ("**IER**") to express an opinion on the fairness and reasonableness of the issue of performance securities in the Company to Non-Participating Security Holders.
- 1.3 K-TIG is an Australian Securities Exchange ("**ASX**") listed company that has commercialised a high-speed welding technology. The Company offers fully integrated turnkey welding systems to clients across a range of industries globally. The Company has been suspended from trading on ASX since 27 January 2023, as it sought to undertake a transaction to acquire Graham Engineering Limited. The Graham Engineering Limited transaction ultimately did not complete, and the Company entered voluntary administration on 21 February 2024. A Deed of Company Arrangement was effectuated on 16 April 2024 (the "**DOCA**") and control was returned to the existing directors.
- 1.4 K-TIG has entered into a share purchase agreement ("**SPA**") with the major shareholders of Metal Powder Works, Inc ("**MPW**"), to acquire 100% of the issued capital of MPW (the "**Acquisition**"). MPW is a Pennsylvania, USA based company that specialises in the production of high-quality metal powders for additive manufacturing ("**AM**"), also referred to as 3D printing, and other advanced applications.
- 1.5 Prior to the Acquisition, the Company proposes to undertake a 13 to 1 consolidation of its existing capital (the "**Consolidation**"). Upon completion of the Consolidation, the Company will have 5,640,647¹ post-Consolidation ordinary shares on issue (the "**Existing Ordinary Shares**"). We note that all references to ordinary shares in this IER refer to post-consolidation ordinary shares unless otherwise specified.

¹ Subject to rounding

- 1.6 The consideration proposed to be issued to the vendors of MPW under the Acquisition comprises:
- i) 55,000,000 ordinary shares (the "**Consideration Shares**");
 - ii) 25,000,000 performance rights, a percentage of which vest based on MPW achieving revenue of at least US\$3,000,000 for the 2026 calendar year and the Company's shares achieving a 20-day volume weighted average price ("**VWAP**") of at least \$0.20 following achievement of the revenue condition ("**Tranche 1 Performance Rights**"); and
 - iii) 25,000,000 performance rights, a percentage of which vest based on MPW achieving revenue of at least US\$8,000,000 for either the 2026 calendar year or 2027 calendar year, and the Company's shares achieving a 20-day VWAP of at least \$0.20 following achievement of the revenue condition ("**Tranche 2 Performance Rights**").
- 1.7 The Acquisition is contingent upon shareholder approval being obtained for a number of inter-conditional resolutions, being Resolutions 1 to 4 (inclusive), Resolutions 8 to 17 (inclusive) and Resolution 19 (collectively, the "**Transaction Resolutions**"). Proposed new issues of securities that are the subject of the Transaction Resolutions ("**Required Security Issues**") comprise:
- i) a minimum of 35,000,000 ordinary shares under a public offer at \$0.20 per share, to raise at least \$7,000,000² before costs (the "**Public Offer**");
 - ii) 7,692,308 ordinary shares ("**March 2023 Conversion Shares**") and 7,692,308 options ("**March 2023 Conversion Options**") to be issued to the holders of 2,000 convertible notes issued by K-TIG on 15 March 2023, each with a face value of \$1,000 ("**March 2023 Notes**") upon conversion;
 - iii) 7,692,308 ordinary shares ("**June 2024 Conversion Shares**") and 7,692,308 options ("**June 2024 Conversion Options**") to be issued to the holders of 1,000 convertible notes issued post-effectuation of the DOCA, each with a face value of \$1,000 ("**June 2024 Notes**") upon conversion;
 - iv) 3,125,000 ordinary shares ("**October 2024 Conversion Shares**") to be issued to the holders of 500 convertible notes issued by K-TIG on 30 October 2024, each with a face value of \$1,000 ("**October 2024 Notes**") upon conversion; and
 - v) 6,562,500 ordinary shares ("**MPW Conversion Shares**") to be issued to holders of 1,050 convertible notes issued by MPW in November 2024, each with a face value of \$1,000 ("**MPW Notes**") upon conversion.
- 1.8 In addition to the Required Security Issues, the Company is also proposing, subject to shareholder approval, to issue the following securities ("**Other Security Issues**"):
- i) 1,346,154 ordinary shares to White Hutt Pty Ltd for providing corporate advisory services ("**White Hutt Shares**");
 - ii) 1,345,057 ordinary shares to Ventnor Equities & Advisory Pty Ltd for providing corporate advisory services ("**Ventnor Shares**");
 - iii) 550,000 ordinary shares to Powerhouse Ventures Limited as a facilitator fee for introducing the Acquisition ("**Powerhouse Ventures Shares**"); and
 - iv) 384,616 ordinary shares to directors of K-TIG in lieu of accrued directors' fees ("**Director Shares**").
- 1.9 Collectively, the Acquisition, Required Security Issues and Other Security Issues are referred to as the "**Transaction**".

² The maximum subscription under the Public Offer is 50,000,000 ordinary shares at \$0.20, to raise \$10,000,000 (before costs)

Purpose

- 1.10 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.
- 1.11 Pursuant to ASX Guidance Note 19 (“**GN19**”), with respect to the issue of performance securities, unless certain exceptions are applicable, ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtain a report from an independent expert that complies with the requirements in the Australian Securities and Investment Commission (“**ASIC**”) Regulatory Guide 111 *Content of expert reports* (“**RG 111**”).
- 1.12 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has, or proposes to have, performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.
- 1.13 If the Transaction completes, the Tranche 1 Performance Rights and Tranche 2 Performance Rights (collectively, the “**Performance Securities**”) will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG’s ordinary shares.
- 1.14 Accordingly, on re-admission to the ASX, K-TIG will have performance securities on issue exceeding 10% of its total issued capital at the date of re-admission.
- 1.15 This IER provides an opinion on the fairness and reasonableness of the issue of the Performance Securities.

Basis of Evaluation

- 1.16 With regard to ASIC’s RG 111, we do not consider the issue of Performance Securities to be a control transaction, and we therefore consider the Performance Securities to be:
- fair if the value of a K-TIG ordinary share at the time the milestones are achieved is greater than the value of an ordinary share on completion of the Transaction; and
 - reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Participating Security Holders to accept the Performance Securities terms.

Fairness Assessment

- 1.17 The fair value of a K-TIG share on completion of the Transaction was determined using a market based method based on the Company’s proposed issue price of the Public Offer. Accordingly, we assessed the fair value on completion of the Transaction to be \$0.20.
- 1.18 The fair value of a K-TIG share as at the date of meeting all vesting conditions was assessed based on the expected market price upon the achievement of the vesting condition which is pre-determined by definition. Accordingly, the fair value was assessed as the VWAP hurdle price.

Table 1. K-TIG Fair Value on Achieving Milestones

Performance Security	Minimum value on achieving milestone (\$)
Tranche 1 Performance Rights	0.20
Tranche 2 Performance Rights	0.20

Source: Stantons analysis

- 1.19 Accordingly, as the assessed fair value of each tranche of Performance Rights on achieving the respective vesting condition is greater than or equal to the price as at completion of the Transaction, we consider the issue of the Performance Securities is **FAIR** to Non-Participating Security Holders.
- 1.20 We note the conversion of Performance Securities into ordinary shares will have a dilutive impact on the non-participating ordinary shareholders. We have not included a dilution factor adjustment in our fairness assessment as knowledge of the Performance Securities, and therefore their potential dilution impact, is incorporated in the Public Offer issue price.

Reasonableness Assessment

- 1.21 We considered the following likely advantages and disadvantages of the issue of Performance Securities to Non-Participating Security Holders.

Table 2. Reasonableness Assessment

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ The Transaction is considered fair ▪ Achievement of the revenue conditions may be value accretive to K-TIG ▪ Facilitates the Transaction ▪ Consideration is structured to align the interests of Non-Participating Security Holders with the vendors of MPW ▪ Issue of ordinary shares on conversion of the Performance Securities is contingent and deferred consideration rather than cash or upfront equity ▪ Reduces risk of Transaction 	<ul style="list-style-type: none"> ▪ Dilution of Non-Participating Security Holder's interests ▪ Eliminates possibility of receiving another superior offer

Source: Stantons analysis

Conclusion

- 1.22 In our opinion, the proposed issue of the Performance Securities is **FAIR** and **REASONABLE** to the Non-Participating Security Holders of K-TIG.

Table 3. Opinion Summary

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Performance Rights	Yes	Fair and reasonable
Tranche 2 Performance Rights	Yes	Fair and reasonable

Source: Stantons analysis

- 1.23 These opinions must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

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Financial Services Guide

Dated 10 January 2025

Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be A\$20,000 exclusive of GST.

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You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
40 Kings Park Road
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular, our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives/representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative/representative/employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

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2 Transaction Details

Transaction

- 2.1 K-TIG has entered into the SPA with vendors representing approximately 58% of the outstanding shares of MPW. Under the proposed Transaction, K-TIG will acquire a 100% interest in the issued capital of MPW for the following consideration:
- i) 55,000,000 Consideration Shares; and
 - ii) 50,000,000 Performance Securities, comprising:
 - a) 25,000,000 Tranche 1 Performance Rights, which vest based on:
 - revenue targets (refer to Table 4) for the period commencing on 1 January 2026 and ending on 31 December 2026 (“CY26”); and
 - following achievement of the revenue target, the Company’s shares achieve a 20-day VWAP of at least \$0.20; and
 - b) 25,000,000 Tranche 2 Performance Rights, which vest based on:
 - revenue targets (refer to Table 4) for either CY26 or the period commencing on 1 January 2027 and ending on 31 December 2027 (“CY27”); and
 - following achievement of the revenue target, the Company’s shares achieving a 20-day VWAP of at least \$0.20.
- 2.2 We note that revenue is defined in the SPA as “*revenue generated by MPW from the business of developing, manufacturing and selling metal powder and powder producing technology through continuing business operations as set out in K-TIG’s audited financial statements (expressed in USD), but does not including the revenue generated from operations of any other businesses that may be acquired by MPW or K-TIG after completion of the Transaction*” (“**Revenue**”).
- 2.3 Conditions precedent to completion of the SPA include:
- i) the Company completing due diligence on MPW to its satisfaction;
 - ii) the minority sellers of MPW entering into a minority shareholder agreement with the Company;
 - iii) the Company raising a minimum of \$7,000,000 under a public offer in connection with the Company’s re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
 - iv) the Company obtaining all necessary regulatory approvals, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules and receiving a conditional reinstatement letter from the ASX;
 - v) the Company obtaining shareholder approval for all necessary resolutions to give effect to the Transaction;
 - vi) the Company receiving confirmation from MPW that no adverse change has occurred prior to completion of the Transaction;
 - vii) no breach of seller warranties;
 - viii) K-TIG completing the Consolidation of its issued capital;
 - ix) the parties obtaining all necessary third-party approvals, consents and waivers to allow completion of the Transaction; and
 - x) MPW cancelling all convertible securities, except for the MPW Notes.
- 2.4 On completion of the Transaction, the Company will be renamed Metal Powder Works Limited.

Terms of Performance Securities

- 2.5 As detailed in paragraph 2.1, the Transaction involves the issue of 50,000,000 Performance Securities. The Performance Securities are to be issued for nil consideration and each vested Performance Security is convertible into one ordinary share in K-TIG on or before the expiry date.

Table 4. Performance Securities Details

Security	Number	Exercise price	Expiry date	Vesting conditions	Revenue achieved	Percentage of rights vesting
Tranche 1 Performance Rights	25,000,000	nil	30 June 2027	a) Achievement of Revenue targets for CY26; and	Less than US\$3,000,000	0%
				b) following satisfaction of a), the Company's shares achieve a 20-day VWAP of at least \$0.20	Between US\$3,000,000 and US\$5,000,000	$\left(\frac{CY26 \text{ Revenue}}{US\$5,000,000}\right) \times 100$
					Greater than US\$5,000,000	100%
Tranche 2 Performance Rights	25,000,000	nil	30 June 2028	a) Achievement of Revenue targets for CY26 or CY27 ³ ; and	Less than US\$8,000,000	0%
				b) following satisfaction of a), the Company's shares achieving a 20-day VWAP of at least \$0.20	Between US\$8,000,000 and US\$10,000,000	$\left(\frac{CY26 \text{ or } CY27 \text{ Revenue}}{US\$10,000,000}\right) \times 100$
					Greater than US\$10,000,000	100%

Source: SPA

- 2.6 Other relevant terms include that the Performance Securities:
- are not transferable, except with the prior written approval of K-TIG at its sole discretion and subject to compliance with the Corporations Act and ASX Listing Rules;
 - do not entitle the holder to receive dividends;
 - holder's rights will be varied in accordance with ASX Listing Rules if there is any reorganisation of the share capital of K-TIG;
 - do not entitle the holder to participate in new issues of capital offered to shareholders including bonus issues and entitlement issues, and there will be no change to the number of shares into which the Performance Securities may be exercised in the event of a pro-rata issue of ordinary shares or other securities to K-TIG shareholders;
 - do not confer any right to a return of capital;
 - do not entitle the holder to participate in the surplus profits or assets of the Company upon a winding up; and

³ To the extent that a Tranche 2 Performance Right is satisfied as a result of Revenue achieved for CY26, the balance of the Tranche 2 Performance Rights will remain on issue and may be satisfied as a result of revenue achieved for CY27.

- may only be exercised into ordinary shares if the holder would not breach section 606 of the Corporations Act, or else the Company must convene a meeting of its shareholders to obtain approval to issue shares for the purpose of item 7 of section 611 of the Corporations Act. If shareholder approval is not obtained to issue shares that would cause a holder to breach section 606 of the Corporations Act, the holder is entitled to a cash payment equal to the number of remaining Performance Rights multiplied by the volume weighted average price of K-TIG share traded on ASX during the 20 trading days on which trades were recorded immediately preceding the date of the shareholder meeting.

Capital Structure Impact

- 2.7 Completion of the Transaction will result in the following new ordinary shares and options being issued by K-TIG.
- i) 35,000,000⁴ ordinary shares to raise \$7,000,000 under the Public Offer;
 - ii) 7,692,308 March 2023 Conversion Shares and 7,692,308 March 2023 Conversion Options to be issued on conversion to the holders of March 2023 Notes;
 - iii) 7,692,308 June 2024 Conversion Shares and 7,692,308 June 2024 Conversion Options to be issued on conversion to the holders of June 2024 Notes;
 - iv) 3,125,000 October 2024 Conversion Shares to be issued on conversion to the holders of October 2024 Notes;
 - v) 6,562,500 MPW Conversion Shares to be issued on conversion to the holders of MPW Notes;
 - vi) 1,346,154 White Hutt Shares;
 - vii) 1,345,057 Ventnor Shares;
 - viii) 550,000 Powerhouse Ventures Shares; and
 - ix) 384,616 Director Shares to K-TIG directors, comprising:
 - a) 192,308 Director Shares to Darryl Abotomey; and
 - b) 192,308 Director Shares to Anthony McIntosh.
- 2.8 The terms of the options are:
- i) March 2023 Conversion Options are each exercisable into 1 ordinary share at an exercise price of \$0.26 (post-consolidation) and have an expiry date of 3 years from the date of conversion of the March 2023 Notes.
 - ii) June 2024 Conversion Options are each exercisable into 1 ordinary share at an exercise price of \$0.13 (post-consolidation) and have an expiry date of 3 years from the date of conversion of the June 2024 Notes.
- 2.9 We have considered the Minimum Subscription for the purpose of the Transaction as this is the scenario that represents the situation of the maximum interest of the Performance Securities.

⁴ Minimum subscription

2.10 Accordingly, the Company's proposed capital structure on Completion of the Transaction based on the Minimum Subscription is as set out below.

Table 5. Capital Structure Impact of the Transaction

Security	Number	Undiluted percentage (%)	Partially diluted percentage (%)	Fully diluted percentage (%)
Ordinary shares				
Existing Ordinary Shares	5,640,647	4.54%	3.24%	2.97%
Consideration Shares	55,000,000	44.23%	31.55%	28.96%
Public Offer shares (minimum subscription)	35,000,000	28.15%	20.08%	18.43%
March 2023 Conversion Shares	7,692,308	6.19%	4.41%	4.05%
June 2024 Conversion Shares	7,692,308	6.19%	4.41%	4.05%
October 2024 Conversion Shares	3,125,000	2.51%	1.79%	1.65%
MPW Conversion Shares	6,562,500	5.28%	3.76%	3.46%
White Hutt Shares	1,346,154	1.08%	0.77%	0.71%
Ventnor Shares	1,345,057	1.08%	0.77%	0.71%
Powerhouse Ventures Shares	550,000	0.44%	0.32%	0.29%
Director Shares	384,616	0.31%	0.22%	0.20%
Total new ordinary shares	118,697,943	95.46%	68.08%	62.50%
Total post-Transaction ordinary shares	124,338,590	100.00%	71.32%	65.47%
Performance Securities				
Tranche 1 Performance Rights	25,000,000		14.34%	13.16%
Tranche 2 Performance Rights	25,000,000		14.34%	13.16%
Total Performance Securities	50,000,000		28.68%	26.33%
Total ordinary shares and Performance Securities	174,338,590		100.00%	91.80%
Options				
March 2023 Conversion Options	7,692,308			4.05%
June 2024 Conversion Options	7,692,308			4.05%
Total options	15,384,616			8.10%
Existing performance rights (post-Consolidation)	184,615			0.10%
Total fully diluted ordinary shares	189,907,821			100.00%

Source: NoM, Stantons analysis

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3 Scope

Purpose of the Report

- 3.1 If issued, the Performance Securities will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG's ordinary shares on issue at the time of readmission to quotation on ASX, assuming the Minimum Subscription amount is raised under the Public Offer. At the Maximum Subscription amount, the Performance Securities would represent 26.41% of K-TIG's ordinary shares.
- 3.2 ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in the opinion of ASX, be appropriate and equitable.
- 3.3 Pursuant to ASX GN19, with respect to performance securities, unless certain exceptions are applicable ASX will generally consider it appropriate and equitable, and therefore impose a condition, that the entity obtains a report from an independent expert that complies with the requirements in ASIC's RG 111.
- 3.4 Specifically, it is a requirement to obtain an IER in situations where an entity is applying to be listed on ASX and it has or proposes to have performance securities on issue which may, if the milestones are met, convert into ordinary shares (in aggregate) representing greater than 10% of the total ordinary shares the entity proposes to have on issue at the date of admission to quotation.
- 3.5 ASX GN19 defines a performance security as:

"...a security that converts, or may convert, into a given number of ordinary shares with all the usual rights attached if and when a nominated performance milestone is achieved.

...

An agreement by an entity to issue or transfer ordinary shares in the future if a nominated performance milestone is achieved has the same economic substance and effect as a deliverable performance right and is treated by ASX as if it were a performance security for the purpose of the Guidance Note. This applies even though the parties to the agreement may choose to describe the right to receive ordinary shares under the agreement as something other than "performance right" such as a right to receive "future consideration", "contingent consideration" or "deferred consideration". It also applies even though the agreement may not exhibit the usual hallmarks of a traditional security."

- 3.6 Accordingly, the Performance Securities meet the definition of performance securities under ASX GN19, irrespective of whether actual securities are issued as at the date of the Prospectus.
- 3.7 If the Transaction completes, the Performance Securities will have the potential to convert into ordinary shares representing up to 28.68% of K-TIG's ordinary shares.
- 3.8 This IER provides an opinion on the fairness and reasonableness of the issue of Performance Securities and is attached to the NoM.

Basis of Evaluation

- 3.9 In determining the fairness and reasonableness of the issue of Performance Securities, we have had regard to the guidelines set out by ASIC's RG111.
- 3.10 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.11 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.
- 3.12 We do not consider the issue of the Performance Securities to be a control transaction for the purpose of RG111.

Fairness

- 3.13 To assess whether the proposed issue of Performance Securities is fair in accordance with RG111, we sought to compare:
- the fair market value of a K-TIG ordinary share on completion of the Transaction; with
 - the value of a K-TIG share at the time the performance conditions on the Performance Securities are met.

3.14 We note that as the issue of Performance Securities is not a control transaction, no control premium should be applied to the valuation.

3.15 Fair market value is defined by the International Glossary of Business Valuation Terms as:

“The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”

3.16 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.

3.17 In considering the fairness of the issue of Performance Securities, we have had regard to ASX’s GN 19, which states:

“... ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.

ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue.”

Reasonableness

3.18 In accordance with RG111.12, we have defined the proposed Performance Securities issue as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Participating Security Holders to accept the proposal.

3.19 We considered whether the advantages to Non-Participating Security Holders of accepting the Performance Securities issue outweigh the disadvantages.

Individual Circumstances

3.20 We have evaluated the proposed issue of Performance Securities for Non-Participating Security Holders generically. We have not considered the effect on the circumstances of individual investors. Due to their personal circumstances, individual investors may place different emphasis on various aspects of the proposed issue of Performance Securities from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the proposed issue of Performance Securities is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the proposed issue of Performance Securities on their specific financial circumstances.

4 Profile of K-TIG

History and Principal Activities

Background

- 4.1 K-TIG is an ASX listed technology company that develops, manufactures and supplies high-speed precision welding technology. The Company owns all rights, title and interest in patented Keyhole Tungsten Inert Gas technology that was originally developed by the Commonwealth Scientific & Industrial Research Organisation. K-TIG's welding system improves the efficiency of fabrication processes for clients in a wide variety of industries including aerospace, defence, nuclear, oil & gas and power generation.
- 4.2 The securities of K-TIG were placed into a trading halt on 24 January 2023 pending the release of an announcement and have remained in suspension since.
- 4.3 On 27 January 2023, K-TIG announced that it had entered into a binding agreement to acquire 100% of Graham Engineering Limited, subject to certain conditions precedent (the "**Graham Acquisition**"). Graham Engineering Limited is a UK based specialist advanced manufacturer of highly engineered large scale metal fabrications to the UK nuclear decommissioning sector. Consideration for the Graham Acquisition was proposed to be up to £18,000,000, to be partially funded by a capital raising of \$20,000,000 under a full form prospectus. As a result of the Graham Acquisition, the Company was required to re-comply with ASX Listing Rules 1 and 2.
- 4.4 The Company released a prospectus to raise a minimum of \$20,000,000 and a maximum of \$25,000,000 at \$0.20 per share on 12 May 2023. Following an amendment to the transaction terms the Company issued a supplementary prospectus on 24 July 2024, which included decreasing the minimum subscription to \$13,000,000. K-TIG advised on 16 February 2024 that as a result of market volatility caused by macroeconomic events and the underlying trading performance of Graham Engineering Limited, the Graham Acquisition did not proceed.
- 4.5 On 16 February 2024, K-TIG announced that it had terminated the agreement and would no longer proceed with the Graham Acquisition. K-TIG and its subsidiary, Keyhole TIG Pty Ltd entered into voluntary administration on 21 February 2024.
- 4.6 During the voluntary administration, K-TIG and its subsidiary Keyhole TIG Pty Ltd were formally offered for sale to the market. Administrators received 16 expressions of interest, which eventually led to two DOCA proposals. No offers were made for the business as a going concern.
- 4.7 The DOCA proposal was effectuated on 16 April 2024, with the Company being removed from external administration and control being returned to the existing directors. As part of the DOCA proposal, the proponent provided \$500,000 to the DOCA fund and provided the Company with \$500,000 to fund working capital. Post effectuation of the DOCA this contribution was structured by way of the June 2024 Notes.

Corporate Structure

- 4.8 K-TIG holds the following wholly owned subsidiaries:
- Keyhole TIG Pty Ltd, K-TIG's main Australian-based operating entity that purchases components and assembles them into finished goods for sale to related and third parties. It also performs research and development activities relating to welding and software development.
 - Keyhole TIG USA Inc., a USA based entity that purchased finished goods from related and third parties and on-sells these products with services including technical support.
 - Keyhole TIG (UK) Pty Ltd, a UK based entity that purchased finished goods from related and third parties and on-sells these products with services including technical support.
 - Kabuni USA Inc, a dormant USA-based entity.
 - Stirling Minerals Pty Ltd, a dormant Australian-based entity.

Corporate History

- 4.9 The most recent capital raisings completed by the Company are the following:
- On 16 March 2023, the Company announced that it had raised \$2,000,000 (before costs) via the issue of 2,000 March 2023 Notes each with a face value of \$1,000. The March 2023 Notes were raised in conjunction with the Graham Acquisition and were anticipated to be converted into ordinary shares on completion of that transaction.
 - In June 2024, in relation to the effectuation of the DOCA, the Company issued the June 2024 Notes. The proponent made contribution of \$1,000,000 in total and received 1,000 June 2024 Notes each with a face value of \$1,000.
 - On 30 October 2024 raised \$500,000 via the issue of 500 October 2024 Notes each with a face value of \$1,000.

Board of Directors

- 4.10 The current board of directors of K-TIG, as at 10 January 2025, is as follows.

Table 6. K-TIG Board of Directors

Director	Position	Date Appointed	Details
Stuart Carmichael	Non-Executive Chairman	2 July 2017	Mr Carmichael has an extensive international corporate advisory, mergers and acquisitions and operational experience. He has held various senior executive positions with UGL, DTZ, AJG and KPMG Corporate Finance. He has previously held a number of Non-Executive Director positions at ASX listed companies.
Darryl Abotomey	Non-Executive Director	6 April 2022	Mr Abotomey has over 40 years of executive leadership and financial expertise having held board and executive roles across manufacturing, global paper and packaging distribution and automotive aftermarket industries. He was most recently Chief Executive Officer and Managing Director of Bapcor Limited. He is also a Non-Executive Director of ASX listed Adrad Ltd.
Anthony McIntosh	Non-Executive Director	25 June 2020	Mr McIntosh has extensive experience in investment marketing, investor relations and strategic planning, with a focus on small caps, as well as a strong and well-established network of stockbroking and investment fund managers. He is also a Non-Executive Director of ASX listing companies Strategic Energy Resources Ltd, Copper Strike Resources Ltd and Koonenberry Gold Ltd.

Source: Annual Report

- 4.11 On completion of the Transaction, it is proposed that Mr Anthony McIntosh will resign as a director of the Company. Pursuant to shareholder approval for Resolutions 15, 16 and 17 of the NoM, MPW nominated directors Mr John Barnes, Mr Leo Christodoulou and Mr Bruno Campisi will be elected to the K-TIG Board (refer to Table 12 for further details).

Financial Performance

- 4.12 K-TIG's audited consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial year to 30 June 2022, 30 June 2023 and 30 June 2024 are set out below.

Table 7. K-TIG Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Audited year to 30 June 2022 (\$)	Audited year to 30 June 2023 (\$)	Audited year to 30 June 2024 (\$)
Revenue			
Sales revenue	3,702,512	3,095,723	2,209,763
Cost of sales	(1,427,035)	(1,503,759)	(1,385,789)
Gross profit	2,275,477	1,591,964	823,974
Other income	190,583	653,925	82,848
Debt forgiven	-	-	1,714,489
Expenses			
Employee benefits expense	(5,544,729)	(4,601,726)	(1,908,490)
Other expenses	(13,526)	(39,419)	166,430
Marketing expense	(494,464)	(325,291)	(123,701)
Corporate expense	(1,381,117)	(821,497)	(1,150,004)
Service expense	(453,022)	(290,230)	(337,807)
Office/workshop expense	(292,907)	(419,967)	(272,093)
Travel expense	(189,891)	(343,727)	(119,220)
R&D expense	(59,067)	(78,975)	(30,752)
Due diligence and pre-acquisition costs	-	(1,756,807)	-
Profit/(loss) before income tax	(5,962,663)	(6,431,750)	(1,154,326)
Income tax expense	-	-	-
Loss for the year attributable to owners of K-TIG	(5,962,663)	(6,431,750)	(1,154,326)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	18,474	330,012	847,722
Other comprehensive income for the year, net of tax	18,474	330,012	847,722
Total comprehensive loss for the year attributable to the owners of K-TIG	(5,944,189)	(6,101,738)	(306,604)

Source: K-TIG Annual Reports for the financial years ended 30 June 2023 and 30 June 2024

Financial Position

4.13 Set out below is the audited consolidated Statement of Financial Position of K-TIG as at 30 June 2024.

Table 8. K-TIG Consolidated Statement of Financial Position

Audited as at 30 June 2024 (\$)	
Current assets	
Cash and cash equivalents	296,233
Trade and other receivables	249,551
Inventories	2,039,108
Other financial assets	5,000
Total current assets	2,589,892
Non-current assets	
Trade and other receivables	14,150
Property, plant and equipment	337,819
Right-of-use assets	524,821
Intangibles	13,324
Total non-current assets	890,114
Total assets	3,480,006
Current liabilities	
Trade and other payables	(258,452)
Lease liabilities	(305,713)
Financial liabilities	(3,000,000)
Employee benefits	(53,490)
Amounts received in advance	(618,474)
Total current liabilities	(4,236,129)
Non-current liabilities	
Lease liabilities	(258,164)
Total non-current liabilities	(258,164)
Total liabilities	(4,494,293)
Total net liabilities	(1,014,287)
Equity	
Issued capital	27,839,530
Other reserves	1,648,069
Share based payment reserves	2,207,652
Accumulated losses	(32,709,538)
Total equity	(1,014,287)

Source: K-TIG Annual Report for the financial year ended 30 June 2024

Capital Structure

Ordinary Shares

- 4.14 K-TIG has 73,328,415 pre-Consolidation ordinary shares on issue, with the top 20 shareholders as at 30 September 2024 being as follows.

Table 9. K-TIG Top 20 Shareholders

Shareholder	Number held	Percentage (%)
Advanced Science & Innovation Company (ASIC) LLC	7,886,828	10.76%
HSBC Custody Nominees (Australia) Limited	7,174,135	9.78%
Neil le Quesne <Stirling Group A/C>	4,784,963	6.53%
Buttonwood Nominees Pty Ltd	2,323,572	3.17%
Richard Smith	2,060,000	2.81%
Citicorp Nominees Pty Ltd	2,051,558	2.80%
Syed Shueb	1,011,262	1.38%
Sydac Nominees Pty Ltd <The Adrian Smith Family A/C>	1,000,000	1.36%
Karen Jarvis	965,123	1.32%
SRG Partners Pty Ltd	948,000	1.29%
Great Plains Holding Company Pty Ltd <Great Plains Investment A/C>	849,320	1.16%
Lynette Sharman & Michael Sharman <M&L Sharman Family A/C>	763,446	1.04%
SWHL Investments Pty Ltd <SWHL Family A/C>	710,334	0.97%
Grayson Nominees Pty Ltd <Grayson Investment A/C>	600,000	0.82%
Netwealth Investments Limited <Wrap Services A/C>	538,967	0.74%
Wigtown Pty Ltd	500,000	0.68%
BBR Holdings Pty Ltd <Brawlin Investment A/C>	477,134	0.65%
Jagen Pty Ltd	460,000	0.63%
Garden Enterprises Pty Ltd <The Specialty Metals SU A/C>	451,947	0.62%
Wigtown Pty Ltd	400,000	0.55%
Total top 20 shareholders	35,956,589	49.04%
Non-top 20 shareholders	37,371,826	50.96%
Total ordinary shares (as at 30 September 2024)	73,328,415	100.00%

Source: K-TIG Annual Report for the year to 30 June 2024

Performance Rights

- 4.15 As at 23 December 2024, the Company had 2,400,000 pre-Consolidation performance rights on issue, which are held by directors and previous directors of the Company. Each performance right is exercisable into one ordinary share for nil consideration. Details of the performance rights are as follows.

Table 10. Performance Rights Details

Class	Number	Vesting condition	Expiry date
Class A	800,000	The Company's shares achieving a volume weighted average price ("VWAP") of at least \$0.35 over any 20 consecutive trading days prior to 1 April 2021	22 December 2025
Class B	800,000	The Company's shares achieving a VWAP of at least \$0.50 over any 20 consecutive trading days prior to 1 October 2021	22 December 2025
Class C	800,000	The Company's shares achieving a VWAP of at least \$0.75 over any 20 consecutive trading days prior to 1 October 2022	22 December 2025

Source: ASX announcements

- 4.16 We note that the vesting conditions for all classes of performance rights have been met and accordingly, may be converted into ordinary shares in the Company at each holder's election at any time up to the expiry date.

March 2023 Notes

- 4.17 The March 2023 Notes have a total face value of \$2,000,000. Key terms of the March 2024 Notes include:
- Maturity date is 3 March 2025
 - Simple, non-compounding interest payable at 10% per annum, accrued daily and payable on conversion or redemption
 - Automatically convert (subject to shareholder approval) on the Company completing a capital raising of at least \$4,000,000
 - If conversion conditions are not met, the Company must seek shareholder approval to issue 10,000 redemption options for each March 2023 Note, each with an exercise price equal to the 20-day VWAP of the Company's share at the date of the shareholder meeting
 - Conversion price equal to the issue price of shares under the capital raising
 - Holders are entitled to receive 1 option for every share issued on conversion, with an exercise price equal to the conversion price and expiring 36 months from the conversion date
- 4.18 As part of the DOCA proposal, the March 2023 Noteholders agreed to convert their debt to equity. The following amendments are proposed to terms of the March 2023 Notes, subject to shareholder approval for Resolution 8 of the NoM:
- Each March 2023 Note holder forbears taking action in relation to their outstanding debt position until such time as an equity conversion is achievable, for a period up to 12 April 2026
 - Noteholders will have no entitlement to interest or redemption options
 - March 2023 Note holders will convert the principal amount into ordinary shares at a conversion price of \$0.02 (pre-Consolidation) and will be issued with one option for each ordinary share, with an exercise price of \$0.02 (pre-Consolidation) and expiry date 3 years from the date of conversion

June 2024 Notes

4.19 The June 2024 Notes have a total face value of \$1,000,000. Key terms of the June 2024 Notes include:

- Maturity date is 36 months from effectuation of the DOCA
- No interest payable
- Automatically convertible into ordinary shares at a conversion price of \$0.01 at the next capital raising subject to shareholder approval
- Holders entitled to receive one option for each share issued on conversion, with an exercise price of \$0.01 and expiring 3 years from the conversion date
- Repayable at the maturity date if not converted prior

October 2024 Notes

4.20 The October 2024 Notes have a total face value of \$500,000. Key terms of the October 2024 Notes include:

- No interest is payable
- Non-redeemable
- Converts automatically into ordinary shares at a 20% discount to the next capital raise price subject to shareholder approval
- Maturity date 24 months from issue
- Repayable at the maturity date if not converted prior

Capital Structure Summary

4.21 The existing capital structure of K-TIG on a pre-Consolidation and post-Consolidation basis, including the ordinary shares the holders of convertible notes would be entitled to receive, is as follows.

Table 11. K-TIG Existing Capital Structure

Security	Number pre-Consolidation	Number post-Consolidation
Ordinary shares	73,328,415	5,640,647
Performance rights	2,400,000	184,615
March 2023 Conversion Shares	100,000,000	7,692,308
June 2024 Conversion Shares	100,000,000	7,692,308
October 2024 Conversion Shares	40,625,000	3,125,000
March 2023 Conversion Options	100,000,000	7,692,308
June 2024 Conversion Options	100,000,000	7,692,308

Source: ASX announcements

5 Profile of MPW

History and Principal Activities

Background

- 5.1 MPW is a Pennsylvania, USA based company that specialises in the production of high-quality metal powders for AM and other advanced applications. MPW has developed a technology process called DirectPowder, a non-thermal powder production process. MPW derives revenue through producing powder for sale and has plans for an additional revenue stream from implementing pay per use machines located at customer sites.
- 5.2 MPW has 2 wholly owned subsidiaries, Metal Powder Works LLC and Sweet Metals Pty Ltd. Metal Powder works LLC is an operating entity for MPW business in the USA. Sweet Metals Pty Ltd is a dormant entity incorporated in Australia which is in the process of being wound up.

Recent Corporate Events

- 5.3 In November 2024, MPW issued the MPW Notes that have a total face value of \$1,050,000. Key terms of the MPW Notes include:
- the maturity date is 24 months from issue;
 - interest accrues at the lesser of 4% per annum and the short term applicable federal rate as at the issue date, to be repaid in cash on conversion; and
 - convert automatically into ordinary share on an equity financing event of at least US\$2,000,000 or a change of control event. In a change of control event, the conversion price is a 20% discount to the agreed value per share of the acquiring entity
- 5.4 In relation to the Transaction, MPW appointed New Electric Partners International Pte Ltd (“NEP”) as an advisor. As part of the agreement with NEP, the MPW will issue ordinary shares representing 5% of its fully diluted outstanding capital to NEP immediately prior to completion of the Transaction.

Board of Directors

- 5.5 The current board of directors of MPW, as at 10 January 2025, is as follows.

Table 12. MPW Board of Directors

Director	Position	Details
John Barnes	Chairman and Chief Executive Officer	Mr Barnes has more than 30 years' experience in product development and aerospace with Honeywell, Lockheed Martin Skunk Works, Australia's CSIRO and Arconic. He has been involved with AM technical and business cases in materials powders, processing and printing to mature the technology for applications.
Chris Aldridge	Executive Director and Chief Technology Officer	Mr Aldridge has worked in AM process development and machine design for more than 15 years. He has led projects in high precision machining, powder handling and nearly all aspects of AM. At Lockheed Martin Skunk Works and Arconic's production facility, he worked on maturing AM from a prototyping tool to a production capable technology.
Leo Christodoulou	Non-Executive Director	Mr Chistodoulou is the Chief Technologist of The Boeing Company, leading the implementation and assessment of AM and leading the companywide strategy and technology maturation for AM. Previously, he was head of the Advanced Manufacturing Office of the US Department of Energy and co-chairman of the Inter-Agency Working Group on the White House's Advanced Manufacturing Partnership Initiative.
Bruno Campisi	Non-Executive Director	Mr Campisi has over 40 years' experience in business services and manufacturing and has a broad range of skills in strategic planning, implementation and business development. He has held senior positions in private enterprises, including Finance Director and Managing Director roles.
Kapil Talwar	Non-Executive Director	Mr Talwar has over 25 years' management experience across start-ups, SMEs and R&D organisations. He is currently an Executive Director of Huntly Common Pty Ltd.
Rob Gorham	Non-Executive Director	Mr Gorham is Chief Executive Officer of BlueForge Alliance, an organisation that integrates US Navy efforts to sustain the submarine industrial base.

Source: MPW Annual Report for the year ended 31 December 2023

- 5.6 On completion of the Transaction, it is proposed that John Barnes, Leo Christodoulou and Bruno Campisi will be appointed as MPE representatives on the K-TIG Board. Chris Aldridge is proposed to be appointed as Chief Technology Officer of K-TIG.
- 5.7 We note that Mr John Barnes is the top shareholder in MPW with an interest of 35.2% and is the only MPW shareholder who would become a significant shareholder in K-TIG on completion of the Transaction.

Financial Performance

- 5.8 MPW's audited consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial years to 31 December 2021, 31 December 2022 and 31 December 2023 are set out below.

Table 13. MPW Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Audited 12 months to 31 December 2021 (US\$)	Audited 12 months to 31 December 2022 (US\$)	Audited 12 months to 31 December 2023 (US\$)
Revenue	129,219	111,892	875,939
Other income	20,668	28,874	22,760
Total income	149,887	140,766	898,699
Expenses			
Raw materials and consumables used	(79,843)	(123,693)	(272,972)
Employee benefits expense	-	(356,929)	(544,020)
Depreciation and amortisation expense	(107,891)	(141,244)	(191,252)
Legal & professional services	(84,053)	(129,815)	(78,285)
Contractors	(379,197)	(548,050)	(439,123)
Insurance expense	(1,791)	(9,205)	(28,195)
Research & development	(1,800)	(161,101)	(68,412)
Other expenses	(7,942)	(85,498)	(86,907)
Finance costs	(3,931)	(20,385)	(33,464)
Marketing	(11,030)	(19,906)	(41,075)
Occupancy	(24,155)	(14,238)	(6,906)
Loss before income tax expense	(551,746)	(1,469,298)	(891,912)
Income tax expense	-	-	-
Loss after income tax expense for the year attributable to owners of MPW	(551,746)	(1,469,298)	(891,912)
Other comprehensive income for the year, net of tax	-	-	-
Total	(551,746)	(1,469,298)	(891,912)

Source: MPW Annual Report for the years ended 31 December 2022 and 31 December 2023

Financial Position

- 5.9 Set out below is the audited consolidated Statement of Financial Position of MPW as at 31 December 2023.

Table 14. MPW Consolidated Statement of Financial Position

Audited as at 31 December 2023 (US\$)	
Current assets	
Cash and cash equivalents	177,098
Trade and other receivables	101,030
Total current assets	278,128
Non-current assets	
Trade and other receivables	6,705
Property, plant and equipment	393,702
Right-of-use assets	386,216
Intangibles	286,186
Total non-current assets	1,072,809
Total assets	1,350,937
Current liabilities	
Trade and other payables	(309,308)
Borrowings	(100,000)
Lease liabilities	(94,844)
Total current liabilities	(504,152)
Non-current liabilities	
Lease liabilities	(314,102)
Convertible note	(323,109)
Total non-current liabilities	(637,211)
Total liabilities	(1,141,363)
Total net assets	209,574
Equity	
Issued capital	2,790,111
Accumulated losses	(2,580,537)
Total equity	209,574

Source: MPW Annual Report for the year ended 31 December 2023

6 Valuation Methodology

Available Methodologies

6.1 In consideration of our fairness assessment of K-TIG, we considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.

- Capitalisation of future maintainable earnings
- Discounted future cash flows
- Asset-based methods
- Quoted market prices or analysis of traded share prices
- Common industry rule-based methodologies

6.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information.

Valuation Considerations

6.3 We note the Performance Rights vest only after achieving both a non-market (Revenue) based condition and a market based VWAP condition. As the VWAP condition must be met after the Revenue based condition in order to vest, we believe there are reasonable grounds to establish a value based on a market price based methodology, though there are insufficient reasonable grounds to assess the value under a FME, DCF or Net Assets based methodology.

6.4 Accordingly, we assessed and compared the value of K-TIG shares upon the vesting conditions being met, with the value of K-Tig shares upon completion of the Transaction (using a market-based methodology based on the proposed value under the Public Offer).

7 Fairness Evaluation

Value of K-TIG Shares upon completion of the Transaction

- 7.1 We used a market based valuation methodology to value K-TIG shares as at the date of completion of the Transaction. We consider the proposed issue price under the Public Offer to represent market value.
- 7.2 The Public Offer will seek to raise at least \$7,000,000 (before costs) and up to \$10,000,000 (before costs) through the issue of a minimum of 35,000,000 ordinary shares and a maximum of 50,000,000 ordinary shares at an issue price of \$0.20 per share. Assuming the Transaction completes, at the minimum subscription the Public Offer shares would represent a 28.15% interest in K-TIG on an undiluted basis, or an 18.43% interest on a fully diluted basis (refer to Table 5).
- 7.3 We note that completion of the minimum subscription under the Public Offer is a condition precedent to the overall Transaction, and accordingly, the Performance Securities will not be issued if of the minimum subscriptions is not met.
- 7.4 Accordingly, we assessed the fair value of a K-TIG share as at completion of the Transaction to be \$0.20.

Fairness Assessment

Value of K-TIG shares upon achievement of Performance Security milestones

- 7.5 In determining whether the proposed issue of Performance Securities is fair to the Non-Participating Security Holders of K-TIG, we have considered guidance contained in ASIC RG 111 (refer to Paragraphs 3.17).
- 7.6 To assess the fairness of the issue of Performance Securities, the fair market value of a K-TIG ordinary share must be assessed before and after the issue of the Performance Securities.
- 7.7 The milestone conditions relating to the vesting of the Tranche 1 Performance Rights and Tranche 2 Performance Rights are based on future Revenues of MPW's business for CY26 and CY27, and the achievement of a 20-day VWAP condition following achievement of the Revenue condition(s), as follows.

Table 15. Performance Security Milestone Conditions

Security	Milestone 1	Revenue achieved	Percentage of rights vesting	Milestone 2
Tranche 1 Performance Rights	Achievement of Revenue targets for CY26	Less than US\$3,000,000	0%	Achievement of a 20-day VWAP of K-TIG shares of at least \$0.20
		Between US\$3,000,000 and US\$5,000,000	$\left(\frac{CY26 \text{ Revenue}}{US\$5,000,000}\right) \times 100$	
		Greater than US\$5,000,000	100%	
Tranche 2 Performance Rights	Achievement of Revenue targets for CY26 or CY27	Less than US\$8,000,000	0%	Achievement of a 20-day VWAP of K-TIG shares of at least \$0.20
		Between US\$8,000,000 and US\$10,000,000	$\left(\frac{CY26 \text{ or } CY27 \text{ Revenue}}{US\$10,000,000}\right) \times 100$	
		Greater than US\$10,000,000	100%	

Source: SPA

- 7.8 We note that both milestones must be achieved in order for the Performance Securities to vest.
- 7.9 As the vesting of the Tranche 1 Performance Rights is based on the traded market share price on ASX, we consider the VWAP hurdle value to be an accurate representation of value as at the time that both vesting conditions are met.

- 7.10 Accordingly, we consider that the minimum value of a K-TIG ordinary share upon the Performance Rights milestones being met are as follows.

Table 16. K-TIG Fair Value on Achieving Milestones

Performance Security	Minimum value on milestone achievement (\$)
Tranche 1 Performance Rights	0.20
Tranche 2 Performance Rights	0.20

Source: Stantons analysis

- 7.11 Accordingly, we consider the value of a K-TIG share on the vesting of both the Tranche 1 Performance Rights and Tranche 2 Performance Rights to be \$0.20.

Fairness conclusion

- 7.12 As the fair value of a K-TIG ordinary share upon the achievement of both milestones for each of the Tranche 1 Performance Rights and Tranche 2 Performance Rights are equal to the value of a K-TIG ordinary share on completion of the Transaction, we consider the issue of Performance Securities is **FAIR** to the Non-Participating Security Holders of K-TIG, pursuant to ASIC's RG 111.

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8 Reasonableness Evaluation

- 8.1 Under RG111, a transaction is considered “reasonable” if it is “fair”, or if despite being not fair there are sufficient reasons to accept the proposal.
- 8.2 As the issue of Performance Securities is considered to be **FAIR** to the Non-Participating Security Holder, it is also considered to be **REASONABLE**.
- 8.3 For informative purposes, we have considered the following advantages, disadvantages and other factors in assessing the reasonableness of the issue of Performance Securities.

Advantages

The issue of Performance Securities is considered fair

- 8.4 As detailed in our assessment in Section 7, the issue of Performance Securities is fair to Non-Participating Security Holders of K-TIG.

Achievement of the Revenue conditions may be value accretive to K-TIG

- 8.5 As MPW is currently in the growth stage, achievement of the Revenue milestones is in line with the company's business objectives. If the Company was to successfully achieve the Revenue milestones, it would likely mean that the Company has been successful in commercialising the MPW technology. Whilst we cannot determine a specific value, it is likely that significant growth in Revenue would result in an increase in value for the Non-Participating Shareholders. As the Performance Securities must subsequently meet a VWAP condition equal to the value as at completion of the Transaction, Non-Participating Security Holders will not be diluted in the event that achievement of the Revenue condition does not translate to value accretion for shareholders.

Facilitates the Transaction

- 8.6 The issue of Performance Securities is a required component of the Transaction. If Non-Participating Security Holders do not approve the issue of Performance Securities, the Transaction will not proceed. There are a number of benefits in completing the Transaction, including:
- facilitates the re-admission of the Company's shares to ASX. K-TIG has been suspended from trading since 27 January 2023. Pursuant to ASX's policy on long-term suspended entities, the Company's shares will be removed from the Official List after 2 years continuous suspension. Re-admission to ASX will create a liquid market for the Non-Participating Shareholders to trade their shares;
 - raises much needed working capital to allow the Company to continue operating its business;
 - diversifies the Company's operations;
 - the Company has been through a competitive sale process as part of the DOCA process and did not attract any offers for the business as a going concern. The directors have assessed the merits of the Transaction and believe that this is the best available offer for the Company; and
 - if the Transaction is not completed, the convertible notes holders may elect to redeem. Since the Company does not have the funds available to repay to noteholders and is in a position of net liabilities, the Company would not be in a position to repay without an alternative capital raising. This may result in the Company being liquidated, which would likely result in Non-Participating Security Holders receiving nil value.



Consideration is structured to align interests of Non-Participating Security Holders and the vendors of MPW

- 8.7 The milestones on the Performance Securities are structured in such a way that contingent and deferred consideration is linked to events that represent successful development of MPW's business and are required to at least maintain the share price on completion of the Transaction. This structure is designed to align the interests of Non-Participating Security Holders and the vendors of MPW.

Issue of ordinary shares on conversion of the Performance Securities is contingent and deferred consideration rather than cash or upfront equity

- 8.8 The Performance Securities are contingent and deferred equity consideration. If the Company were not to offer Performance Securities as the component of the Transaction, it would likely be required to include additional Consideration Shares or cash in its consideration. This would have the effect of being either more dilutive to Non-Participating Security Holders or reducing the Company's available working capital.

Reduces risk of Transaction

- 8.9 Including Performance Securities in the Transaction consideration reduces the risk of the Transaction as the full consideration will only be paid if MPW achieves its business objectives. If the MPW business underperforms, the Company will not be required to pay the full consideration.

Disadvantages

Dilution of security holder's interests

- 8.10 On completion of the Transaction, Non-Participating Security Holders will retain an interest of 4.54% in the ordinary shares of K-TIG. If the Performance Securities are converted into ordinary shares (assuming no other ordinary shares are issued), the Non-Participating Security Holders would be further diluted to a 3.24% interest.

Removes possibility of potentially superior offer

- 8.11 Completing the Transaction would remove the possibility of a potentially superior transaction. However, we note that the Company underwent a competitive sale process under the DOCA and had attempted to undertake the Graham Acquisition unsuccessfully. Accordingly, the Company has spent significant time assessing its options and the directors believe the Transaction to be the best available.

Conclusion

- 8.12 As the proposed issue of Performance Securities is considered to be **FAIR**, it is also considered to be **REASONABLE** to the Non-Participating Security Holders of K-TIG.

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9 Conclusion

Opinion

- 9.1 The proposed issue of Performance Securities to the vendors of MPW is considered **FAIR** and **REASONABLE** to the Non-Participating Security Holders of K-TIG as at the date of this report.

Table 17. Opinion Summary

Performance Security	Reasonable Grounds	Opinion
Tranche 1 Performance Rights	Yes	Fair and reasonable
Tranche 2 Performance Rights	Yes	Fair and reasonable

Source: Stantons analysis

Non-Participating Security Holders Decision

- 9.2 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to issue Performance Securities is fair and reasonable and to state reasons for that opinion. Stantons has not been engaged to provide a recommendation to Non-Participating Security Holders as to whether to approve the Transaction.
- 9.3 The decision of whether to approve Resolution 4 is a matter for individual investors based on their views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposal, investors should consult their professional advisor.
- 9.4 Similarly, it is a matter for individual investors as to whether to buy, hold or sell shares in K-TIG. This is an investment decision upon which Stantons does not offer an opinion and is independent on whether to accept the proposal under Resolution 4. Investors should consult their professional advisor in this regard.

Source Information

- 9.5 In making our assessment as to whether the proposed issue of Performance Securities is fair and reasonable to Non-Participating Security Holders, we have reviewed available information from the Company that is relevant to the current circumstances. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of K-TIG.
- 9.6 Information we have received includes, but is not limited to:
- Drafts of the NoM and ES to shareholders of K-TIG to 10 January 2024
 - ASX announcements of K-TIG to 10 January 2025
 - The Share Sale Agreement between K-TIG and majority vendors of MPW
 - K-TIG's Annual Reports for the financial years ended 30 June 2023 and 30 June 2024
 - MPW's Annual Reports for the years ended 31 December 2022 and 31 December 2023
 - Sample Convertible Note Deeds for each of the March 2023 Notes, June 2024 Notes, October 2024 Notes and MPW Notes, and Deed of Amendment to the March 2023 Notes
 - The Administrator's Report to Creditors of K-TIG and Keyhole TIG Pty Ltd prepared by KordaMentha dated 20 March 2024
- 9.7 Our report includes the appendices, our declarations, and our Financial Services Guide.

Yours Faithfully

STANTONS CORPORATE FINANCE PTY LTD



James Turnbull, CFA
Authorised Representative

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APPENDIX A

GLOSSARY

Term/Abbreviation	Definition
Acquisition	The Acquisition of a 100% interest in the outstanding capital of MPW by K-TIG and issue of the Consideration Shares and Performance Securities
AFCA	Australian Financial Complaints Authority
AM	Additive Manufacturing (also called 3D printing)
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Company	K-TIG Limited (to be renamed Metal Powder Works Limited)
Consideration Shares	55,000,000 ordinary shares to be issued to the vendors of MPW under the Acquisition
Consolidation	The 13 to 1 consolidation of K-TIG outstanding capital
CY26	The calendar year from 1 January 2026 to 31 December 2026
CY27	The calendar year from 1 January 2027 to 31 December 2027
Director shares	384,165 ordinary shares proposed to be issued to directors of K-TIG
DOCA	The Deed of Company Arrangement K-TIG effectuated on 16 April 2024
Existing Ordinary Shares	The existing ordinary shares in K-TIG, being 5,640,647 on a post-Consolidation basis
FSG	Financial Services Guide
Graham Acquisition	K-TIG's announced acquisition of Graham Engineering Limited on 27 January 2023
GN19	ASX Guidance Note 19
IER	Independent Expert's Report
June 2024 Conversion Options	7,692,308 options to be issued by K-TIG on conversion of the June 2024 Notes
June 2024 Conversion Shares	7,692,308 ordinary shares to be issued by K-TIG on conversion of the June 2024 Notes
June 2024 Notes	1,000 convertible notes each with a face value of \$1,000 issued in June 2024 as part of the DOCA proposal
K-TIG	K-TIG Limited (to be renamed Metal Powder Works Limited)
March 2023 Conversion Options	7,692,308 options to be issued by K-TIG on conversion of the March 2023 Notes
March 2023 Conversion Shares	7,692,308 ordinary shares to be issued by K-TIG on conversion of the March 2023 Notes
March 2023 Notes	2,000 convertible notes each with a face value of \$1,000 issued in March 2023
MPW	Metal Powder Works, Inc
MPW Conversion Shares	6,562,500 ordinary shares to be issued by K-TIG on conversion of the MPW Notes
MPW Notes	1,050 convertible notes each with a face value of \$1,000 issued by MPW in November 2024
NED	New Electric Partners International Pte Ltd
Net Assets	Asset-based valuation methodologies
NoM	Notice of Meeting
Non-Participating Security Holders	K-TIG security holders who are not entitled to receive Performance Securities
October 2024 Conversion Shares	3,125,000 ordinary shares to be issued by K-TIG on conversion of the October 2024 Notes
October 2024 Notes	500 convertible notes each with a face value of \$1,000 issued in October 2024
Other Security Issues	Non-essential security issues that form part of the Transaction, being the White Hutt Shares, Ventnor Shares, Powerhouse Ventures Shares and Director Shares
Performance Securities	The Tranche 1 Performance Rights and Tranche 2 Performance Rights
Powerhouse Ventures Shares	550,000 ordinary shares to be issued to Powerhouse Ventures Limited for introducing the Acquisition

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Term/Abbreviation (cont.)	Definition (cont.)
Public Offer	35,000,000 ordinary shares to be issued at \$0.20 to raise \$7,000,000 under a public offer, being the minimum subscription under a prospectus
Required Security Issues	Security issues that are required for the Transaction, being the minimum subscription under the Public Offer, March 2023 Conversion Shares, March 2023 Conversion Options, June 2024 Conversion Shares, June 2024 Conversion Options, October 2024 Conversion Shares and MPW Conversion Shares
Revenue	Revenue generated by MPW from the business of developing, manufacturing and selling metal powder and powder producing technology through continuing business operations as set out in K-TIG's audited financial statements (expressed in USD), but does not including the revenue generated from operations of any other businesses that may be acquired by MPW or K-TIG after completion of the Transaction
RG 111	ASIC Regulatory Guide 111: <i>Content of Expert Reports</i>
RG 170	ASIC's Regulatory Guide 170 <i>Prospective Financial Information</i>
SPA	The Share Purchase Agreement between K-TIG and the majority vendors of MPW
Stantons	Stantons Corporate Finance Pty Ltd
Tranche 1 Performance Rights	25,000,000 performance rights to be issued to the vendors of MPW, a percentage of which are convertible into ordinary shares based on achieving Revenue targets for CY26
Tranche 2 Performance Rights	25,000,000 performance rights to be issued to the vendors of MPW, a percentage of which are convertible into ordinary shares based on achieving Revenue targets for CY27
Transaction	The Acquisition, Required Security Issues and Other Security Issues
Transaction Resolutions	The resolutions of the NoM required to pass for the Transaction to complete, being Resolutions 1 to 4 (inclusive), Resolutions 8 to 17 (inclusive) and Resolution 19
Ventnor Shares	1,345,057 ordinary shares to be issued to Ventnor Equities & Advisory Pty Ltd as compensation for advisory services
VWAP	Volume Weighted Average Price
White Hutt Shares	1,346,154 ordinary shares to be issued to White Hutt Pty Ltd as compensation for advisory services

APPENDIX B

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 10 January 2025, relating to the Performance Shares proposed to be issued by K-TIG.

At the date of this report, Stantons Corporate Finance does not have any interest in the outcome of the proposal. There are no relationships with K-TIG or MPW other than Stantons Corporate Finance acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance and the parties participating in the issue of Performance Securities detailed in this report which would affect our ability to provide an independent opinion. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out-of-pocket expenses. Our fee for preparing this report is expected to be A\$20,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in K-TIG. There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice of Meeting.

QUALIFICATIONS

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of K-TIG to assist Non-Participating Security Holders of K-TIG to assess the merits of the issue of Performance Securities to which this report relates. This report has been prepared for the benefit of K-TIG security holders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance's opinion as to the longer-term value of K-TIG, its subsidiaries and/or assets. Stantons Corporate Finance does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of K-TIG or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd ("**SIAC**"), the parent company of Stantons Corporate Finance, its directors, employees or consultants) for the preparation of this report.

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DECLARATION AND INDEMNITY

Recognising that Stantons Corporate Finance may rely on information provided by K-TIG and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), K-TIG has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and SIAC) to recover any loss or damage which K-TIG may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by K-TIG; and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from K-TIG, or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of K-TIG or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A final draft of this report was presented to K-TIG for a review of factual information contained in the report. Comments received relating to factual matters were considered, however, the valuation methodologies and conclusions did not change as a result of any feedback from K-TIG.

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Schedule 3 Transaction Based Comparison Table

Particulars	Prior to Transaction – 30 June 2024	Effect of Transaction (based on MPW audited accounts – 30 June 2024)	Post Transaction Analysis - Pro forma	Percentage Change due to Transaction	Scale of Change
Total Consolidated Assets	3,480,006	15,015,890	18,495,896	431.5%	5.31
Total Equity	-1,014,287	16,073,291	15,059,004	-1584.7%	-14.85
Annual Revenue	2,209,763	1,307,372 ²	3,517,135	59.2%	1.59
Annual Profit (before tax and extraordinary items)	-306,604	-597,581 ²	-904,185	194.9%	2.95
Total No. of shares	5,640,647	133,697,942 ³	139,338,589	2,370.3%	24.70
Total No. of options & performance rights	15,569,231 ⁴	50,000,000 ⁵	65,569,231	321.1%	4.21
Fully Diluted Issued Capital (shares + all options/performance rights converted)	21,209,878	183,697,942	204,907,820	866.1%	9.66
Market Capitalisation ⁶	1,128,129	26,739,588	27,867,718	2,370.3	24.70

Notes:

1. The table is prepared on a post-Consolidation basis.
2. MPW annual figure for 12 months to 31 December 2023 converted at A\$1.00 = USD\$0.67.
3. Comprising the Capital Raising Shares (based on the Maximum Subscription under the Public Offer), Consideration Shares, Advisor Shares and MPW Conversion Shares, the March 2023 Conversion Shares, the June 2024 Conversion Shares and the October 2024 Conversion Shares.

4. Comprising the Existing Options, Existing Performance Rights and the Conversion Options.
5. Includes only the Consideration Performance Rights.
6. Based on the proposed offer price under the Public Offer of \$0.20.

Schedule 4 Metal Powder Works Financial Statements

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Metal Powder Works Inc.

Annual Report - 31 December 2022

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Metal Powder Works Inc.
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metal Powder Works Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2022.

Directors

The following persons were directors of Metal Powder Works Inc. during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Barnes
Chris Aldridge
Leo Christodoulou
Kapil Talwar
Bruno Campisi
Rob Gorham

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Machine and process development;
 - Assembly and testing of "Alpha" machines
 - Automation and Safety Improvements
 - Yield and tool design improvements
 - Design of expeditionary manufacturing system
- Material portfolio expansion
- Yield and tool design improvements
- Customer and partner engagements

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,469,298 (31 December 2021: \$551,746).

The company strategically issued common shares to expand its operational capacity and advance its technological capabilities. Key investments included the construction of additional machine units to enhance processing capacity, as well as targeted employee hires. Notable additions to the team include engineers and a technical director, who have been instrumental in driving process development and system industrialization efforts.

To mitigate technological and economic risks associated with the development of advanced metal alloy powders, the company has prioritized revenue-generating technology development agreements with industry partners. Under this approach, material development initiatives are funded by prospective customers and collaborators. This strategy reduces the company's financial exposure but also expands industry relationships in an ecosystem that is diverse in downstream powder processing and manufacturing applications.

Significant changes in the state of affairs

In Q2 2022, the company closed its equity raising totalling \$1,445,202 during the year. The financing enabled employee growth, primarily for technology and system development, and the construction of more powder manufacturing units.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Metal Powder Works Inc
Notes to the financial statements
31 December 2022

Matters subsequent to the end of the financial year

Convertible note issue

In April 2023, the Company entered into convertible note agreements for the issuance of 323,109 convertible notes ("Notes") at the value of \$322,109 to raise funds for working capital. Under this raising, the Company entered into convertible note agreements with various lenders (the "Lenders") pursuant to which the Lenders subscribed for convertible notes in the Company which upon the Company completing the IPO process, convert into Shares. The notes are unsecured, interest-bearing at 5% per annum.

Key terms and conditions:

- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 5% per annum, and payable is arrears on redemption. If automatically converted no interest applies.
- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties;

Convertible note issue

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000 with multiple parties.

Key terms and conditions:

- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

Related party loan

On 26 July 2023 the Company signed a bridging loan agreement of \$100,000 owed to The Barnes Global Advisors LLC ("TBGA") a related party of the Director. The borrowing is interest bearing at 8% per annum and is repayable 24 months from inception.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation and is not aware of any environmental breaches.

Information on directors

Name:	John Barnes
Title:	Chairman and Chief Executive Officer
Qualifications:	BS, MS
Experience and expertise:	John is recognized internationally for contributions to additive manufacturing (AM), product development, and leadership in engineering. He has more than 25 years' experience in product development and aerospace with Honeywell, Lockheed Martin Skunk Works™, Australia's CSIRO, and Arconic. He has been involved with AM technical and business cases in materials, powders, processing, and printing to mature the technology for applications. John is also Adjunct Professor at Carnegie Mellon University and RMIT University, and Adjunct Senior Research Fellow at Monash University. In 2017, he joined the Additive Manufacturing Technical Community as an SME Advisor. In 2022, he was named vice-chair of SME's AM Technical Leadership Committee.

**Metal Powder Works Inc.
Directors' report
31 December 2022**

Name: Chris Aldridge
Title: Executive Director & Chief Technology Officer
Qualifications: BS
Experience and expertise: Chris has worked in advanced manufacturing process development and machine design for more than 15 years. He has led projects in high precision machining, powder handling, and nearly all aspects of AM. At Lockheed Martin Skunk Works and at Arconic's production facility, he worked on maturing AM from a prototyping tool to a production-capable technology, gaining skills in AM machine operation, powder handling, and process simulation. Chris has also managed engineering design teams for deep water oil and gas production and intervention equipment.

Name: Leo Christodoulou
Title: Non-Executive Director
Qualifications: BSc Eng. (Hons), ARSM, PhD, DIC, FASM
Experience and expertise: Senior Executive Director, The Boeing Company Senior Executive Service (US Government, Dept of Defenses, Department of Energy) Reader Imperial College of Science, Technology and Medicine, London England Director, Composites, Martin Marietta Research laboratories

Name: Kapil Talwar
Title: Non-Executive Director
Qualifications: BS, MS, PhD, MBA
Experience and expertise: Kapil has over 25 years of management experience across start-ups, SMEs, and R&D organizations across multiple industrial sectors including software, semiconductors, additive manufacturing, specialty metals, chemicals and plastics, where he performed functional roles in P&L management, business development, R&D management, technology licensing, and capital raising. He is currently an Executive Director of Huntly Common Pty Ltd. He served as the CEO of VPAC Innovations in Melbourne, an engineering software company (2014-2018). He co-founded Vihana, Inc., a Silicon Valley-based fabless semiconductor start-up (Director, VP Business Development, VP Operations) that was acquired by Cisco Systems. He has worked at CSIRO's metals manufacturing division, involved in commercialisation and business development.

Name: Bruno Campisi
Title: Non-Executive Director
Qualifications: B.Bus (Acc)
Experience and expertise: Bruno has over 40 years' experience in business services and manufacturing, and has a broad range of skills in strategic planning, implementation and business development. Bruno has held senior positions in private enterprises, including Finance Director and later Managing Director roles.

Name: Rob Gorham
Title: Non-Executive Director
Qualifications: BS, MS
Experience and expertise: Rob is CEO of BlueForge Alliance (BFA), an organization that integrates U.S. Navy efforts to sustain the submarine industrial base (SIB). He is responsible for overseeing SIB's capability and resilience to build and maintain the US's critical undersea presence. Previously, Rob had served as Executive Director of The SecureAmerica Institute, responsible for strategic manufacturing initiatives. He also led the SecureAmerica Institute, a \$50M private-public partnership converging technology, economics and policy toward a resilient U.S. industrial base. He was also the Executive Director of America Makes, the National Additive Manufacturing Innovation Institute at the National Center for Defense Manufacturing and Machining, where he was responsible for execution of a \$400M Department of Defense sponsored, public-private partnership to advance 3D Printing and Additive Manufacturing technologies. Prior to this, he was Senior Manager of the Manufacturing Exploration and Development Group at Lockheed Martin Aeronautics – Advanced Development Programs.

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Metal Powder Works Inc.
Directors' report
31 December 2022

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2022, and the number of meetings attended by each director were:

	Full Board Attended	Held
John Barnes	12	12
Leo Christodoulou	12	12
Kapil Talwar	12	12
Bruno Campisi	12	12

Held: represents the number of meetings held during the time the director held office.

Shares under option

There were no unissued ordinary shares of Metal Powder Works Inc. under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Metal Powder Works Inc. issued on the exercise of options during the year ended 31 December 2022 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

26 November 2024

Grant Thornton Audit Pty Ltd
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152-158 St Georges Terrace
Perth WA 6000
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Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Metal Powder Works Inc.

In accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (the Code), as lead auditor for the audit of Metal Powder Works Inc. for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella

L A Stella
Partner – Audit & Assurance

Perth, 26 November 2024

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Metal Powder Works Inc.

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31 December 2022

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General information

The financial statements cover Metal Powder Works Inc. as a consolidated entity consisting of Metal Powder Works Inc. and the entities it controlled at the end of, or during, the year. The financial statements are presented in United States dollars, which is Metal Powder Works Inc.'s functional and presentation currency.

Metal Powder Works Inc. is a private company, incorporated and domiciled in Delaware, United States of America. Its registered office and principal place of business is:

1300 Clinton Rd, Clinton, PA 15026, United States of America

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 November 2024.

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Metal Powder Works Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue	3	111,892	129,219
Other income	4	28,874	20,668
Expenses			
Raw materials and consumables used		(123,693)	(79,843)
Employee benefits expense		(356,929)	-
Depreciation and amortisation expense		(141,244)	(107,891)
Legal & Professional Services		(129,815)	(84,053)
Contractors		(548,050)	(379,197)
Insurance expense		(9,205)	(1,791)
Research & Development		(161,101)	(1,800)
Other expenses		(85,498)	(7,942)
Finance costs		(20,385)	(3,931)
Marketing		(19,906)	(11,030)
Occupancy		(14,238)	(24,155)
Loss before income tax expense		(1,469,298)	(551,746)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Metal Powder Works Inc.		(1,469,298)	(551,746)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Metal Powder Works Inc.		<u>(1,469,298)</u>	<u>(551,746)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of financial position
As at 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	460,405	733,081
Trade and other receivables	7	9,006	75,000
Total current assets		<u>469,411</u>	<u>808,081</u>
Non-current assets			
Trade and other receivables	7	38,422	59,028
Property, plant and equipment	9	428,958	378,592
Right-of-use assets	8	489,207	30,024
Intangibles	10	313,441	340,697
Total non-current assets		<u>1,270,028</u>	<u>808,341</u>
Total assets		<u>1,739,439</u>	<u>1,616,422</u>
Liabilities			
Current liabilities			
Trade and other payables	11	143,298	257,363
Lease liabilities	12	85,709	33,477
Convertible notes	13	-	200,000
Total current liabilities		<u>229,007</u>	<u>490,840</u>
Non-current liabilities			
Lease liabilities	12	408,946	-
Total non-current liabilities		<u>408,946</u>	<u>-</u>
Total liabilities		<u>637,953</u>	<u>490,840</u>
Net assets		<u>1,101,486</u>	<u>1,125,582</u>
Equity			
Issued capital	14	2,790,111	1,344,909
Accumulated losses		<u>(1,688,625)</u>	<u>(219,327)</u>
Total equity		<u>1,101,486</u>	<u>1,125,582</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of changes in equity
For the year ended 31 December 2022

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021	333,788	332,419	666,207
Loss after income tax expense for the year	-	(551,746)	(551,746)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(551,746)	(551,746)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 14)	1,011,121	-	1,011,121
Balance at 31 December 2021	<u>1,344,909</u>	<u>(219,327)</u>	<u>1,125,582</u>
Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2022	1,344,909	(219,327)	1,125,582
Loss after income tax expense for the year	-	(1,469,298)	(1,469,298)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(1,469,298)	(1,469,298)
<i>Transactions with owners in their capacity as owners:</i>			
Convertible notes conversion (note 13)	210,201		
Contributions of equity, net of transaction costs (note 14)	1,235,001	-	1,445,202
Balance at 31 December 2022	<u>2,790,111</u>	<u>(1,688,625)</u>	<u>1,101,486</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of cash flows
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		206,758	54,875
Payments to suppliers and employees		<u>(1,636,662)</u>	<u>(398,199)</u>
Net cash used in operating activities	23	<u>(1,429,904)</u>	<u>(343,324)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	(108,581)	(269,949)
Payments for security deposits		-	(26,036)
Proceeds from release of security deposits		<u>20,607</u>	<u>-</u>
Net cash used in investing activities		<u>(87,974)</u>	<u>(295,985)</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	1,245,202	1,011,121
Proceeds from borrowings	13	<u>-</u>	<u>200,000</u>
Net cash from financing activities		<u>1,245,202</u>	<u>1,211,121</u>
Net (decrease)/increase in cash and cash equivalents		(272,676)	571,812
Cash and cash equivalents at the beginning of the financial year		<u>733,081</u>	<u>161,269</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>460,405</u></u>	<u><u>733,081</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2022, the Group incurred a loss after income tax expense of \$1,469,298 (31 December 2021: \$551,746) and net operating cash outflows of \$1,429,904 (31 December 2021: \$343,324).

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- the ability to raise additional funding, including A\$1,050,000 under a convertible note per subsequent event disclosure within note 22;
- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of an anticipated IPO.

The Directors believe that the group can raise capital as required based on the success of previous capital raises and the continued support from the Company's major shareholders. The Directors have a reasonable expectation that the Company has this support and have therefore determined that the Company will continue in operational existence for the foreseeable future. The company's 12 month outlook remains strong on the back of new income streams, a healthy pipeline and expected price growth in addition to a thorough review of our cost base being undertaken.

The financial report has therefore been prepared on the going concern basis. Should the Company be unable to achieve successful outcomes in relation to each of the matters referred to above, there is material uncertainty as to whether the Company will be able to continue as a going concern and, therefore, whether they will realise their assets and discharge their liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board ('IFRS'), as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metal Powder Works Inc. ('company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Metal Powder Works Inc. and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of powder

Revenue from the sale of Metal alloy powders for use in industrial applications is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Contracted research and development

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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.

Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 1. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	7-10 years
Fixture and fittings	7-10 years
Computer equipment	1-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 15 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

International Financial Reporting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Metal Powder Works Inc.
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Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Convertible notes

The fair value of the liability of convertible notes is based on the contractual stream of future cash flows. The Group uses its judgement to determine the discount rate based on the market interest rates existing at the end of the 31 December 2021.

Note 3. Revenue

	Consolidated 2022	2021
	\$	\$
Powder sale	12,900	10,553
Contracted research & development	98,992	118,666
Revenue	<u>111,892</u>	<u>129,219</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2022	2021
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	12,900	10,553
Services transferred over time	98,992	118,666
	<u>111,892</u>	<u>129,219</u>

Note 4. Other income

	Consolidated 2022	2021
	\$	\$
Sublease income	25,000	-
Other income	3,874	20,668
Other income	<u>28,874</u>	<u>20,668</u>

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Note 5. Income tax expense

	Consolidated	Consolidated
	2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,469,298)	(551,746)
Tax at the statutory tax rate of 21%	(308,553)	(115,867)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation expense	29,661	22,657
Current year tax losses not recognised	(278,892)	(93,210)
	278,892	93,210
Income tax expense	-	-

Note 6. Cash and cash equivalents

	Consolidated	Consolidated
	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	460,405	733,081

Note 7. Trade and other receivables

	Consolidated	Consolidated
	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	-	75,000
Other receivables	9,006	-
	9,006	75,000
<i>Non-current assets</i>		
Other receivables	38,422	59,028
	47,428	134,028

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2021: \$nil in profit or loss in respect of the expected credit losses for the year ended 31 December 2022).

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Notes to the financial statements
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Note 8. Right-of-use assets

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	638,390	123,434
Less: Accumulated depreciation	<u>(149,183)</u>	<u>(93,410)</u>
	<u><u>489,207</u></u>	<u><u>30,024</u></u>

The consolidated entity leases land and buildings for its offices and warehouses under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$	Total \$
Balance at 1 January 2021	60,049	60,049
Depreciation expense	<u>(30,025)</u>	<u>(30,025)</u>
Balance at 31 December 2021	30,024	30,024
Additions	514,956	514,956
Depreciation expense	<u>(55,773)</u>	<u>(55,773)</u>
Balance at 31 December 2022	<u><u>489,207</u></u>	<u><u>489,207</u></u>

Note 9. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	558,675	474,111
Less: Accumulated depreciation	<u>(153,701)</u>	<u>(96,879)</u>
	<u>404,974</u>	<u>377,232</u>
Fixtures and fittings - at cost	14,957	2,793
Less: Accumulated depreciation	<u>(2,024)</u>	<u>(1,433)</u>
	<u>12,933</u>	<u>1,360</u>
Computer equipment - at cost	11,853	-
Less: Accumulated depreciation	<u>(802)</u>	<u>-</u>
	<u>11,051</u>	<u>-</u>
	<u><u>428,958</u></u>	<u><u>378,592</u></u>

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Note 9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment \$	Fixture and fittings \$	Computer equipment \$	Total \$
Balance at 1 January 2021	147,393	1,852	-	149,245
Additions	269,949	-	-	269,949
Depreciation expense	(40,110)	(492)	-	(40,602)
Balance at 31 December 2021	377,232	1,360	-	378,592
Additions	84,564	12,164	11,853	108,581
Depreciation expense	(56,822)	(591)	(802)	(58,215)
Balance at 31 December 2022	<u>404,974</u>	<u>12,933</u>	<u>11,051</u>	<u>428,958</u>

Note 10. Intangibles

Non-current assets

	Consolidated 2022 \$	2021 \$
Patents and trademarks - at cost	408,837	408,837
Less: Accumulated amortisation	(95,396)	(68,140)
	<u>313,441</u>	<u>340,697</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Patents and trademarks \$	Total \$
Balance at 1 January 2021	367,953	367,953
Amortisation expense	(27,256)	(27,256)
Balance at 31 December 2021	340,697	340,697
Amortisation expense	(27,256)	(27,256)
Balance at 31 December 2022	<u>313,441</u>	<u>313,441</u>

Note 11. Trade and other payables

Current liabilities

	Consolidated 2022 \$	2021 \$
Trade payables	122,663	257,287
Other payables	20,635	76
	<u>143,298</u>	<u>257,363</u>

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Note 11. Trade and other payables (continued)

Refer to note 16 for further information on financial instruments.

Note 12. Lease liabilities

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	85,709	33,477
<i>Non-current liabilities</i>		
Lease liability	408,946	-
	<u>494,655</u>	<u>33,477</u>

Refer to note 16 for further information on financial instruments.

Note 13. Convertible note

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Convertible note	-	200,000

In August 2021, the Company entered into convertible note agreements for the issuance of 200,000 convertible notes ("Notes") at the value of \$200,000 to raise funds for working capital.

The notes are unsecured and interest-bearing at 8% per annum.

Key terms and conditions:

- Maturity dates is 36 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 8% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

The noteholder elected to convert the shares into ordinary shares on 30 August 2022. Total interest accrued on the note totalled \$10,201. Total value of the note converted was \$210,201.

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Note 14. Issued capital

	2022	Consolidated		
	Shares	2021	2022	2021
		Shares	\$	\$
Ordinary shares - fully paid	<u>11,193,828</u>	<u>10,924,932</u>	<u>2,790,111</u>	<u>1,344,909</u>

Movements in ordinary share capital

Details	Date	Shares	Issue Price \$	\$'000
Balance	1 January 2021	-	-	-
Issue of shares – founder shares	24 August 2021	10,779,309	0.06	508,790
Issue of share	21 October 2021	23,339	5.56	130,000
Issue of share	25 October 2021	31,890	5.56	177,625
Issue of shares	28 October 2021	3,591	5.56	20,000
Issue of shares	31 October 2021	7,809	5.56	43,494
Issue of shares	11 November 2021	48,474	5.56	270,000
Issue of shares	12 November 2021	12,567	5.56	70,000
Issue of shares	15 November 2021	17,953	5.56	100,000
Balance	31 December 2021	<u>10,924,932</u>		<u>1,344,909</u>
Issue of shares	10 January 2021	4,488	5.56	25,000
Issue of shares – founder shares	27 January 2022	64,632	5.56	360,000
Issue of share	29 April 2022	17,953	5.56	100,000
Issue of shares	30 April 2022	47,173	4.46	210,202
Issue of shares	3 June 2022	26,930	5.56	150,000
Issue of shares	2 August 2022	64,632	5.56	360,000
Issue of shares	5 September 2022	17,953	5.56	100,000
Issue of shares	2 November 2022	25,135	5.56	140,000
Balance	31 December 2022	<u>11,193,828</u>		<u>2,790,111</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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Note 16. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	143,298	-	-	-	143,298
<i>Interest-bearing - fixed rate</i>						
Lease liability	7.50%	119,173	121,556	346,721	-	587,450
Total non-derivatives		<u>262,471</u>	<u>121,556</u>	<u>346,721</u>	<u>-</u>	<u>730,748</u>
Consolidated - 2021						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	257,363	-	-	-	257,363
<i>Interest-bearing - fixed rate</i>						
Convertible note	8.00%	-	-	200,000	-	200,000
Lease liability	7.50%	34,317	-	-	-	34,317
Total non-derivatives		<u>291,680</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>491,680</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	405,950	227,643
Post-employment benefits	11,289	-
	<u>417,239</u>	<u>227,643</u>

Metal Powder Works Inc.
Notes to the financial statements
31 December 2022

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	50,000	-

Note 19. Related party transactions

Parent entity

Metal Powder Works Inc. is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

During the year the Group paid \$137,787 to The Barnes Global Advisors for consulting related services. Mr John Barnes (Chief Executive Director) is a director of the related party.

During the year the Group paid \$338,398 to ECA Design LLC for consulting related services. Mr Chris Aldridge (Executive Director) is a director of the related party.

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022	2021
		%	%
Metal Powder Works LLC (Dormant)	Pennsylvania, United states of America	100%	100%
Sweet Metals Pty Ltd (Dormant)	Australia	100%	100%

Metal Powder Works Inc.
Notes to the financial statements
31 December 2022

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Loss after income tax	(1,469,298)	(551,746)
Total comprehensive loss	(1,469,298)	(551,746)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	469,411	808,081
Total assets	1,739,439	1,616,422
Total current liabilities	229,007	490,840
Total liabilities	637,953	490,840
Equity		
Issued capital	2,790,111	1,344,909
Accumulated losses	(1,688,625)	(219,327)
Total equity	<u>1,101,486</u>	<u>1,125,582</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2022 and 31 December 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2022 and 31 December 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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Note 22. Events after the reporting period

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000 with multiple parties.

The notes are unsecured and interest-bearing at 8% per annum.

Key terms and conditions:

- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022	2021
	\$	\$
Loss after income tax expense for the year	(1,469,298)	(551,746)
Adjustments for:		
Depreciation and amortisation	141,244	107,890
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	65,994	(75,000)
Decrease in lease liability	(53,779)	(41,176)
Increase/(decrease) in trade and other payables	(114,065)	216,708
Net cash used in operating activities	<u>(1,429,904)</u>	<u>(343,324)</u>

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Metal Powder Works Inc.
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

26 November 2024

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Independent Auditor's Report

To the Members of Metal Powder Works Inc.

Report on the audit of the financial report

Opinion

We have audited the financial report of Metal Powder Works Inc. (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *International Financial Reporting Standards*, including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Financial Reporting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$1,469,298 during the year ended 31 December 2022, and as of that date, the Company's net operating cash outflows totalled \$1,429,904. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

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L A Stella
Partner – Audit & Assurance

Perth, 26 November 2024

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Metal Powder Works Inc.

Annual Report - 31 December 2023

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Metal Powder Works Inc.
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metal Powder Works Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors

The following persons were directors of Metal Powder Works Inc. during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Barnes
Chris Aldridge
Leo Christodoulou
Kapil Talwar
Bruno Campisi
Rob Gorham

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Machine and process development
 - System industrialization, closed loop control system
 - Simplified user interface development
 - Yield, productivity and tool design improvements
- Material portfolio expansion
- Business development, customer and partner engagements

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$891,912 (31 December 2022: \$1,469,298).

To mitigate technological and economic risks associated with the development of advanced metal alloy powders, the company has prioritized revenue-generating technology development agreements with industry partners. Under this approach, material development initiatives are funded by prospective customers and collaborators. This strategy reduces the company's financial exposure but also expands industry relationships in an ecosystem that is diverse in downstream powder processing and manufacturing applications.

Significant changes in the state of affairs

In quarter two, the company established its principal site of operations at Neighbourhood 91, the location of a Pittsburgh-based cluster of innovative companies in the additive manufacturing ecosystem. During June 2023, the company issued \$323,109 worth of convertible notes, the terms of the notes are detailed in note 14.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Convertible note issue

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000 with multiple parties.

Key terms and conditions:

- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Metal Powder Works Inc.
Directors' report
31 December 2023**

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation and is not aware of an environmental breaches.

Information on directors

Name: John Barnes
Title: Chairman and Chief Executive Officer
Qualifications: BS, MS
Experience and expertise: John is recognized internationally for contributions to additive manufacturing (AM), product development, and leadership in engineering. He has more than 25 years' experience in product development and aerospace with Honeywell, Lockheed Martin Skunk Works™, Australia's CSIRO, and Arconic. He has been involved with AM technical and business cases in materials, powders, processing, and printing to mature the technology for applications. John is also Adjunct Professor at Carnegie Mellon University and RMIT University, and Adjunct Senior Research Fellow at Monash University. In 2017, he joined the Additive Manufacturing Technical Community as an SME Advisor. In 2022, he was named vice-chair of SME's AM Technical Leadership Committee.

Name: Chris Aldridge
Title: Executive Director and Chief Technology Officer
Qualifications: BS
Experience and expertise: Chris has worked in advanced manufacturing process development and machine design for more than 15 years. He has led projects in high precision machining, powder handling, and nearly all aspects of AM. At Lockheed Martin Skunk Works and at Arconic's production facility, he worked on maturing AM from a prototyping tool to a production-capable technology, gaining skills in AM machine operation, powder handling, and process simulation. Chris has also managed engineering design teams for deep water oil and gas production and intervention equipment.

Name: Leo Christodoulou
Title: Non-Executive Director
Qualifications: BSc Eng. (Hons), ARSM, PhD, DIC, FASM
Experience and expertise: Senior Executive Director, The Boeing Company Senior Executive Service (US Government, Dept of Defenses, Department of Energy) Reader Imperial College of Science, Technology and Medicine, London England Director, Composites, Martin Marietta Research laboratories

Name: Kapil Talwar
Title: Non-Executive Director
Qualifications: BS, MS, PhD, MBA
Experience and expertise: Kapil has over 25 years of management experience across start-ups, SMEs, and R&D organizations across multiple industrial sectors including software, semiconductors, additive manufacturing, specialty metals, chemicals and plastics, where he performed functional roles in P&L management, business development, R&D management, technology licensing, and capital raising. He is currently an Executive Director of Huntly Common Pty Ltd. He served as the CEO of VPAC Innovations in Melbourne, an engineering software company (2014-2018). He co-founded Vihana, Inc., a Silicon Valley-based fabless semiconductor start-up (Director, VP Business Development, VP Operations) that was acquired by Cisco Systems. He has worked at CSIRO's metals manufacturing division, involved in commercialisation and business development.

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**Metal Powder Works Inc.
Directors' report
31 December 2023**

Name: Bruno Campisi
 Title: Non-Executive Director
 Qualifications: B.Bus (Acc)
 Experience and expertise: Bruno has over 40 years' experience in business services and manufacturing, and has a broad range of skills in strategic planning, implementation and business development. Bruno has held senior positions in private enterprises, including Finance Director and later Managing Director roles.

Name: Rob Gorham
 Title: Non-Executive Director
 Qualifications: BS, MS
 Experience and expertise: Rob is CEO of BlueForge Alliance (BFA), an organization that integrates U.S. Navy efforts to sustain the submarine industrial base (SIB). He is responsible for overseeing SIB's capability and resilience to build and maintain the US's critical undersea presence. Previously, Rob had served as Executive Director of The SecureAmerica Institute, responsible for strategic manufacturing initiatives. He also led the SecureAmerica Institute, a \$50M private-public partnership converging technology, economics and policy toward a resilient U.S. industrial base. He was also the Executive Director of America Makes, the National Additive Manufacturing Innovation Institute at the National Center for Defense Manufacturing and Machining, where he was responsible for execution of a \$400M Department of Defense sponsored, public-private partnership to advance 3D Printing and Additive Manufacturing technologies. Prior to this, he was Senior Manager of the Manufacturing Exploration and Development Group at Lockheed Martin Aeronautics – Advanced Development Programs.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
John Barnes	12	12
Leo Christodoulou	12	12
Kapil Talwar	12	12
Bruno Campisi	12	12

Held: represents the number of meetings held during the time the director held office.

Shares under option

There were no unissued ordinary shares of Metal Powder Works Inc. under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Metal Powder Works Inc. issued on the exercise of options during the year ended 31 December 2023 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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**Metal Powder Works Inc.
Directors' report
31 December 2023**

Proceedings on behalf of the company

No person has applied to the Court for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

26 November 2024

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Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of Metal Powder Works Inc.

In accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (the Code), as lead auditor for the audit of Metal Powder Works Inc. for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 26 November 2024

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Metal Powder Works Inc.

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General information

The financial statements cover Metal Powder Works Inc. as a consolidated entity consisting of Metal Powder Works Inc. and the entities it controlled at the end of, or during, the year. The financial statements are presented in United States dollars, which is Metal Powder Works Inc.'s functional and presentation currency.

Metal Powder Works Inc. is a private company, incorporated and domiciled in Delaware, United States of America. Its registered office and principal place of business is:

1300 Clinton Rd, Clinton, PA 15026, United States of America

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 November 2024.

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Metal Powder Works Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 2023 \$	2022 \$
Revenue	3	875,939	111,892
Other income	4	22,760	28,874
Expenses			
Raw materials and consumables used		(272,972)	(123,693)
Employee benefits expense		(544,020)	(356,929)
Depreciation and amortisation expense		(191,252)	(141,244)
Legal & Professional Services		(78,285)	(129,815)
Contractors		(439,123)	(548,050)
Insurance expense		(28,195)	(9,205)
Research & Development		(68,412)	(161,101)
Other expenses		(86,907)	(85,498)
Finance costs		(33,464)	(20,385)
Marketing		(41,075)	(19,906)
Occupancy		(6,906)	(14,238)
Loss before income tax expense		(891,912)	(1,469,298)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Metal Powder Works Inc.		(891,912)	(1,469,298)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Metal Powder Works Inc.		<u>(891,912)</u>	<u>(1,469,298)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of financial position
As at 31 December 2023

	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	177,098	460,405
Trade and other receivables	7	101,030	9,006
Total current assets		<u>278,128</u>	<u>469,411</u>
Non-current assets			
Trade and other receivables	7	6,705	38,422
Property, plant and equipment	9	393,702	428,958
Right-of-use assets	8	386,216	489,207
Intangibles	10	286,186	313,441
Total non-current assets		<u>1,072,809</u>	<u>1,270,028</u>
Total assets		<u>1,350,937</u>	<u>1,739,439</u>
Liabilities			
Current liabilities			
Trade and other payables	11	309,308	143,298
Borrowings	12	100,000	-
Lease liabilities	13	94,844	85,709
Total current liabilities		<u>504,152</u>	<u>229,007</u>
Non-current liabilities			
Lease liabilities	13	314,102	408,946
Convertible note	14	323,109	-
Total non-current liabilities		<u>637,211</u>	<u>408,946</u>
Total liabilities		<u>1,141,363</u>	<u>637,953</u>
Net assets		<u>209,574</u>	<u>1,101,486</u>
Equity			
Issued capital	15	2,790,111	2,790,111
Accumulated losses		<u>(2,580,537)</u>	<u>(1,688,625)</u>
Total equity		<u>209,574</u>	<u>1,101,486</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of changes in equity
For the year ended 31 December 2023

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2022	1,344,909	(219,327)	1,125,582
Loss after income tax expense for the year	-	(1,469,298)	(1,469,298)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(1,469,298)	(1,469,298)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 15)	1,445,202	-	1,445,202
Balance at 31 December 2022	<u>2,790,111</u>	<u>(1,688,625)</u>	<u>1,101,486</u>

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	2,790,111	(1,688,625)	1,101,486
Loss after income tax expense for the year	-	(891,912)	(891,912)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(891,912)	(891,912)
Balance at 31 December 2023	<u>2,790,111</u>	<u>(2,580,537)</u>	<u>209,574</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

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Metal Powder Works Inc.
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		806,674	206,758
Payments to suppliers and employees		<u>(1,729,059)</u>	<u>(1,636,662)</u>
Net cash used in operating activities	24	<u>(922,385)</u>	<u>(1,429,904)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	(25,748)	(108,581)
Proceeds from release of security deposits		<u>241,717</u>	<u>20,607</u>
Net cash from/(used in) investing activities		<u>215,969</u>	<u>(87,974)</u>
Cash flows from financing activities			
Proceeds from issue of shares	15	-	1,245,202
Proceeds from borrowings	14	<u>423,109</u>	<u>-</u>
Net cash from financing activities		<u>423,109</u>	<u>1,245,202</u>
Net decrease in cash and cash equivalents		(283,307)	(272,676)
Cash and cash equivalents at the beginning of the financial year		<u>460,405</u>	<u>733,081</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>177,098</u></u>	<u><u>460,405</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2023, the Group incurred a loss after income tax expense of \$891,912 (31 December 2022: \$1,469,298) and net operating cash outflows of \$922,385 (31 December 2022: \$1,429,904).

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- the ability to raise additional funding, including A\$1,050,000 under a convertible note per subsequent event disclosure within note 23;
- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of an anticipated IPO.

The Directors believe that the group can raise capital as required based on the success of previous capital raises and the continued support from the Company's major shareholders. The Directors have a reasonable expectation that the Company has this support and have therefore determined that the Company will continue in operational existence for the foreseeable future. The company's 12 month outlook remains strong on the back of new income streams, a healthy pipeline and expected price growth in addition to a thorough review of our cost base being undertaken.

The financial report has therefore been prepared on the going concern basis. Should the Company be unable to achieve successful outcomes in relation to each of the matters referred to above, there is material uncertainty as to whether the Company will be able to continue as a going concern and, therefore, whether they will realise their assets and discharge their liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board ('IFRS'), as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Note 1. Material accounting policy information (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metal Powder Works Inc. ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Metal Powder Works Inc. and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of powder

Revenue from the sale of Metal alloy powders for use in industrial applications is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Contracted research and development

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Material accounting policy information (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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.

Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 1. Material accounting policy information (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	7-10 years
Fixture and fittings	7-10 years
Computer equipment	1-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 15 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Material accounting policy information (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

International Financial Reporting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Convertible notes

The fair value of the liability of convertible notes is based on the contractual stream of future cash flows. The Group uses its judgement to determine the discount rate based on the market interest rates existing at the end of the 31 December 2023.

Note 3. Revenue

	Consolidated	
	2023	2022
	\$	\$
Powder Sale	172,439	12,900
Contracted research and development	703,500	98,992
Revenue	<u>875,939</u>	<u>111,892</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$	\$
Goods transferred at a point in time	172,439	12,900
Services transferred over time	703,500	98,992
	<u>875,939</u>	<u>111,892</u>

Note 4. Other income

	Consolidated	
	2023	2022
	\$	\$
Sublease income	18,000	25,000
Other income	4,760	3,874
Other income	<u>22,760</u>	<u>28,874</u>

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Note 5. Income tax expense

	Consolidated	Consolidated
	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(891,912)	(1,469,298)
Tax at the statutory tax rate of 21%	(187,302)	(308,553)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation expense	40,163	29,661
Current year tax losses not recognised	(147,139)	(278,892)
	147,139	278,892
Income tax expense	-	-

Note 6. Cash and cash equivalents

	Consolidated	Consolidated
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	177,098	460,405

Note 7. Trade and other receivables

	Consolidated	Consolidated
	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	99,160	-
Other receivables	1,870	9,006
	101,030	9,006
<i>Non-current assets</i>		
Other receivables	6,705	38,422
	107,735	47,428

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2022: \$nil in profit or loss in respect of the expected credit losses for the year ended 31 December 2023).

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Note 8. Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	638,390	638,390
Less: Accumulated depreciation	<u>(252,174)</u>	<u>(149,183)</u>
	<u><u>386,216</u></u>	<u><u>489,207</u></u>

The consolidated entity leases land and buildings for its offices and warehouses under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$	Total \$
Balance at 1 January 2022	30,024	30,024
Additions	514,956	514,956
Depreciation expense	<u>(55,773)</u>	<u>(55,773)</u>
Balance at 31 December 2022	489,207	489,207
Depreciation expense	<u>(102,991)</u>	<u>(102,991)</u>
Balance at 31 December 2023	<u><u>386,216</u></u>	<u><u>386,216</u></u>

Note 9. Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	576,682	558,675
Less: Accumulated depreciation	<u>(204,152)</u>	<u>(153,701)</u>
	<u>372,530</u>	<u>404,974</u>
Fixtures and fittings - at cost	14,959	14,957
Less: Accumulated depreciation	<u>(3,518)</u>	<u>(2,024)</u>
	<u>11,441</u>	<u>12,933</u>
Computer equipment - at cost	11,853	11,853
Less: Accumulated depreciation	<u>(2,122)</u>	<u>(802)</u>
	<u>9,731</u>	<u>11,051</u>
	<u><u>393,702</u></u>	<u><u>428,958</u></u>

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Note 9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment \$	Fixture and fittings \$	Computer equipment \$	Total \$
Balance at 1 January 2022	377,232	1,360	-	378,592
Additions	84,564	12,164	11,853	108,581
Depreciation expense	(56,822)	(591)	(802)	(58,215)
Balance at 31 December 2022	404,974	12,933	11,051	428,958
Additions	18,008	-	-	18,008
Depreciation expense	(50,452)	(1,492)	(1,320)	(53,264)
Balance at 31 December 2023	<u>372,530</u>	<u>11,441</u>	<u>9,731</u>	<u>393,702</u>

Note 10. Intangibles

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Patents and trademarks - at cost	408,837	408,837
Less: Accumulated amortisation	(122,651)	(95,396)
	<u>286,186</u>	<u>313,441</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Patents and trademarks \$	Total \$
Balance at 1 January 2022	340,697	340,697
Amortisation expense	(27,256)	(27,256)
Balance at 31 December 2022	313,441	313,441
Amortisation expense	(27,255)	(27,255)
Balance at 31 December 2023	<u>286,186</u>	<u>286,186</u>

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Note 11. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	90,951	122,663
Equipment deposit	210,000	-
Other payables	8,357	20,635
	<u>309,308</u>	<u>143,298</u>

Refer to note 17 for further information on financial instruments.

Note 12. Borrowings

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Loan – related party	<u>100,000</u>	<u>-</u>

Loans from related parties

On 26 July 2023 the Company signed a bridging loan agreement of \$100,000 owed to The Barnes Global Advisors LLC (“TBGA”) a related party of the Director. The borrowing is interest bearing at 8% p.a and is repayable 24 months from inception.

Refer to note 17 for further information on financial instruments.

Note 13. Lease liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>94,844</u>	<u>85,709</u>
<i>Non-current liabilities</i>		
Lease liability	<u>314,102</u>	<u>408,946</u>
	<u>408,946</u>	<u>494,655</u>

Refer to note 17 for further information on financial instruments.

Note 14. Convertible note

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current liabilities</i>		
Convertible notes	<u>323,109</u>	<u>-</u>

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Note 14. Convertible note (continued)

In April 2023, the Company entered into convertible note agreements for the issuance of 323,109 convertible notes ("Notes") at the value of \$322,109 to raise funds for working capital. Under this raising, the Company entered into convertible note agreements with various lenders (the "Lenders") pursuant to which the Lenders subscribed for convertible notes in the Company which upon the Company completing the IPO process, convert into Shares.

The notes are unsecured, interest-bearing at 5% per annum

Key terms and conditions:

- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing;
- Interest is 5% per annum, and payable is arrears on redemption. If automatically converted no interest applies; and
- Maturity date is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;.

Note 15. Issued capital

	2023	Consolidated		
	Shares	2022	2023	2022
		Shares	\$	\$
Ordinary shares - fully paid	11,193,828	11,193,828	2,790,111	2,790,111

Movements in ordinary share capital

Details	Date	Shares	Issue Price \$	\$'000
Balance	1 January 2022	10,924,932		1,344,909
Issue of shares	10 January 2021	4,488	5.56	25,000
Issue of shares – founder shares	27 January 2022	64,632	5.56	360,000
Issue of share	29 April 2022	17,953	5.56	100,000
Issue of shares	30 April 2022	47,173	4.46	210,202
Issue of shares	3 June 2022	26,930	5.56	150,000
Issue of shares	2 August 2022	64,632	5.56	360,000
Issue of shares	5 September 2022	17,953	5.56	100,000
Issue of shares	2 November 2022	25,135	5.56	140,000
Balance	31 December 2022	11,193,828		2,790,111
Balance	31 December 2023	11,193,828		2,790,111

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 15. Issued capital (continued)

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Metal Powder Works Inc.
Notes to the financial statements
31 December 2023

Note 17. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	309,308	-	-	-	309,308
<i>Interest-bearing - fixed rate</i>						
Convertible notes	5.00%	-	323,109	-	-	323,109
Lease liability	7.50%	121,556	123,987	222,733	-	468,276
Total non-derivatives		430,864	447,096	222,733	-	1,100,693
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	143,298	-	-	-	143,298
<i>Interest-bearing - fixed rate</i>						
Lease liability	7.50%	119,173	121,556	346,721	-	587,450
Total non-derivatives		262,471	121,556	346,721	-	730,748

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	382,209	405,950
Post-employment benefits	11,858	11,289
	<u>394,067</u>	<u>417,239</u>

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

Note 20. Related party transactions

Parent entity

Metal Powder Works Inc. is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

During the year the Group paid \$152,611 (2022: \$137,787) to The Barnes Global Advisors for consulting related services. Mr John Barnes (Chief Executive Director) is a director of the related party.

During the year the Group paid \$225,328 (2022: \$338,398) to ECA Design LLC for consulting related services. Mr Chris Aldridge (Executive Director) is a director of the related party.

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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Metal Powder Works Inc.
Notes to the financial statements
31 December 2023

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Loss after income tax	(891,912)	(1,469,298)
Total comprehensive loss	(891,912)	(1,469,298)

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	278,128	469,411
Total assets	1,350,937	1,739,439
Total current liabilities	504,152	229,007
Total liabilities	1,141,363	637,953
Equity		
Issued capital	2,790,111	2,790,111
Accumulated losses	(2,580,537)	(1,688,625)
Total equity	<u>209,574</u>	<u>1,101,486</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2023 and 31 December 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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Metal Powder Works Inc.
Notes to the financial statements
31 December 2023

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Metal Powder Works LLC (Dormant)	Pennsylvania, United states of America	100%	100%
Sweet Metals Pty Ltd (Dormant)	Australia	100%	100%

Note 23. Events after the reporting period

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023 \$	2022 \$
Loss after income tax expense for the year	(891,912)	(1,469,298)
Adjustments for:		
Depreciation and amortisation	191,252	141,244
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(92,026)	65,994
Decrease in lease liability	(85,709)	(53,779)
Decrease in trade and other payables	(43,990)	(114,065)
Net cash used in operating activities	<u>(922,385)</u>	<u>(1,429,904)</u>

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Metal Powder Works Inc.
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

26 November 2024

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Independent Auditor's Report

To the Members of Metal Powder Works Inc.

Report on the audit of the financial report

Opinion

We have audited the financial report of Metal Powder Works Inc. (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *International Financial Reporting Standards*, including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Financial Reporting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$901,466 during the year ended 31 December 2023, and as of that date, the Company's net operating cash outflows totalled \$931,939. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

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L A Stella
Partner – Audit & Assurance
Perth, 26 November 2024

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Metal Powder Works Inc.

Interim Report - 30 June 2024

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**Metal Powder Works Inc.
Directors' report
30 June 2024**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metal Powder Works Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

Directors

The following persons were directors of Metal Powder Works Inc. during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John Barnes
Chris Aldridge
Leo Christodoulou
Kapil Talwar
Bruno Campisi
Rob Gorham

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Machine and process development
 - System industrialization, closed loop control system
 - Simplified user interface development
 - Yield, productivity and tool design improvements
- Material portfolio expansion
- Business development, customer and partner engagements

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$666,097 (30 June 2023: \$737,349).

The company signed an agreement that continued funding to develop, among other process improvements, tooling for industrial scale CP Ti powder production, and employed an engineer to work primarily on improved tooling for hard metals

The company listed powders (pure Cu, 7075, 6061, Al-Sc) for sale on the Qualloy website.

Significant changes in the state of affairs

Convertible note issue

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000 with multiple parties.

Key terms and conditions:

- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

Due diligence

Subsequent to the financial half-year, the consolidated entity entered into a binding agreement, pursuant to an acquisition of the consolidated entity, to grant a 12-week exclusivity period for the conduct of due diligence by the potential acquirer.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

**Metal Powder Works Inc.
Directors' report
30 June 2024**

This report is made in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

6 December 2024

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Auditor's Independence Declaration

To the Directors of Metal Powder Works Inc.

In accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (the Code), as lead auditor for the review of Metal Powder Works Inc. for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella

L A Stella
Partner – Audit & Assurance

Perth, 6 December 2024

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Metal Powder Works Inc.

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30 June 2024

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General information

The financial statements cover Metal Powder Works Inc. as a consolidated entity consisting of Metal Powder Works Inc. and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in United States dollars, which is Metal Powder Works Inc.'s functional and presentation currency.

Metal Powder Works Inc. is a private company, incorporated and domiciled in Delaware United States of America. Its registered office and principal place of business is:

1300 Clinton Rd, Clinton, PA 15026, United States of America

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 December 2024.

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Metal Powder Works Inc.
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

		Consolidated	
	Note	6 months ended 30 June 2024 \$	6 months ended 30 June 2023 \$
Revenue	2	397,766	22,480
Other income		517	4,059
Expenses			
Raw materials and consumables used		(284,722)	(78,284)
Employee benefits expense		(323,002)	(290,094)
Depreciation and amortisation expense		(94,618)	(95,520)
Legal & Professional Services		(45,667)	(40,815)
Contractors		(190,721)	(149,946)
Insurance expense		(13,952)	(15,495)
Research & Development		(28,750)	(19,435)
Other expenses		(38,122)	(40,526)
Finance costs		(15,709)	(17,531)
Marketing		(7,509)	(7,551)
Occupancy		(21,608)	(8,691)
Loss before income tax expense		(666,097)	(737,349)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Metal Powder Works Inc.		(666,097)	(737,349)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Metal Powder Works Inc.		<u>(666,097)</u>	<u>(737,349)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 June 2024	31 December 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		125,794	177,098
Trade and other receivables		95,413	101,030
Total current assets		<u>221,207</u>	<u>278,128</u>
Non-current assets			
Trade and other receivables		-	6,705
Property, plant and equipment		339,644	393,702
Right-of-use assets		334,720	386,216
Intangibles		272,558	286,186
Total non-current assets		<u>946,922</u>	<u>1,072,809</u>
Total assets		<u>1,168,129</u>	<u>1,350,937</u>
Liabilities			
Current liabilities			
Trade and other payables		170,438	309,308
Contract liabilities	4	386,390	-
Borrowings	5	382,005	100,000
Lease liabilities		99,693	94,844
Total current liabilities		<u>1,038,526</u>	<u>504,152</u>
Non-current liabilities			
Lease liabilities		263,017	314,102
Convertible note	6	323,109	323,109
Total non-current liabilities		<u>586,126</u>	<u>637,211</u>
Total liabilities		<u>1,624,652</u>	<u>1,141,363</u>
Net (liabilities)/assets		<u>(456,523)</u>	<u>209,574</u>
Equity			
Issued capital		2,790,111	2,790,111
Accumulated losses		(3,246,634)	(2,580,537)
Total (deficiency)/equity		<u>(456,523)</u>	<u>209,574</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Metal Powder Works Inc.
Statement of changes in equity
For the half-year ended 30 June 2024

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	2,790,111	(1,688,625)	1,101,486
Loss after income tax expense for the half-year	-	(737,349)	(737,349)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(737,349)	(737,349)
Balance at 30 June 2023	<u>2,790,111</u>	<u>(2,425,974)</u>	<u>364,137</u>

Consolidated	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2024	2,790,111	(2,580,537)	209,574
Loss after income tax expense for the half-year	-	(666,097)	(666,097)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(666,097)	(666,097)
Balance at 30 June 2024	<u>2,790,111</u>	<u>(3,246,634)</u>	<u>(456,523)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

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Metal Powder Works Inc.
Statement of cash flows
For the half-year ended 30 June 2024

	Consolidated	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	790,290	43,418
Payments to suppliers and employees	<u>(944,869)</u>	<u>(754,915)</u>
Net cash used in operating activities	<u>(154,579)</u>	<u>(711,497)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(3,680)	(4,198)
Payments for security deposits	(197,385)	-
Proceeds from disposal of property, plant and equipment	22,335	-
Proceeds from release of security deposits	<u>-</u>	<u>26,093</u>
Net cash (used in)/from investing activities	<u>(178,730)</u>	<u>21,895</u>
Cash flows from financing activities		
Proceeds from borrowings	<u>282,005</u>	<u>323,109</u>
Net cash from financing activities	<u>282,005</u>	<u>323,109</u>
Net decrease in cash and cash equivalents	(51,304)	(366,493)
Cash and cash equivalents at the beginning of the financial half-year	<u>177,098</u>	<u>460,405</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>125,794</u></u>	<u><u>93,912</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting', as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IAS') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the half year ended 30 June 2024, the Group incurred a loss after income tax expense of \$666,097 and as at that date, reported current liabilities in excess of its current assets of \$817,319 which includes a non-cash contract liability of \$386,390.

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- the ability to raise additional funding, including A\$1,050,000 under a convertible note per subsequent event disclosure within note 8;
- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of an anticipated IPO.

The Directors believe that the group can raise capital as required based on the success of previous capital raises and the continued support from the Company's major shareholders. The Directors have a reasonable expectation that the Company has this support and have therefore determined that the Company will continue in operational existence for the foreseeable future. The company's 12 month outlook remains strong on the back of new income streams, a healthy pipeline and expected price growth in addition to a thorough review of our cost base being undertaken.

The financial report has therefore been prepared on the going concern basis. Should the Company be unable to achieve successful outcomes in relation to each of the matters referred to above, there is material uncertainty as to whether the Company will be able to continue as a going concern and, therefore, whether they will realise their assets and discharge their liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Metal Powder Works Inc.
Notes to the financial statements
30 June 2024

Note 2. Revenue

	Consolidated	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$	\$
Sale of equipment	350,000	-
Powder sale	11,400	8,980
Contracted research & development	36,366	13,500
	<u>397,766</u>	<u>22,480</u>
Revenue	<u><u>397,766</u></u>	<u><u>22,480</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	361,400	8,980
Services transferred over time	36,366	13,500
	<u>397,766</u>	<u>22,480</u>
	<u><u>397,766</u></u>	<u><u>22,480</u></u>

Note 3. Other income

	Consolidated	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$	\$
Other income	517	4,059
	<u>517</u>	<u>4,059</u>
	<u><u>517</u></u>	<u><u>4,059</u></u>

Note 4. Contract liabilities

	Consolidated	
	30 June 2024	31 December 2023
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	386,390	-
	<u>386,390</u>	<u>-</u>
	<u><u>386,390</u></u>	<u><u>-</u></u>

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Note 4. Contract liabilities (continued)

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$386,390 as at 30 June 2024 (\$nil as at 31 December 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	31 December
	30 June 2024	2023
	\$	\$
Within 6 months	<u>386,390</u>	<u>-</u>

Note 5. Borrowings

	Consolidated	31 December
	30 June 2024	2023
	\$	\$
<i>Current liabilities</i>		
Loan - Related party	<u>382,005</u>	<u>100,000</u>

Loans from related parties

On 26 July 2023 the Company signed a bridging loan agreement of \$100,000 owed to The Barnes Global Advisors LLC ("TBGA") a related party of the Director. The borrowing is interest bearing at 8% p.a and is repayable 24 months from inception.

On 31 January 2024 the Company signed a bridging loan agreement of \$150,000 owed to TBGA a related party of the Director. The borrowing is interest bearing at 8% p.a and is repayable 3 months from inception.

On 20 March 2024 the Company signed a bridging loan agreement of \$100,000 owed to Bruno Campisi, a Director. The borrowing is interest bearing at 10% p.a and is repayable 3 months from inception.

On 29 April 2024 the Company signed a bridging loan agreement of \$32,005 (AUD \$50,000) owed to Bruno Campisi, a Director. The borrowing is interest bearing at 10% p.a and is repayable 3 months from inception.

Note 6. Convertible note

	Consolidated	31 December
	30 June 2024	2023
	\$	\$
<i>Non-current liabilities</i>		
Convertible note	<u>323,109</u>	<u>323,109</u>

In April 2023, the Company entered into convertible note agreements for the issuance of 323,109 convertible notes ("Notes") at the value of \$322,109 to raise funds for working capital. Under this raising, the Company entered into convertible note agreements with various lenders (the "Lenders") pursuant to which the Lenders subscribed for convertible notes in the Company which upon the Company completing the IPO process, convert into Shares.

The notes are unsecured, interest-bearing at 5% per annum.

Key terms and conditions:

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Note 6. Convertible note (continued)

- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing;
- Interest is 5% per annum, and payable is arrears on redemption. If automatically converted no interest applies; and
- Maturity date is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event.

Note 7. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Events after the reporting period

Convertible note issue:

On 22 November 2024, the Company entered into a convertible note arrangement to raise A\$1,050,000 with multiple parties.

Key terms and conditions:

- Maturity dates is 24 months from the date the Convertible Note Agreement signed by the parties which is the redemption event;
- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing; and
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies.

Due diligence

Subsequent to the financial half-year, the consolidated entity entered into a binding agreement, pursuant to an acquisition of the consolidated entity, to grant a 12-week exclusivity period for the conduct of due diligence by the potential acquirer.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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Metal Powder Works Inc.
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with International Accounting Standard IAS 34 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Kapil Talwar
Non-Executive Director

6 December 2024

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Independent Auditor's Review Report

To the Members of Metal Powder Works Inc

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Metal Powder Works Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Metal Powder Works Inc does not comply with:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half year ended on that date;
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- c complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Conclusion

We conducted our review in accordance with ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) and the International Ethics Standard Board for Accountant's *Code of Ethics for Professional Accountants (including Independence Standards)* (IESBA Code) that are relevant to our review of the half year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$666,097 during the half year ended 30 June 2024, and as at that date, reported current liabilities in excess of its current assets of \$817,319. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with, International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with International Accounting Standards IAS 34 *Interim Financial Reporting*.

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 6 December 2024

Schedule 5 Terms and Conditions of Consideration Performance Rights

1. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2. **(Issue Price):** The Performance Rights are issued for nil cash consideration.
3. **(Vesting Conditions):** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Tranche	Vesting Condition	Revenue	% of vesting Performance Rights
Tranche 1 (25,000,000 Performance Rights)	Both of the following:	Less than USD\$3,000,000	0%
	(a) Metal Powder Works, Inc. achieving the specified Revenue for CY26 (Vesting Condition 1A); and	USD\$3,000,000-5,000,000	$(CY26\ Revenue / USD\$5,000,000) \times 100$
	(b) Following the satisfaction of Vesting Condition 1A, the first occurrence that 20 Day VWAP is equal to or greater than \$0.20.	Greater than USD\$5,000,000	100%
Tranche 2 (25,000,000 Performance Rights)	Both of the following:	Less than USD\$8,000,000	0%
	(a) Metal Powder Works, Inc. achieving the specified Revenue for CY26 or CY27 (Vesting Condition 2A); and	USD\$8,000,000-10,000,000	$(CY26\ or\ 27\ Revenue / USD\$10,000,000) \times 100$
	(b) Following the date of first satisfaction of Vesting Condition 2A, the 20 Day VWAP is equal to or greater than \$0.20 (Vesting Condition 2B).	Greater than USD\$10,000,000	100%

Notes:

- i. **20 Day VWAP** means the volume weighted average price of Shares over 20 consecutive days on which the Shares have traded.
- ii. **CY26** means calendar year 2026.
- iii. **CY27** means calendar year 2027.
- iv. **Revenue** means revenue generated by the business of Metal Powder Works, Inc. through continuing business operations as set out in the Company’s audited financial statements (expressed in USD\$), but does not include the revenue generated from operations of any other businesses that may be acquired by Metal Powder Works, Inc. or the Company after completion of the Company’s acquisition of Metal Powder Works, Inc.
- v. The Performance Rights will vest on the date the on which relevant Vesting Condition has been satisfied.

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vi. To the extent that a Tranche 2 Performance Right is satisfied as a result of Revenue achieved for CY26 (and satisfaction of Vesting Condition 2B), the balance of the Tranche 2 Performance Rights will remain on issue and may be satisfied as a result of Revenue achieved for CY27.

4. **(Vesting):** Subject to the satisfaction of the Vesting Condition prior to the relevant Expiry Date, the Company will notify the holders of the Performance Right (**Holders**) in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
5. **(Exercise Price):** The exercise price of each vested Performance Right is nil.
6. **(Expiry Date):**
 - (a) The Tranche 1 Performance Rights expire and lapse at 5:00pm (AWST) on 30 June 2027.
 - (b) The Tranche 2 Performance Rights expire and lapse at 5:00pm (AWST) on 30 June 2028.
7. **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date, the Holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company's Company Secretary (in a form provided by the Company Secretary) (**Exercise Notice**). The Holder is not required to pay a fee to exercise the Performance Rights.
8. **(Issue of Shares):** Within 5 Business Days after the valid exercise of a vested Performance Right, the Company will:
 - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
 - (c) if required, and subject to clause 9, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act;
 - (d) deliver or cause to be delivered a holding statement in respect of the Shares to the holder;
 - (e) enter the holder into the register of members of the Company as the registered holder of the Shares issued to that holder; and
 - (f) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
9. **(Restrictions on Transfer of Shares):** If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, the Company must on or within 20 Business Days after the allotment date of any shares issued on conversion of Performance Rights, lodge a 'cleansing prospectus' with ASIC pursuant to section 708A(11) of the Corporations Act.
10. **(Ranking):** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
11. **(Transferability of the Performance Rights):** The Performance Rights are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
12. **(Dividend rights):** A Performance Right does not entitle the holder to any dividends.
13. **(Voting rights):** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under

the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

14. **(Quotation of the Performance Rights):** The Company will not apply for quotation of the Performance Rights on any securities exchange.
15. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
16. **(Entitlements and bonus issues):** The Holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues. There will be no change to the number of Shares over which the Performance Rights are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company.
17. **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18. **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
19. **(Takeovers prohibition):** The issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act. In the event that an issue of Shares on the exercise of Performance Rights would breach section 606(1), then the Exercise Notice will be valid only in respect of the maximum number of Shares that may be issued without breaching section 606(1) of the Corporations Act and the remaining Performance Rights will not be exercised (**Remaining Performance Rights**). In this instance, the Company must convene a meeting of its members to obtain the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of Shares on exercise of the Remaining Performance Rights (**PR Conversion Meeting**). If, at the PR Conversion Meeting, the members of the Company do not approve the issue of Shares on exercise of the Remaining Performance Rights, the Company must pay, within 5 Business Days after the date of the PR Conversion Meeting (**Payment Date**), the holder(s) of the Remaining Performance Rights a cash payment equal to the value of the Remaining Performance Rights in lieu of conversion of those Remaining Performance Rights (**Cash Payment**). The Cash Payment will be determined as follows:

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

where:

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

20. **(No other rights)** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
21. **(Amendments required by ASX)** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.

22. **(Constitution)** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

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Schedule 6 Terms and conditions of Conversion Options

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

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

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and, if applicable, the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
8. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which, if applicable, cleared funds have been received by the Company; and

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- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
9. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
10. **(Timing of application for quotation):** If admitted to the official list of ASX at the time, the Company must apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options within 5 Business Days after the Exercise Date.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
12. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
- (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
16. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
17. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
18. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.
19. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.

20. **(Constitution)**: Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's constitution.

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Schedule 7 Pro forma Balance Sheet

The table below set out the indicative Pro Forma Historical Consolidated Statement of Financial Position of the Company as at 30 June 2024. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	MPW (30 June 2024) ¹	K-TIG Limited (30 June 2024)	Minimum Sub.	Maximum Sub.	Acquisition	Convertible note raise	Conversion of Convertible Notes	Issue of board and advisor securities	Pro-Forma Balance Sheet (Minimum Sub.)	Pro-Forma Balance Sheet (Maximum Sub.)
Current Assets										
Cash and cash equivalents	187,751	296,233	6,700,000	9,580,000		1,550,000			8,733,984	11,613,984
Financial assets	-	5,000							5,000	5,000
Trade and other receivables	142,407	249,551							391,958	391,958
Inventories	-	2,039,108							2,039,108	2,039,108
Total Current Assets	330,158	2,589,892							11,170,050	14,050,050

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	MPW (30 June 2024) ¹	K-TIG Limited (30 June 2024)	Minimum Sub.	Maximum Sub.	Acquisition	Convertible note raise	Conversion of Convertible Notes	Issue of board and advisor securities	Pro-Forma Balance Sheet (Minimum Sub.)	Pro-Forma Balance Sheet (Maximum Sub.)
Non-current assets										
Other receivables	(8,821)	14,150							5,328	5,328
Intangibles	406,803	13,324							420,127	420,127
Goodwill	-				2,142,416				2,142,416	2,142,416
Right-of-use assets	499,582	524,821							1,024,403	1,024,403
Fixed assets / other assets	515,752	337,819							853,571	853,571
Total Non-Current Assets	1,413,316	890,114							4,445,846	4,445,846
Total Assets	1,743,475	3,480,006							15,615,896	18,495,896
Liabilities										

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	MPW (30 June 2024) ¹	K-TIG Limited (30 June 2024)	Minimum Sub.	Maximum Sub.	Acquisition	Convertible note raise	Conversion of Convertible Notes	Issue of board and advisor securities	Pro-Forma Balance Sheet (Minimum Sub.)	Pro-Forma Balance Sheet (Maximum Sub.)
Current Liabilities										
Trade and other payables	254,384	258,452							512,836	512,836
Borrowings	570,157	-							570,157	570,157
Lease liabilities	148,796	305,713							454,509	454,509
Employee benefits	-	53,490							53,490	53,490
Amounts received in advance	576,701	618,474							1,195,175	1,195,175
Total Current Liabilities	1,550,037	1,236,129							2,786,166	2,786,166
Non-Current Liabilities										

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	MPW (30 June 2024) ¹	K-TIG Limited (30 June 2024)	Minimum Sub.	Maximum Sub.	Acquisition	Convertible note raise	Conversion of Convertible Notes	Issue of board and advisor securities	Pro-Forma Balance Sheet (Minimum Sub.)	Pro-Forma Balance Sheet (Maximum Sub.)
Lease liabilities	392,563	258,164							650,726	650,726
Financial liabilities	482,252	3,000,000					(3,482,252)		-	-
Total Non-Current Liabilities	874,815	3,258,164							650,726	650,726
Total Liabilities	2,424,852	4,494,293							3,436,892	3,436,892
Net Assets	(681,378)	(1,014,287)	6,700,000	9,580,000	2,142,416	1,550,000	(3,482,252)	-	12,179,004	15,059,004
Equity										
Share capital	4,164,345	27,839,530	7,000,000	10,000,000	(26,711,401)	1,550,000	5,014,423	725,165	19,582,062	22,582,062
Other reserves	-	1,648,069			(1,648,069)				-	-

	MPW (30 June 2024) ¹	K-TIG Limited (30 June 2024)	Minimum Sub.	Maximum Sub.	Acquisition	Convertible note raise	Conversion of Convertible Notes	Issue of board and advisor securities	Pro-Forma Balance Sheet (Minimum Sub.)	Pro-Forma Balance Sheet (Maximum Sub.)
Share based payments	-	2,207,652			(2,207,652)			(725,165)	(725,165)	(725,165)
Accumulated losses	(4,845,722)	(32,709,538)	(300,000)	(420,000)	32,709,538		(1,532,171)		(7,403,059)	(7,523,059)
Total Equity	(681,378)	(1,014,287)	6,700,000	9,580,000	2,142,416	1,550,000	3,482,252	-	12,179,004	15,059,004

Notes:

1. Acquisition is a reverse takeover.
2. MPW becomes the accounting parent.
3. Minimum Subscription of \$7,000,000 and Maximum Subscription of \$10,000,000.
4. Based on an exchange rate of A\$1.00 = USD\$0.67.

Schedule 8 Terms and conditions of March 2023 Notes (as amended)

Issuer	K-TIG Limited
Face Value	\$1,000 per Note.
Funds Raised	\$2,000,000 (before costs).
Debt Instrument	Prior to conversion, the Notes will be debt instruments.
Conversion Condition	The Notes will automatically convert into ordinary shares in the Company upon the Company obtaining shareholder approval for the conversion of the Notes into shares and options in the capital of the Company (Shareholder Approval).
Conversion Price	The Notes will convert into: fully paid ordinary shares in the capital of the Company (Shares) at a conversion price of \$0.26 per Share (post-Consolidation). (a) fully paid ordinary shares in the capital of the Company (Shares) at a conversion price of \$0.26 per Share (post-Consolidation); and (b) a 1-for-1 free attaching Option with an exercise price of \$0.26 each (post-Consolidation) and an expiry date of 3 years from the date of conversion.
Interest	The Notes do not bear interest.
Placement Capacity / Shareholder Approval	No equity securities will be issued until Shareholder Approval is obtained under Listing Rule 7.1.
Security	The Notes are unsecured, unsubordinated and rank behind any secured indebtedness of the Company whilst ranking pari-passu as between themselves.
Unquoted	The Notes will be unquoted. The Company will apply for quotation of the Shares issued on conversion.
Forbearance	(a) The Noteholder agrees to forbear taking action in relation to their outstanding debt position for a period of 24 months from the date of the DOCA, being 12 April 2024 (Forbearance Period); (b) The Noteholder is prohibited from taking enforcement action (including demanding repayment of unsecured principal debt owed) until the earlier of: (i) the end of the Forbearance Period; or (ii) satisfaction of both of the following conditions: (A) obtaining the Shareholder Approval; and (B) the terms of the March 2023 Note Deeds being amended such that the March 2023 Noteholders will have no entitlement to interest (upon conversion or redemption), redemption Options or any other amount payable to them under the March 2023 Note Deed, other than the Shares and Options to be issued upon the conversion of the Noteholders' debt to equity; or

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	(iii) an insolvency event occurs again in respect of the Company or its subsidiaries.
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Schedule 9 Terms and conditions of June 2024 Convertible Notes

Issuer	K-TIG Limited
Face Value	\$1,000 per Note.
Funds Raised	\$1,000,000 (before costs).
Debt Instrument	Prior to the satisfaction of the Conversion Conditions (defined below), the Notes will be debt instruments.
Conversion Conditions	Subject to satisfaction of the following conversion conditions, the Notes will automatically convert into ordinary shares in the Company (Conversion Date): (a) the Company obtaining shareholder approval for the conversion of the Notes into shares and options in the capital of the Company (Shareholder Approval); and (b) the Company successfully completing a future capital raise (Future Capital Raising), (Conversion Conditions) .
Conversion Price	The Notes will convert into: (a) fully paid ordinary shares in the capital of the Company (Shares) at a conversion price of \$0.13 per Share (post-Consolidation); and (b) a 1-for-1 free attaching Option with an exercise price equal to the conversion price and an expiry date of 3 years from the date of conversion.
Interest	The Notes do not bear interest.
Placement Capacity / Shareholder Approval	No equity securities will be issued until Shareholder Approval is obtained under Listing Rule 7.1.
Security	The Notes are unsecured, unsubordinated and rank behind any secured indebtedness of the Company whilst ranking pari-passu as between themselves.
Unquoted	The Notes will be unquoted. The Company will apply for quotation of the Shares issued on conversion.
Maturity	24 months from the date of issue.

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Schedule 10 Terms and conditions of the October 2024 Note

Issuer	K-TIG Limited
Investors	Sophisticated, wholesale, professional investors or other investors exempt from offer document disclosure by way of section 708 of the Corporations Act.
Face Value	\$1,000 per Note.
Funds Raised	\$500,000 (before costs).
Maturity Date	24 months from the date of issue
Debt Instrument	Prior to the satisfaction of the Conversion Conditions (defined below), the Notes will be debt instruments.
Conversion Conditions	Conversion is subject to shareholder approval and the Company successfully completing a capital raising (Future Capital Raising).
Conversion Price	The Notes will convert into fully paid ordinary shares in the capital of the Company (Shares) at a conversion price which is equal to a 20% discount to the issue price of the Shares under the Future Capital Raising.
Interest	The Notes do not bear interest.
Placement Capacity / Shareholder Approval	No equity securities will be issued until Shareholder Approval is obtained under ASX Listing Rule 7.1.
Security	The Notes are unsecured, unsubordinated and rank behind any secured indebtedness of the Company whilst ranking pari-passu as between themselves.
Unquoted	The Notes will be unquoted. The Company will apply for quotation of the Shares issued on conversion.
Maturity	24 months from the issue date.

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Schedule 11 Terms and conditions of the MPW Notes

Issuer	Metal Powder Works, Inc.
Funds Raised	\$1,050,000
Maturity Date	24 months from the date of issue, unless extended in writing by mutual agreement of MPW and the Noteholder.
Conversion Events	The Notes convert at the Conversion Price on the earlier of: (a) (Conversion on Next Financing) MPW completing a capital raising of at least US\$2,000,000 (Next Financing); and (b) (Conversion on Change of Control) MPW selling all or substantially all its assets or more than 50% of its Common Stock is sold in exchange for Common Equity of the acquiring entity (Change of Control), in which case the Notes shall automatically be exchanged for Common Equity in the acquiring entity.
Conversion Price	The Conversion Price is: (a) on completion of the Next Financing, a 20% discount to the issue price of Common Stock under that financing; or (b) on a Change of Control, a price equal to a 20% discount to the agreed value per share of Common Equity of the acquiring entity provided as consideration under the change of control transaction.
Interest	Interest accrues on the outstanding principal at a rate equal to the lesser of (i) 4% per annum and (ii) the short term applicable federal rate as of the date of the Note. Interest is payable in cash in the event of a Change of Control.
Unquoted	The Notes are unquoted.

Note: K-TIG's proposed acquisition of MPW under the Transaction will constitute a Change of Control and will result in conversion of the MPW Notes at a conversion price of \$0.16 per Share.

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Schedule 12 Terms and conditions of ASX waivers

Confirmation Decision – Listing Rule 6.1

1. *Based solely on the information provided, ASX Limited ('ASX') confirms to K-TIG Limited (to be renamed Metal Powder Works Limited) (the 'Company') that the terms of the 50,000,000 performance rights with a nil exercise price ('Performance Rights') proposed to be issued to the security holders of Metal Powder Works Inc ('Vendors') are appropriate and equitable for the purposes of Listing Rule 6.1, subject to the following conditions:*
- 1.1 *The prospectus issued in connection with the Company's re-admission to the ASX official list and the Company's notice of meeting seeking shareholder approval pursuant to listing rule 11.1.2 contains the following details in respect of the Performance Rights:*
- 1.1.1 *the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;*
- 1.1.2 *any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity;*
- 1.1.3 *an explanation why the Performance Rights are being issued in connection with the acquisition, including the commercial goals the Company is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestone;*
- 1.1.4 *details of the undertaking/assets being acquired;*
- 1.1.5 *details of the Vendors from whom the entity is acquiring the undertaking and their respective ownership interests in the undertaking;*
- 1.1.6 *details of how the entity determined the number of Performance Rights to be issued to the Vendors and why it considers that number to be appropriate and equitable;*
- 1.1.7 *if any of the Performance Rights are being issued to someone who does not have an ownership interest in the undertaking being acquired, or if the Performance Rights are being issued disproportionately to the ownership interests of the Vendors, an explanation why that is the case and how that is considered appropriate and equitable;*
- 1.1.8 *the number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure;*
- 1.1.9 *the full terms of the Performance Rights, including:*
- (a) *the Performance Rights are not quoted;*
- (b) *the Performance Rights are not transferrable;*
- (c) *the Performance Rights do not confer any right to vote, except as otherwise required by law;*

- (d) *the Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;*
- (e) *the Performance Rights do not carry an entitlement to a dividend;*
- (f) *the Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise;*
- (g) *the Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company;*
- (h) *each of the Performance Rights are converted into one fully paid ordinary share on achievement of the relevant milestone; and*
- (i) *if the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.*

1.1.10 *an independent expert's report, in accordance with Guidance Note 19 requirements, including an opinion on whether the Performance Rights the Company proposes to have on issue at the date of its readmission and reinstatement to quotation are fair and reasonable to non-participating security holders.*

- 1.2 *The Company makes an announcement immediately upon the satisfaction of the milestone, on the conversion of any of the Performance Rights and the expiry of any of the Performance Rights.*
- 1.3 *The terms and conditions of the Performance Rights, including without limitation the relevant milestone that has to be satisfied before each Performance Right converts into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.*
- 1.4 *Upon conversion of the Performance Rights into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.*
- 1.5 *The Company discloses the following in each annual report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:*
 - 1.5.1 *the number of Performance Rights on issue during the relevant period;*
 - 1.5.2 *a summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones;*
 - 1.5.3 *whether any of the Performance Rights were converted or cancelled during that period; and*
 - 1.5.4 *whether the milestone was met during the period.*
- 2. *Resolution 1 applies only to 28 March 2025 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.*
- 3. *ASX has considered Listing Rule 6.1 only and makes no statement as to the Company's compliance with other listing rules.*

Waiver Decision – Listing Rule 1.1 Condition 12

1. *Based solely on the information provided, ASX grants K-TIG Limited (to be renamed Metal Powder Works Limited) (the ‘Company’) a waiver from Listing Rule 1.1 Condition 12 to permit the Company to issue:*
 - 1.1 *Up to 50,000,000 performance rights to the security holders of Metal Powder Works Inc (‘Performance Rights’); and*
 - 1.2 *Up to 7,692,308 options exercisable at \$0.13 each to the holders of convertible note holders issued in June 2024 in connection with a Deed of Company Arrangement applicable to the Company (‘Convertible Note Options’),*

subject to the following conditions:

- 1.1 the full terms of the waiver and terms and conditions of the Performance Rights and Convertible Note Options are disclosed in the notice of meeting pursuant to which the Company will seek the approval of the Company’s shareholders to issue the Performance Rights and Options in conjunction with the approval obtained under Listing Rule 11.1.2 for the proposed acquisition of all the issued shares in Metal Powder Works Inc (the ‘Proposed Transaction’); and
- 1.2 the full terms and conditions of the Performance Rights and Convertible Note Options are clearly disclosed in the Company’s public offering prospectus.
2. *Resolution 1 applies only to 28 March 2025 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.*
3. *ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to the Company’s compliance with other Listing Rules.*

In-Principle Waiver Decision – Listing Rule 10.13.5

1. *K-TIG Limited (to be renamed to Metal Powder Works Limited) (the ‘Company’) proposes to issue up to 50,000,000 shares at \$0.20 per share under a prospectus (‘Capital Raising’) as part of, or in connection with, its acquisition of 100% of the issued shares in Metal Powder Works Inc (‘Proposed Transaction’). ASX Limited (‘ASX’) has advised the Company that it must meet the requirements in Chapters 1 and 2 of the Listing Rules in relation to the transaction. Based solely on the information provided, ASX grants the Company a waiver from Listing Rule 10.13.5 to the extent necessary to permit the notice of meeting seeking shareholder approval for the issue of securities to Listing Rule 10.11 parties as part of, or in connection with, the Capital Raising not to state that the securities will be issued no later than one (1) month after the date of the meeting, on the following conditions:*
 - 1.1 *The securities are issued at the same time as other securities to be issued under the prospectus or PDS that the Company has issued or is proposing to issue as part of, or in connection with, the transaction;*
 - 1.2 *The terms of the waiver are clearly disclosed in the notice of meeting and in the prospectus to be issued in respect of the Capital Raising; and*
 - 1.3 *The notice for the Meeting states the issue of the above securities will occur no later than 3 months after the date of the meeting.*
2. *Resolution 1 applies only to 28 March 2025 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.*
3. *ASX has considered Listing Rule 10.13.5 only and makes no statement as to the Company’s compliance with other Listing Rules.*

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **9.00am (AWST) on Sunday, 9 February 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the Investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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IN PERSON:

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