
TARGET MARKET DETERMINATION

Made by: Altech Batteries Limited (ACN 125 301 206) of Suite 8, 295 Rokeby Road Subiaco WA 6008 (**Company**)

Product: Free attaching quoted options in connection with a non-renounceable entitlement issue under a prospectus dated 6 August 2024 (**Options**)

Effective date: 7 August 2024

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue the Options made by the Company under a prospectus dated 7 August 2024 (**Prospectus**). A copy of the Prospectus is available on the Company's website, <https://investorhub.altechgroup.com/>. MAA Group Berhad (**MAAG**) has been appointed as the underwriter to the offer.

The offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options under the offer will need to complete the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Options. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**) nor does it contain a full summary of the terms and conditions of the Options.

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

1. TARGET MARKET

Factor	Target market
Investment Objective	The Company expects that an investment in Options will be suitable to investors who wish to gain exposure to equities in a small/mid-cap battery technology company listed on the Australian Securities Exchange (ASX).
Investment Timeframe	<p>The target market of investors will take a short term outlook on their investment. Investors with a short-term outlook for their investment will benefit from an anticipated listing of the Options on ASX, as well as an ability to exercise Options and trade the underlying Shares issued on exercise should the exercise price of the Options be lower than the trading price of Shares. Investors with a short-term outlook will benefit from an ability to exercise the Options before 31 December 2025, and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire Shares, Investors in the target market are in a</p>

	<p>financial position that is sufficient for them to invest their funds over the time horizon of the exercise period of the Options, as set out in the Prospectus, should they wish to exercise their Options. Any decision to exercise the Options is likely to be based on the trading price of the Shares.</p>
Investment Metrics	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment and who are accustomed to participating in speculative investments in the technology sector.</p> <p>An exercise price is required to be paid to acquire shares on exercise of Options. As such, the capacity to realise the underlying value of the Options would require that they be exercised on or before the expiry date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the expiry date. Prior to the expiry date, investors' ability to liquidate the Options may be limited by a lack of liquidity in the trading of Options and Shares and the price of the Shares.</p> <p>The Options offer no guaranteed income or capital protection.</p>
Risk	<p>The Company considers that an investment in the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment. Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in Options as an asset class generally and the more specific risks of investing in an Australian listed technology company.</p>

2. DISTRIBUTION CONDITIONS

The offer of Options under the Prospectus is being made to those shareholders in the Company with a registered address in Australia, New Zealand, Germany, Malaysia, Singapore and Switzerland registered as shareholders at the record date specified in the Prospectus (**Eligible Shareholders**).

Any entitlement not taken up under the offer will form a shortfall offer (**Shortfall Offer**). MAAG has agreed to underwrite the offer to the extent of \$5,000,000. Eligible Shareholders may subscribe for Shares above their entitlement under the Shortfall Offer (which will result in the issue of free attaching Options to those Shares, on a 1 for 2 basis), in priority to the Underwriter. The allocation process for the Shortfall Offer is set out in further detail in the Prospectus.

The Prospectus will include jurisdictional conditions on eligibility. The Company will also include on its web landing page for the offer of Options a copy of this TMD and require that retail clients confirm that they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for Options.

The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

3. REVIEW TRIGGERS

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options and the issue of the Options shortly after the close of the Offer (**Offer Period**).

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply for the Offer Period:

- (a) a new offer of Options that requires preparation of a disclosure document is made after completion of the Offer Period;
- (b) any event or circumstance that would materially change a factor taken into account in making this TMD;
- (c) the existence of a significant dealing of the Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;
- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (e) material changes to the regulatory environment that applies to an investment in the Options.

4. REVIEW PERIOD

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the Offer.

5. INFORMATION REPORTING

The reporting requirements of all distributors is set out in the table below.

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	<ul style="list-style-type: none"> • For such time as the Offer Period remains open, within 10 business days after the end of each quarter. • Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> • The number of complaints received. • A summary of the nature of each complaint or a copy of each complaint.

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
A significant dealing of the Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> • Details of the significant dealing. • Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the close of the offer of Options in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

6. CONTACT DETAILS

Contact details in respect of this TMD for the Company are:

Martin Stein
 Company Secretary/CFO
 Phone: + 61 8 6168 1555
 Email: martin@altechgroup.com

ALTECH BATTERIES LIMITED

ACN 125 301 206

ENTITLEMENT ISSUE PROSPECTUS

For the offers of:

- (a) a pro-rata non-renounceable entitlement issue of 1 Share for every 8 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.04 per Share together with 1 free New Option for every 2 Shares applied for and issued to raise up to \$8,552,860 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**); and
- (b) 5,062,500 New Options to the Placement Participants (**Placement Offer**),

(together, the **Offers**).

The Entitlement Offer is partially underwritten by MAA Group Berhad (Registration No: 199801015274 (471403-A)) (**MAA** or **Underwriter**) for the amount of \$5,000,000 (being 125,000,000 Shares and 62,500,000 New Options). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

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

IMPORTANT NOTICE

This Prospectus is dated 7 August 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs

(including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Germany, Malaysia, Singapore or Switzerland.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the

Corporations Act, the Company has determined the target market for the offer of New Options issued under the Entitlement Offer. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.altechgroup.com). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.altechgroup.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 6168 1555 during office hours or by emailing the Company at martins@altechgroup.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

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

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

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

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

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

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

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at

the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on + 61 8 6168 1555.

CORPORATE DIRECTORY

Directors

Mr Luke Atkins
Non-Executive Chairman

Mr Ignatius Tan
Managing Director

Mr Peter Bailey
Non-Executive Director

Mr Daniel Tenardi
Non-Executive Director

Mr Tunku Yaacob
Non-Executive Director

Mr Uwe Ahrens
Alternate Non-Executive Director

Mr Hansjoerg Plaggemars
Non-Executive Director

Company Secretary

Mr Martin Stein

Registered Office

Suite 8
295 Rokeby Road
SUBIACO WA 6008

Telephone: + 61 8 6168 1555

Email: info@altechgroup.com

Website: www.altechgroup.com

Interactive Investor Hub:
<https://investorhub.altechgroup.com>

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor*

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
PERTH WA 6000

Share Registry*

Automic Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

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1. KEY OFFER INFORMATION

1.1 Timetable

ACTION	DATE
Announcement of Placement, Entitlement Offer & Appendix 3B lodged with ASX	Wednesday, 7 August 2024
Lodgement of Prospectus with ASIC & ASX	Wednesday, 7 August 2024
Ex date	Monday, 12 August 2024
Record Date for determining Entitlements	Tuesday, 13 August 2024
Issue of Placement Shares	Thursday, 14 August 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Friday, 16 August 2024
Last day to extend the Closing Date of Offers	Thursday, 22 August 2024
Closing Date of Offers as at 5:00pm*	Tuesday, 27 August 2024
Securities quoted on a deferred settlement basis	Wednesday, 28 August 2024
ASX and Underwriter notified of under subscriptions	Friday, 30 August 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement (up to the Underwritten Amount)	Monday, 2 September 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Tuesday, 3 September 2024
Quotation of Securities issued under the Offers*	Wednesday, 4 September 2024

*The Directors may extend the Closing Date of the Offers by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Overview of the Capital Raising

As announced on 7 August 2024, the Company is undertaking a capital raising to raise up to approximately \$8,957,860 (before costs) comprising:

- (a) the issue of 10,125,000 Shares to unrelated institutional, sophisticated and professional investors (**Placement Participants**) at an issue price of \$0.04 per Share to raise \$405,000 (before costs) (**Placement**). The Placement Participants will also be issued 1 free New Option for every 2 Shares subscribed for and issued under the Placement; and
- (b) the pro-rata Entitlement Offer of 1 new Share for every 8 Shares held by Eligible Shareholders registered at the Record Date at \$0.04 per Share to raise up to an additional \$8,552,860 (before costs), together with one 1 free New Option for every 2 Shares issued,

(together, the **Capital Raising**).

The New Options will have an exercise price of \$0.06 and expire on 31 December 2025. The New Options proposed to be issued to Placement Participants are offered under this Prospectus, pursuant to the Placement Offer.

As outlined in the timetable set out in Section 1.1, the Company proposes to issue an aggregate of 10,125,000 Shares on 14 August 2024 (**Placement Shares**) to the Placement Participants pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. Accordingly, the Placement Participants will not be eligible to participate in the Entitlement Offer.

1.3 Key statistics of the Offers

Shares

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Offer Price per Share	\$0.04	\$0.04
Entitlement Ratio (based on existing Shares)	1:8	1:8
Shares currently on issue	1,710,571,924	1,710,571,924
Shares issued pursuant to the Placement ³	10,125,000	10,125,000
Shares to be issued under the Entitlement Offer	125,000,000	213,821,491
Gross proceeds of the issue of Shares issued under the Entitlement Offer	\$5,000,000	\$8,552,860
Shares on issue Post-Offers and Placement⁴	1,845,696,924	1,934,518,415

Notes:

1. Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the underwritten amount.
2. Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.
3. Shares proposed to be issued under the Placement on 14 August 2024 at \$0.04 per Share. As these Shares will be issued after the Record Date, Placement Participants will not be entitled to participate in the Entitlement Offer.
4. Refer to Section 4.1 for the terms of the Shares.

Options

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Offer Price per New Option	Nil	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2	1:2
Options currently on issue ³	28,622,799	28,622,799
New Options to be issued under the Entitlement Offer ⁴	62,500,000	106,910,746
New Options to be issued under the Placement Offer ⁴	5,062,500	5,062,500
Gross proceeds of the issue of New Options	Nil	Nil
Options on issue Post-Offers and Placement	96,185,299	140,596,045

Notes:

1. Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the underwritten amount.
2. Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.
3. Options with an exercise price of \$0.08 and expiring 30 April 2026.
4. Refer to Section 4.2 for the terms of the New Options.

Performance Rights

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Performance Rights currently on issue	119,250,000	119,250,000
Performance Rights to be issued under the Offers	Nil	Nil
Performance Rights on issue Post-Offers and Placement	119,250,000	119,250,000

Notes:

- Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the underwritten amount.
- Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.

1.4 Key Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

DIRECTOR ¹	SHARES	PERFORMANCE RIGHTS	OPTIONS	SHARE ENTITLEMENT	NEW OPTION ENTITLEMENT	\$	PERCENTAGE (%) MINIMUM SUBSCRIPTION FULLY DILUTED ²	PERCENTAGE (%) FULL SUBSCRIPTION FULLY DILUTED ²
Mr Luke Atkins	11,450,845	4,000,000	153,846	1,431,356	715,678	57,254	0.81%	0.86%
Mr Ignatius Tan	7,940,000	30,000,000	Nil	992,500	496,250	39,700	1.80%	1.91%
Mr Peter Bailey	3,774,710	3,000,000	Nil	471,839	235,919	18,874	0.34%	0.36%
Mr Daniel Tenardi	5,809,200	4,000,000	Nil	726,150	363,075	29,046	0.50%	0.53%
Mr Tunku Yaacob	84,034,525	4,000,000	Nil	10,504,316	5,252,158	420,173	4.73%	5.04%
Mr Uwe Ahrens	1,000,000	13,000,000	Nil	125,000	62,500	5,000	0.65%	0.69%
Mr Hansjoerg Plaggemars	100,737,763	4,000,000	Nil	12,592,220	6,296,110	503,689	5.63%	6.00%

Notes:

- Refer to the Appendix 3Y for each Director for further details with respect to their relevant interests in the securities of the Company.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Latonba AG, Heidelberg, Germany Deutsche Balaton Aktiengesellschaft, Heidelberg, Germany VV Beteiligungen Aktiengesellschaft, Heidelberg, Germany DELPHI Unternehmensberatung Aktiengesellschaft, Heidelberg, Germany Wilhelm K.T. Zours, Heidelberg, Germany (together, the DB Group) ¹	333,365,377	19.49%

Notes:

1. Refer to Form 604 (Notice of change of interests of substantial holder) announced to the ASX on 30 May 2024 for further information with respect to this holding.

In the event all Entitlements are accepted, there will be no change to the substantial holder on completion of the Offers.

1.7 Underwriting

The Entitlement Offer is partially underwritten by MAA up to \$5,000,000 (**Underwritten Amount**). Refer to Section 6.4.1 for details of the terms of the underwriting.

MAA is a Malaysian investment holding company listed on the Main Board of Bursa Malaysia. Company director, Mr Tanku Yaacob Khyra, is the Executive Chairman of MAA and has a 41.81% indirect shareholding in MAA via Melewar Equities (BVI) Limited and Melewar Acquisitions Limited (together, **Melewar**), entities controlled by a family trust of which Mr Tanku Yaacob Khyra is a trustee and beneficiary. Mr Tanku Yaacob Khyra does not control MAA and as such, MAA is not considered a related party of the Company.

As at the date of this Prospectus, MAA has a direct interest in 39,995,541 Shares and Melewar has a direct interest in 44,038,984 Shares. As Melewar's voting power in MAA is greater than 20%, under section 608(3) of the Corporations Act, Melewar is deemed to have a relevant interest in the Shares held by MAA (i.e. a relevant interest in an aggregate of 84,034,525 Shares, being 4.91% of this issued Share capital of the Company).

MAA has advised the Company that it presently intends to subscribe for its full Entitlement (being 4,999,443 Shares and 2,499,722 New Options) under the Entitlement Offer, which will be counted against the Underwritten Amount.

Under the Corporations Act, a person's "voting power" is calculated by determining the total number of votes attached to all the voting shares in the relevant company that the person (or an associate) has a relevant interest in. Therefore, the issue of Securities under this Prospectus to MAA (via subscription for Entitlement or pursuant to its underwriting commitments) may:

- increase MAA's voting power in the Company to a maximum of 8.94% (assuming no other Shareholders take up their Entitlement except MAA and all Placement Shares are issued);
- increase Melewar's voting power in the Company to a maximum of 11.62% (assuming no other Shareholders take up their Entitlement except MAA, Melewar and all Placement Shares are issued); and
- dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

MAA in conjunction with the Company will allocate the Shortfall such that no person will have a voting power in the Company in excess of 19.99% after the issue of the Shortfall.

The Company, in consultation with MAA, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter

6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.8 Control effects of the Offer

The DB Group is presently the Company's largest Shareholder but is not a related party of the Company for the purposes of the Corporations Act. The issue of Securities under this Prospectus to the DB Group may increase the DB Group's interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

As at the date of this Prospectus, the DB Group has a voting power of 19.49% (333,365,377 Shares).

The DB Group is not a Placement Participant and has notified the Company that it does not intend to participate in the Entitlement Offer.

Notwithstanding the above, the DB Group's present relevant interest and maximum voting power under several scenarios in the event that it decides to participate in the Entitlement Offer are set out in the table below.

EVENT	SHARES TO BE ISSUED BASED ON EVENT ¹	MAXIMUM SHARES TO BE ISSUED UNDER THE DB GROUPS' ENTITLEMENT	TOTAL SHARES HELD BY THE DB GROUP FOLLOWING COMPLETION OF THE OFFERS	UNDILUTED VOTING POWER OF THE DB GROUP
Prospectus Date	1,710,571,924	-	333,365,377	19.49%
Following issue of the Placement Shares	1,720,696,924	-	333,365,377	19.37%
Entitlements under the Entitlement Offer are 100% subscribed	1,934,518,415	41,670,673	375,036,050	19.39%
Entitlements under the Entitlement Offer are 75% subscribed and Underwriter takes up remaining 25%	1,934,518,415	41,670,673	375,036,050	19.39%
No Entitlements under the Entitlement Offer are subscribed for except for the DB Group, and the Underwriter takes up the full Underwritten Amount (58.46% of Shares under the Entitlement Offer)	1,887,367,597	41,670,673	375,036,050	19.87%

Notes:

- Assuming that 10,125,000 Placement Shares are issued in all scenarios.

As set out in the table above, in the event that the DB Group participated in the Entitlement Offer, its interest would not increase above 20%.

1.9 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Entitlement Offer or Placement their holdings are likely to be diluted by approximately 11.58% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and

exercised into Shares, Shareholders who do not participate in the Entitlement Offer or Placement, are likely to be diluted by an aggregate of approximately 16.41% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE ENTITLEMENT OFFER	HOLDINGS IF ENTITLEMENT OFFER NOT TAKEN UP	% POST OFFERS AND PLACEMENT ¹
Shareholder 1	10,000,000	0.585%	1,250,000	10,000,000	0.517%
Shareholder 2	5,000,000	0.292%	625,000	5,000,000	0.258%
Shareholder 3	1,500,000	0.088%	187,500	1,500,000	0.078%
Shareholder 4	400,000	0.023%	50,000	400,000	0.021%

Notes:

1. This table assumes that there are 1,710,571,924 Shares on issue as at the date of the Prospectus and assumes no Shares are issued other than the Placement Shares, and no Options or Performance Rights currently on issue (including New Options or Performance Rights) are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFERS

2.1 The Entitlement Offer

The Entitlement Offer is being made as an offer of 1 Share for every 8 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.04 per Share together with 1 free New Option for every 2 Shares applied for and issued to raise up to \$8,552,860 (based on the number of Shares on issue as at the date of this Prospectus). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) up to approximately 213,821,491 Shares and 106,910,746 New Options may be issued under the Entitlement Offer to raise up to \$8,552,860. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 28,622,799 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 1.3 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.06 on or before 31 December 2025 and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at investor.automic.com.au. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3.
Take up all of your Entitlement and also apply for Shortfall Shares	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. Payment should	Sections 2.3, 2.4 and 2.6.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
	<p>be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <ul style="list-style-type: none"> If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Shares may be scaled-back. The Company's decision on the number of Shortfall Shares to be allocated to you will be final. 	
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.3 and Section 2.4.</p>
<p>Allow all or part of your Entitlement to lapse</p>	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse. 	<p>N/A.</p>

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (AEST) on the**

Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form.

Do not use the same CRN for more than one of your Shareholdings. This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) By Cheque

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

The minimum subscription in respect of the Entitlement Offer is the Underwritten Amount of \$5,000,000 (**Minimum Subscription**).

No Securities will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date to allow the Company to place Shortfall to unrelated investors who are not Eligible Shareholders. The Company reserves the right to close the Shortfall Offer at any time.

Eligible Shareholders are entitled to apply for Shortfall Securities under the Shortfall Offer subject to such applications being received by the Closing Date. The issue price for each Share under the Shortfall Offer shall be \$0.04, being the price at which Shares have been offered under the Entitlement Offer.

The Company will accept all valid applications for Shortfall Securities made by Eligible Shareholders, except where acceptance of an application or the issuance of new Securities would be to a related party of the Company or Underwriter, would contravene section 606 of the Corporations Act or where the number of Securities in respect of which valid applications have been received under the Shortfall Offer would (when taken together with all other valid applications received under the Entitlement Offer) exceed the total number of new Securities proposed to be issued under the Entitlement Offer (in which case, the Company will accept all valid applications up to the maximum number of new Securities proposed to be issued under the Entitlement Offer in accordance with the allocation described in paragraph (a) below).

The Company intends to allocate the Shortfall Securities as follows:

- (a) to the extent there is a shortfall between applications received for Securities under the Entitlement Offer and the total number of new Securities proposed to be issued under the Entitlement Offer (**First Shortfall**), each Eligible Shareholder (other than an Underwriter) who has applied for additional Securities will be allocated their proportionate share of the First Shortfall having regard to their shareholdings as at the Record Date. If an Eligible Shareholder (other than the Underwriter) has made an application for Shortfall Securities but has specified a maximum shortfall application amount which is less than the amount of new Securities which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lesser amount;
- (b) if, following allocation of the First Shortfall, there remains a shortfall between the allocated new Securities and total number of new Securities proposed to be issued under the Entitlement Offer (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent shortfalls until either all the new Securities proposed to be issued under the Entitlement Offer have been allocated or all shortfall allocations have been satisfied in full;
- (c) if there remains a shortfall between the allocated new Securities and total number of new Securities proposed to be issued under the Entitlement Offer, the residual Shortfall Securities will be placed to the Underwriter (to the extent of the Underwritten Securities (defined below)): and
- (d) if there remains any residual Shortfall Securities in excess of the Underwritten Securities (and which accordingly are not taken up by the Underwriters pursuant to the Underwriting Agreement), the Company has the right (but not the obligation) to place such Shortfall Securities within 3 months of the Closing Date, with the allocation of such Shortfall Securities to be determined by the Company.

2.7 The Placement Offer

This Prospectus includes an offer of up to 5,062,500 New Options under the Placement Offer (on the basis that the New Options will free attach to the Placement Shares on a 1:2 basis). As set out in Section 1.2, the New Options will be offered free attaching (on a 1:2 basis) to Shares issued to the Placement Participants. Accordingly, no funds will be raised from the issue of the Placement Offer.

Only the Placement Participants (or their nominees) may accept the Placement Offer. Personalised application forms in relation to the Placement Offer will be issued to the Placement Participants (or their nominees), together with a copy of this Prospectus.

The New Options offered under the Placement Offer will be issued on the terms and conditions set out in Section 4.2. All of the Shares issued upon the future exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for Official Quotation of the New Options issued pursuant to the Placement Offer.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus (or such period as varied by the ASIC) the Company will not issue any of the Securities offered under this Prospectus and all application monies will be returned.

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

2.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

The Offers do not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Germany, Malaysia, Singapore or Switzerland.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Eligible Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and

may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Shares or the Options be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares and Options in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Shares and Options. The Shares and Options may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Shares and Options not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

Singapore

This document and any other materials relating to the Shares and the Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares and the Options may not be issued, circulated or distributed, nor may such securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares or the Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares and Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Shares and Options may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares and Options constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares and Options or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Shares and Options have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will

not be filed with, and the offer of Shares and Options will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Germany, Malaysia, Singapore or Switzerland without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$8,552,860 before costs.

The funds raised from the Entitlement Offer are intended to be applied in accordance with the table set out below:

ITEM	PROCEEDS OF THE ENTITLEMENT OFFER	MINIMUM SUBSCRIPTION (\$)	%	FULL SUBSCRIPTION (\$)	%
1.	Meet the ongoing battery and battery materials project costs as follows: <ul style="list-style-type: none">Commercialisation of the CERENERGY® sodium-chloride solid state battery project including completion of two ABS60 battery prototypes ; andCommercialisation of, and continued research in relation to, the Silumina Anodes™ battery materials project including commissioning of pilot plant.	\$3,188,053	64	\$5,453,394	64
2.	Corporate and working capital ¹	\$1,400,266	28	\$2,675,813	31
3.	Expenses of the Offers ²	\$411,681	8	\$423,653	5
	Total	\$5,000,000	100%	\$8,552,860	100%

Notes:

- Working capital costs include the general costs associated with the management and operation of the Company's business including sourcing finance and customer offtake for the CERENERGY® battery project, administration expenses, management and employee salaries, Director fees, rent, insurance and other associated costs.
- Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the efficiency of government departments, efficiency of lead contractors, access agreements and any changes in the business and economic environment.

On the basis that the Entitlement Offer is fully subscribed, the funds raised are forecast to cover the expenses of the Entitlement Offer and operational/working capital expenditure expenses to March 2025, at which point additional funding through debt/equity will need to be raised to meet forecasted expenditure plans for the Company's projects. The directors reserve the right to raise additional capital prior to this. To the extent the Entitlement Offer is not fully subscribed, then after payment of the expenses of the Entitlement Offer, the Company will allocate funds in priority to finalising fabrication of the two ABS60 battery prototypes and payment for the Silumina Anodes™ pilot plant commissioning. The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under this Entitlement Offer. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its planned construction and development programs as the case may be.

3.2 Purpose and effect of the Placement Offer

The Placement Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Placement Offer (other than funds raised if the New Options are subsequently exercised) as the New Options are being issued to the Placement Participants on the basis of 1 New Option for every 2 Shares subscribed for and issued under the Placement.

3.3 Effect of the Offers and Placement

The principal effect of the Offers, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$8,129,207 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 1,760,571,924 (including the Placement Shares assuming \$405,000 is raised) as at the date of this Prospectus to 1,934,518,415 Shares; and
- (c) increase the number of Options on issue from 28,622,799 as at the date of this Prospectus to 140,596,045 Options.

3.4 Effect on capital structure

The effect of the Offers and Placement on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below:

Shares

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Offer Price per Share	\$0.04	\$0.04
Entitlement Ratio (based on existing Shares)	1:8	1:8
Shares currently on issue	1,710,571,924	1,710,571,924
Shares issued pursuant to the Placement ³	10,125,000	10,125,000
Shares to be issued under the Entitlement Offer	125,000,000	213,821,491
Gross proceeds of the issue of Shares issued under the Entitlement Offer	\$5,000,000	\$8,552,860
Shares on issue Post-Offers and Placement⁴	1,845,696,924	1,934,518,415

Notes:

1. Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the partially underwritten amount.
2. Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.
3. Shares proposed to be issued under the Placement on 14 August 2024 at \$0.04 per Share. As these Shares will be issued after the Record Date, Placement Participants will not be entitled to participate in the Entitlement Offer.
4. Refer to Section 4.1 for the terms of the Shares.

Options

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Offer Price per New Option	Nil	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2	1:2
Options currently on issue ³	28,622,799	28,622,799
New Options to be issued under the Entitlement Offer ⁴	62,500,000	106,910,746
New Options to be issued under the Placement Offer ⁴	5,062,500	5,062,500
Gross proceeds of the issue of New Options	Nil	Nil
Options on issue Post-Offers and Placement	96,185,299	140,596,045

Notes:

1. Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the underwritten amount.
2. Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.
3. Options with an exercise price of \$0.08 and expiring 30 April 2026.
4. Refer to Section 4.2 for the terms of the New Options.

Performance Rights

	MINIMUM SUBSCRIPTION (\$5,000,000) ¹	FULL SUBSCRIPTION (\$8,552,860) ²
Performance Rights currently on issue	119,250,000	119,250,000
Performance Rights to be issued under the Offers	Nil	Nil
Performance Rights on issue Post-Offers and Placement	119,250,000	119,250,000

Notes:

1. Assuming the Minimum Subscription of \$5,000,000 is achieved under the Entitlement Offer, being the underwritten amount.
2. Assuming the Full Subscription of \$8,552,860 is achieved under the Entitlement Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,858,444,723 Shares and on completion of the Entitlement Offer and Placement (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 2,194,364,460 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.5 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2024 and the pro-forma statement of financial position as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the

Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	NOTES	30-JUN-24 \$	PRO FORMA MAXIMUM SUBSCRIPTION 30-JUN-24	PRO FORMA MINIMUM SUBSCRIPTION 30-JUN-24
Current Assets				
Cash and cash equivalents	2	2,117,028	10,626,935	7,086,047
Trade and other receivables		3,580,191	3,580,191	3,580,191
Total Current Assets		5,697,219	14,207,126	10,666,238
Non-Current Assets				
Property, plant and equipment		20,964,130	20,964,130	20,964,130
Right-of-use assets		4,257,874	4,257,874	4,257,874
Exploration and evaluation expenditure		1,159,431	1,159,431	1,159,431
Other financial assets		10,419,561	10,419,561	10,419,561
Total Non-Current Assets		36,800,996	36,800,996	36,800,996
Total assets		42,498,215	51,008,122	47,467,234
Current Liabilities				
Lease liabilities		35,314	35,314	35,314
Trade and other payables		5,639,410	5,639,410	5,639,410
Provisions		225,045	225,045	225,045
Total current liabilities		5,899,769	5,899,769	5,899,769
Non-Current Liabilities				
Lease liabilities		61,255	61,255	61,255
Provisions		153,707	153,707	153,707
Loans payable		9,351,263	9,351,263	9,351,263

	NOTES	30-JUN-24 \$	PRO FORMA MAXIMUM SUBSCRIPTION 30-JUN-24	PRO FORMA MINIMUM SUBSCRIPTION 30-JUN-24
Total Non-Current Liabilities		9,566,225	9,566,225	9,566,225
TOTAL LIABILITIES		15,465,994	15,465,994	15,465,994
NET ASSETS		27,032,221	35,542,128	32,001,240
Equity				
Contributed equity	2,3	143,117,262	151,627,169	148,086,281
Reserves	3	4,411,249	4,411,249	4,411,249
Accumulated losses		(114,151,222)	(114,151,222)	(114,151,222)
Non-controlling interests		(6,345,068)	(6,345,068)	(6,345,068)
Total equity		27,032,221	35,542,128	32,001,240

Notes:

1. The unaudited consolidated pro forma statement of financial position has been prepared by the Company in an abbreviated form. The pro forma statement does not include disclosures that would otherwise be required under the International Accounting Standards that are used in preparing audited financial statements.
2. The pro-forma statement of financial position has been prepared assuming Minimum Subscription and Maximum Subscription and includes expenses of the Entitlement Offer.
3. The pro-forma statement of financial position includes the impact of funds being raised and shares being issued pursuant to the Placement.
4. No existing Performance Rights are vested or exercised.
5. Does not include any adjustments for the "Use of Funds" as described under Section 3.1.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

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

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

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

4.2 **Terms of New Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.06 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

An New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Potential for dilution	<p>Upon implementation of the Offers and Placement, assuming all Entitlements are accepted and no Performance Rights converted, the number of Shares in the Company will increase from 1,710,571,924 currently on issue to 1,934,518,415 (assuming no Options offered under the Offers are immediately exercised). This means that immediately after the Offers each Share will represent a lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX on the last day that the Company's shares traded on the ASX prior to the date of this Prospectus being lodged of \$0.046 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.</p>
Operational risks	<p>The Company will be exposed to various construction and operational risks should it advance its projects through the construction phase and into operations, including unanticipated financial, operational or political events, cost overruns, changes in the prices and demand of commodities relevant to the Company's business, equipment and labour shortages, equipment failure, technical concerns including possible reserves and deliverability difficulties, environmental impacts, increases in operating cost structures, community or industrial actions, natural disasters, interruptions to the supply of power, water, chemicals or fuel, or other circumstances which may result in the delay, suspension or termination of the project, the total or partial loss of the investment and a material adverse</p>

RISK CATEGORY	RISK
	<p>effect on the Company's results of operations and financial condition. In addition, construction, commissioning and operational ramp up of operational assets can be subject to unexpected problems or delays in schedule.</p>
<p>Processing risks</p>	<p>Should the Company be successful in its development and operation of its projects, the Company's operations will be subject the operating risks, including the related risks associated with storage and transportation of materials, products and wastes. These operating risks have the potential to cause personal injury, property damage or environmental contamination, and may result in the shutdown of affected facilities, business interruption, or the imposition of civil or criminal penalties, which may impact the Company's standing in the public eye.</p> <p>There are potential hazards associated with the Company's proposed processing operations and the related storage and transportation of products and wastes. Examples of such hazards that may arise from the Company's proposed operations could include:</p> <ul style="list-style-type: none"> (a) pipeline and storage tank leaks and ruptures; (b) explosions and fires; (c) mechanical failures; and (d) chemical spills and other discharges or releases of toxic or hazardous substances or gases. <p>These hazards may cause personal injury and loss of life, damage to property or contamination of the environment, which may result in suspension of operations or the imposition of civil or criminal penalties, including fines, expenses for remediation or claims by governmental entities or third parties. Although the Company maintains various insurance type and amounts that it believes is customary for its business activities, the Company may not fully insure against all potential hazards incidental to its operations.</p>
<p>Supply chain</p>	<p>The Company may be dependent on contractors and suppliers to supply vital goods and services to its operations, should operations commence. The Company may therefore be exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supplies may have an adverse effect on the financial performance of the Company.</p>
<p>Failure to scale up and commercialise</p>	<p>There is a risk that the Company will be unable to achieve sufficient scale in the commercialisation of its products across all target customer segments, which could potentially result in reduced or negative growth.</p> <p>There is also a risk that the Company's products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest or otherwise not adequately marketed and fail to sell. There is also a risk that the products waste operating costs or incur operating costs earlier than necessary or greater than forecast.</p> <p>In relation to the CERENERGY battery project, the product has not been produced at scale, at designed product size and at commercial quantities. There is a risk that the product may fail to be commercialised due to the risk involved with scaling up and scaling up to the designed size.</p>

RISK CATEGORY	RISK
	<p>In relation to the Silumina Andes battery materials project, the product has not been produced or tested at scale and at commercial quantities. There is a risk that the product may fail to be commercialised due to the risk involved with scaling up and being commercially tested by potential customers.</p>
<p>Market demand and price risks</p>	<p>If the Company progresses to become a producer and seller of its products, the Company's business will rely primarily on the production and sale of its products to a variety of buyers. Fluctuations in the global market may materially affect the future financial performance of the Company.</p> <p>Demand for, and pricing of, the Company's products may be sensitive to external economic and political factors, including:</p> <ul style="list-style-type: none"> (a) worldwide supply and demand; (b) the level of economic activity in the markets the Company may serve; (c) the price and availability of new technology; and (d) the availability and cost of potential substitutes. <p>It is impossible to predict future price movements with certainty. Any sustained low prices or further declines in the price may adversely affect the Company's proposed business, results of operations or its ability to finance the development of its projects.</p>
<p>Access to capital risk</p>	<p>The Company's business and, in particular, its development of a large-scale projects, relies on access to debt and equity financing. There is a risk that the Company may not be able to access capital from these markets, which would impact the ability to develop its projects and achieve its business objectives.</p> <p>Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.</p> <p>Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.</p> <p>The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.</p>

RISK CATEGORY	RISK
<p>General regulatory risks</p>	<p>The Company' business is subject to, in each of the countries in which the Company operates, or may operate, various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of the Company's products and/or residues. Permits from a variety of regulatory authorities may be required for aspects of the Company's operations. Many of those permits may be subject to conditions, and a change in the conditions attaching to those permits, or the imposition of new conditions, that could have a material adverse effect on the Company's proposed business and financial condition. A change in the laws which apply to the Company's business or the way in which it is regulated could also have a material adverse effect on the Company's business and financial condition. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on the Company's business and/or financial condition.</p>
<p>Environmental risks</p>	<p>The Company's possible future mine development and processing program will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities and the possible future activities of the Company may be subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of mineral properties, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and the Company could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution or other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of wastes or the effects of its business on the water table and groundwater quality.</p> <p>Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault.</p>
<p>Economic risks</p>	<p>Economic factors beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates and taxation, may negatively impact on the revenue and profitability of the Company.</p>

RISK CATEGORY	RISK
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under this Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its planned construction and development programs as the case may be.</p>
Political risk (Malaysia)	<p>The Company's HPA plant operates in Malaysia.</p> <p>The fragility of the incumbent Malaysian federal coalition government has not, as yet, transpired into radical policy or regulation change, however risks remain that a change in political leadership could bring about policy and regulatory changes in the future, that may affect the Company and its planned HPA plant. Hence, there is no assurance that any unfavourable developments or change in the political and economic situation in Malaysia would not adversely affect the Company's ability to conduct business in the country.</p>
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Joint venture risk	<p>The Company's interests in the projects are subject to joint venture arrangements. As with any joint venture, it is subject to various counterparty risks including failure by the joint venture counterparty, to act in the best interests of the joint venture. Any failure by the counterparty to act in the best interests of the joint venture may or may not give the Company contractual remedies, however, even if such remedies are available, they may be costly and time consuming to pursue.</p> <p>In addition, the Company's subsidiary Altech Batteries GmbH (ABG) entered into a Research and Development Agreement with Fraunhofer-Institut Fur Keramische Technologien Und</p>

RISK CATEGORY	RISK
	<p>Systeme IKTS (Fraunhofer) to develop battery systems for stationary energy storage based on sodium nickel chloride technology. The aim is to bring the technology to commercial production through the development of a 120MWh battery production plant in Saxony, Germany. Under the terms of the Research and Development Agreement:</p> <p>(a) The project started on 13 September 2022 and has an expected period of performance of 4 years.</p> <p>(b) ABG makes quarterly payments up to a total combined amount of €13,600,000 for services performed by Fraunhofer, in accordance with an R&D Payment Plan, over a period of 4 years commencing on 13 December 2022.</p> <p>In the event that ABG fails to provide timely payment, Fraunhofer may terminate the R&D contract. In the event that this was to occur, the Company would have no further rights or interests in the CERENERGY® battery project.</p> <p>If commercialisation becomes unviable through the outcome of a Definitive Feasibility Study, ABH may terminate the R&D contract.</p>
Sovereign risk	<p>The projects are located in Germany and Malaysia and will be subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p> <p>Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.</p>
Royalties	<p>The sodium-chloride solid-state battery project is subject to a 1.5% royalty payable on batteries sold from the relevant project. The payment of these royalties may affect the economics of a project progressing to development and production.</p>

5.3 Industry specific

RISK CATEGORY	RISK
Customer and market acceptance	<p>Many customers have long term supply agreements in place with their battery supplier. It is probable that a potential customer would require time to test new batteries in their end-user products, negotiate new agreements, machine up to manufacture new batteries, potentially adapt their products to work with the new battery and utilise their current battery stock. As a result, despite the Company's battery design being successful there may be a considerable period of time before the Company generates revenues and cash inflows.</p>
Specific design risk	<p>The Company is researching and developing the use of HPA coated silicon for anode material in lithium batteries, along with its Sodium Chloride Solid State battery (R&D Products). The use of the R&D Products are not yet comprehensively tested and verified at commercial scale, and the Company may not be able to develop and commercially produce the anode material or Sodium Chloride Solid State that is more competitive to other anode materials and existing batteries in use.</p>
Competitors	<p>Many potential competitors operate their own manufacturing facilities, have a long history of operations, presence in key markets, large customer bases, brand recognition, significant resources dedicated to research and technology and product development and access to financial resources. These competitors may be able to adapt more quickly to new or emerging technologies, changes in customer requirements and may have greater resources committed to the research sales and marketing of their technologies and products. They may have or may establish financial or strategic relationships with existing customers, resellers or other third parties. As a result, competitors may develop new technologies or better position themselves to compete resulting in pricing pressures, decreased gross margins and loss of market share which could materially adversely affect the Company's business, financial condition and the results of its operations.</p>
Patent applications	<p>The Company holds a combination of granted patents as well as pending applications and acknowledges that its prospect of obtaining patent protection for products and the technology such as those proposed under the patent applications is uncertain and involves complex and continually evolving factual and legal questions with such questions potentially impacted by legislative and judicial changes, or changes to examination guidelines in relevant jurisdictions.</p> <p>There is a risk provisional patent applications may not proceed to granted patents or may not afford the Company adequate protection from competing products. Even if the Company succeeds in obtaining patent protection for its products, its patents could be wholly or partially invalidated following challenges by third parties.</p>
Operating and development risks	<p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.</p> <p>The Company's business involves many risks and may be impacted by factors including the overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such</p>

RISK CATEGORY	RISK
	<p>occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.</p> <p>In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or project development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor water condition, interruptions to electricity supplies, human error and adverse weather conditions.</p>
Extraterritorial risks	<p>The Company has interests in assets overseas, namely Germany and Malaysia, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the projects, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Germany and Malaysia.</p> <p>Changes to Germany or Malaysia's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. It is not possible for the Company to accurately predict any developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.</p>
Project development	<p>Possible future development of the Company's projects are dependent on a number of factors including but not limited to, receiving the necessary approvals from all relevant authorities and parties, unanticipated technical and operational difficulties, mechanical failure of equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p>
Fluctuation in commodity prices	<p>International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on lithium prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of lithium products.</p> <p>If the price of Sodium Chloride Solid State batteries or HPA seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.</p>

RISK CATEGORY	RISK
	The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

5.4 General risks

RISK CATEGORY	RISK
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and mining stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p>
Liquidity risk	<p>There can be no guarantee that there will always be an active market for the Company's shares or that the price of Shares will be maintained or increase. There may be relatively few buyers or sellers of shares on the ASX at any given time and the demand for the Company shares specifically is subject to various factors, many of which are beyond the Company's control. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which the Company shareholders are able to sell their Shares. This may result in the Company's shareholders receiving a market price for their Shares that is less or more than the price paid pursuant to the Offers (as applicable).</p>
Funding	<p>The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance</p>

RISK CATEGORY	RISK
	<p>undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.</p> <p>Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.</p> <p>The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.</p>
Litigation risks	<p>The Company may be exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
Investment risk	<p>There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors.</p> <p>The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply,</p>

RISK CATEGORY	RISK
	<p>competition and demand and other legal, regulatory or policy changes.</p> <p>The trading price after listing may also be affected by the financial and operating performance of the Company.</p>
Management actions	<p>Directors of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.</p>
Changes in government policies and legislation	<p>Any material adverse changes in government policies or legislation of Australia, Germany, Malaysia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.</p>
Unforeseen expenditure risk	<p>Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.</p>
Insurance risk	<p>The Company is subject to a number of operational risks and may not be adequately insured for certain risks, including industrial and transportation accidents, catastrophic accidents, changes in the regulatory environment, natural occurrences or technical failures.</p>
Legislative	<p>Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.</p>
Global Conflict	<p>The current evolving conflict between Ukraine and Russia and Israel and Hamas (Ukraine and Gaza Conflicts) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	ANNOUNCEMENT
07/08/24	Proposed issue of securities – ATC
07/08/24	Reinstatement to Official Quotation
07/08/24	Entitlement Offer and Share Placement
06/08/24	Extension of Voluntary Suspension
05/08/24	Suspension from Quotation
01/08/24	Trading Halt
01/08/24	Pause in trading
31/07/24	Notification of cessation of securities - ATC
31/07/24	Quarterly Activities/Appendix 5B Cash Flow Report
16/07/24	UPDATE ON CERENERGY® ABS60 BATTERYPACK PROTOTYPES
14/06/24	Altech – Appointment of KPMG as Adviser to CERENERGY Finance

DATE	ANNOUNCEMENT
11/06/24	Altech – Amended Investor Webinar
11/06/24	Altech – Investor Webinar
30/05/24	Change in substantial holding
21/05/24	Notification regarding unquoted securities – ATC
21/05/24	Application for quotation of securities – ATC
21/05/24	Altech – Appendix 3Y Atkins
21/05/24	Altech – Results of Share Purchase Plan
03/05/24	Extension to Share Purchase Plan
29/04/24	Quarterly Activities/Appendix 5B Cash Flow Report
17/04/24	Altech – Welcome Shareholders to Share Purchase Plan
17/04/24	Altech – Launch of Share Purchase Plan
17/04/24	Proposed issue of securities – ATC
17/04/24	Altech – Key Dates and Offer Terms for Share Purchase Plan
17/04/24	Altech – Share Purchase Plan Prospectus
17/04/24	Altech – Update on Application Form for Share Purchase Plan
22/03/24	Altech – CERENERGY DFS Interview with CEO Iggy Tan
20/03/24	Altech – Excellent CERENERGY Battery Project DFS
12/03/24	Half Yearly Report and Accounts
11/03/24	Appendix 3Y – Plaggemars
16/02/24	Response to ASX Price Query
15/02/24	Altech – Investor Presentation
08/02/24	Altech – Investor Webinar Presentation
06/02/24	Altech – Excellent Progress on CERENERGY Battery Prototypes
30/01/24	Quarterly Activities/Appendix 5B Cash Flow Report
11/01/24	Altech – Silumina Anodes DFS Additional Information
08/01/24	Altech – Funds Received for Sale of 25% AIG
02/02/24	Becoming a substantial holder
28/12/23	Appendix 3Y – Plaggemars
21/12/23	Outstanding DFS Silumina Anodes Battery Materials Project
18/12/23	Appendix 3Y – Tunku Yaacob
06/12/23	Notification of cessation of securities – ATC
06/12/23	Notification regarding unquoted securities – ATC
14/11/23	Silumina Anodes Project DFS Expands Output for 8-Fold to 120GWh
03/11/23	Altech – CERENERGY Battery Project Upgraded to 120MWh
31/10/23	Quarterly Activities/Appendix 5B Cash Flow Report
27/10/23	Application for quotation of securities – ATC
27/10/23	Altech – Results of Annual General Meeting

DATE	ANNOUNCEMENT
26/10/23	Altech – AGM Virtual Registration and Voting Guide
24/10/23	Altech – Optimised Design of CERENERGY Battery Pack
03/10/23	CERENERGY Permit & Licence Application Commenced
25/09/23	Altech – Investor Webinar Presentation
22/09/23	Notice of Annual General Meeting/Proxy Form
22/09/23	AGM Letter to Shareholders
21/09/23	Altech – ESG Report
21/09/23	Altech – Environmental, Social & Governance Update
20/09/23	ASX Appendix 4G
20/09/23	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website (www.altechgroup.com).

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.063	13 May 2024
Lowest	\$0.046	1 August 2024
Last	\$ 0.046	6 August 2024

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with MAA, pursuant to which MAA has agreed to underwrite the Entitlement Offer up to a value of the Underwritten Amount (being up to \$5,000,000, representing 58% of the funds to be raised under the Entitlement Offer and equal to 125,000,000 Shares and 62,500,000 free New Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer. The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

The material terms and conditions of the Underwriting Agreement are summarised below:

FEES	6% of the amount raised from the Underwritten Securities (being up to \$300,000).
TERMINATION EVENTS	The obligation of MAA to underwrite the Offer is subject to certain events of termination. MAA may terminate its obligations under the Underwriting Agreement if:

- (a) the All 200 Index as published by ASX falls 10% or more below its level as at close of business on the date of this Agreement;
- (b) the Company does not lodge the Prospectus on or prior to the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (c) hostilities, political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Japan, Indonesia, North Korea or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (d) there is:
 - (i) introduced into the Parliament of the Commonwealth of Australia or an Australian State or Territory a law intended to come into effect within 12 months; or
 - (ii) any official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within 3 months afterwards,
- (e) which has altered adversely or could reasonably be expected to alter adversely:
 - (i) any condition or circumstances relating to the Issue or the Prospectus existing at the time of execution of this Agreement; or
 - (ii) the income tax position of the Company;
- (f) the Company chooses to or comes under an obligation, (including in accordance with the Corporations Act), to issue a supplementary or replacement prospectus or to repay any moneys received by the Company from any applicant, and fails to do so;
- (g) ASIC gives notice of intention to hold a hearing in relation to the Prospectus under section 739(2) of the Corporations Act or makes an order under sections 739(1), 739(3) or 739(4) of the Corporations Act;
- (h) ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company, the Prospectus or the Issue;
 - (i) an order is made in connection with the Prospectus or the Issue, including under sections 1324 and 1325 of the Corporations Act;
 - (j) any director or general manager of the Company is prosecuted for a criminal offence;
- (k) there is an omission from, or a statement which is, or has become, false or misleading in the Prospectus and such

	<p>omission or statement is or is likely to be materially adverse from the point of view of an investor;</p> <p>(l) any person, other than the Underwriter, who has previously consented to being named in the Prospectus, withdraws that consent whether publicly or not;</p> <p>(m) the Prospectus is withdrawn by the Company at any time prior to all the Securities having been allotted;</p> <p>(n) ASIC gives notice of an intention to prosecute the Company, any director or employee of the Company (or any Related Party of the Company), unless it withdraws that intention in writing on or before the Closing Date; and</p> <p>(o) ASX does not or indicates to the Company or the Underwriter that it will not permit official quotation of the Securities comprised in the Issue to commence.</p> <p>(events qualified by materiality):</p> <p>(a) the Company or any of its Related Parties fail to comply with:</p> <p style="padding-left: 40px;">(i) a clause of its Constitution;</p> <p style="padding-left: 40px;">(ii) a statute; or</p> <p style="padding-left: 40px;">(iii) any policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC or any governmental agency;</p> <p>(b) the Company or any of its Related Parties charges or agrees to charge (or grant any other form of security) over the whole or a substantial part of its business or property to any third party;</p> <p>(c) there is a delay in any date specified in the Timetable which is greater than 5 Business Days;</p> <p>(d) the Company or any of its Related Parties:</p> <p>(e) disposes or agree to dispose of the whole or a substantial part of its business or property; or</p> <p>(f) ceases or threatens to carry on business,</p> <p style="padding-left: 40px;">in either case, without the prior written consent of the Underwriter; or</p> <p>(g) if a new circumstance has arisen since the Prospectus was lodged and would have been required under Chapter 6D of the Corporations Act to be included in the Prospectus if it had arisen before the Prospectus was lodged and is, or is likely to be, materially adverse from the point of view of an investor.</p>
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The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or

- (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

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

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

DIRECTOR	REMUNERATION FOR FY ENDING 30 JUNE 2024	PROPOSED REMUNERATION FOR FY ENDING 30 JUNE 2025
Mr Luke Atkins	112,383 ¹	114,558
Mr Ignatius Tan	641,346 ²	524,555
Mr Daniel Tenardi	82,809 ³	84,411
Mr Peter Bailey	74,603 ⁴	75,705
Mr Tunku Yaacob	74,603 ⁵	75,705
Mr Uwe Ahrens	113,945 ⁶	64,890
Mr Hansjoerg Plaggemars	74,603 ⁷	75,705

Notes:

1. Comprising director salary of \$101,246 and superannuation payments of \$11,137.
2. Comprising director salary of \$463,601, short term incentives of \$114,188, and superannuation payments of \$63,557.
3. Comprising director salary of \$74,603 and superannuation payments of \$8,206.
4. Comprising director salary of \$74,603.
5. Comprising director salary of \$74,603.
6. Comprising alternate director salary of \$63,945 and short term incentives of \$50,000.

7. Comprising, director salary of \$74,603.

6.6 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$125,655 (excluding GST and disbursements) for legal services provided to the Company.

MAA has acted as the Underwriter to the Entitlement Offer. The Company estimates it will pay MAA the fees set out in Section 6.4.1 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, MAA has not been paid any fees for services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

MAA has given its written consent to being named as the Underwriter to the Entitlement Offer in this Prospectus. The interest of MAA in the Company is set out in Section 1.7 above. MAA has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.8 Expenses of the Offers

The total expenses of the Offers assuming Minimum Subscription and Full Subscription are set out below and are expected to be applied towards the items set out in the table below:

	MINIMUM SUBSCRIPTION (\$5,000,000)	FULL SUBSCRIPTION (\$8,552,860)
ASIC fees	3,206	3,206
ASX fees	33,475	45,447
Underwriting fee	300,000	300,000
Legal fees	20,000	20,000
Miscellaneous, printing and other expenses	55,000	55,000
Total	411,681	423,653

7. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

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

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Capital Raising has the meaning given to it in Section 1.2.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Altech Batteries Limited (ACN 125 301 206).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

CRN means Customer Reference Number in relation to BPAY@.

DB Group means Deutsche Balaton Aktiengesellschaft and its affiliates, as defined in Section 1.6.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Exercise Price means the exercise price of the New Options.

Full Subscription means the full subscription of \$8,552,860 under the Entitlement Offer.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand Germany, Malaysia, Singapore or Switzerland.

MAA Group Berhad means MAA Group Berhad (Registration No: 199801015274 (471403-A)).

Minimum Subscription means the minimum subscription of \$5,000,000 under the Entitlement Offer.

New Option means an Option issued on the terms set out in Section 4.2.

Offers means the Entitlement Offer and/or Placement Offer as the context requires.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given to it in Section 1.2.

Placement Offer means the offer of New Options to the Placement Participants the subject of this Prospectus.

Placement Participants has the meaning given to it in Section 1.2.

Placement Shares has the meaning given to it in Section 1.2.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.1.

Section means a section of this Prospectus.

Securities means Shares, Options and/or Performance Rights as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means MAA Group Berhad.

Underwritten Amount means \$5,000,000.

WST means Western Standard Time as observed in Perth, Western Australia.