

**SML Corporation Limited**

ARBN 161 803 032
9A/ 23-25 Bunney Road
Oakleigh South, Victoria 3167, Australia
PO Box 2163, Mount Waverley, VIC 3149
Telephone (03) 8555 3708
Facsimile (03) 8555 3706
smlcorp@optusnet.com.au
www.smlcorporation.com
ASX code: SOP

23 June 2017

ASX Market Announcements

LODGEMENT OF PROSPECTUS

SML Corporation Limited ("SMLC") (ASX: SOP) is pleased to advise that the attached Prospectus has today been lodged with the Australian Securities & Investments Commission.

For further information please contact:

Kiat Poh

SML Corporation Limited

Non- Executive Chairman

Tel: +61 (3) 8555 3708



PROSPECTUS

SML CORPORATION LIMITED
(To be renamed "SYNERTEC CORPORATION LIMITED")
ARBN 161 803 032

Share Offer

For the offer to the public of 18,750,000 Shares at an issue price of \$0.04 per Share to raise \$750,000 (Share Offer).

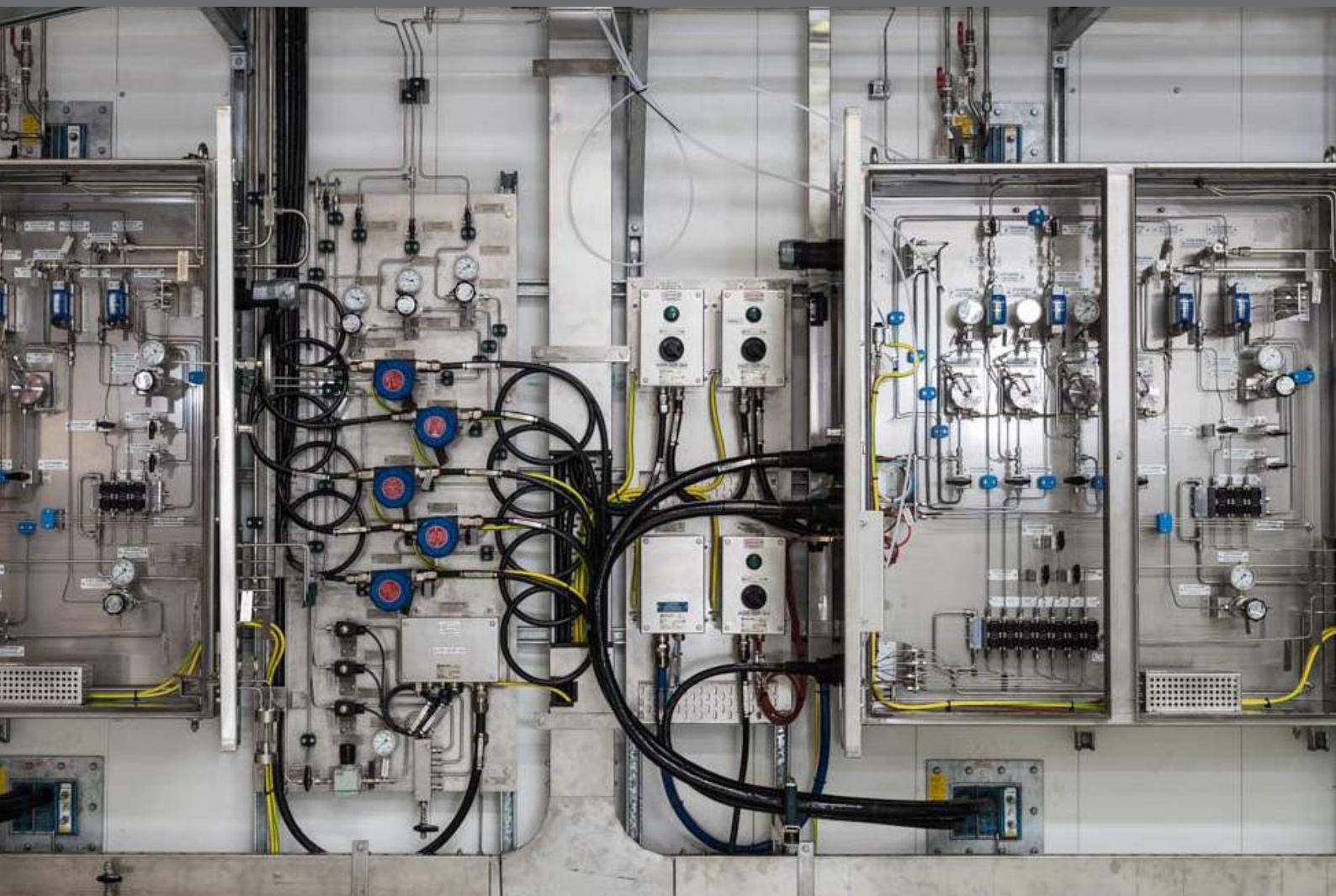
BONUS OPTIONS ISSUE

For a bonus issue of one (1) Option (Bonus Option) for every five (5) Shares held by the Existing Shareholders (Options Offer) for nil consideration to the Eligible Existing Shareholders.

VENDOR OFFER

For the offer to one of the Synertec Shareholders of 8,345,865 Shares as part of the consideration for the acquisition for all the fully paid ordinary shares held by it in the capital of Synertec.

LEAD MANAGER



THE OFFERS – SHARE OFFER AND BONUS OPTIONS ISSUE

This Prospectus contains the following two offers:

1. Share Offer to the public

For an offer of 18,750,000 Shares at an issue price of \$0.04 per Share to raise \$750,000 (**Share Offer**), being the minimum subscription.

Please refer to Sections 5G and 7 of this Prospectus for more information in respect of the Share Offer.

2. Bonus Options Issue to Eligible Existing Shareholders

For a bonus issue of one (1) Option (**Bonus Option** or **Option**) for every five (5) Shares held by the Existing Shareholders (**Options Offer**) for nil consideration to the Existing Shareholders eligible to receive the Bonus Options. Each Bonus Option entitles the holder to subscribe for one Share and is exercisable at \$0.053 on or before 3 years from the date of issue of the Bonus Options.

No funds will be raised as a result of the Options Offer and accordingly, there is no minimum subscription.

Please refer to Sections 5G and 7 of this Prospectus for more information in respect of the Options Offer.

The Company is also offering under this Prospectus 8,345,865 Shares (being part of the Consideration Shares to be issued to the Synertec Shareholders) to one of the Synertec Shareholders, Kipberg Pty Ltd (ACN 007 130 190) as trustee for the EDP Family Trust (or its nominee) (**Kipberg**) (**Vendor Shares**), being part of the consideration for the acquisition for all the fully paid ordinary shares held by Kipberg in the capital of Synertec pursuant to the Share Sale Agreement (**Vendor Offer**).

Completion of the Share Offer, the Options Offer and the Vendor Offer (collectively **the Offers**) is conditional upon the successful completion of the acquisition of all the shares in Synertec Pty Limited (ACN 114 707 050) (**Synertec**) by the Company (**Acquisition**), which is detailed further in Section 6 of this Prospectus. No Shares and no Bonus Options will be issued pursuant to this Prospectus until such time as the completion of the Acquisition occurs.

Other than in respect of the Options Offer and the Vendor Offer, this Prospectus in respect of the Share Offer is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Unless stated otherwise, all references to the "**Securities**" in this Prospectus are references to the Shares and Bonus Options offered pursuant to this Prospectus.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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

CONTENTS

1.	CORPORATE DIRECTORY	4
2.	IMPORTANT INFORMATION	5
3.	INDICATIVE TIMETABLE	9
4.	CHAIRMAN'S LETTER	10
5.	INVESTMENT OVERVIEW	11
6.	OVERVIEW OF TRANSACTION AND SYNERTEC	21
7.	DETAILS OF THE OFFERS	29
8.	INDUSTRY OVERVIEW	37
9.	COMPANY OVERVIEW	38
10.	RISK FACTORS	41
11.	DIRECTORS AND KEY MANAGEMENT	46
12.	FINANCIAL INFORMATION ON THE COMPANY AND SYNERTEC	50
13.	INVESTIGATING ACCOUNTANT'S REPORT	72
14.	CORPORATE GOVERNANCE	81
15.	MATERIAL CONTRACTS	89
16.	ADDITIONAL INFORMATION	95
17.	DIRECTORS' AUTHORISATION	109
18.	GLOSSARY	111



Directors:

1. Kiat Poh, Chairman and Independent Non-Executive Director
2. Kim Chuan Freddie Heng, Independent Non-Executive Director and Company Secretary
3. Shaw Pao Sze, Non-Executive Director¹
4. Furang Li, Non-Executive Director¹

Proposed Directors:

1. Michael Carroll, Proposed Director² and Managing Director of Synertec
2. Leeanne Bond, Proposed Independent Director and Independent Chairman³

ASX Code: SOP

Share Registry:

Boardroom Pty Limited

Grosvenor Place, Level 12, 225 George Street Sydney, NSW 2000

Telephone: 1300 737 760 (within Australia) or +61 (2) 9290 9655 (outside Australia)

Facsimile: +(61 2) 9290 9655

Company Secretary and principal registered office in Bermuda:

Kim Chuan Freddie Heng

Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

Website: www.smlcorporation.com

Registered agent office in Australia:

Synergy Metals Pty Limited

9A/23-25 Bunney Road, Oakleigh South, VIC 3167 Australia

Telephone: +(61 3) 8555 3708 Facsimile: +(61 3) 8555 3706

Email: smlcorp@optusnet.com.au

Auditor

Grant Thornton Audit Pty Ltd

The Rialto, Level 30, 525 Collins Street, Melbourne VIC 3000 Australia

Investigating Accountant:

Grant Thornton Corporate Finance Pty Ltd

The Rialto, Level 30, 525 Collins Street, Melbourne VIC 3000 Australia

Lawyers to the Company:

William Ross, Lawyers & Advisers

Level 27, 101 Collins Street, Melbourne Vic 3000 Australia

Lead Manager to the Share Offer:

Phillip Capital Limited

Level 10, 330 Collins Street

Melbourne VIC 3000 Australia

Telephone: +(613) 8633 9800

¹ To resign from the Board upon completion of the Acquisition.

² To be appointed, as approved by Shareholders at the Special General Meeting held on 5 June 2017, with effect from completion of the Acquisition.

³ To be appointed at completion of the Acquisition.

2.1 Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules

At the Special General Meeting of the Company held on 5 June 2017, the Company obtained Shareholder approval for the numerous resolutions, which included the Company changing the nature and scale of its activities and making the Acquisition (**Resolutions**). Details of these Resolutions are set out in Section 6.4.

The Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

2.2 General

This Prospectus is dated 23 June, 2017 and was lodged with the ASIC on that date. Neither ASIC nor ASX nor their respective officers takes any 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 the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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

In relation to the Options Offer, given it is a bonus issue of Bonus Options, the Eligible Existing Shareholders are not required to apply for Bonus Options.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Conditional Offers

The Offers are conditional on the successful completion of the Acquisition. The Acquisition is subject to, among other things, the ASX approving the re-admission of the Company to the Official List and the minimum subscription under the Share Offer being achieved.

In the event that the Company does not receive approval from the ASX for re-admission to the Official List, the Company will not proceed with the Acquisition and the Offers and no Shares and no Bonus Options will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their application monies (without interest).

2.5 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the Company's website at www.smlcorporation.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 resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have obtained this Prospectus as an electronic Prospectus, please ensure that you have downloaded and read the entire Prospectus accompanied by the Application Form.

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.

As previously stated, in relation to the Options Offer, given it is a bonus issue of Bonus Options, the Eligible Existing Shareholders are not required to apply for Bonus Options. Eligible Existing Shareholders will receive a copy of this Prospectus. No document or information included on our website is incorporated by reference into this Prospectus.

2.6 Forwarding-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 our management.

We cannot and do 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.

We have 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 our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 5D and 10 of this Prospectus.

2.7 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.8 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation given in the Glossary in Section 18 of this Prospectus

2.9 Time

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

2.10 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 10 for details relating to risk factors.

2.11 Financial Information and amounts

The "Financial Information" section in Section 12 sets out in detail the Financial Information referred to in the Prospectus. The basis of preparation of the Financial Information is set out in the "Financial Information" in Section 12.

The Historical Financial Information in this Prospectus should be read in conjunction with, and they are qualified by, reference to the information contained in Section 12.

The functional currency of the operating entities in the Group is Australian dollars, and all historical financial reports were presented in Australian dollars. The presentation currency in this Prospectus is Australian dollars.

2.12 Disclaimer

Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire Shares in the Company under the Share Offer or the Vendor Offer or the exercise any of the Bonus Options to be issued under the Options Offer. No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offers that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offers. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

2.13 Privacy

By completing an Application Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected held and used both in and outside of Australia by the Company, and the Registry on its behalf, to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company's Public share register. This information must continue to be included in the Company's public share register even if you cease to be a Shareholder. The Company and the Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Registry for ongoing administration of the Company's public share register;
- the Lead Manager in order to assess your Application;
- the Australian Tax Office and other government bodies as required by law;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

Under the Privacy Act 1988 (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or the Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

2.14 ASX Listing

The Company will apply for Official Quotation of the Securities offered under this Prospectus within 7 days after the date of this Prospectus. However, Applicants and Eligible Existing Shareholders should be aware that ASX will not commence Official Quotation of any Securities until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.2).

If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 6.3), the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC) any Securities issued will be void in accordance with section 723 of the Corporations Act.

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 any of the Securities now offered under this Prospectus.

2.15 Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Shares or Bonus Options in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of any of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. If you are outside Australia and New Zealand, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of any of the Securities pursuant to this Prospectus.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia and New Zealand, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

2.15 Foreign Jurisdictions - continued

Accordingly, and specifically in respect of the Options Offer, the Bonus Options will be issued under this Prospectus to the Existing Shareholders with a registered address in Australia, New Zealand or such other jurisdiction in which the Company determines it would be lawful and inexpensive to make the Options Offer or issue the Bonus Options under this Prospectus without having to lodge or register this Prospectus or any other document in any such other jurisdiction.

For further information, please refer to Sections 7.2(c) and 7.10.

2.16 No cooling-off rights

Cooling-off rights do not apply to an investment in Shares offered or issued under this Prospectus. This means that, unless agreed in writing by the Company, you cannot withdraw your Application once it has been accepted.

Similarly, there are no-cooling off rights in respect of the Bonus Options.

2.17 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about any of the Offers or how to accept the Share Offer, or the Vendor Offer please call the Company Secretary, Kim Chuan Freddie Heng on telephone +61 (3) 8555 3708.

Key Dates

The indicative timetable at the date of this Prospectus is as follows¹:

EVENT	INDICATIVE DATE
Lodgement of Prospectus with ASIC	23 June 2017
Record Date for the Bonus Options	26 June 2017
Opening date of Share Offer and Vendor Offer	30 June 2017
Prospectus sent to the Existing Shareholders	5 July 2017
Closing Date for the Share Offer and Vendor Offer	28 July 2017
Subject to Directors' satisfaction that the Conditions Precedent in Share Sale Agreement are satisfied (or waived), completion of Acquisition ² and issue of the Shares and Bonus Options and Redemption Notes	4 August 2017
Date of quotation of Bonus Options (suspended)	7 August 2017
Date of re-quotation of the Company's Shares and Bonus Options	11 August 2017

NOTES

1. The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Share Offer and the Vendor Offer early without prior notice. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Shares to Applicants.

2. The above stated date for completion of the Acquisition is only a good faith estimate by the Directors and may have to be extended.

Key Statistics

Share Offer Price per Share	\$0.04
Cash Proceeds from the Share Offer (before costs)	\$750,000
Total Number of Shares to be issued under the Share Offer	18,750,000
Total Number of Shares to be issued to the Synertec Shareholders under the Share Sale Agreement	107,142,857 ¹
Total number of Shares on issue following completion of the Share Offer	220,701,277
Maximum number of Bonus Options on issue at completion of the Options Offer ²	16,175,970 ³
Market capitalisation based on Share Offer price	\$8,828,051
Pro-forma net cash as at 31 December 2016	\$6,477,954
Synertec historical total comprehensive income for 12 months ended 30 June 2016	\$834,223
Synertec historical total comprehensive income for 6 months ended 31 December 2016	\$930,980 ⁴

NOTES

1. This includes 8,345,865 Shares to be issued Kipberg under the Vendor Offer.

2. The Bonus Options will be issued for nil consideration to the Eligible Existing Shareholders. No funds will be raised as a result of the Options Offer. The Bonus Options are each exercisable at \$0.053 on or before 3 years from the date of their issue.

3. Assumes that Bonus Options are issued to all Existing Shareholders.

4. Investors should not expect Synertec's total comprehensive income in the 6-month period ended 30 June 2017 to be the same as it was in the 6-month period ended 31 Dec 2016. It is anticipated Synertec's profit in the second half of the financial year will be negatively affected by a number of factors, including transaction costs in relation to the Acquisition and an investment of over \$210,000 in relation to business development in the Middle East.

Dear Investor and Existing Shareholder,

On behalf of the Board of Directors of SML Corporation Limited (to be renamed "**Synertec Corporation Limited**"), I am pleased to present you with this Prospectus and the opportunity to increase your existing shareholding or to become a new shareholder in the Company as it transitions from its historic focus of gold and base metal exploration to the business of specialist engineering consulting through its proposed acquisition of Synertec Pty Limited (ACN 114 707 050) ("**Synertec**").

As announced on 10 March 2017, the Company entered into the Share Sale Agreement pursuant to which it has conditionally agreed to acquire 100% of the issued shares in Synertec free from all encumbrances for \$10.0 million payable to the shareholders of Synertec as follows:

- \$5.0 million by the issue of 107,142,857 new fully paid ordinary shares in the Company at a deemed issue price of 4.667 cents per Share; and
- \$5.0 million in cash.

A summary of the Share Sale Agreement for the Acquisition is outlined in Section 15.1.

Under this Prospectus, the Company is seeking to raise \$750,000 through the issue of 18,750,000 Shares at a price of \$0.04 per Share primarily to provide additional funding to meet the Company's costs in relation to the Acquisition and the Offers and corporate administration expenses of the Company.

Further, and as a reward for supporting the Company, a bonus issue of up to a maximum 16,175,970 Options will be made to our Existing Shareholders eligible to participate in the Options Offer under this Prospectus. The Bonus Options are being issued on the basis one Bonus Option for every 5 Shares and for nil consideration.

At the Special General Meeting held on 5 June 2017, the Company obtained Shareholder approval for the Essential Resolutions including the Acquisition and the resulting change to the nature and scale of the Company's activities and the Share Offer and the issue of the Consideration Shares including the Vendor Shares offered under the Vendor Offer.

This Prospectus contains information about the Company, Synertec, the Acquisition and the Offers. I commend the Company and its new direction to you and encourage you to consider the Offers.

Investors and Existing Shareholders should be aware of the potential risks inherent in this investment which are fully detailed in this Prospectus. Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

Yours sincerely,



Kiat Poh
SML Corporation Limited
Non-Executive Chairman

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered and the Bonus Options to be issued to the Eligible Existing Shareholders pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
A Company		
Who is the issuer of this Prospectus?	SML Corporation Limited (ARBN 161 803 032) (ASX: SOP), being the Company.	
Who is SML Corporation Limited (or the Company)?	<p>SML Corporation Limited, an investment holding company incorporated on 15 October 2012 in Bermuda and was admitted to the Official List of the ASX on 28 May 2013. One of its subsidiaries have operated as a gold and base metal exploration company in Victoria, Australia.</p> <p>On 10 March 2017, the Company announced to ASX that it had entered into a conditional Share Sale Agreement to acquire all of the issued shares of Synertec.</p> <p>The wholly-owned subsidiary companies of SML Corporation Limited are as follows:</p> <ul style="list-style-type: none"> • SML Resources Limited, an investment holding corporation incorporated in the British Virgin Islands; • Synergy Metals Pty Limited (ACN 005 482 904), an investment holding company incorporated in Australia; • Australian Gold Mines Pty Limited (ACN 056 562 924), an investment holding company incorporated in Australia; • Mt. Wills Gold Mines Pty Limited* (ACN 009 223 992), a mineral exploration company incorporated in Australia; • Mitta Omeo Metals Pty Ltd (ACN145 558 167), a mineral exploration company incorporated in Australia. <p>* Mt Wills Gold Mines Pty Limited owns the interests in the Glen Wills-Sunnyside gold project located in the East Gippsland region in Victoria, Australia.</p>	Sections 6.1 and 9
How will the Acquisition be implemented?	<p>At the Company's Special General Meeting held on 5 June 2017, the Company obtained Shareholder approval for, among other matters, the resulting change to the nature and scale of the Company's activities as a consequence of the Acquisition, the issue of the Consideration Shares to the Synertec Shareholders and the issue of the Shares under the Share Offer and the issue of the Consideration Shares including the Vendor Shares offered under the Vendor Offer.</p> <p>The consideration payable to the Synertec Shareholders by the Company for acquiring all the shares in Synertec is \$10,000,000 to be satisfied by the issue of the Consideration Shares and the cash payment of \$5,000,000.</p> <p>At the same Special General Meeting, the Company also obtained Shareholder approval to change its name to "Synertec Corporation Limited" on successful completion of the Acquisition, which in the Directors' opinion will be better suited given the Company's new strategic direction.</p>	Sections 6 and 15.1

ITEM	SUMMARY	FURTHER INFORMATION
Who is Synertec?	<p>Synertec is a multi-disciplined engineering consulting company, delivering specialist engineering and compliance services across complex and highly regulated oil and gas, biotechnology, food and dairy, industrial automation, petrochemical and fine chemicals, pharmaceuticals and water industries.</p> <p>Based in Melbourne, Victoria, Synertec owns an established business with over two decades of history in Australia's specialist engineering consulting industry. Synertec's senior management have many years of experience in the multi-disciplined and the specialist engineering consulting industry to implement the development strategies and growth plans of Synertec's business.</p>	Section 6.6
What is the industry outlook?	<p>The Australian engineering consulting industry primarily provides services to construction and engineering infrastructure projects, environment projects and industrial processes and equipment.</p> <p>It is expected that for the financial year ended 30 June 2017 the revenue of the Australian engineering consultancy industry is expected to be approximately \$43 billion.</p> <p>The Directors and Proposed Directors expect the industry outlook will improve over the next five years and that demand will increase from the public sector as the Australian Government has committed to increase its investment to a record \$80 billion (approximately) in order to commence and implement significant infrastructure projects across Australia.</p>	Section 8
B Business Model		
How does Synertec generate income?	<p>Synertec is an Australian-based engineering and consulting, engineering procurement construction firm delivering specialist engineering and compliance services across complex and highly regulated industries. Currently, Synertec mainly derives its revenues from within Australia, but in the future, it may derive an increasing proportion of its revenue from operations in foreign countries.</p> <p>Synertec's project management systems have embedded methodologies for concepts such as ISO 9001, risk and change management, quality gate and regulatory compliance, as well as standard project management philosophies for time, cost and quality management.</p> <p>Synertec has specific experience and expertise in:</p> <ul style="list-style-type: none"> • project and construction management • process, mechanical and electrical engineering • safety system design • process and industrial automation systems • process optimisation and scale-up • hazardous area design • compliance to Australian and international safety and environmental regulations • project planning studies 	Section 6.6

ITEM	SUMMARY	FURTHER INFORMATION
How does Synertec generate income? (continued)	<p>In addition, Synertec has established an innovative and best practice design and build capability in analyser systems for Liquefied Natural Gas (LNG) custody transfer operations. Synertec's system offers real time data availability and superior accuracy and speed of critical parameters as compared to more traditional solutions. These factors directly contribute to significant benefits for LNG facility operators. Synertec has designed and implemented LNG custody transfer systems for Australia's largest liquefied natural gas production facilities (being the Gorgon and Wheatstone facilities).</p> <p>Synertec sells its products and services to a diverse customer base in both the Australian and certain international markets. Synertec is focused on expanding in both the domestic and international markets.</p>	
What are the key business strategies of Synertec?	<p>Upon successful completion of the Acquisition, the Company aims to develop the Synertec Business by focusing on its business strategies.</p> <p>Whilst retaining an Australian focus, Synertec intends to implement a number of strategic priorities to increase penetration in international markets, thus broadening its availability to industry players.</p> <p>Key factors that are critical to delivering the future growth of the Synertec Business include:</p> <ul style="list-style-type: none"> • increasing market penetration • innovation and product development • an enhanced international focus <p>Synertec already has established relationships with major international companies as a result of projects within Australia. Synertec is seeking to leverage these relationships in order to facilitate penetration into overseas markets.</p>	Section 6.6
What are the key dependencies of Synertec's business model?	<p>A key factor is that Synertec's business model is highly dependent on the expertise of its senior management and key managers.</p>	Section 6.6

ITEM	SUMMARY	FURTHER INFORMATION
C Key Investment Highlights		
What are the key investment highlights?	<p>The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:</p> <p>(a) Synertec has positioned itself to take advantage of three broad engagement methods, which have delivered strong revenue growth:</p> <ul style="list-style-type: none"> • consulting and design; • engineer, procure and construct (EPC); and • long term service level agreements (SLAs) <p>The benefit of the diversified engagement model is that it allows Synertec to participate in client projects from concept development through to long-term maintenance activities.</p> <p>(b) Synertec has established innovative and best practice design and build capabilities in analyser systems for Liquefied Natural Gas (LNG) custody transfer operations. Synertec's system offers real time data availability and superior accuracy and speed of critical parameters as compared to more traditional solutions. These factors directly contribute to significant benefits for LNG facility operators. Synertec has designed and implemented LNG custody transfer systems for Australia's largest liquefied natural gas production facilities, the Gorgon and Wheatstone projects</p> <p>(c) Synertec's ongoing growth strategy involves targeting industry segments in Australia and internationally that have:</p> <ul style="list-style-type: none"> • a requirement for complex engineering services; • large companies with complex manufacturing or production facilities; • significant revenue opportunities in Australia, and in which the Australian market experience is similarly applicable internationally; • high barriers to entry; and • participants who seek long-term relationships with engineering firms. <p>In addition, the Directors and Proposed Directors believe that there is a strong opportunity to leverage the Gorgon and Wheatstone sales of the LNG Custody Transfer Technology to market into the significant and expanding LNG sector worldwide.</p> <p>(d) Synertec's senior management has many years of experience in the industry; and</p> <p>(e) If successful in achieving its business objectives, Synertec may create and deliver significant shareholder value for the Company.</p>	Section 6.5

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
<p>What are the key risks of an investment in the Company?</p>	<p>The business, assets and operations of the Company, including after completion of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk mitigation measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are set out below.</p> <p>Risks relating to the Change in Nature and Scale of Activities include:</p> <ul style="list-style-type: none"> (a) there will be dilution effects from the Acquisition, the Share Offer, the issue of the Consideration Shares (including the Vendor Shares offered under the Vendor Offer), the issue of Adviser Shares and the issue of the Bonus Options, and Shareholders may face further dilution risk in future; (b) counterparties to the Acquisition may fail to perform as agreed under the Share Sale Agreement and seeking contractual remedies could be costly. <p>Risks specific to the Synertec Business include:</p> <ul style="list-style-type: none"> (a) Synertec operates in the engineering consulting industry and business specific risks could impact on its value and performance through brand and reputational damage, regulation, competition, a loss of key personnel or failures by outside parties; (b) as Synertec contracts with, and for, third parties there is a risk that Synertec may from time to time have project cost overruns, disputes with relevant third parties (including payment disputes) or become a party to litigation or potential warranty or indemnity claims under contracts, even for a number of years after contracts have been completed; (c) unforeseen expenditures relating to the Acquisition or the Offers could affect the financial performance of the Company; (d) failure to properly manage the implementation of the Company's strategies for further growth; (e) potential prohibitions and restrictions in relation to the use of the name "Synertec" in certain jurisdictions and the use of certain intellectual rights in limited circumstances. <p>General risks include:</p> <ul style="list-style-type: none"> (a) Regulatory changes to taxes, laws or accounting practice could adversely affect the operations of the Synertec Business or its financial performance or value or that of the Company; (b) General market conditions may adversely affect the Company's value; (c) Force majeure, beyond the Company's control, could adversely impact the Company and its projects and its financial performance. 	<p>Section 10</p>

ITEM	SUMMARY	FURTHER INFORMATION
E. Directors and Key Management Personnel		
Who are the Directors and Proposed Directors?	<p>Upon successful completion of the Acquisition:</p> <p>(a) Michael Carroll and Leeanne Bond will be appointed to the Board; (b) Kiat Poh and Kim Chuan Freddie Heng will remain on the Board; and (c) Shaw Pao Sze and Furang Li will resign from the Board.</p> <p>The profiles of each of the Directors and Proposed Directors and details of the personal interests of each of the above individuals are set out in Section 11.</p> <p>At the Company's Special General Meeting held on 5 June 2017, the Company obtained Shareholder approval for the appointment of Michael Carroll as a Director of the Company effective from completion of the Acquisition.</p> <p>Michael Carroll, the Managing Director of Synertec, will continue in his role as Managing Director of Synertec following completion of the Acquisition.</p>	Sections 11.2 and 11.3
F. Financial Information		
How has the Company been performing?	<p>The Company is currently listed on the ASX and its financial history, including its 2014, 2015 and 2016 annual reports can be found on the Company's ASX announcements platform (ASX: SOP) on www.asx.com.au.</p> <p>The audited statement of financial position for the Company as at 31 December 2016 and the audited financial information for Synertec for financial years ended 30 June 2014, 2015, 2016 and the 6 months ended 31 December 2016 are set out in financial information in Section 12 and Investigating Accountant's Report in Section 13.</p>	Sections 12 and 13
What is the financial outlook for the Company?	The reviewed pro-forma statement of financial position for the Company as at 31 December 2016 (which assumes the successful completion of the Acquisition and completion of the Offers) is set out in financial information in Section 12 and Investigating Accountant's Report in Section 13.	Sections 9.2 and 10
Does the Company have sufficient funds for its activities?	The funding for the Company's short to medium term activities will be generated from a combination of the money raised under the Share Offer and existing cash reserves.	
G. Offers		
What is the purpose of the Share Offer?	<p>The purpose of the Share Offer is to re-comply with the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules and to satisfy a condition precedent in the Share Sale Agreement for the Acquisition.</p> <p>On completion of the Share Offer, the Board believes the Company will have sufficient working capital to meet the Company's objectives stated in this Prospectus.</p>	Section 7.3

ITEM	SUMMARY	FURTHER INFORMATION
What is the purpose of the Options Offer?	The purpose of the Options Offer is to reward Eligible Existing Shareholders for supporting the Company and to provide the Company with a potential source of additional working capital if all the Bonus Options are issued and exercised. No funds will be raised through the issue of the Bonus Options pursuant to this Prospectus. However, if all the Bonus Options are issued and exercised, the Company will receive \$857,326.41.	Section 7.3
What is the purpose of the Vendor Offer?	The Company is offering pursuant to this Prospectus 8,345,865 Shares (being part of the Consideration Shares to be issued to the Synertec Shareholders) to one of the Synertec Shareholders, Kipberg (or its nominee), being part of the consideration for the acquisition for all the fully paid ordinary shares in the capital of Synertec held by Kipberg pursuant to the Share Sale Agreement.	Section 7.1
Are the Offers underwritten?	The Offers are not underwritten.	Sections 7.1 and 7.2
What is being offered and who is entitled to participate in the Share Offer?	The Company is offering 18,750,000 Shares at an issue price of \$0.04 per Share to raise \$750,000. Only residents of Australia and New Zealand and such other jurisdiction in which it is lawful for the Company to make the Share Offer or issue Shares under this Prospectus (without lodging or registering this Prospectus or any other document in any such other jurisdiction) may participate in the Offer.	Section 7.1
What is being offered and who is entitled to participate in the Vendor Offer?	The Company is offering the Vendor Shares to Kipberg under the Vendor Offer. Only Kipberg can apply for the Vendor Shares under the Vendor Offer. A personalised Vendor Offer Application Form in respect of the Vendor Shares will be issued to Kipberg (or its nominee) together with a copy of the Prospectus. The Company will only provide the Vendor Offer Application Form to Kipberg.	Section 7.1
What is being offered and who is entitled to participate in the Options Offer?	Up to a maximum 16,175,970 Bonus Options will be issued under this Prospectus to the Existing Shareholders on the basis of one Bonus Option for every 5 Shares held as at 5.00pm (AEST) on 26 June 2017 (Options Record Date) with a registered address in Australia, New Zealand or such other jurisdiction in which the Company determines it would be lawful and inexpensive to make the Options Offer or issue the Bonus Options under this Prospectus (without lodging or registering this Prospectus or any other document in any such other jurisdiction) (Eligible Existing Shareholders). As this is a bonus issue of Options, Eligible Existing Shareholders are not required to apply for Bonus Options and you do not need to take any action to receive Bonus Options. Holding statements for Bonus Options issued under the Options Offer will be sent to the Eligible Existing Shareholders in accordance with the ASX Listing Rules and as soon as practicable after their issue. The Bonus Options will entitle the holder to subscribe for one Share and have an exercise price of \$0.053 and are exercisable on or before 3 years from their date of issue.	Section 7.2
What will the Company's capital structure look like after completion of the Offers and the Acquisition?	Please refer to Section 9 for a pro-forma capital structure following completion of the Acquisition.	Section 9.5
Will I be guaranteed a minimum allocation under the Share Offer?	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Share Offer and the Share Offer is subject to successful completion of the Acquisition.	Section 7.1

ITEM	SUMMARY	FURTHER INFORMATION
Will I be guaranteed an issue of Bonus Options under the Options Offer?	Yes, as long as you are an Eligible Existing Shareholder, subject to successful completion of the Acquisition.	Section 7.1
What are the terms of the Shares offered under the Share Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Share Offer are set out in Section 16.2.	Section 16.2
What are the terms of the Bonus Options offered under the Options Offer?	<p>The terms of the Bonus Options offered under the Options Offer are set out in Section 16.5.</p> <p>All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with all other Shares on issue.</p>	Section 16.5
How are the Bonus Options exercised?	<p>The Bonus Options are exercised by completing the notice of exercise option form which will be sent to the Eligible Existing Shareholders separately, paying \$0.053 per Bonus Option exercised to the Company and returning the form to the Company or the Share Registry.</p> <p>Payment can be made to the Company by enclosing a cheque with the form.</p>	Section 16.5
Can part of the Bonus Options be exercised?	Yes, the Bonus Options may be exercised in whole or in part. Holders of the Bonus Options will need to indicate on the notice of exercise option form as to how many Bonus Options are being exercised and return the form together with payment of the appropriate amount of money.	Section 16.5
Will any Securities be subject to escrow?	<p>No Securities to be issued under this Prospectus will be classified by ASX as restricted securities for the purposes of the ASX Listing Rules and they will not be required to be held in escrow.</p> <p>It is not expected that any other Shares of the Company will be classified by ASX as restricted securities for the purposes of the ASX Listing Rules nor will they be required to be held in escrow.</p> <p>Pursuant to the Share Sale Agreement, New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares</p> <p>Pursuant to the Share Sale Agreement, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.</p>	Sections 7.1(e), 7.2(d) and 9.7
Will the Securities be quoted?	<p>Application for quotation of the Securities to be issued under the Offers will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>It is expected that the Company will continue to retain ASX code "SOP".</p>	Sections 7.1 and 7.2
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Share Offer?	Applications under the Share Offer must be for a minimum of \$2,000 worth of Shares (50,000 Shares) and thereafter, in multiples of \$100 worth of Shares (2,500 Shares).	Section 7.1(c)

ITEM	SUMMARY	FURTHER INFORMATION
What is the minimum investment size under the Options Offer?	<p>There is no price required to be paid to be issued the Bonus Options. The Bonus Options will be issued to the Eligible Existing Shareholders under this Prospectus for nil consideration.</p> <p>Following their issue, the Bonus Options can be exercised at an exercise price of \$0.053 for each Bonus Option on or before 3 years from their date of issue.</p>	Section 7.2
Are there any conditions to the Offers?	<p>The Offer is conditional on the Acquisition occurring. The Acquisition is subject to, among other things, the ASX approving the re-admission of the Company to the Official List and the minimum subscription under the Share Offer being achieved.</p> <p>In the event that the Company does not receive approval from the ASX for re-admission to the Official List, the Company will not proceed with the Acquisition and the Offers and will repay all application monies received by it in connection with the Share Offer under this Prospectus without interest.</p>	Sections 2.4, 7.1(a) and 7.2(a)
How will the proceeds of the Share Offer be used?	It is estimated \$356,192 (47.5%) of the Share Offer proceeds will be used to meet the Company's expenses in relation to the Offers, \$286,458 (38.2%) will be applied towards the Company's costs in relation to the Acquisition and the balance of \$107,350 (14.3%) will be applied towards working capital.	Sections 7.4 and 16.10
H. Additional information		
What are the Redemption Notes?	<p>Given the change in nature and scale of activities of the Company, the Directors are seeking to sell the Mining Assets to any interested buyers at market value.</p> <p>Subject to completion of the Acquisition, in the event that a Mining Assets Sale is successfully completed within 6 months from the date of completion of the Acquisition, an amount equal to the Net Sale Proceeds of the Mining Assets Sale will be distributed only to the Existing Shareholders. This distribution will be made on a pro rata basis via the Redemption Notes to be issued at completion of the Acquisition to the Existing Shareholders for nil consideration.</p> <p>In anticipation of a Mining Assets Sale, the Company will issue at completion of the Acquisition one (1) Redemption Note for every one (1) Share held by each Existing Shareholder as at 5.00 pm (AEST) on the Notes Record Date, being 26 June 2017. Accordingly, 80,879,849 Redemption Notes will be issued in total.</p> <p>Each Redemption Note entitles the holder to payment of an amount (in dollars or a fraction of a dollar) equal to the Net Sale Proceeds divided by the number of Redemption Notes issued by the Company (Redemption Amount) but subject to completion of the Mining Assets Sale (including payment of the sale price) occurring within 6 months from the date of completion of the Acquisition.</p> <p>The Redemption Notes will not be able to be traded nor will they be quoted on the ASX. If completion of the Mining Assets Sale does not occur within 6 months from the date of completion of the Acquisition, then no Redemption Amount will be payable in respect of any of the Redemption Notes and all the Redemption Notes will automatically lapse and be of no effect. Details of the terms and conditions of the Redemption Notes are in Section 16.6.</p>	Sections 6.7 and 16.6

ITEM	SUMMARY	FURTHER INFORMATION
Is there any brokerage, commission or duty payable by Applicants or Eligible Existing Shareholders?	No brokerage, commission or duty is payable by Applicants or Eligible Existing Shareholders on the acquisition of any of the Securities under the Offers.	
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 7.5
What are the tax implications of being issued Bonus Options?	<p>The issue and exercise or expiration of the Bonus Options should not give rise to any immediate taxing points for the Existing Shareholders.</p> <p>However, to the extent the Bonus Options are disposed, this could give rise to a capital gain in the hands of the Existing Shareholders.</p> <p>The issue of the Bonus Options may vary between Eligible Existing Shareholders.</p> <p>The tax consequences of the issue of Bonus Options will depend upon an investor's particular circumstances. Accordingly, existing Shareholders should obtain their own tax advice.</p> <p>Before you decide to exercise any of your Bonus Options, you should consider whether the Shares are or continue to be a suitable investment for you. The key risks in relation to an investment in Shares is set out Section 10. You should seek the advice of your own professional adviser.</p>	Section 7.5
Where can I find more information?	<p>By speaking to your sharebroker, lawyer, accountant or other independent professional adviser;</p> <ul style="list-style-type: none"> • By reviewing the Company's public announcements, which are accessible from ASX's website at www.asx.com.au under the ASX code "SOP"; • By visiting the Company's website at www.smlcorporation.com; • By contacting the Company Secretary, on (03) 8555 3708; and • By contacting the Share Registry on 1300 737 760 (within Australia) or +61 (2) 92909655 (outside Australia). 	

6.1 The Company

The Company was incorporated on 15 October 2012 in the Bermuda and has been admitted to the official List of the ASX since 28 May 2013 (ASX code: SOP).

The Company is an investment holding company. One of its Australian subsidiaries, Mt Wills Gold Mines Pty Limited, has operated as a gold and base metal exploration company in Victoria, Australia. Pursuant to its continuous disclosure obligations, the Company has kept the market fully informed and updated in relation to its projects. Details of these projects are available on the Company's ASX announcements platform. Details of the Company's most recent activities in these areas are set out in the Company Annual Report lodged with ASX on 26 September 2016.

6.2 Acquisition of Synertec

On 10 March 2017, the Company announced to ASX that it had entered into the Share Sale Agreement to acquire 100% of the issued shares of Synertec, a multi-disciplined engineering consulting firm, delivering specialist engineering and compliance services across complex and highly regulated oil and gas, biotechnology, food and dairy, hospitals, industrial automation, petrochemical and fine chemicals, pharmaceuticals and water industries. Upon successful completion of the Acquisition, the Company will focus on developing and operating the Synertec Business.

A more detailed summary of Synertec and the proposed business of the Company following Completion is set out in Section 6.5.

6.3 Re-compliance with ASX Listing Rules

As the Company's activities are currently focused on gold and base metal exploration, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations to focus on developing the Synertec Business as a multi-disciplined engineering consulting firm.

ASX had indicated to the Company that this change in the nature and scale of the Company's activities will require the Company to obtain Shareholder approval and re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

At the Company's Special General Meeting held on 5 June 2017, the Company obtained Shareholder approval for, among other things, the Acquisition including the resulting change to the nature and scale of the Company's activities. Please see Section 6.4 for further details.

In accordance with the requirements of the ASX, the Company has been suspended from trading since the date of its Special General Meeting held on 5 June 2017.

The Company will not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-instated to trading.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules, relevant to the Company in the present circumstances, are:

- the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- the Company must issue a prospectus and lodge it with ASIC.

It is expected that the conduct and successful completion of the Share Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

In the event that the Company does not receive approval from the ASX for re-admission to the Official List, the Company will not proceed with the Acquisition and the Offers and will repay all application monies received by it in connection with the Share Offer under this Prospectus without interest.

6.4 Resolutions approved by Shareholders

The Shareholders, during the Special General Meeting held on 5 June 2017, approved the following resolutions:

- (a) Resolution 1 – significant change to nature and scale of activities of the Company due to the Acquisition and the resulting change in the nature and scale of its activities of the Company. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature or scale of its activities.
- (b) Resolution 2 – consolidation of share capital of the Company so that the authorised and issued capital of the Company be consolidated on the basis that every four (4) Shares be consolidated into three (3) Shares. – this Consolidation took effect on 9 June 2017.
- (c) Resolution 3 – issue of 107,142,857 Shares to the Synertec Shareholders (**Consideration Shares**) as part consideration for the all the shares in Synertec on the terms and conditions set out in the Share Sale Agreement.
- (d) Resolution 4 – the issue of 18,750,000 Shares at \$0.04 per Share to raise \$750,000.
- (e) Resolution 5 – issue of Adviser Shares whereby the Company will issue 13,928,571 Shares to Inaya Limited (**Adviser Shares**).
- (f) Resolution 6 – issue of 80,879,849 Redemption Notes to Existing Shareholders (**Redemption Notes**) in order to distribute the net sale proceeds (less certain costs) of the Mining Assets of the Company to the Existing Shareholders. Please refer to Sections 6.7 and 16.6 for details.
- (g) Resolution 7 – election of Michael Carroll as a director of the Company with effect from completion of the Acquisition.
- (h) Resolution 8 – change of the name of the Company to “Synertec Corporation Limited” following the completion of the Acquisition,

(collectively referred to as the “**Resolutions**”).

An overview of the Company's business following completion of the Acquisition is set out in Sections 6 and 9.

6.5 Key investment highlights

The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:

- (a) Synertec is an established business with over two decades of history in Australia's engineering consulting industry;
- (b) the Synertec Business is focused on the multi-disciplined and specialist engineering consulting industry;
- (c) Synertec's senior management have many years of experience in the multi-disciplined and specialist engineering consulting industry to implement the new development strategies and growth plans for the business; and
- (d) if Synertec is successful at executing its growth strategy, Synertec may create and deliver significant Shareholder value with its multi-disciplined and specialist engineering and compliance services across complex and highly regulated oil and gas, biotechnology, food and dairy, hospitals, industrial automation, petrochemical and fine chemicals, pharmaceuticals and water industries

6.6 Information about Synertec

Synertec is a multi-disciplined engineering consulting firm, delivering specialist engineering and compliance services across complex and highly regulated oil and gas, biotechnology, food and dairy, industrial automation, petrochemical and fine chemicals, pharmaceuticals and water industries.

With the business of Synertec having been first established in 1996 in Australia, Synertec is active in Australia and is based in Victoria. Synertec is accredited to ISO 9001 to deliver quality-assured results for its clients. Synertec personnel have a wide range of technical skills and expertise that encompass engineering, quality assurance, construction, and manufacturing to offer perspective on a broad range of industrial problem. Synertec has specific experience and expertise in:

- project and construction management;
- process, mechanical and electrical engineering;
- safety system design;
- process and industrial automation systems;
- process optimisation and scale-up;
- hazardous area design;
- compliance to Australian and international codes of Good Manufacturing Practice; and
- project planning studies.

6.6 Information about Synertec - continued

ANALYSER SYSTEMS

Synertec has established an innovative and best practice design and build capability in analyser systems (**Analyser Systems**), which is an increasingly important field as customers drive to increase the quality of goods, reduce costs and meet regulatory requirements. An example is Synertec's LNG Custody Transfer Technology, which is world leading in terms of accuracy and speed as compared to more traditional solutions. Systems have been developed by Synertec for Australia's largest LNG production facilities, the Gorgon and Wheatstone facilities.

Synertec owns and licenses the intellectual property and capabilities of the LNG Custody Transfer Technology that enables real-time analysis and sampling of LNG as it is loaded onto freighters.

The benefits of the LNG Custody Transfer Technology for LNG loading include:

- Synertec's LNG Custody Transfer Technology is independently verified to comply with the latest industry standards.
- Synertec's LNG Custody Transfer Technology allows immediate invoicing for the cargo as there is no more accurate and validated system available to determine the quality, heating value and impurities of the loaded LNG.
- Sellers and buyers need high precision, real time systems that can protect their interests every time a ship is loaded or unloaded. The enormous value of each cargo means that slight discrepancies in key metrics can result in large monetary variations. For example, the value of a Q-Max carrier LNG cargo, based on the April 2017 price of LNG imported into Japan, is estimated to be approximately USD\$32 million.
- The system collects a truly representative sample of the cargo while it is being loaded, even for dual loading line systems. In the event of a dispute in the analysis of the cargo, the stakeholders can refer to the collected representative sample thereby providing a "validated" sample which expedites dispute resolution.
- Reduces demurrage costs that may result from a dispute.
- The above benefits could assist in the transition to the evolving LNG spot market.

The Directors and Proposed Directors believe the accuracy and speed of the LNG Custody Transfer Technology makes it particularly applicable for the evolving LNG spot market. The Directors and Proposed Directors believe the potential market includes the more than 200 LNG liquefaction and regasification terminals, globally, that are either on-stream, under construction, planned, proposed or being considered. Please note certain limited intellectual property risks in Section 10.2.

DIVERSIFIED ENGAGEMENTS

Synertec has positioned itself to take advantage of three broad engagement methods, which have delivered strong revenue growth:

- Consulting and design;
- Engineer, procure and construct (**EPC**); and
- Long term service level agreements (**SLAs**)

The benefit of the diversified engagement model is that it allows Synertec to participate in client projects from concept development through to long-term maintenance activities.

GROWTH STRATEGY

Synertec's ongoing growth strategy involves targeting industry segments in Australia and internationally that have:

- a requirement for complex engineering services;
- large companies with complex manufacturing or production facilities;
- significant revenue opportunities in Australia, and in which the Australian market experience is equally applicable internationally;
- high barriers to entry; and
- participants who seek long-term relationships with engineering firms.

In addition, The Directors and Proposed Directors believe that there is a strong opportunity to leverage the Gorgon and Wheatstone sales of the LNG Custody Transfer Technology to market into the significant and expanding LNG sector worldwide.

Synertec already has established relationships with major international companies as a result of projects within Australia. These relationships will be leveraged to facilitate penetration into overseas markets.

CONTRACT TERMS AND PRICING

Synertec sells on a combination of fixed price/milestone and time and material basis.

ENABLED GROWTH

Synertec has taken steps to implement systems and processes within the company enabling continued growth, including:

- the development of repeatable and documented processes and procedures;
- a project management office that offers clients a systematic approach to project management; and
- high quality accounting and management control systems.

6.6 Information about Synertec - continued

MARKETS AND CUSTOMERS

Synertec's customers are typically major Australian companies and/or global service providers. A selection of companies and firms the Company has worked with include:

OIL AND GAS	PETROCHEMICAL
<ul style="list-style-type: none">• Bechtel• Chevron Australia• Conoco Phillips• Emerson• Yokogawa• Linde/BOC• QGC• Kellogg Joint Venture	<ul style="list-style-type: none">• Caltex• Nyrstar• Shell• Queensland Nitrates
DEFENCE AND DEFENCE PRIME CONTRACTORS	TERMINALS
<ul style="list-style-type: none">• Defence Science Technology Organisation• Jacobs• Kane Constructions• Thales / Australian Munitions• Transfield Services• Department of Defence	<ul style="list-style-type: none">• Stolthaven Australia• Terminals Pty Ltd• United Group
PHARMACEUTICAL	WATER
<ul style="list-style-type: none">• CSIRO• CSL and BioCSL• Ego Pharmaceuticals• Hospira (Mayne Pharma)• Orion Laboratories• Sigma Pharmaceuticals• Medical Developments International• Australian Nuclear Scientific Technology Organisation• Sanofi-Aventis Healthcare	<ul style="list-style-type: none">• East Gippsland Water• Melbourne Water• Victorian Desalination Plant• Central Highlands Water• Eastern Tertiary Alliance• GHD
FOOD, BEVERAGE AND DAIRY	
<ul style="list-style-type: none">• SAB Miller/Carlton United Breweries• Murray Goulburn Cooperative• Cargill• Fonterra• Colonial Farms	

REGULATORY ENVIRONMENT

Synertec's experience and knowledge is centred around a team of dedicated engineers and scientists who understand regulation, technology and processes in a wide range of industries.

Synertec's team has a proven track record of identifying and effectively applying the relevant regulatory requirements and standards to an individual project and client having regard to the particular circumstances.

This knowledge and experience enables Synertec to develop and implement practical solutions that are embraced by quality, production and engineering personnel.

6.6 Information about Synertec - continued

KEY PEOPLE, INTERESTS AND BENEFITS

(a) Board of Directors of Synertec

As at the date of this Prospectus, the directors of Synertec are as follows:

NAME	EXPERTISE, EXPERIENCE AND QUALIFICATIONS
Michael Carroll	<p>Michael is the Managing Director of Synertec and will continue in this role following completion of the Acquisition. Michael is one of the two Proposed Directors.</p> <p>Please refer to section 11.3.</p>
Gassan Abdallah	<p>Gassan Abdallah will resign as a director of Synertec at Completion.</p> <p>Mr Abdallah is a founding principal and director of Synertec and a significant beneficial owner of Synertec. He is currently managing director of Synertec Asia and Synertec Asia (Malaysia). Both companies operate extensively within the life sciences sector. Synertec does not have any shareholding in Synertec Asia and Synertec Asia (Malaysia) nor do Synertec Asia and Synertec Asia (Malaysia) have any shareholding in Synertec.</p>

(b) Key Management

As at the date of this Prospectus, the key managers of Synertec are as follows:

NAME	EXPERTISE, EXPERIENCE AND QUALIFICATIONS
Michael Carroll	<p>Please refer to section 11.3.</p>
Joern Buelter	<p>Joern is Synertec's National Operations Manager. He has been working with the company for 7 years. Joern's involvement in the Synertec Business is end to end, beginning with strategy and business development all the way through to project delivery oversight.</p> <p>As a successful business manager, Joern has experience with international engineering projects, across multiple industries, including hydrocarbons, defence, aerospace, automotive pharmaceutical and petrochemical.</p> <p>Joern is a member of the Australian Institute of Company Directors, holds a Bachelor of Engineering (Mechanical), and is also a fluent speaker in German.</p>

In addition, the senior management team includes departmental managers covering the following engineering disciplines;

- Electrical and instrumentation
- Automation and control
- Process and mechanical
- Compliance and validation

Synertec also provides internal support to clients and customers, including the following areas:

- Occupational health safety and environment
- Quality
- Project management
- Information technology
- Business development and marketing
- Finance
- Human resources

6.6 Information about Synertec - continued

KEY PEOPLE, INTERESTS AND BENEFITS

(c) Synertec's Shareholders and Beneficial Owners

As at the date of this Prospectus, the shareholders of Synertec are:

SYNERTEC SHAREHOLDERS	% OF SYNERTEC SHARES	NUMBER OF SYNERTEC SHARES
New Concept Corporation Ltd (New Concept)	92.2%;	876
Kipberg Pty Ltd as trustee for the EDP Family Trust (Kipberg)*	7.8%.	74
Total	100.0%	950

* Kipberg and the EDP Family Trust are not related entities of New Concept.

As at the date of this Prospectus, none of these entities are Shareholders of the Company.

All the issued share capital in New Concept is held and beneficially owned by TMF Trustees Singapore Limited as trustee of the Pinnacle (MCGA) Retirement Fund – this is a fund that is a trust, in respect of which the beneficial owners of all the benefits and rights in this fund are described below (**Beneficial Owners**):

BENEFICIAL OWNERS	BENEFITS AND RIGHTS
Michael Carroll	41.9%
Samantha Carroll (spouse of Michael Carroll)	8.1%
Gassan Abdallah	41.9%
Kerry Abdallah (spouse of Gassan Abdallah)	8.1%
Total	100.0%

As at the date of this Prospectus, none of these entities and persons are Shareholders of the Company.

In addition to the Company and Synertec, the Synertec Shareholders and the Beneficial Owners are parties to the Share Sale Agreement.

Upon completion of the Acquisition, the Synertec Shareholders will collectively hold 48.6% of the issued Shares of the Company as a consequence of the issue of the Consideration Shares pursuant to the Share Sale Agreement including the Vendor Shares offered under the Vendor Offer. For more information on shareholders of the Company post completion of the Acquisition, please refer to Section 9.6.

Accordingly, upon completion of the Acquisition, New Concept's control of, and voting power in, the Company will be 44.8%. Subject to below, Michael Carroll and Samantha Carroll's control of, and voting power in, the Company will, collectively, be 22.4%. Similarly, Gassan and Kerry Abdallah's control of, and voting power in, the Company will, collectively, be 22.4%.

Given the ownership structures described above and on the basis that each of Michael and Samantha Carroll and Gassan and Kerry Abdallah are treated as associates or as acting in concert with each other in relation to the Company, the control of, or voting power in, the Company of each of them will, collectively, be 44.8% upon completion of the Acquisition.

6.7 Sale of Mining Assets and issue of Redemption Notes

Given that the Shareholders have approved the change in nature and scale of activities of the Company as a consequence of the Acquisition, the Directors believe that it is not in the interests of the Company to continue to hold the Mining Assets. The present exploration mining activities of the Company are inconsistent with this approved new nature of activities. Further, it is difficult for the Company to raise equity or debt funds to continue the present mining exploration activities, which are very uncertain and highly speculative in nature.

The significant asset of the Mining Assets is the Glen Wills-Sunnyside mining tenement. The other Mining Assets are not significant and comprise related plant and equipment.

The Mining Assets are held by the Company's wholly-owned subsidiary Mt Wills. The shares in Mt Wills are held by another wholly-owned subsidiary of the Company Australian Gold Mines Pty Limited (**Gold Mines**) and the shares in Gold Mines are held by another wholly-owned subsidiary of the Company Synergy Metals Pty Limited (**Synergy**). Therefore, the Company can sell Mining Assets themselves or alternatively, it can sell the shares in Mt Wills or Gold Mines (**Mining Assets Sale**).

Accordingly, the Directors are seeking to sell the Mining Assets to any interested buyers at market value.

Subject to completion of the Acquisition, in the event that a Mining Assets Sale is successfully completed within 6 months from the date of completion of the Acquisition, an amount equal to the Net Sale Proceeds of the Mining Assets Sale will be distributed only to the Existing Shareholders. This distribution will be made on a pro rata basis via the Redemption Notes to be issued at completion of the Acquisition to the Existing Shareholders for nil consideration.

Details of the Redemption Notes are set out in Section 16.6.

It should be noted that Applicants under the Share Offer and Kipberg under the Vendor Offer will not be issued any Redemption Notes and will not be entitled to participate to any of the sale proceeds arising from a Mining Assets Sale.

Accordingly, and in anticipation of a Mining Assets Sale, the Company will issue at completion of the Acquisition one (1) Redemption Note for every one (1) Share held by each Existing Shareholder as at 5.00 pm (AEST) on the Notes Record Date, being 26 June 2017. Accordingly, 80,879,849 Redemption Notes will be issued in total.

Each Redemption Note entitles the holder to payment of an amount (in dollars or a fraction of a dollar) equal to the Net Sale Proceeds divided by the number of Redemption Notes issued by the Company (**Redemption Amount**) but subject to completion of the Mining Assets Sale (including payment of the sale price) occurring within 6 months from the date of completion of the Acquisition.

Once the Mining Assets Sale is completed and the Net Sale Proceeds have been effectively distributed up to Synergy Metals, subject to compliance with all applicable laws, Synergy Metals will undertake a reduction of capital to distribute the Net Sale Proceeds to its immediate holding company, SML Resources Limited (being the immediate wholly-owned subsidiary of the Company) and then the Net Sale Proceeds will be distributed to the Company.

After this process is completed, the payment of the Redemption Amount will be made by the Company at a date to be determined by the Board and notified to the ASX and the Existing Shareholders following completion of the Mining Assets Sale.

If the sale under the Mining Assets Sale Agreement is not successfully completed and another buyer for Mining Assets Sale is unable to be found to complete the purchase within 6 months from the date of completion of the Acquisition, the Directors intend to relinquish or surrender the Glen Wills-Sunnyside mining tenement to the Victorian Government Department of Economic Development, Jobs, Transport and Resources for no consideration.

If completion of the Mining Assets Sale does not occur within 6 months from the date of completion of the Acquisition, then no Redemption Amount will be payable in respect of any of the Redemption Notes and all the Redemption Notes will automatically lapse and be of no effect.



7.1 The Share Offer and the Vendor Offer

Pursuant to the Share Offer under this Prospectus, the Company will be offering 18,750,000 Shares at an issue price of \$0.04 per Share to raise \$750,000, being the minimum subscription. There is no provision for oversubscriptions.

Pursuant to the Vendor Offer under this Prospectus, the Company will be offering 8,345,865 Shares (being part of the Consideration Shares to be issued to the Synertec Shareholders) to one of the Synertec Shareholders, Kipberg, being part of the consideration for the acquisition for all the fully paid ordinary shares in the capital of Synertec held by Kipberg pursuant to the Share Sale Agreement. This is the minimum subscription. There is no provision for oversubscriptions.

The Shares offered under the Share Offer and the Vendor Offer will rank equally with the existing Shares on issue. Refer to Section 16.2 for a summary of the terms of Shares.

The Directors reserve the right to close early or withdraw the Share Offer and the Vendor Offer at any time before Shares are issued under it.

(a) Conditional Share Offer and Vendor Offer

The Share Offer and the Vendor Offer are subject to the successful completion of the Acquisition. The Acquisition is subject to, among other things, the ASX approving the re-admission of the Company to the Official List and the minimum subscription under the Share Offer being achieved.

If the ASX does not approve the re-admission to the Official List and the minimum subscription under the Share Offer is not achieved then the Acquisition and the Share Offer will not proceed and the Company will repay all application monies received by it in connection with the Share Offer under this Prospectus without interest.

(b) Not underwritten

The Share Offer and the Vendor Offer are not underwritten.

(c) Minimum application amount

Applications under the Share Offer must be for a minimum of \$2,000 worth of Shares (50,000 Shares) and thereafter, in multiples of \$100 worth of Shares (2,500 Shares).

(d) Eligible participants

To participate in the Share Offer you must be a resident of Australia or New Zealand or such other jurisdiction in which the Company determines it would be lawful and inexpensive to make the Share Offer or issue the Shares under this Prospectus (without lodging or registering this Prospectus or any other document in any such other jurisdiction). See Section 7.10 for further details.

Accordingly, the Company is not in a position to guarantee a minimum application of Shares under the Share Offer.

Only Kipberg can apply for the Vendor Shares under the Vendor Offer. A personalised Vendor Offer Application Form in respect of the Vendor Shares will be issued to Kipberg (or its nominee) together with a copy of the Prospectus. The Company will only provide the Vendor Offer Application Form to Kipberg.

(e) Quotation and trading

Application for quotation of the Shares offered under the Share Offer and the Vendor Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

No Shares issued pursuant to the Share Offer and the Vendor Offer will be subject to any escrow requirement by the ASX.

Pursuant to the Share Sale Agreement, New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares.

Pursuant to the Share Sale Agreement, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.

7.2 The Options Offer

Pursuant to this Prospectus, the Company will be making a bonus issue of one Bonus Option for every five (5) Shares held (**Options Offer**) for nil consideration to the Existing Shareholders eligible to receive the Bonus Options.

Each Bonus Option entitles the holder to subscribe for one Share and is exercisable at \$0.053 on or before 3 years from the date of issue of the Bonus Options.

The Options Offer does not have a minimum subscription requirement and does not have provision for oversubscriptions given that it is a Bonus Options Issue.

7.2 The Options Offer - continued

(a) Conditional Options Offer

The Options Offer is subject to the successful completion of the Acquisition. The Acquisition is subject to, among other things, the ASX approving the re-admission of the Company to the Official List and the minimum subscription under the Share Offer being achieved.

If the ASX does not approve the re-admission to the Official List and the minimum subscription under the Share Offer is not achieved then the Acquisition and the Options Offer will not proceed.

(b) Not underwritten

The Options Offer is not underwritten. No funds will be raised as a result of the Options Offer.

(c) Eligible participants

The Bonus Options will be issued under this Prospectus to the Existing Shareholders with a registered address in Australia, New Zealand or such other jurisdiction in which the Company determines it would be lawful and inexpensive to make the Options Offer or issue the Bonus Options under this Prospectus without having to lodge or register this Prospectus or any other document in any such other jurisdiction.

Accordingly, the Company is not in a position to guarantee the issue of Bonus Options to all Existing Shareholders.

Eligible Existing Shareholders do not need take any action to receive the Bonus Options.

(d) Quotation and trading

Application for quotation of the Bonus Options offered under the Share Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.8 for further details.

No Bonus Options issued pursuant to this Prospectus will be subject to any escrow requirement by the ASX.

7.3 Purpose of the Offers

The purpose of the Share Offer is to:

- (a) assist the Company to meet the re-compliance requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 6.3 for further details);
- (b) to satisfy a condition precedent in the Share Sale Agreement for the Acquisition; and
- (c) to provide the Company with additional funding to pay the expenses set out in Section 16.10 and the balance will be applied towards the Company's costs in relation to the Acquisition and administrative expenses Synertec Shareholders for the Acquisition, together with its existing cash reserves, and also its costs in relation to the Acquisition and the Offers and administrative expenses

The purpose of the Vendor Offer is to offer pursuant to this Prospectus 8,345,865 Shares (being part of the Consideration Shares to be issued to the Synertec Shareholders) to one of the Synertec Shareholders, Kipberg (or its nominee), being part of the consideration for the acquisition for all the fully paid ordinary shares in the capital of Synertec held by Kipberg pursuant to the Share Sale Agreement. No cash funds will be raised through the issue of the Vendor Shares pursuant to this Prospectus.

The purpose of the Options Offer is to reward Eligible Existing Shareholders for supporting the Company and to provide the Company with a potential source of additional working capital if all the Bonus Options are issued and exercised. No funds will be raised through the issue of the Bonus Options pursuant to this Prospectus. However, if all the Bonus Options are issued and exercised, the Company will receive \$857,326.41.

7.4 Use of Funds

It is estimated \$356,192 (47.5%) of the Share Offer proceeds will be used to meet the Company's expenses in relation to the Offers, \$286,458 (38.2%) will be applied towards the Company's costs in relation to the Acquisition and the balance of \$107,350 (14.3%) will be applied towards working capital.

The Company intends to apply its current cash reserves to satisfy the cash consideration of \$5 million payable to Synertec Shareholders and also its costs in relation to the Acquisition and the Offers and administrative expenses. However, intervening events may alter the way funds are ultimately applied by the Company.

Pursuant to the Share Sale Agreement and subject to the Synertec Shareholders giving the necessary approval for the purposes of section 260B of the Corporations Act and all other applicable laws, Synertec will be required to give to the Company financial assistance by way of sufficient cash in the event of the Company having insufficient cash to pay the Cash Consideration to the Synertec Shareholders.

7.5 Taxation

The acquisition and disposal of Shares as well as the issue (and subsequent sale, exercise or expiration) of Bonus Options will have tax consequences, which will differ depending on the individual financial affairs of each investor.

The following tax comments provide a general summary of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and hold them as capital assets (ie. not trading in shares as a business). This summary does not consider the consequences for foreign tax resident Shareholders. This summary also does not cover the consequences for investors who are subject to Division 230 of the Income Tax Assessment Act 1997 ("**Taxation of Financial Arrangements**" or "**TOFA**" regime). Investors who are subject to TOFA should obtain their own tax advice as to the implications under TOFA (if any).

This summary is based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the A New Tax System (Goods and Services Tax) Act 1999, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force as at the Prospectus Date.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. Australian tax laws are complex. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the Shares will depend upon each investor's specific circumstances. Investors should seek professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

BONUS OPTIONS ISSUE

Income tax implications

Our comments below consider the specific tax implications arising from the Bonus Options. Again, given the general summary nature of the following tax comments, we recommend that Existing Shareholders obtain their own tax advice in relation to the tax implications specific to their circumstances.

For our general comments in respect of holding or disposing Shares acquired from the exercise of the Bonus Options, please refer to the separately prepared sections on holding and disposing the Shares.

1) Issue of Bonus Options

Broadly, to the extent that the Existing Shareholders hold their existing Shares on capital account, the market value of the Bonus Options issued will be non-assessable, non-exempt income for Australian income tax purposes. Further, Existing Shareholders will be deemed to have acquired the Bonus Options on the date they acquired their original Shares.

2) Disposal of Bonus Options

Should the Existing Shareholders dispose of their Bonus Options, this will be a CGT event. The Existing Shareholders will derive a capital gain equal to the capital proceeds received on the basis that the tax cost base of their Bonus Options will be nil. In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Bonus Options. A CGT discount may be applied against the net capital gain where the Existing Shareholder is an individual, complying superannuation entity or trustee, and the Bonus Options are deemed to have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Further, as the tax cost base of the Bonus Options will be nil, the disposal of the Bonus Options should not give rise to any capital loss.

3) Exercise of Bonus Options

The exercise of the Bonus Options will be a CGT event as the Existing Shareholders' ownership of the Bonus Options, a CGT asset, will end. However, as the Existing Shareholders will not receive any capital proceeds on expiration nor is there a tax cost base in the Bonus Options (as discussed above), the expiration of the Bonus Options should not give rise to either a capital gain or a capital loss. Nevertheless, even if a capital gain or capital loss were to arise, the capital gain or capital loss would be disregarded under the specific CGT provisions relating to the issue of share options.

Further, the first element tax cost base of the each Share received on exercise of the Bonus Options will be \$0.053, being the exercise price. Any incidental costs incurred by the Existing Shareholders to exercise their Bonus Options may also be required to be included in tax cost base of their newly received Shares.

4) Expiry of Bonus Options

To the extent the Bonus Options are not exercised in the 3 years from the date of issue, the Bonus Options will expire. The expiry of the Bonus Options will be a CGT event for income tax purposes. However, as the Existing Shareholders will not receive any capital proceeds on expiration nor is there a tax cost base in the Bonus Options (as noted above), the expiration of the Bonus Options should not give rise to either a capital gain or a capital loss.

7.5 Taxation - continued

Please note again that our comments above in relation to the Bonus Options are applicable only to Australian tax resident recipients of the Bonus Options.

GST implications

Existing Shareholders should not be liable for GST in respect of their receipt, sale or exercise of the Bonus. Existing Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with the Bonus Options. Separate GST advice should be sought by investors in this respect relevant to their particular circumstances.

Stamp duty

Existing Shareholders should not be liable for stamp duty in respect of the receipt, sale or exercise of their Bonus Options. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of any Shares received on exercise of the Bonus Options.

INVESTING IN THE COMPANY

Capital Gains Tax ("CGT") implications

The first element of the cost base of your Shares will be what you paid for your Shares. Any incidental costs you incur to purchase these Shares may also be required to be included in the cost base of your Shares.

GST implications

Investors should not be liable for GST in respect of their acquisition of the Shares. Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by investors in this respect relevant to their particular circumstances.

Stamp duty

Investors should not be liable for stamp duty in respect of the acquisition of their Shares. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of their Shares.

Company Tax residency

In accordance with Australian tax legislation, the Company currently self-assesses its tax residency as a non-resident. On successful completion of the Acquisition and subsequent board appointments it will be necessary for the Company to re-consider its tax residency position. As a result of this, the tax residency of the Company could change from non-resident to resident of Australia notwithstanding the Company is a Bermuda incorporated entity. The impact of tax residency will be in connection with dividends received on your Shares. Investors should not be impacted from a CGT perspective.

RETURNS WHILST HOLDING SHARES

Income tax treatment of dividends received by Australian tax resident Shareholders - the Company continuing as a non-resident for tax purposes

Where dividends on a Share are paid by the Company, those dividends will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include the dividend in their assessable income in the year the dividend is paid. There will be no franking credits attached to this dividend and accordingly, Shareholders will be taxed on the full amount of the dividend received at their respective prevailing tax rate. There should be no withholding tax imposed in Bermuda on the payment of the dividend.

Note that any franking credits attached to a Synertec dividend will not flow through to the Company and accordingly, Shareholders will not be entitled to any of these franking credits.

Income tax treatment of dividends received by Australian tax resident Shareholders - the Company continuing as a resident for tax purposes

Where dividends on Shares are paid by the Company, those dividends will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include the dividend in their assessable income in the year the dividend is paid. There will be the possibility of franking credits attaching to this dividend on the basis that the Company is a tax resident of Australia. Shareholders should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a 'qualified person' (depending on the Shareholder type). Please seek further advice if necessary). The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, in some circumstances Shareholders should be entitled to a tax refund.

7.5 Taxation - continued

Where the dividend is not franked (or partially franked) Shareholders will be taxed on the full amount of the dividend received (or the unfranked portion) at their respective prevailing tax rate.

There should be no withholding tax imposed in Bermuda on the payment of the dividend.

Note that any franking credits attached to a Synertec dividend will not flow through to the Company and accordingly shareholders will not be entitled to any of these franking credits.

DISPOSAL OF SHARES

Capital gains tax ("CGT") implications for Australian tax resident Shareholders on a disposal of Shares

The disposal of a Share by a Shareholder will be a CGT event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs incurred in relation to the acquisition or disposal of the Share). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares. A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Tax file numbers ("TFN")

Shareholders are not required to quote their TFN to the Company. However, if a valid TFN or exemption details are not provided, Australian tax will be required to be deducted by the Company from distributions and/or dividends at the maximum marginal tax rate plus the Medicare levy. Australian tax should not be required to be deducted by the Company in respect of fully franked dividends. A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number instead of their TFN. Non-residents are exempt from this requirement.

7.6 Applications

Applications for Shares under the Share Offer must be made using the Application Form attached to or accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (EST) on the Closing Date of the Share Offer, which is currently scheduled to occur on 28 July, 2017.

Applications under the Share Offer must be accompanied by payment in full in Australian currency by cheque in accordance with the instructions set out in the Application Form.

An application for Vendor Shares under the Vendor Offer must be made using the Vendor Offer Application Form attached to or accompanying this Prospectus. By completing the Vendor Offer Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Vendor Offer Application Form together with a complete and unaltered copy of the Prospectus.

The completed Vendor Offer Application Form must be mailed or delivered to the address set out on the Vendor Offer Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (EST) on the Closing Date of the Vendor Offer, which is currently scheduled to occur on the same date as the Closing Date of the Share Offer.

The Company reserves the right to extend the Closing Date or close the Share Offer and the Vendor Offer early. If you require assistance in completing an Application Form or the Vendor Application Form, please contact the Share Registry on 1300 737 760 (within Australia) or +61 (2) 9290 9655 (outside Australia).

In respect of the Options Offer, given this is a bonus issue of Options, Eligible Existing Shareholders are not required to apply for Bonus Options and do not need to take any action to receive Bonus Options.

7.7 Issue of Shares and Allocation Policy

(a) General

Subject to the successful completion of the Acquisition (see Section 2.4), the issue of the Securities offered by this Prospectus is expected to take place as soon as practicable after the Closing Date of the Share Offer and the Vendor Offer and in accordance with the indicative timetable set out in Section 3.

(b) Share Offer allocation

The allocation of Shares under the Share Offer will be determined by the Board in its absolute discretion. There is no guaranteed allocation of Shares under the Share Offer. The Board reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date of the Share Offer.

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

(c) Defects in applications

If an Application Form or the Vendor Offer Application Form is not completed correctly or if the accompanying payment for an Application Form is the wrong amount, the Company may, in its discretion, still treat the Application Form or the Vendor Offer Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

(d) Interest

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for 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.

7.8 ASX listing

The Company will apply for Official Quotation of the Securities offered under this Prospectus within 7 days after the date of this Prospectus. However, Applicants and Eligible Existing Shareholders should be aware that ASX will not commence Official Quotation of any Securities until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.3).

If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 6.3), the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC) any Securities issued will be void in accordance with section 723 of the Corporations Act.

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 any of the Securities now offered under this Prospectus.

7.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (CHES). ASX Completion Pty Ltd, a wholly owned subsidiary of ASX, operates CHES. 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 holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) 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. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

7.10 Applicants outside Australia and New Zealand – general information

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

No action has been taken to register or qualify the Securities or otherwise permit a offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Applicants and Existing Shareholders who are resident in countries other than Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in order to accept the Offers.

If you are outside Australia and New Zealand, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia and New Zealand, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offer does not and will not constitute an offer of Shares in the United States of America (US). Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant or Existing Shareholder is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that Applicant's Application.

7.11 New Zealand

The Offers to New Zealand investors and Existing Shareholders is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008. The Offers and the content of this Prospectus is principally governed by Australian rather than New Zealand law.

In the main, the Corporations Act and its Regulations (Australia) set out how the Offers must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to these Offer. If you need to make a complaint about an Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

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

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

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

7.12 Enquiries

If you have any queries in relation to the Offers, please contact Kim Chuan Freddie Heng, the Company Secretary, on telephone +61 (3) 8555 3708.



0B-8205-E1

0EKP-07B47-E1

0EKT-07B48-E1

0EKP-07B48-E1

0EKT-07B47-E1

0B-8205-E5

AUSTRALIAN ENGINEERING CONSULTING INDUSTRY OVERVIEW

The Australian engineering consulting industry primarily provides services to construction and engineering infrastructure projects, environment projects and industrial processes and equipment. The activities involved typically include the provision of advice, feasibility studies, plans and design, technical services during project construction phases and the inspection and evaluation of construction and engineering projects.

The Australian engineering consulting industry recorded a period of unprecedented expansion through the mid to late 2000s, and revenue remains historically high despite fluctuations in demand from key downstream markets like mining and energy. For the financial year ended 30 June 2017, the revenue of the Australian engineering consultancy industry is expected to be approximately \$43 billion. The industry's robust expansion over the past decade has stemmed from substantial industry restructuring and accelerated growth in demand from downstream construction, environmental, and mining and energy markets. However, industry revenue growth has been constrained more recently, due to a decline in mining investment following sharp falls in commodity prices.

Demand for the engineering consulting industry's services is heavily reliant on the performance of downstream markets and macroeconomic trends that affect capital expenditure. Strong growth in infrastructure markets has been a key factor supporting demand for engineering consulting services. The table below summarises several demand driving factors for the engineering consulting industry.

DRIVING FACTOR	EXPLANATION
Private non-residential construction capital expenditure	Major source of demand for engineering consulting services, including project design, and assessment and advice during the construction process
Actual capital expenditure on mining	Engineering consulting firms advise mine developers across a variety of areas relating to the construction and expansion of mining facilities.
Capital expenditure by the public sector	The public sector funds the majority of infrastructure and defence projects.
Demand from manufacturing	Industry consulting services are required for the design, environmental assessment, installation and operational management of industrial capacity, processes and products.
Private capital expenditure on machinery and equipment	Industry firms provide consulting services for the design, installation and maintenance of machinery and equipment including production lines, telecommunication facilities, power generation plants, and oil and gas refining and distribution facilities

Industry Outlook

The Directors and Proposed Directors expect the industry outlook to improve over the next five years. Demand is expected to increase from the public sector as the government has increased infrastructure investment to a record \$80 billion (approximately) in order to commence and implement significant infrastructure projects across Australia. Larger, integrated consulting firms are expected to benefit more than small companies as they are able to better provide the full range of services.

9.1 Company Overview and Future Direction of the Company

As explained in Section 6.1, the Company is an investment holding company. Its activities have been primarily focused in gold and base metal exploration in Victoria Australia. Further information can be found on the Company's website, www.smlcorporation.com.

As announced on 10 March 2017, the Company has entered into the Share Sale Agreement to acquire 100% of the issued shares of Synertec. Information on Synertec is set out in Section 6.6.

Upon completion of the Acquisition, the Company's focus will change from gold and base metal exploration to the development of the Synertec Business

9.2 Funding

The Board believes that the funds raised from the Offer, combined with existing funds, will provide the Company with sufficient working capital to achieve its objectives set out in this Prospectus.

9.3 Financial Information

(a) Historical financial information

The financial information contained in Section 12 of this Prospectus sets out:

- the historical Statement of Profit or Loss and Other comprehensive Income for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and the half-year ended 31 December 2016 for the Company;
- the historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and the half-year ended 31 December 2016 for Synertec;
- the historical Statement of Financial Position of the Company as at 30 June 2014, 2015 and 2016 and 31 December 2016;
- the historical Statement of Financial Position of Synertec as at 30 June 2014, 2015 and 2016 and 31 December 2016;
- the pro-Forma historical Statement of Financial Position of the Company as at 31 December 2016.

Investors and Existing Shareholders are urged to read Financial Information in Section 12 and the Investigating Accountant's Report in Section 13 in full. The full financial statements for the Company for its financial year ended 30 June 2016, which includes the notes to the financial statements, can be found on the Company's ASX announcements platform (ASX: SOP) on www.asx.com.

(b) Forecast

The Directors and Proposed 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 Synertec are inherently uncertain. 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.

9.4 Dividend Policy

The Company does not expect to declare any dividends until further notice is provided.

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

9.5 Pro-forma capital structure

As explained in Section 6.1, the Company is an investment holding company. Its activities have been primarily focused in gold. Set out below is the Pro-forma capital structure of the Company following completion of the Acquisition and the capital raising under the Share Offer.

CAPITAL STRUCTURE	SHARES	BONUS OPTIONS ¹	REDEMPTION NOTES ³
Shares currently on issue as at the date of this Prospectus	80,879,849	Nil	Nil
Issue of Consideration Shares to Synertec Shareholders (including the Vendor Shares under the Vendor Offer ²)	107,142,857	Nil	Nil
Issue of Adviser Shares ⁴	13,928,571	Nil	Nil
Issue of Shares pursuant to the Share Offer	18,750,000	Nil	Nil
Issue of Bonus Options to Existing Shareholders	Nil	16,175,970	80,879,849
At Completion	220,701,277	16,175,970	80,879,849

NOTES

- 1 Assumes that Bonus Options are issued to all the Existing Shareholders. Details of the terms and conditions of the Options are set out in Section 16.5.
- 2 The Vendor Shares comprise 8,345,865 Shares to be issued to Kipberg, representing 3.8% of the issued share capital of the Company at completion of the Offers. The remaining 98,796,992 Shares of the Consideration Shares will be issued to New Concept, representing 44.8% of the issued share capital of the Company at completion of the Offers.
- 3 Details of the terms and conditions of the Redemption Notes are set out in Section 16.6. The Redemption Notes are being issued to the Existing Shareholders only – please see Section 6.7.
- 4 The Adviser Shares will be issued subject to completion of the Acquisition. On the basis of the Share Offer price of \$0.04 per Share, the issue of the Adviser Shares will be an expense to the Company in the amount of \$557,142.84

The Company confirms that the free float for the purposes of ASX Listing Rule 1.1 Condition 7 at the time of admission to the official list on the ASX will not be less than 20%.

9.6 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

SUBSTANTIAL SHAREHOLDERS	SHARES	%
Northwest Nonferrous Australia Mining Pty Ltd	52,500,000	48.68%;
HSBC Custody Nominees (Australia) Limited	8,908,975	8.26%.
Total	61,408,975	56.94%

On completion of the Acquisition and the Share Offer and the Vendor Offer, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

SUBSTANTIAL SHAREHOLDERS	SHARES	%
New Concept	98,796,992	44.8%
Northwest Nonferrous Australia Mining Pty Ltd	39,375,000	17.8%;
Total	138,171,992	62.6%

9.6 Substantial Shareholders - continued

All the issued share capital in New Concept Corporation Limited is held and beneficially owned by TMF Trustees Singapore Limited as trustee of the Pinnacle (MCGA) Retirement Fund – this is a fund that is a trust, in respect of which the beneficial owners of all the benefits and rights in this fund are specified below (Beneficial Owners):

BENEFICIAL OWNERS	BENEFITS AND RIGHTS
Michael Carroll	41.9%
Samantha Carroll (spouse of Michael Carroll)	8.1%
Gassan Abdallah	41.9%
Kerry Abdallah (spouse of Gassan Abdallah)	8.1%
Total	100.0%

As at the date of this Prospectus, none of these entities and persons are Shareholders of the Company.

Upon completion of the Acquisition, the Synertec Shareholders will collectively hold 48.6% of the issued Shares of the Company as a consequence of the issue of the Consideration Shares pursuant to the Share Sale Agreement including the Vendor Shares offered under the Vendor Offer.

Accordingly, upon completion of the Acquisition, New Concept's control of, and voting power in, the Company will be 44.8%. Michael Carroll and Samantha Carroll's control of, and voting power in, the Company will, collectively, be 22.4%. Similarly, Gassan and Kerry Abdallah's control of, and voting power in, the Company will, collectively, be 22.4%.

Given the ownership structures described above and on the basis that each of Michael and Samantha Carroll and Gassan and Kerry Abdallah are considered as associates or acting in concert with each other in relation to the Company, the control of, or voting power in, the Company of each of them will, collectively, be 44.8% upon completion of the Acquisition.

9.7 Restricted Securities

Following the completion of the Acquisition, Synertec Shareholders will together hold an interest in 48.5% of the issued Shares in the Company and they are not expected not be subject to any escrow requirements of the ASX.

Pursuant to the Share Sale Agreement, New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares.

Pursuant to the Share Sale Agreement, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.

9.8 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Acquisition and the Offers.

The business, assets and operations of the Company, including after completion of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company. The Securities comprise a speculative investment, particularly as it is proposed for the Company's business after the Acquisition to comprise participation in the engineering consulting sector and related activities.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

Shareholders should be aware that if the Acquisition is completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from Synertec, parties contracted to or associated with Synertec, and the Share Sale Agreement and other agreements, including, but not limited to, those summarised in this Prospectus.

The risks and uncertainties described below are not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, Synertec and their related entities and consequently Applicants and Eligible Existing Shareholders. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire Synertec is as follows.

10.1 Risks relating to the Change in Nature and Scale of Activities

Re-Quotation of the Shares on ASX

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

There is a risk that the Company may not be able to meet the requirements of the ASX for the re-compliance. Completion will not occur until such time as those requirements are met, if at all.

Dilution Risk

Upon completion of the Acquisition, the Company will have 220,701,277 Shares on issue and up to 16,175,970 Bonus Options on issue. Accordingly, the interests of Shareholders will be diluted.

Although the Company will have sufficient working capital to achieve its stated objectives set out in this Prospectus, there is also a risk that the interests of Shareholders will be further diluted as a result of possible future capital raisings that may be required in order to fund the development of the Synertec Business beyond that presently contemplated by the Director and Proposed Directors.

Liquidity Risk

At Completion, the Company will allot and issue the Consideration Shares to the Synertec Shareholders. The Directors do not expect the Consideration Shares to be subject to any escrow restrictions under the ASX Listing Rules.

Pursuant to the Share Sale Agreement, New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares.

Pursuant to the Share Sale Agreement, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.

Based on the post-Completion capital structure (and assuming no further Shares are issued), the Consideration Shares will equate to 48.6% of the post-Completion issued share capital. This could be considered an increased liquidity risk.

Contractual Risk

Pursuant to the Share Sale Agreement (summarised in Section 15.1) the Company has agreed to acquire 100% of the issued share capital of Synertec subject to the fulfilment of certain conditions precedent.

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

10.2 Risks specific to Synertec Business

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

Reliance on key management

The responsibility of overseeing Synertec's day-to-day operations and the strategic management of Synertec rests substantially with its senior management and its key personnel. Synertec's success is and will depend on the core competencies of its key management team to operate in the LNG, oil and gas, defence, industrial and pharmaceutical and biotechnology industries. The loss of one or more of these persons could adversely affect Synertec's growth prospects, operating results and financial performance.

There can be no assurance that Synertec will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

Reliance on key client relationships

Synertec has established and will continue to establish important client relationships within the LNG, oil and gas, defence, industrial and pharmaceutical and biotechnology industries. The loss of one or more key clients could adversely affect the growth prospects, operating results and financial performance of Synertec.

Further, any reduction in operations or contractual default by a key client could adversely affect the operating results and the financial performance of Synertec.

Failure to win new projects

Synertec's performance will be influenced by its ability to win new projects and complete these projects in a timely and profitable manner. The failure to win or complete new projects may adversely impact Synertec's financial performance.

Further, where existing or new projects are delayed, the recognition of revenue for those contracts may be deferred to later periods. This deferral may impact Synertec's financial performance in particular financial periods.

Lengthy sales cycle

The lengthy sales cycle required to close larger projects makes it difficult to predict quarterly revenue levels and operating results. The sales process for larger projects and solutions can be lengthy and can exceed one year.

The sales cycle may lengthen, which could increase the likelihood of delays and the cause and effect of a delay to become more pronounced. Delays in sales could cause shortfalls in Synertec's revenues and operating results for any particular period.

Competition

There is no certainty that Synertec will remain competitive. Increased competition could result in price reductions, under-utilisation of equipment and personnel, reduced operating margins and loss of market share. Despite Synertec's ability to compete effectively in the markets in which it operates, any of these occurrences may adversely affect Synertec's financial performance and/or financial position.

An increase in competition may also result in Synertec being unable to increase its prices which, combined with rising labour costs, may adversely affect Synertec's financial performance and/or financial position.

Safety and industrial accidents

The provision of Synertec's solutions and services will often involve some time working and commissioning systems on operational plants. This carries with it an increased safety related risk and may on occasions be considered risky activities. Synertec has policies and procedures in relation to safe work practices. Despite the relevant safeguards there is no guarantee a serious accident will not occur in the future. A serious accident may negatively impact the financial performance and/or financial position of Synertec.

Skilled labour constraints

The provision of engineering, construction and maintenance related services is dependent on the availability and cost of skilled and unskilled labour. There may be shortages in the availability of a robust labour pool. In addition, the labour demand may create increases for the supply of labour and management services. Shortage of labour may adversely affect Synertec's ability to adequately service or expand its operations and may limit earnings and profitability. Historically, Synertec has had a strong track record of being able to attract an adequate supply of suitably qualified personnel, thereby largely avoiding previous periods of labour shortages.

Payment delays and failure to receive payments

Whilst Synertec undertakes financial reviews of contracting parties, there are risks, including credit and insolvency risks of a contracting party that can impact on Synertec's financial operations.

10.2 Risks specific to Synertec Business - continued

Contractual Arrangements

Synertec is party to various contracts for the provision of engineering and contracting services to parties within the LNG, oil and gas, defence, industrial and pharmaceutical and biotechnology industries in Australia, many of which contracts are vital for Synertec's ongoing corporate performance and growth.

These contracts contain provisions providing for early termination of the contracts upon giving varying notice periods and paying varying termination amounts. The early termination of certain of these contracts, for any reason, may mean that Synertec will not realise the full value of the contract, which could adversely affect Synertec's growth prospects, operating results and financial performance.

Synertec is particularly exposed to risk in circumstance it has agreed to an engineer, procure and construct (**EPC**) contract where it may suffer loss in the event expenses exceed anticipated costings for the project.

Synertec is also potentially subject to warranty, indemnity and liquidated damages claims, some of which are secured by bank guarantees (including one bank guarantee that is in excess of \$1 million) issued in favour of third parties, which may expose it to re-performance of its contractual obligations, additional costs or payment of compensation, even for up to a number of years after a contract has been completed numerous millions of dollars and the claims periods for some of these contracts does not expire for another one or two years. Synertec is not aware of any such claims having been made under these contracts and does not expect any such claims to be made.

Customer Concentration

Synertec operates a business model that is geared to undertake comparatively large contracts in relation to its total revenue. The failure to secure and/or the termination of such a contract or relationship with a large customer may significantly adversely impact future earnings. For example, in 2016 Synertec's largest customer accounted for approximately 26% of Synertec's invoices issued.

Contractual disputes and litigation

As Synertec contracts with, and for, third parties there is a risk that Synertec may from time to time have disputes with relevant third parties (including payment disputes) or become a party to litigation.

Whilst Synertec will seek to recover the full amount of any payment disputes, by way of alternative dispute resolution or through litigation (and with the assistance of claims consultants where deemed necessary), there can be no guarantee that Synertec will be able to recover any or all amounts disputed. The adverse outcome of a dispute in respect of a material contract or claim may have an adverse impact on Synertec's financial performance or position.

Management of growth

Synertec is expected to continue to experience growth in the scope and scale of its operating activities and employee and/or contractor numbers. To effectively manage its growth, Synertec will need to continue to develop and maintain its operational and financial systems and continue to train, expand and manage its employee base.

Performance of subcontractors

Synertec contracts alongside and/or subcontracts to third parties in limited cases requiring specialist services that Synertec cannot perform in-house. Synertec may be exposed to liability where those third parties do not perform their obligations under those contracts, in which case Synertec may also have liability for that non-performance or be required to source resources from additional providers and this may have an adverse impact on Synertec's financial performance or position. To mitigate these risks, Synertec may seek to include provisions limiting its liability under the relevant contracts and to ensure that the third party contractors are competent, creditworthy and of sound reputation.

Disruption of business operations

Synertec and its clients are exposed to a range of operational risks relating to both current and future operations. Such operational risks include loss or damage to operating assets and equipment, equipment failures or breakdowns, human error, accidents, information system failures, external services failure, industrial action or disputes, inclement weather (including cyclones) and natural disasters. While Synertec endeavours to take appropriate action to mitigate these operational risks and insure against many of them, it cannot completely remove all possible risks that may have an adverse impact on the financial performance and/or financial position of Synertec.

Additional requirements for capital

The funds raised under the Share Offer are considered sufficient to meet the objectives of the Company following Completion. Additional funding may possibly be required in the future.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

10.2 Risks specific to Synertec Business - continued

Pricing and contracting risks

In relation to the business of Synertec, some contracts are priced on a lump sum basis. To the extent that there is a mispricing, for example, due to unexpected site conditions or circumstances, Synertec may be subject to material losses on individual contracts.

Foreign operations

Synertec may derive an increasing proportion of its revenue from operations in foreign countries.

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability, expropriation, nationalisation and war. There may also be fluctuations in currency exchange rates. Foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from customers, brokers or government agencies could have an adverse impact. Synertec could also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact the success of Synertec's international operations.

There is also a risk that Australian government policies in relation to particular regions may change, affecting trade and investment opportunities in that region.

Remote locations

Synertec frequently undertakes projects in remote locations. This may involve logistical difficulties for plant, equipment and materials, as well as skilled personnel and general labour. Some locations may involve inherent risk to personnel.

Foreign exchange rates

Synertec may incur some revenue and expenditure in the currency of the United States of America or other currencies. Where Synertec is materially exposed to fluctuations in foreign exchange rates, it will attempt to offset this exposure through the use of appropriate financial products, such as hedging or forward rate contracts.

There may be circumstances where Synertec is unable to sufficiently minimise its exposure to foreign exchange rate movements where the cost of financial products is not commercially viable.

Concentrated share ownership

Upon Completion, the Synertec Shareholders will together hold an interest of approximately 48.6% of the issued share capital of the Company as a consequence of the issue of the of the Consideration Shares.

Any future sales of Shares by any of the Synertec Shareholders may have a negative impact on the price of the Shares as traded on ASX. Pursuant to the Share Sale Agreement, New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares. Similarly, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.

Professional negligence and insurance

Claims of professional negligence or a breach of contract may be made against Synertec. Synertec maintains significant professional indemnity insurance to cover liabilities in the event of a claim of negligence or certain breaches of contract.

In the event of a successful claim for professional negligence or a breach of contract being made against Synertec or its subsidiaries, this may impact upon Synertec by:

- adversely affecting the reputation of Synertec;
- the payment of excesses incurred in defending claims; and
- the payment of any amount of liability that exceeds available insurance coverage and increasing future insurance premiums.

Synertec may be unable to obtain appropriate professional indemnity cover for all work, particularly given the state of the international insurance industry and the fact that Synertec's work in overseas countries may be considered by insurers to present additional risk, depending upon political and litigious circumstances in the country in question.

Cyclical nature of the business

The clients of Synertec are involved in the LNG, oil and gas, defence, industrial and pharmaceutical and biotechnology industries. The demand for and the prices of products in these industries can be both cyclical and very volatile and can influence the demand for the services offered by Synertec to its clients. Although Synertec has a diverse client base, the LNG industry cycles in Australia and overseas may adversely impact on Synertec's financial performance.

The loss of major clients through industry downturns for any other reason could also impact the earnings of Synertec.

10.2 Risks specific to Synertec Business - continued

Intellectual Property

Synertec does not own any registered trademarks. This lack of registered protection exposes Synertec to a competitor or any other third party using or wishing to use the same name, although it may be possible for Synertec to bring a common law action to prevent a competitor from passing-off Synertec's unregistered mark as its own.

In 2012, Synertec sold all its shares in its 2 former subsidiaries, Synertec Asia (Malaysia) and Synertec Asia to a Hong Kong company. Accordingly, Synertec may be restricted or prohibited from using the name "Synertec" in jurisdictions in which Synertec Asia (Malaysia) and Synertec Asian conduct their businesses on the basis that Synertec may be passing-off the name "Synertec" of its former subsidiaries as its own or due to any other applicable laws in those jurisdictions which may prohibit or restrict Synertec using the name "Synertec" in those jurisdictions.

KEY RISKS AND DEPENDENCIES TO THE COMPANY IN RELATION TO ACQUISITION

Completion risk

Pursuant to the Share Sale Agreement, the Company has agreed to acquire all of the issued share capital of Synertec, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Acquisition will not be fulfilled and, in turn, that completion of the Acquisition does not occur. If the Acquisition is not completed, the Company will incur costs relating to advisers and other costs without any benefit being realised.

Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the estimates in Section 12. 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.

Liquidity risk

On completion of the Acquisition, the Company's issued shares will increase following the issue of the Consideration Shares, (including the Vendor Shares under the Vendor Offer) the Adviser Shares and the Shares pursuant to the Share Offer. However there is no assurance that the liquidity of the Shares of the Company will improve.

GENERAL RISKS

Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and their ability to fund its activities.

Force majeure

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

Dependence on outside parties

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

Market conditions

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

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. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the transactions the subject of this Notice or otherwise.

10.3 Speculative nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's Securities.

11.1 Director and Company Secretary.

With effect from completion of the Acquisition:

- Michael Carroll will join the Board as a Director and will continue as the Managing Director of Synertec;
- Leeanne Bond will join the Board as an Independent Non-Executive Chairman;
- Kiat Poh and Kim Chuan Freddie Heng will remain on the Board as Non-Executive Directors; and
- Shaw Pao Sze and Furang Li will resign from the Board.

The Company is aware of the need to have sufficient management to properly manage the Synertec Business and the Board will continually monitor the management roles in the Company. The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company and Synertec.

11.2 Current Directors of the Company

The profiles of each of the current Directors are set out below:

Kiat Poh – Independent Chairman and Non-Executive Director

Mr. Poh holds Certified Diploma in Accounting and Finance from ACCA, UK, Diploma in Management Studies from the Singapore Institute of Management, and a Diploma in Civil Engineering from the Singapore Polytechnic.

He has over 30 years' experience at senior management level in the construction, real estate development, manufacturing industries and financial markets. Over the years, he also held senior positions in corporate finance and mezzanine capital investment companies in Malaysia specialising in investments as well as mergers and acquisitions.

From 1998 to 2005, he was managing director of a Singapore Exchange listed company.

Since 2005, Mr. Poh has been managing a Singapore based investment advisory company that focuses on participating in strategic interests in listed companies.

Since May 2008, he has been a non-executive director of Centrex Metals Limited, a company listed on ASX.

Kim Chuan Freddie Heng – Independent Non-Executive Director and Company Secretary

Mr. Heng is a Chartered Accountant, BSc (Economics) from the London School of Economics. He worked with an international accounting firm in London and Singapore.

From 1992 to 2000, he was an Executive Director (Finance) in a Singapore Exchange listed company. During that period, he oversaw the structuring of four oil pipeline and storage depot projects in Indonesia. He also oversaw the successful issue of floating rate notes to financial institutions in East Asia to fund the first of those projects.

Since 2000, Mr. Heng has pursued his own interests in investments, primarily in listed companies. Mr. Heng is currently a director of Noel Gifts International Limited, a company listed on the Singapore Exchange and TMC Life Sciences Berhad, a company listed on the Kuala Lumpur Stock Exchange.

Shaw Pao Sze – Independent Non-Executive Director

Captain Sze is a Master Mariner FG (Commonwealth of Australia) having spent over 30 years of his career in the Neptune Orient Lines ('NOL') group of companies, holding the position of managing director of some of the group companies at various times. His expertise covers a spectrum of activities such as corporate planning for NOL headquarters, conventional and containerized shipping in areas of ownership and operation, shipping agency, cargo handling and haulage, port operations and development and heavy lifting.

Captain Sze is currently a non-executive Director of Zicom Group Limited, a company listed on the ASX. He has no interest in shares or options of the Company.

11.2 Current Directors of the Company - continued

The profiles of each of the current Directors are set out below:

Furang Li – Non-Executive Director

Mr. Li holds a Master's degree majoring in geosciences engineering and he is a member of Australasian Institute of Mining and Metallurgy. He presently holds the position of the vice-chief engineer of Northwest Mining and Geology Group Co., the general manager of Northwest Nonferrous International Investment Company Ltd and director of Northwest Nonferrous Australia Mining Pty Limited.

Since 1989, Mr. Li has worked on exploration of gold, silver, copper, lead-zinc, nickel, manganese, and iron. He has vast experience in presiding over the investigation and management of large-scale international geological exploration and mining projects.

Mr. Li has no other current directorships and has no former directorships during the last three (3) years. He has no interest in shares or options of the Company.

11.3 Proposed Directors

The profiles of each of the Proposed Directors are set out below:

Michael Carroll – Proposed Executive Director of Company and Continuing Managing Director of Synertec

Mr Carroll is a founding principal and managing director of Synertec and a significant beneficial owner of Synertec. He has successfully grown the business of Synertec since the business was first established in 1996. His leadership style is “hands on” ensuring efficient and robust internal processes that directly support the strategic direction of Synertec.

As managing director of Synertec, Mr Carroll has negotiated complex agreements with a range of parties, such as large multinational energy conglomerates, water utilities, defence and pharmaceutical companies. Michael has direct experience within the Asian market having established and sold successful companies in both Singapore and Malaysia.

Mr Carroll is a member of the Institute of Company Directors and holds a Degree in Applied Science (Applied Chemistry) and post graduate qualifications in Chemical Engineering.

The Board has considers that Mr Carroll will not be an independent Director.

Leeanne Bond – Proposed Independent Non-Executive Chairman

Ms Bond is a professional company director with board roles in the energy, water and engineering services sectors. She has qualifications in engineering and management, and 30 years' experience across a broad range of industrial sectors including energy, minerals, infrastructure and water resources.

From 1996 to 2006 Ms Bond held a number of management roles with Worley Parsons in Queensland, including General Manager (Qld, NT and PNG), where she negotiated project alliances and supervised contracts and projects with many Australian and international companies.

Ms Bond is a non-executive director of Liquefied Natural Gas Limited, Snowy Hydro Limited and non-executive director and deputy chair of Territory Generation (Power Generation Corporation owned by the Northern Territory Government). She is also a non-executive director of JKTech, a company wholly owned by the University of Queensland and a board member of Engineers Australia and the Queensland Building and Construction Commission. She is the sole director and owner of Breakthrough Energy Pty Ltd, a project and business development consulting firm.

Ms Bond was a non-executive director of ASX listed Coffey International Limited from February 2012 to January 2016. The Board has considered Ms Bond's independence and considers that she will be an independent Director.

11.4 Synertec Senior Management

The profiles of the senior management in Synertec who are key personnel are set out in Sections 6 and 11.3.

11.5 Personal Interests of Directors

Directors are not required under the Company's Bye-laws to hold any Shares to be eligible to act as a director. Details of the Directors' relevant interest in the Securities of the Company upon completion of the Offer and Completion of the Acquisition are set out in the table below:

DIRECTORS AND PROPOSED DIRECTORS	SHARES	%
EXISTING DIRECTORS:		
Kiat Poh (note 1)	2,423,417	1.1%
Kim Chuan Freddie Heng (note 2)	2,176,433	1.0%
Furang Li	-	-
Shaw Pao Sze	-	-
PROPOSED DIRECTORS:		
Michael Carroll (note 3)	98,796,992	44.8%
Leeanne Bond	-	-
Total	142,771,926	64.7%

NOTES:

1. Shares held by Kiat Poh and joint names under Kiat Poh & Ju-Lynn Poh
2. Shares held by HSBC Custody Nominees (Australia) Limited
3. Mr Michael Carroll is considered to have an interest in the Shares to be issued to New Concept. All the issued share capital in New Concept is held and beneficially owned by TMF Trustees Singapore Limited as trustee of the Pinnacle (MCGA) Retirement Fund- this is a fund that is a trust, in respect of which the beneficial owners of all the benefits and rights in this fund are described below.

The Beneficial Owners of all the rights and benefits in Pinnacle (MCGA) Retirement Fund as follows:

BENEFICIAL OWNERS	BENEFITS AND RIGHTS
Michael Carroll	41.9%
Samantha Carroll (spouse of Michael Carroll)	8.1%
Gassan Abdallah	41.9%
Kerry Abdallah (spouse of Gassan Abdallah)	8.1%
Total	100.0%

11.6 Director participation in the Offer

None of the Directors or Proposed Directors will participate in the Share Offer.

11.7 Agreements with Directors

The agreements the Company has entered into with Directors and Proposed Directors are contained in Section 15.4.

11.8 Directors Remuneration

The Board has approved the following annual remuneration arrangements for Directors to take effect upon Completion.

	Short Term Benefits		Post Employment Benefits	Long Term Benefits	Share Based Payment	Termination Benefits	Total
Name	SALARY/ FEES \$	BONUS \$	SUPERAN- NUATION \$	LONG SERVICE \$	EQUITY SETTLED \$	\$	\$
EXISTING DIRECTORS:							
Kiat Poh ¹	50,000 ²	-	-	-	-	-	50,000
K.C. Freddie Heng ¹	50,000 ²	-	-	-	-	-	50,000
Shaw Pao Sze ³	-	-	-	-	-	-	-
Furang Li ³	-	-	-	-	-	-	-
PROPOSED DIRECTORS:							
Michael Carroll	334,952 ²		20,048 ²				355,000
Leeanne Bond	85,000 ²						85,000
Total	519,952	-	20,048	-	-	-	540,000

NOTES

- 1 For the last 2 full financial years and until completion of the Acquisition, the annual remuneration of each of Kiat Poh and K.C. Freddie Heng is \$30,000.
- 2 From the date of completion of the Acquisition.
- 3 To resign from the Board on completion of the Acquisition. For the last 2 full financial years and until completion of the Acquisition, the annual remuneration of Shaw Pao Sze is \$32,850 and for Furang Li it is nil.

12.1 Introduction

The financial information set out in this Section 12.1 summarises the selected financial data derived from the respective audited financial statements of both SMLC Corporation Limited (**SMLC** or the **Company**) (consolidated) and Synertec Pty Ltd (**Synertec**) in addition to a reviewed pro-forma statement of financial position as at 31 December 2016.

This Section contains the following Historical Financial Information, prepared by the Directors:

- Summary historical statement of profit or loss and comprehensive income for the year ended 30 June 2014 (FY2014), year ended 30 June 2015 (FY2015), year ended 30 June 2016 (FY2016) and the half-year ended 31 December 2016 (HYR2017) for both SMLC (consolidated) and Synertec companies (Historical Statement of Profit and Loss and Other Comprehensive Income);
- Summary historical statement of cash flows for FY2014, FY2015, FY2016 and HYR2017 for both SMLC (consolidated) and Synertec (Historical Statement of Cash flows);
- Historical statement of financial position as at FY2014, FY2015, FY2016 and HYR2016 for both SMLC (consolidated) and Synertec (Historical Statement of Financial Position); and
- Historical and pro-forma consolidated statement of financial position as at 31 December 2016 of SMLC (Historical and pro-forma Consolidated Statement of Financial Position).

12.2 Basis of Preparation and Presentation of Financial Information

The financial information of SMLC and Synertec has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) respectively. The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures, statements or comparative information as required by IASB and AASB. The key accounting policies of SMLC and Synertec relevant to the financial information are set out in Section 12.6.

The Directors of the Company are responsible for the inclusion of all financial information in the Prospectus.

The financial information has been reviewed and reported on by Grant Thornton Corporate Finance Pty Limited (Grant Thornton Corporate Finance) as set out in the Independent Limited Assurance Report (Investigating Accountant's Report) in Section 13. Investors should note the scope and limitation of the Investigating Accountant's Report.

SMLC

The Historical Financial Information of SMLC has been extracted from the audited financial statements for FY2014, FY2015, FY2016 and HYR2017 which were audited by Grant Thornton Audit Pty Ltd, who issued unqualified audit opinions in respect of these periods.

Synertec

The Historical Financial Information of Synertec has been extracted from the audited financial statement for FY2014, FY2015, FY2016 and HYR2017, which were audited by KPMG, who issued unqualified audit opinions in respect of these periods.

Pro-forma Consolidated

SMLC has entered into a Share Sale Agreement to acquire all of the issued shares in Synertec, hence SMLC is the legal acquirer of Synertec. The acquisition of Synertec by SMLC is not deemed to be a business combination, as SMLC is not considered to be a business under AASB 3 Business Combinations.

The consolidation of SMLC and Synertec is on the basis of the continuation of Synertec with no fair value adjustments, whereby Synertec is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby Synertec is deemed to have issued shares to SMLC shareholders in exchange for the net assets held by SMLC.

12.3 The Company (SMLC)

This Section contains a summary of the audited historical statement of profit and loss and statement of financial position of the Company for the three years ended 30 June 2016 and half-year ended 31 December 2016 that the Directors consider relevant to investors. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) and IFRS.

12.3.1 SMLC (Consolidated) Historical Statement of Profit and Loss and Other Comprehensive Income

	For the 12 months ended 30 June 2014 \$	For the 12 months ended 30 June 2015 \$	For the 12 months ended 30 June 2016 \$	For the 6 months ended 31 Dec 2016 \$
Revenue	278,454	242,433	219,153	115,227
Operating expenses	(706,127)	(598,168)	(632,148)	(354,133)
Exploration expenditure written off	(111,811)	(280,188)	(7,189,546)	(8,101,523)
Impairment of Property, plant and equipment	-	(201,537)	-	(679,750)
Loss before income tax expenses	(539,484)	(837,460)	(7,602,541)	(9,020,179)
Income tax expenses	-	-	-	-
Loss for the year/period	(539,484)	(837,460)	(7,602,541)	(9,020,179)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(6,598)	4,210	2,411	-
Other comprehensive profit/(loss) net of tax	(6,598)	4,210	2,411	-
Total comprehensive loss for the year attributable to the owners of the Company	(546,082)	(833,250)	(7,600,130)	(9,020,179)

This Historical Consolidated Statement of Profit and Loss and Other Comprehensive Income shows the historical financial performance of the Company and its controlled entities and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to the future performance.

The audited financial statements (inclusive of significant accounting policies) of the Company for the three years ended 30 June 2016 and half-year ended 31 December 2016 are available on the Company's website at www.smlcorporation.com.

12.3.2 SMLC Historical Statement of Financial Position

	30 June 2014 \$	30 June 2015 \$	30 June 2016 \$	31 Dec 2016 \$
Current assets				
Cash and cash equivalents	5,566,250	4,932,000	4,558,649	4,343,657
Assets held for sale	-	-	-	6,855,238
Trade and other receivables	34,671	24,551	23,883	28,597
Other current asset	6,065	-	2,704	2,704
Total current assets	5,606,986	4,956,551	4,585,236	11,230,196
Non- current assets				
Property plant and equipment	1,680,721	1,308,054	1,161,274	-
Deferred exploration and evaluation expenditure	21,571,422	21,692,003	14,585,186	-
Total non-current assets	23,252,143	23,000,057	15,746,460	-
Total assets	28,859,129	27,956,608	20,331,696	11,230,196
Current liabilities				
Trade and other payables	107,693	38,422	33,640	17,319
Total current liabilities	107,693	38,422	33,640	17,319
Non- current liabilities				
Provisions	85,000	85,000	65,000	-
Total non-current liabilities	85,000	85,000	65,000	-
Total liabilities	192,693	123,422	98,640	17,319
Net assets	28,666,436	27,833,186	20,233,056	11,212,877
Equity				
Issued capital	108,051	108,051	108,051	108,051
Reserves	62,948,442	62,948,442	62,948,442	62,948,442
Accumulated losses	(34,390,057)	(35,223,307)	(42,823,437)	(51,843,616)
Total equity	28,666,436	27,833,186	20,233,056	11,212,877

This consolidated Historical Statement of Financial Position shows the historical financial position of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to future performance.

12.3.3 SMLC Historical Statement of Cash Flows

	For the 12 months ended 30 June 2014 \$	For the 12 months ended 30 June 2015 \$	For the 12 months ended 30 June 2016 \$	For the 6 months ended 31 Dec 2016 \$
Operating activities				
Payments to suppliers (inclusive of GST)	(537,603)	(480,124)	(492,187)	(275,823)
Interest received	211,301	170,136	114,162	35,212
Other revenue	67,153	72,297	104,992	65,943
Net cash used in operating activities	(259,149)	(237,691)	(273,033)	(174,668)
Investing activities				
Payments for property, plant and equipment	(548)	-	-	-
Payments for exploration and evaluation	(933,546)	(400,769)	(102,729)	(36,337)
Net cash used in investing activities	(934,094)	(400,769)	(102,729)	(36,337)
Financing activities				
Proceeds from issue of shares	212	-	-	-
Net cash from financing activities	212	-	-	-
Net decrease in cash and cash equivalents	(1,193,031)	(638,460)	(375,762)	(211,005)
Effects of exchange fluctuations on cash held	(6,598)	4,210	2,411	(3,987)
Cash and cash equivalents at beginning of year	6,765,879	5,566,250	4,932,000	4,558,649
Cash and cash equivalents, end year	5,566,250	4,932,000	4,558,649	4,343,657

This consolidated Historical Statement of Cash Flows shows the historical cash flows of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the notes below and the prior year financial information set out below. Past performance is not a guide to future performance.

12.4 Synertec

This Section contains a summary of the audited Historical Statement of Profit and Loss and other Comprehensive Income, Historical Statement of Financial Position and Historical Statement of Cashflows of Synertec for the three years ended 30 June 2016 and half-year ended 31 December 2016. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are contained in a Financial Report prepared in accordance with the Corporations Act 2001.

Synertec Abbreviated Historical Financial Information

	For the 12 months ended 30 June 2014 \$	For the 12 months ended 30 June 2015 \$	For the 12 months ended 30 June 2016 \$	For the 6 months ended 31 Dec 2016 \$
Total Revenue ¹	16,039,062	13,941,756	18,208,201	9,061,168
Operating expenses	(13,124,038)	(11,157,491)	(14,582,583)	(7,639,180)
EBITDA	2,915,024	2,784,265	3,625,618	1,421,988
Depreciation and amortisation expense	(60,514)	(65,420)	(71,568)	(46,116)
EBIT	2,854,510	2,718,845	3,554,050	1,375,872
Net finance (costs)/income	(55,534)	53,055	(39,009)	(36,771)
Profit before tax	2,798,976	2,771,900	3,515,041	1,339,101
Income tax expense	(2,006,866)	(1,677,282)	(2,680,818)	(408,121)
Profit after tax	792,110	1,094,618	834,223	930,980
Total assets	7,327,967	8,766,026	11,270,808	11,016,244
Total liabilities	3,412,940	3,756,381	5,426,940	4,241,396
Net assets	3,915,027	5,009,645	5,843,868	6,774,848

¹ Total revenue excludes interest income

The Historical abbreviated historical information have been extracted from the audited financial statements of Synertec for the financial years ended FY2014, FY2105, FY2016 and half-year ended 31 December 2016.

Revenue:

Historically, Synertec is involved in providing consulting engineering services, design and construction of complex automated and highly instrumented systems, therefore the Company has historically generated revenue from the rendering of services based on hourly rates and fixed rate projects where billing is completed on pre-determined project milestones.

Expenses:

Historically, operating expenses were largely comprised of materials, services and employee expenses.

12.4.1 Synertec Historical Statement of Profit and Loss and Other Comprehensive Income

	For the 12 months ended 30 June 2014 \$	For the 12 months ended 30 June 2015 \$	For the 12 months ended 30 June 2016 \$	For the 6 months ended 31 Dec 2016 \$
Revenue	12,780,817	11,584,206	17,021,437	9,056,455
Other income	3,258,245	2,357,550	1,180,786	-
Profit on disposal of motor vehicles	-	-	5,978	4,713
Materials and services expense	(9,486,614)	(6,804,225)	(9,367,898)	(4,216,045)
Employee benefits expense	(2,639,757)	(3,241,758)	(3,963,856)	(2,561,475)
Superannuation expense	(222,411)	(280,413)	(337,276)	(203,021)
Depreciation and amortisation expense	(60,514)	(65,420)	(71,568)	(46,116)
Occupancy expenses	(139,193)	(181,200)	(172,655)	(80,952)
Car and travelling expenses	(159,353)	(157,552)	(140,166)	(115,309)
Telecommunication costs	(67,136)	(79,780)	(117,307)	(70,731)
Legal and professional fees	(213,169)	(212,273)	(257,212)	(292,293)
Loss on disposal of motor vehicles	(13,107)	-	-	-
Other expenses	(183,298)	(200,290)	(226,213)	(99,354)
Results from operating activities	2,854,510	2,718,845	3,554,050	1,375,872
Finance income	110,046	196,644	37,251	16,178
Finance costs	(165,580)	(143,589)	(76,260)	(52,949)
Net finance costs/(income)	(55,534)	53,055	(39,009)	(36,771)
Profit before tax	2,798,976	2,771,900	3,515,041	1,339,101
Income tax expense	(2,006,866)	(1,677,282)	(2,680,818)	(408,121)
Profit from operations	792,110	1,094,618	834,223	930,980
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	792,110	1,094,618	834,223	930,980

This Historical Statement of Profit and Loss and other Comprehensive Income have been extracted from the audited financial statements of Synertec for the financial years ended FY2014, FY2015, FY2016 and half-year ended 31 December 2016.

12.4.2 Synertec Historical Statement of Financial Position

	30 June 2014 \$	30 June 2015 \$	30 June 2016 \$	31 Dec 2016 \$
Current assets				
Cash and cash equivalents	12,892	668,656	5,028,289	5,737,845
Trade and other receivables	1,172,545	1,461,215	1,689,804	1,425,922
Other assets	896,837	1,326,021	756,326	1,462,902
Work in progress	2,503,945	3,393,904	2,504,559	999,595
Current tax assets	1,167,339	700,994	-	-
Total current assets	5,753,558	7,550,790	9,978,978	9,626,264
Non- current assets				
Deferred tax assets	386,583	357,427	157,781	193,943
Other assets	983,584	647,215	781,477	831,477
Property, plant and equipment	204,242	210,594	352,572	364,560
Total non-current assets	1,574,409	1,215,236	1,291,830	1,389,980
Total assets	7,327,967	8,766,026	11,270,808	11,016,244
Current Liabilities				
Bank overdraft	1,140,200	550,281	-	-
Trade and other payables	1,576,675	2,264,292	3,173,819	1,890,681
Current tax liability	-	-	1,300,386	1,744,670
Loans and borrowings	17,058	18,274	30,014	38,028
Employee benefits	309,572	286,226	377,185	442,779
Other liabilities	1,183	200,000	-	-
Deferred income	270,886	342,779	474,021	51,223
Total current liabilities	3,315,574	3,661,852	5,355,425	4,167,381
Non- current liabilities				
Loans and borrowings	65,805	47,529	17,515	-
Employee benefits	31,561	47,000	54,000	74,015
Total non-current liabilities	97,366	94,529	71,515	74,015
Total liabilities	3,412,940	3,756,381	5,426,940	4,241,396
Net assets	3,915,027	5,009,645	5,843,868	6,774,848
Equity				
Share capital	950	950	950	950
Other equity contribution	132,904	132,904	132,904	132,904
Retained earnings	3,781,173	4,875,791	5,710,014	6,640,994
Total equity	3,915,027	5,009,645	5,843,868	6,774,848

The Historical Statement of Financial Position have been extracted from the audited financial statements of Synertec for the financial years ended FY2014, FY2015, FY2016 and half-year ended 31 December 2016.

12.4.3 Synertec Historical Statement of Cash Flows

	For the 12 months ended 30 June 2014 \$	For the 12 months ended 30 June 2015 \$	For the 12 months ended 30 June 2016 \$	For the 6 months ended 31 Dec 2016 \$
Operating activities				
Cash receipts from customers	11,554,760	11,647,431	19,515,584	11,320,239
Cash paid to suppliers and employees	(14,271,748)	(11,766,096)	(15,210,517)	(9,797,564)
Cash generated from operations	(2,716,988)	(118,665)	4,305,067	1,522,675
Interest paid	(165,580)	(143,590)	(76,260)	(31,190)
Interest received	9,459	6,483	5,858	4,500
Income taxes refunded	339,910	1,164,230	700,994	-
Net cash from operating activities	(2,533,199)	908,458	4,935,659	1,495,985
Investing activities				
Proceeds from sale of property, plant and equipment	19,172	-	14,818	23,635
Purchase of financial assets	(706,671)	(114,362)	431,476	-
Proceeds from exiting term deposit/ (investment in term deposit)	1,116,632	(892)	(321,408)	(50,000)
Proceeds from disposal of investment	384,169	401,427	485,978	-
Acquisition of property, plant and equipment	(6,950)	(71,772)	(222,386)	(77,026)
Net cash from investing activities	806,352	214,401	388,478	(103,391)
Financing activities				
Loans provided to directors/related parties	(57,014)	(58,933)	(195,949)	(673,537)
Proceeds from a related party loan receivable	-	198,817	(200,000)	-
Payment of finance lease liabilities	(80,842)	(17,060)	(18,274)	(9,501)
Net cash (used in)/from financing activities	(137,856)	122,824	(414,223)	(683,038)
Net increase/ (decrease) in cash and cash equivalents	(1,864,703)	1,245,683	4,909,914	709,556
Cash and cash equivalents at beginning of year	737,395	(1,127,308)	118,375	5,028,289
Cash and cash equivalents, end year	(1,127,308)	118,375	5,028,289	5,737,845

The Historical Statements of Cash Flows have been extracted from the audited financial statements of Synertec for the financial years ended FY2014, FY2015, FY2016 and half-year ended 31 December 2016.

12.5. Historical and Pro-Forma Consolidated Financial Statements at 31 December 2016

The table below sets out the Historical and Pro forma Consolidated Statement of Financial Position as at 31 December 2016 for the Company and its controlled entities, together with subsequent event and pro-forma adjustments.

The Historical and Pro-forma Consolidated Statement of Financial Position has been prepared based on the audited financial statements as at 31 December 2016 of the SMLC and Synertec, the subsequent events detailed below and adjusting for the transactions and events relating to the Acquisition and the issue of Shares under this Prospectus outlined in Section 12.5.1.

The Historical and Pro-forma Consolidated Statement of Financial Position has been prepared in accordance with the recognition and measurement principles contained in International Financial Reporting Standards and Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the company's actual or prospective financial position.

Historical and Pro-Forma Consolidated Statement of Financial Position at 31 December 2016

	SMLC Audited as at 31-Dec-2016 \$	SYNERTEC Audited as at 31-Dec-2016 \$	Subsequent events Total \$	Pro-forma adjustments Total \$	Pro-forma after offer \$
ASSETS					
Current assets					
Cash and cash equivalents	4,343,657	5,737,845	-	(3,603,548)	6,477,954
Assets held for sale	6,855,238	-	(6,855,238)	-	-
Trade and other receivables	28,597	1,425,922	-	-	1,454,519
Other assets	2,704	1,462,902	-	(1,289,102)	176,504
Work in progress	-	999,595	-	-	999,595
	11,230,196	9,626,264	(6,855,238)	(4,892,650)	9,108,572
Non-current assets					
Net deferred tax assets	-	193,943	-	-	193,943
Other assets	-	831,477	-	-	831,477
Property, plant and equipment	-	364,560	-	-	364,560
	-	1,389,980	-	-	1,389,980
TOTAL ASSETS	11,230,196	11,016,244	(6,855,238)	(4,892,650)	10,498,552
LIABILITIES					
Current liability					
Trade and other payables	17,319	1,890,681	-	-	1,908,000
Current tax liability	-	1,744,670	-	-	1,744,670
Loans and borrowings	-	38,028	-	-	38,028
Employee benefits	-	442,779	-	-	442,779
Deferred income	-	51,223	-	-	51,223
	17,319	4,167,381	-	-	4,184,700
Non-current liability					
Employee benefits	-	74,015	-	-	74,015
	-	74,015	-	-	74,015
Total liabilities	17,319	4,241,396	-	-	4,258,715
NET ASSETS	11,212,877	6,774,848	(6,855,238)	(4,892,650)	6,239,837
EQUITY					
Issued capital	108,051	950	-	4,170,951	4,279,952
Other equity contribution	-	132,904	-	-	132,904
Reserves	62,948,442	-	-	(62,948,442)	-
Retained earnings	(51,843,616)	6,640,994	(6,855,238)	53,884,841	1,826,981
Total equity	11,212,877	6,774,848	(6,855,238)	(4,892,650)	6,239,837

12.5.1 Pro-Forma Transactions

Subsequent events

The Historical and Pro-forma Consolidated Statement of Financial Position reflects the following events that have no effect on the Acquisition and the issue of Shares subsequent to the period ended 31 December 2016:

- (i) The Company will seek to divest all of its existing Mining Assets within 6 months from the date of completion of the Acquisition. The net sales proceeds will be distributed to the Existing Shareholders on a pro rata basis via Redemption Notes to be issued at completion of the Acquisition.

If, within 6 months from the Completion of the Acquisition, completion of the sale of the Mining Assets has not occurred, then the Directors intend to relinquish or surrender the Glen Wills -Sunnyside mining tenement to the Victorian Government Department of Economic Development, Jobs, Transport and Resources.

Apart from the matters dealt with in this section, to the best of the Directors knowledge and belief, no other materials transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in this section or that would cause such information to be deceptive or misleading.

Pro-forma transactions

The Historical and Pro-forma Consolidated Statement of Financial Position has been prepared based on the following transactions and events relating to the Acquisition and the issue of Shares under this Prospectus:

- (ii) The acquisition all of the issued shares in Synertec for \$10,000,000 payable to the Synertec Shareholders as follows:
 - a. \$5,000,000 by the issue of 107,142,857 new Shares in the Company, representing a deemed issue price of 4.667 cents per Share; and
 - b. \$5,000,000 in cash;

The amounts due from related parties of \$1,289,102 to Synertec will be fully repaid upon the Completion of the Acquisition by way of a deduction from the \$5 million in cash noted above at b..

- (iii) The issue of 13,928,571 new Shares to Inaya Limited in consideration for its advisory and facilitation services.
- (iv) The issue of 18,750,000 new Shares at an offer price of 4.0 cents per share to raise \$750,000 before costs, pursuant to the Share Offer;
- (v) Cash expenses associated with the Acquisition and Offers are estimated at \$642,650. Of this, \$356,192 has been allocated against contributed equity and \$286,458 against retained earnings.

12.5.2 Cash and Cash Equivalents

	\$
Cash and cash equivalents at 31 Dec 2016	4,343,657
Pro-forma adjustments:	
Acquisition of Synertec	5,737,845
Acquisition of Synertec - Repayment by related parties	1,289,102
Acquisition of Synertec - cash consideration	(5,000,000)
Proceeds from Shares issued under the Share Offer	750,000
Capital raising & Transaction costs	(642,650)
	<u>2,134,297</u>
Pro-forma balance	<u>6,477,954</u>

12.5.3 Assets Held For Sale

	\$
Assets held for sale at 31 Dec 2016	6,855,238
Subsequent event	
Sale of the Mining Assets	(6,855,238)
	<u>(6,855,238)</u>
Pro-forma balance	<u>-</u>

12.5.4 Trade and Other Receivables

	\$
Trade and other receivables at 31 Dec 2016	28,597
Pro-forma adjustments:	
Acquisition of Synertec	1,425,922
	<u>1,425,922</u>
Pro-forma balance	<u>1,454,519</u>

12.5.5 Other Assets – Current

	\$
Other assets at 31 Dec 2016	2,704
Pro-forma adjustments:	
Acquisition of Synertec	1,462,902
Acquisition of Synertec - Repayment by related parties	(1,289,102)
	<u>173,800</u>
Pro-forma balance	<u>176,504</u>

12.5.6 Work In Progress

	\$
Work in progress at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	999,595
	<u>999,595</u>
Pro-forma balance	<u>999,595</u>

12.5.7 Deferred Tax Assets

	\$
Deferred tax assets at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	193,943
	<u>193,943</u>
Pro-forma balance	<u>193,943</u>

12.5.8 Other Assets – Non-Current

	\$
Other assets - non-current at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	831,477
	<u>831,477</u>
Pro-forma balance	<u>831,477</u>

12.5.9 Property, Plant and Equipment

	\$
Property, plant and equipment at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	364,560
	<u>364,560</u>
Pro-forma balance	<u>364,560</u>

12.5.10 Trade and Other Payables

	\$
Trade and other payable at 31 Dec 2016	17,319
Pro-forma adjustments:	
Acquisition of Synertec	1,890,681
	<u>1,890,681</u>
Pro-forma balance	<u>1,908,000</u>

12.5.11 Current Tax Liability

	\$
Current tax liability at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	1,744,670
	<u>1,744,670</u>
Pro-forma balance	<u>1,744,670</u>

12.5.12 Loans and Borrowings

	\$
Loans and borrowings at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	38,028
	<u>38,028</u>
Pro-forma balance	<u>38,028</u>

12.5.13 Employee Benefits

	\$
Employee benefits at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	442,779
	<u>442,779</u>
Pro-forma balance	<u>442,779</u>

12.5.14 Deferred Income

	\$
Deferred income at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	51,223
	<u>51,223</u>
Pro-forma balance	<u>51,223</u>

12.5.15 Employee Benefits – Non-Current

	\$
Employee benefits at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	74,015
	<u>74,015</u>
Pro-forma balance	<u>74,015</u>

12.5.16 Issued Capital

	Number of Shares	\$
Issue of Shares		
Fully paid ordinary share capital of SMLC as at 31 Dec 2016	107,839,799	108,051
Completion of capital consolidation (4 shares into 3)	80,879,849	108,051
Pro-forma adjustments:		
Acquisition of Synertec	-	950
Elimination of SMLC's issued capital upon Acquisition	-	(108,051)
Issue of Ordinary shares to the Vendors for the Acquisition of all of the issued capital of Synertec	107,142,857	3,235,194
Issue of Ordinary shares to Advisor for the Acquisition	13,928,571	650,000
Proceeds from Shares issued under the Share Offer	18,750,000	750,000
Capital raising costs	-	(356,192)
	<u>139,821,428</u>	<u>4,171,901</u>
Pro-forma balance	<u>220,701,277</u>	<u>4,279,952</u>

12.5.17 Other Equity Contribution

	\$
Other Equity Contribution at 31 Dec 2016	-
Pro-forma adjustments:	
Acquisition of Synertec	132,904
	<u>132,904</u>
Pro-forma balance	<u>132,904</u>

12.5.18 Reserves

	\$
Reserves at 31 Dec 2016	62,948,442
Pro-forma adjustments:	
Elimination of SMLC's reserves upon Acquisition	(62,948,442)
	<u>(62,948,442)</u>
Pro-forma balance	<u>-</u>

12.5.19 Retained Earnings

	\$
Accumulated losses at 31 Dec 2016	(51,843,616)
Subsequent events	
Sale of the Mining Assets	6,855,235
Cash consideration to Synertec	5,000,000
	<u>11,855,238</u>
Pro-forma adjustments:	
Acquisition of Synertec -Retained Earning	6,640,994
Elimination of SMLC's accumulated losses upon Acquisition	39,988,378
Amount recognised as ASX listing expense upon Acquisition	(3,877,555)
Issue of ordinary shares in consideration of Advisory services	(650,000)
Expenses of the offer relating to listing expenses, not capitalised	(286,458)
	<u>41,815,359</u>
Pro-forma balance	<u>1,826,981</u>

12.5.20 Acquisition Accounting

Provisional accounting for the Acquisition

A summary of the details with respect to the Acquisition as included in the Investigating Accountant's Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 31 December 2016, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the Acquisition, SMLC acquires all the shares in Synertec by issuing 107,142,857 Shares in SMLC and paying \$5,000,000 to the Synertec Shareholders. The acquisition of Synertec by SMLC is not deemed to be a business combination, as Synertec is considered to be the acquirer for accounting purposes and SMLC is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of Synertec with no fair value adjustments to Synertec assets and liabilities, whereby Synertec is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under AASB 2 Share-based Payment, whereby Synertec is deemed to have issued Shares to SMLC Shareholders in exchange for the net assets held by SMLC.

In this instance, the value of the Synertec shares provided has been determined in reference to the capital raising offer price. We have deemed this to be \$3,235,194 (calculated as 80,879,849 existing Shares at the Share Offer price of \$0.04 each).

The pre-acquisition equity balances of SMLC are eliminated against this increase in Share capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of SMLC, being \$3,877,555.

The net assets acquired, and the amount recognised as an ASX listing expense, are as follows:

	Acquiree's carrying value before Acquisition \$
Net assets acquired	
Cash and cash equivalents	4,343,657
Trade and other receivables	28,597
Other assets	2,704
Assets held for sale	6,855,238
Trade and other payables	(17,319)
	<u>11,212,877</u>
Post subsequent events (sale of the Mining Assets)	(6,855,238)
Cash consideration to Synertec	(5,000,000)
Net asset deficiency acquired	<u>(642,361)</u>
Fair value of SMLC consideration shares	3,235,194
Net asset deficiency	<u>642,361</u>
Amount recognised as ASX listing expense upon acquisition	<u>3,877,555</u>

12.5.21 Commitments and Contingencies

At the date of the report, no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

12.6. Accounting Policies

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical information

The historical financial information for SMLC and Synertec are general purpose financial statements which has been prepared in accordance with International Financial Reporting Standards (IFRS) and Australian Accounting Standards (AASBs) adopted by Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern

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

Reporting basis and conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of consolidation

The historical information incorporates the assets, liabilities and results of entities controlled by SMLC ('Parent') at the end of the reporting period. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The effects of substantive potential voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

In preparing the consolidated historical financial information, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

12.6. Accounting Policies - continued

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

c) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australia dollars ('AUD'), which is also the functional and presentation currency of the Group.

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

d) Revenue and other income

Synertec is involved in providing consulting engineering services on hourly rate, and also fixed rate projects where billing is made on pre-determined project milestones. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from fixed price projects in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. The revenue that is accrued but not yet invoiced is included as work in progress.

An unconditional government grant is recognised as profit or loss as other income when the grant becomes receivable.

12.6. Accounting Policies - continued

e) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fair value through profit or loss;
- The foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

f) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

g) Non-current assets classified as held for sale

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

12.6. Accounting Policies - continued

h) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	3-10 years
Mine assets	20 years
Motor vehicles	10 years
Furniture and equipment	16 years
Computers	3 years
Fixtures and fittings	16 years

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

The cost of discrete mine assets under construction is periodically transferred from deferred exploration and evaluation expenditure and is re-classified as property, plant and equipment. Assets still under construction are not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

i) Deferred exploration and evaluation expenditure assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

j) Impairment of assets

I. NON-DERIVATIVE FINANCIAL ASSETS

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective of impairment.

Objective evidence that financial assets are impaired includes:

- default of delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security.

II. FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Group considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by Group together assets with similar risk characteristics.

12.6. Accounting Policies - continued

In assessing collective impairment the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

III. NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

l) Employee benefits

I. DEFINED CONTRIBUTION PLANS

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

II. SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

III. OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value using the corporate bond rates. Re-measurements are recognised in profit or loss in the period in which they arise

12.6. Accounting Policies - continued

m) Financial instruments

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

I. NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES – RECOGNITION AND DERECOGNITION

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards or ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

II. NON-DERIVATIVE FINANCIAL ASSETS - MEASUREMENT

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

III. NON-DERIVATIVE FINANCIAL LIABILITIES – MEASUREMENT

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Advance receipts

Contracts for which progress billings and recognised losses exceed costs incurred plus recognised profits are presented as deferred income/revenue. Advances received from customers are presented as deferred income/revenue.

IV. SHARE CAPITAL

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

n) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.



Grant Thornton

An instinct for growth™

The Board of Directors
SML Corporation Limited
9A/23-25 Bunney Road
OAKLEIGH SOUTH, VIC 3167

23 June 2017

PRIVATE AND CONFIDENTIAL

Dear Directors,

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

Introduction

This report has been prepared at the request of the Directors (“**the Directors**”) of SML Corporation Limited (“**SML** or the “**Company**”) to report on the Historical and Pro Forma Historical Financial Information of the Company for inclusion in a Prospectus (the “**Prospectus**”) to be dated on or about 23 June 2017 and to be issued by SML in respect to the offer of shares in the Company (“**Public Offer**”).

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

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

Scope

You have requested Grant Thornton Corporate Finance to prepare this report on the following financial information:

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

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

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.granthornton.com.au



Historical Financial Information

The historical financial information of SML and Synertec Pty Limited (“**Synertec**”), as set out in the Prospectus comprises:

- The consolidated historical statement of profit or loss and other comprehensive income of SML for FY 2014, FY2015, FY2016 and HY2017;
- The consolidated historical statement of cash flows of SML for FY2014, FY2015, FY2016 and HY2017;
- The consolidated historical statement of financial position of SML as at FY2014, FY2015, FY2016 and HY2017;
- The historical statement of profit or loss and other comprehensive income of Synertec for FY2014, FY2015, FY2016 and HY2017;
- The historical statement of cash flows of Synertec for FY2014, FY2015, FY2016 and HY2017;
- The historical statement of financial position of Synertec as at FY2014, FY2015, FY2016 and HY2017;

(collectively, the “**Historical Financial Information**”).

The Historical Financial Information of SML has been extracted from the audited financial statements for FY2014, FY2015, FY2016 and HY2017 which were audited by Grant Thornton Audit Pty Ltd who issued unqualified audit opinions in respect of these periods. The Historical Financial Information of Synertec has been extracted from the audited financial statements for FY2014, FY2015, FY2016 and HY2017 which were audited by KPMG who issued unqualified audit opinions in respect of these periods.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information of SML (the “Pro Forma Historical Financial Information”) comprises:

- The pro forma financial position of SML as at 31 December 2016.

(hereafter, the “**Pro Forma Historical Financial Information**”).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in **Section 12.5** of the Financial Information, as if those events or transactions had occurred as at the date of the Historical Financial Information.



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

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

Directors Responsibility for the Financial Information

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and including in the Pro Forma Historical Financial Information; and
- the information contained within the Prospectus.

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

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement ASAE 3420: *“Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information”* and ASAE 3450: *“Assurance Engagements involving Corporate Fundraisings and/or Prospective Historical Financial Information”*.

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

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



Conclusions

Review conclusion on the Historical and Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical and Pro Forma Financial Information of SML and Synertec as described in the “Financial Information” section of the Prospectus does not present fairly:

- The consolidated statement of profit or loss and other comprehensive income of SML and Synertec for FY 2014, FY2015, FY2016 and HY2017;
- The consolidated historical statement of cash flows of SML and Synertec for FY 2014, FY2015, FY2016 and HY2017;
- The consolidated historical statement of financial position of SML and Synertec as at FY2014, FY2015, FY2016 and HY2017;
- The pro forma historical statement of financial position of SML as at 31 December 2016; and;
- The Pro Forma Transactions as set out in Section 12.5 of the “Financial Information” section are a reasonable basis for the pro forma historical statement of financial position at 31 December 2016;

in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AIFRS as if the Pro Forma Transactions set out in Section 12.5 of the “Financial Information” section had occurred at 31 December 2016.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 12 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

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

Liability

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



Independence and Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Financial Services Guide

We have included our Financial Services Guide as **Appendix A** to this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in this report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read "Adam Pitts".

Adam Pitts
Partner- Audit & Assurance

A handwritten signature in black ink, appearing to read "Peter Thornely".

Peter Thornely
Partner- Corporate Finance



Grant Thornton

An instinct for growth™

6

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 23 June 2017.

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by SML Corporation Limited (SMLC) or (the Company) to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) on the financial information comprising the Historical Pro forma Financial Information included in **Section 12** of the Prospectus dated on or about 23 June 2017 (the Prospectus). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

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

3 Financial services we are licensed to provide

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

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

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



4 General financial product advice

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

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

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$22,500 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals

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

7 Associations with issuers of financial products

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

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



8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

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

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

9 Compensation arrangements

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

10 Contact Details

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

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



14.1 ASX Corporate Governance Council Principles and Recommendations

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

To the extent applicable, commensurate with the Company's size and nature, the Company supports The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

14.2 Summary of corporate governance policies and practices

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at www.smlcorporation.com

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Role and Responsibilities of the Board

The role of the Board of the Company is as follows:

- representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company. This includes overseeing the financial and human resources the Company has in place to meet its objectives and the review of management performance;
- protecting and optimising the Company's performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risks to be assessed and managed;
- responsible for the overall corporate governance of the Company and its controlled entities, including monitoring the strategic direction of the Company and those entities, formulating goals for management and monitoring the achievement of those goals;
- setting, reviewing and ensuring compliance with the Company's values (including the establishment and observance of high ethical standards); and
- ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Responsibilities and functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, a chief executive officer;
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning;
- input into and final approval of management development of corporate strategies, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategies and policies;
- approving major capital expenditures, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a director, employee or other person subject to ultimate responsibility of the directors under the Australian Corporations Act.

14.2 Summary of corporate governance policies and practices - continued

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO, CFO and Company Secretary;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditures, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

The Board is responsible for the overall corporate governance of the Company and its subsidiaries including ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.

The Board charter can be obtained from the Company's website www.smlcorporation.com.

1.2 Directors Checks

The Company undertakes appropriate checks before appointing, or putting forward to shareholders a candidate for election, as a director. These include checks as on the character, experience, education, criminal record and bankruptcy history.

The Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. Directors' details are included in the notice of meeting at which the election of the Director is to be held, Company website and within the Annual Report.

Directors are required to provide consent for the Company to perform such checks. Directors' are required to provide details of other commitments and an indication of time involved, and specifically acknowledge that they have sufficient time to fulfil their duties as a Director of the Company.

1.3 Written Agreement with each Director

In relation to the appointment of a Director, the Company issues a letter of appointment or service agreement setting out the terms and conditions of appointment to the Board.

The Board has adopted a Delegations of Authority that sets limits of authority for executive officers.

1.4 Company Secretary

The Company Secretary reports directly to the Board through the chair on all matters to do with the proper functioning of the Board.

1.5 Diversity

At the core of the Company's diversity policy is a commitment to equality and respect. The Company is committed to providing an inclusive workplace and recognizes the value of individuals with diverse skills, values, backgrounds and experiences will bring to the Company. Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. People differ not just on the basis of race and gender, but also other dimensions such as lifestyle, education, physical ability, age and family responsibility.

The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its executive officers is sufficient to meet the requirements of the Company. The Company will establish measureable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so.

A Diversity policy can be obtained from the Company's website www.smlcorporation.com.

14.2 Summary of corporate governance policies and practices - continued

1.6 Directors' and Senior Executive Performance Evaluation

Evaluation of the performance of the Board, its committees and senior executive officers is required under the Board Charter and the charter of the Remuneration and Nomination Committee. This includes supporting ongoing education of Directors and executive officers for the benefit of the Company.

The Chairman is responsible for ensuring regular reviews of the Board, its committees and individual members. The process for which includes formal and informal interviews, the goals of which are to identify improvements to board processes and procedures.

The performance of executive officers is reviewed annually by the Board. The process for evaluating the performance of executive officers is for the Board to measure performance against objective benchmarks including operational or financial milestones.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee consist of the three independent Directors of the Board. The Committee is chaired by an independent director.

Where a vacancy exists, members of the Remuneration and Nomination Committee will recommend suitable candidates after having undertaken a review of the necessary and desirable competencies of the candidate and then recommends to the Board as a whole. The chairman of the Board will then make the necessary approach to any potential candidates. The skills and experience of the directors allow the Board to act in the best interests of shareholders.

The charter of the Remuneration and Nomination Committee which may be viewed and downloaded from the Company's website.

2.2 Board Skill Matrix

The Board has procedures in place to review and assess the skills and competencies of its members. During the period under review, the Board members' skill matrix includes both management and technical skill sets, which the Board considers sufficient to meet the present requirements of the Company. The Company will review the skills matrix at appropriate junctures.

2.3 Director's Independence

Board composition is guided by the following principles:

- a minimum of three directors, with a broad range of business expertise;
- a majority of non-executive directors;
- a majority of independent directors;
- an independent non-executive director as chairman of the Board; and
- the roles of chair and chief executive officer should not be exercised by the same individual.

The Company's Constitution governs the regulation of meetings and proceedings of the Board. The Board determines its size and composition, subject to the terms of the Constitution.

An Independent Director is a Director who is not a member of management (a Non-Executive Director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment within the last three years has not been a principal or employee of a material* professional adviser or a material* consultant to the Company or another group member;
- is not a material* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or customer;
- has no material* contractual relationship with the Company or another group member other than as a Director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the Director's ability to act in the best interests of the Company.

* the Board considers "material", in this context, to be where any Director related business relationship has represented or represents, or is likely in the future to represent, the lesser of at least 10% per cent of the relevant segment's or the Director related business' revenue. The Board considered the nature of the relevant industries' competition and the size and nature of each Director-related business relationship, in arriving at this threshold.

14.2 Summary of corporate governance policies and practices - continued

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgment. The Board regularly reviews the independence of each director in light of interests disclosed to the Board from time to time.

The Board does not believe that it should establish a limit on tenure for a director other than stipulated in the Company's Constitution. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, an increasing contribution to the Board as a whole.

2.4 Majority of Independent Directors

In accordance with the definition of independence above, and the materiality thresholds set, a majority of the present Directors of the Company are considered to be independent.

2.5 Chairman of the Board

Presently, Kiat Poh is the Non-Executive Chairman of the Board and he is independent. Upon Completion, Leeanne Bond will take over as Independent Chairman of the Board.

The roles of chair and chief executive officer should not be exercised by the same individual. Presently, the Company has not appointed any chief executive officer as the Board considers the present set up is sufficient to meet the requirements of the Company.

2.6 Induction and Professional Development

The Company has a program for inducting new Directors. This induction covers all aspect of the Company's business, financial, corporate strategy, the rights and duties of a director and the roles and operation of the Board Committees.

Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to perform their role as directors effectively. There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense.

2.7 Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the executive officers and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. The Director must consult with an adviser suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director shall be made available to all other members of the Board.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

The Board has adopted a code of conduct. The code establishes a clear set of values that emphasizes a culture encompassing strong corporate governance, sound business practices and good ethical conduct. The Board reviews the code of conduct regularly to ensure appropriate standards of behaviour and professionalism. The Code of Conduct can be obtained at the Company's website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 Audit and Risk Management Committee

The Board has an Audit and Risk Management Committee which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the management of the Company.

Presently, the Audit and Risk Management Committee comprising of the following Independent Non-Executive Directors:

Kim Chuan Freddie Heng	Chairman
Kiat Poh	Member
Shaw Pao Sze	Member

14.2 Summary of corporate governance policies and practices - continued

Upon Completion, the Audit and Risk Management Committee will comprise of the following Independent Non-Executive Directors:

Kim Chuan Freddie Heng	Chairman
Kiat Poh	Member
Leeanne Bond	Member

The Audit and Risk Management Committee was established to advise the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the risk management of the Company. All members including the chair of the Committee are independent Directors. In the opinion of the Board, the chair of the Committee is suitably qualified for the position.

The external auditor may be invited to attend meetings of the Audit and Risk Management Committee at the discretion of the committee. An assessment of the performance of the external auditor is conducted on an annual basis.

The charter and the relevant qualifications and experience of the members of the Audit and Risk Management Committee can be obtained at the Company's website.

4.2 Directors Declarations

The Directors declare as required under section 295A of the Corporations Act and as per ASX Recommendations, that, in their opinions, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

4.3 External Auditor

The Company's external auditor attends the Company's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous disclosure policy

The directors are committed to keeping the market fully informed of material developments to ensure compliance with ASX listing rules and the Australian Corporations Act 2001. At each Board meeting specific consideration is given as to whether any matter should be disclosed under the Company's Continuous Disclosure Policy. The chairman, in conjunction with all directors, is charged with the day to day disclosure to the market of any information in relation to the on-going exploration and corporate activities of the Company. The Disclosure Policy can be obtained from the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company has adopted a Shareholder Communications Policy. The Company uses its website (www.smlcorporation.com), annual report, market announcements and media disclosures to communicate with its Shareholders, as well as encouraging participation at general meetings. The Shareholder Communications Policy can be obtained from the Company's website.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1 Audit and Risk Management Committee

The Board has an Audit and Risk Management Committee which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate governance standards for the management of the Company. Information on the members and operation of the Committee is disclosed in in section 4.1 above.

The Company's risk management statement is within the charter of the Audit and Risk Management Committee and can be obtained from the Company's website.

14.2 Summary of corporate governance policies and practices - continued

The Board is responsible for the oversight of risk management in the Company. In the ordinary course of business, management monitors and manages these risks. Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.

The Board identifies areas of risk within the Company and continuously undertakes a risk assessment of the Company's operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive process by employees of the Company;
- a culture of risk control that can easily identify risks as they arise and amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, such as taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

7.2 Annual Risk Review

The overall audit and risk management framework is reviewed at least annually by the Audit and Risk Management Committee. The Audit and Risk Management Committee has reviewed and is satisfied with the audit and risk management framework of the Company for the current reporting period.

7.3 Internal Audit

The Company does not have a formal internal audit function. The Company's Board of Directors periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. Authority delegations are reviewed annually by the Audit and Risk Management Committee. The Authority Delegation statement can be obtained from the Company's website.

7.4 Material Exposure to Economic, Environmental and Social Sustainability Risks

The Board is regularly involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a Remuneration and Nomination Committee comprising of a majority of Independent Non-Executive Directors. Present members are:

Shaw Pao Sze	Chairman
Kim Chuan Freddie Heng	Member
Kiat Poh	Member

Upon Completion, the Remuneration and Nomination Committee will comprise the following members:

Leeanne Bond	Chairman
Kim Chuan Freddie Heng	Member
Kiat Poh	Member

The role of the Committee is to assist and advise the Board in relation to the appointment of directors to the Board, the formulation of succession planning generally and the formulation and review of remuneration policies.

The role of the Committee is to assist and advise the Board in relation to the appointment of directors to the Board, the formulation of succession planning generally and the formulation and review of remuneration policies.

14.2 Summary of corporate governance policies and practices - continued

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key management personnel fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Committee, in assuming the responsibilities of assessing remuneration to employees, links the nature and amount of directors' and key management personnel's remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key management personnel;
- attraction of high quality management to the Company; and
- performance incentives that allow key management personnel to share in the Company's success.

The charter of the Remuneration and Nomination Committee and the process for selecting and appointing new Board members may be viewed and downloaded from the Company's website.

14.3 Departures from Recommendations

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

14.4 Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors and key management personnel. The policy generally provides that Directors and employees should advise the company secretary, or in his absence, a Director, of any purchase or sale of securities in the Company.

A copy of this Securities Trading policy can be obtained from the Company's website.



TO ATMOSPHERIC
VENT HEADER

TO BOG
HEADER

15.1 Share Sale Agreement

In accordance with the terms of the Share Sale Agreement, the Company will acquire the Synertec Shares as set out below, conditional upon Completion occurring in accordance with the Share Sale Agreement.

15.1.1 Key terms of the Share Sale Agreement

In accordance with the terms of the Share Sale Agreement, the Company will acquire the Synertec Shares.

The key terms of the Share Sale Agreement are as follows:

Conditions Precedent

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

- (a) Due Diligence: Both the Company and Synertec undertaking due diligence in respect of each other and being satisfied with the results of their respective due diligence until Completion.
- (b) Shareholder and regulatory approvals: The Company obtaining all necessary shareholder and regulatory approvals required in relation to the Acquisition, including the Shareholders approving the Essential Resolutions, being Resolutions 1 to 7 (inclusive) described in Section 6.4.
- (c) ASX approval: The ASX approving the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, subject to customary conditions, including completion of the Acquisition and certain other matters contemplated by the Share Sale Agreement.
- (d) Other regulatory consents, etc: ASIC, the relevant Bermuda Government Authorities and ASX having issued or provided such consents, confirmations or approvals and having done such other acts which are necessary or reasonably desirable to implement the Acquisition and certain other matters contemplated by the Share Sale Agreement.
- (e) Waivers: The ASX granting waivers in respect of certain Listing Rules which are necessary or reasonably desirable in relation to or in connection with the implementation of the Acquisition and certain other matters contemplated by the Share Sale Agreement.
- (f) Capital raising: The Company lodging a Prospectus with ASIC to raise \$750,000 pursuant an offer of Shares (please refer to Section 7.1).
- (g) Company cash: Immediately prior to Completion, the Company must have a cash balance of not less than \$4.1 million (excluding any amount to be raised under the Capital Raising and before deducting all costs and expenses incurred by the Company in carrying out the Acquisition and associated transactions). The Company's wholly-owned subsidiary Synergy Metals Pty Limited (**Synergy Metals**) is presently in the process of effecting a return of capital to its immediate holding company SML Resources Limited (**SML Resources**) (also a wholly-owned subsidiary of the Company) in order to transfer its cash balance to SML Resources. SML Resources will apply this cash to repay a loan outstanding by it to the Company. This will then result in the entire cash balance of the Company and all its wholly-owned subsidiaries being held the Company. The cash balance will then be used towards the payment of the Cash Consideration payable to the Synertec Shareholders (see Section 7.4.).
- (h) Synertec Working Capital: As at the Calculation Date, the amount of Synertec's Working Capital is at least \$4,000,000.
- (i) Synertec net assets: As at the Calculation Date, Synertec's net assets value is not less than Synertec's net assets value reported or stated in Synertec's audited accounts as at 31 December 2016.
- (j) Synertec cash: As at the Calculation Date, Synertec has at least \$1,500,000 in cash.
- (k) Executive employment: Mr Michael Carroll entering into an executive employment agreement with Synertec in a form and on terms attached to the Share Sale Agreement (See Section 15.1.4 for a summary of this agreement).
- (l) FIRB approval: If necessary or reasonably desirable, in relation to the Foreign Acquisitions and Takeovers Act 1975 Act (Cth), the Treasurer (or his delegate) has provided a written no objection notification to any of the transactions contemplated by the Share Sale Agreement either without conditions or with conditions acceptable to the Company and the Synertec Shareholders.

15.1 Share Sale Agreement - continued

- (m) Material Adverse Change and Prescribed Occurrences: No prescribed occurrences and no material adverse change occurring in respect of the Company or Synertec.
- (n) Releases: The Company receiving acceptable releases in respect of all encumbrances over the Synertec Shares.
- (o) Financial Assistance: For the purposes of section 260B of the Corporations Act and all other applicable laws, the Synertec Shareholders approving the giving to the Company of financial assistance by way of sufficient cash in the event that the Company has insufficient cash to pay the Cash Consideration to the Synertec Shareholders.
- (p) Warranties and representations: The warranties and representations given by the Synertec Shareholders and the Beneficial Owners, and the Company, being true and correct in all material respects.

The Conditions Precedent need to be satisfied or waived by 31 August 2017 or such later date agreed in writing by the shareholders of Synertec and the Company (**End Date**).

15.1.2 Other key terms of the Share Sale Agreement

- (a) The Synertec Shareholders and the Beneficial Owners have agreed to certain non-compete obligations and undertakings in relation to them and their related entities in favour of the Company.
- (b) The Synertec Shareholders and the Beneficial Owners have provided numerous warranties and representations in relation to Synertec and its assets and financial position and taxation and related matters in favour of the Company and related indemnities.
- (c) The Company has provided numerous warranties and representations in relation to Company and related matters in favour of the Synertec Shareholders and a related indemnity.
- (d) The parties are subject to the usual confidentiality obligations and usual exceptions.
- (e) The parties have agreed to mutual exclusivity obligations until the End Date with certain exceptions for the Company in certain circumstances including the occurrence of a superior transaction for the Company.
- (f) The Share Sale Agreement can be terminated if a condition precedent is not satisfied or waived by the End Date or a party is in material breach and such breach is not remedied.
- (g) The parties have each agreed to pay a break fee of \$250,000 in certain circumstances, including if certain of the Conditions Precedent are not satisfied or waived, or the other party breaches the Share Sale Agreement and the Share Sale Agreement is terminated.
- (h) Under the Share Sale Agreement and subject to its terms, the Company may nominate a substitute purchaser for the Synertec Shares. It is intended that the Company will nominate a new incorporated wholly-owned subsidiary of the Company to purchase the Synertec Shares (**Purchaser's Nominee**) for the Company.
- (i) if the Company requires financial assistance from Synertec to pay the cash consideration to the Synertec Shareholders at Completion, then the Company agrees to pay the amount of the financial assistance (**Loan Amount**) to the Synertec Shareholders (or as the Synertec Shareholders otherwise direct) by directing Synertec to, and the Synertec Shareholders and the Beneficial Owners must procure Synertec and Synertec agrees to, pay the Loan Amount (on behalf of the Company) to the Synertec Shareholders (or as the Synertec Shareholders otherwise direct) within 3 Business Days of Completion in final satisfaction of the Company's obligations. The Company agrees to repay to Synertec the Loan Amount at a time when the directors of the Company determine, in their absolute discretion, that the Company is in a financial position to repay the Loan Amount to the Company having regard to the working capital requirements and the business objectives of the Company.
- (j) Upon Completion, Michael Carroll and Leeanne Bond will join the Board and Shaw Pao Sze and Furang Li will resign as Directors.
- (k) New Concept has undertaken to the Company that, for a period of 12 months after the issue of the Shares to New Concept, it will not sell or transfer any of the Shares, or grant, issue or transfer any interests in, or options over, any of the Shares. Similarly, Kipberg has undertaken to the Company that, for a period of 6 months after the issue of the Vendor Shares to Kipberg, it will not sell or transfer any of the Vendor Shares, or grant, issue or transfer any interests in, or options over, any of the Vendor Shares.

15.1 Share Sale Agreement - continued

- (l) At Completion, all indebtedness owed from any of the Synertec Shareholders or the Beneficial Owners or any person connected with or associated with any of the them (including, but not limited to, any of its related entities and relatives) to Synertec needs to be discharged and extinguished in full on payment of the Cash Consideration by the Company.
- (m) At Completion, all indebtedness owed from Synertec (including, but not limited to, all loans and dividends) to any of the Synertec Shareholders or the Beneficial Owners or any person connected with or associated with them (including, but not limited to, any of its related entities and relatives) is discharged and extinguished in full.
- (n) At Completion, all liabilities and all other obligations of Synertec in favour of, and all claims against Synertec by, any of the Synertec Shareholders or the Beneficial Owners or any person connected with or associated with them (including, but not limited to, any of its related entities and relatives) are discharged, released and extinguished in full effective as at Completion except in respect of the accrued employee entitlements of Michael Carroll in the ordinary course of business.

15.1.3 Consideration payable under the Share Sale Agreement

Pursuant to the Share Sale Agreement, the Company has conditionally agreed to acquire all of the issued shares in Synertec free from all encumbrances for \$10,000,000 payable to the Synertec Shareholders as follows:

- (a) \$5,000,000 by the issue of 107,142,857 Shares in the Company (including the Vendor Shares offered under the Vendor Offer), representing a deemed issue price of 4.667 cents per Share; and
- (b) \$5,000,000 in cash.

15.1.4 Executive Employment Agreement with Mr Michael Carroll

Pursuant to the Share Sale Agreement, the Acquisition is conditional on Mr Michael Carroll entering into an executive employment agreement with Synertec by Completion, which key terms include:

- (a) Michael will be employed in the position of Managing Director of Synertec;
- (b) Michael's annual fixed remuneration will be AUD\$355,000 inclusive of superannuation;
- (c) Upon a person being appointed as a director of the Company and as new independent chairman of the Company and also a member of the Remuneration Committee, a bonus incentive scheme for Michael will be established based on appropriate key performance indicators;
- (d) Following a period of 2 years from completion of the Acquisition, Michael or the Company will be entitled to terminate his employment by giving 3 months' notice.

After termination of employment, and in addition to his non-compete obligations under the Share Sale Agreement, Michael will be subject to non-compete obligations within China and Australia for a period of 24 months and non-solicitation obligations in respect of employees and customers for a period of 24 months.

15.2 Adviser Mandate

On 1 July 2016, the Company and Inaya Limited entered into an agreement pursuant to which Inaya Limited agreed to provide assistance to the Company in managing and communicating any proposed investment, merger and/or acquisition opportunities with its primary shareholders in the Peoples' Republic of China, Singapore and elsewhere outside Australia. For these services, and subject to completion of the Acquisition, the Company will issue 13,928,571 Shares to Inaya Limited in consideration for Inaya Limited's facilitation of the Acquisition.

15.3 PhillipCapital Mandate Letter

Pursuant to a letter dated 15 May 2017, the Company appointed Phillip Capital Limited (**PhillipCapital**) to provide certain capital market services for its appointment as Lead Manager in relation to the Share Offer. The Company will pay the following fees to Phillip Capital:

- (a) an engagement fee of \$10,000.00 (plus GST);
- (b) a capital raising fee of \$250.00 (plus GST) per Applicant to the Share Offer;
- (c) a corporate administration fee of \$10,000.00 (plus GST);
- (d) a post transaction advisory Fee of \$30,000.00 (plus GST) over a minimum period of 6 months.

The Company has agreed to reimburse PhillipCapital for all other costs and out-of-pocket expenses incurred by PhillipCapital in connection with the Share Offer and an indemnity in favour of PhillipCapital.

Either party may terminate this agreement in certain usual circumstances, including for a breach which is not remedied.

PhillipCapital is not underwriting the Share Offer.

15.4 Directors' Service Agreements

The Company has entered into service agreements with Kiat Poh and Kim Chuan Freddie Heng and, at Completion, will enter into a letter of appointment with Leeanne Bond which sets out the terms upon which they act or will act as Non-Executive Directors of the Company.

Details of the existing remuneration and the remuneration of the Directors and Proposed Directors following completion of the Acquisition are contained in Section 11.9.

The key terms of these service agreements and letter of appointment include:

- (a) the position, duties and responsibilities of the non-executive director of the Company;
- (b) the monthly or annual fixed remuneration payable by the Company – details of the remuneration are set out in Section 11.9.

15.5 Deeds of indemnity, insurance and Access

The Company has entered into deeds of indemnity, insurance and access with each of its Directors and, at Completion, will enter into deeds of indemnity, insurance and access with each of its Proposed Directors and will enter into such deeds with the Proposed Directors following their appointments. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers and other documents provided to the Board in certain circumstances.

15.6 Synertec Agreement for Provision of Instrumentation and Control System Integrator

Synertec has entered into an agreement with an Australian Government organisation (**Organisation**) dated 10 May 2017 for the provision of an Instrumentation and Control System Integrator at the Organisation's facility for a fixed lump sum price of \$1,181,193.83 (plus GST) to be paid to Synertec by the Organisation. The expected completion date of this agreement is March 2019.

The agreement is required to be completed in approximately 22 months from 10 May 2017 in accordance to the program submitted by Synertec and failure to achieve the delivery date shall attract liquidated damages.

The agreement contains various termination rights in favour of the Organisation, including:

- (a) for breach of contract;
- (b) for convenience, whereupon immediate notice to terminate this agreement may be given at any time or to reduce the number of supplies to be supplied under this agreement.

Synertec has provided certain warranties and indemnified the Organisation from all losses, damage and expenses suffered by the Organisation arising from any breach by Synertec or any act or omission by Synertec, its officers, employees, agents or subcontractors in connection with this agreement.

Synertec has arranged for the issue of a bank guarantee for the sum of \$59,060 in favour of the Organisation to secure Synertec's obligations.

15.7 Synertec Engineering and Project Management Services Agreement

Synertec has entered into an agreement with an Australian State Government Corporation (Corporation) dated 27 February 2014, having commenced on 27 February 2014 for the provision of engineering and project management services. By a letter dated 30 May 2017, Synertec was informed by the Corporation that this agreement has been extended for a further 2 years until 30 June 2019. The Company estimates fees payable to Synertec to be approximately \$1.5 million (excluding GST) per annum under this extended agreement.

The agreement contains various termination rights in favour of each party for default. The Corporation may terminate for convenience upon notice given to Synertec.

Synertec has provided certain warranties and indemnified the Corporation, its directors, employees, contractors, agents and invitees from all losses, damage and expenses suffered arising from any the services provided, default, negligence or any act or omission by Synertec, its officers, employees, agents or subcontractors in connection with this agreement or any defect in the services.

Synertec has arranged for the issue of a bank guarantee for the sum of \$100,000 in favour of the Corporation to secure Synertec's obligations.

15.8 Synertec Engineering Services Agreement

Synertec has entered into an agreement with AstraZeneca Pty Ltd (AZ) dated 13 March 2017 for engineering services for a fixed sum price of \$230,000.00 (plus GST) to be paid to Synertec by AZ.

The agreement is required to be completed by 31 August 2017.

The agreement contains various termination rights in favour of AZ, including:

- (a) for breach of contract;
- (b) for convenience, whereupon immediate notice to terminate this agreement may be given at any time or to reduce the work to be supplied under this agreement.

Synertec has provided certain warranties and indemnified AZ from all losses, damage and expenses suffered by AZ arising from any breach by Synertec or any negligence or willful misconduct by Synertec, its officers, employees, agents or subcontractors in connection with this agreement or any defect in workmanship.

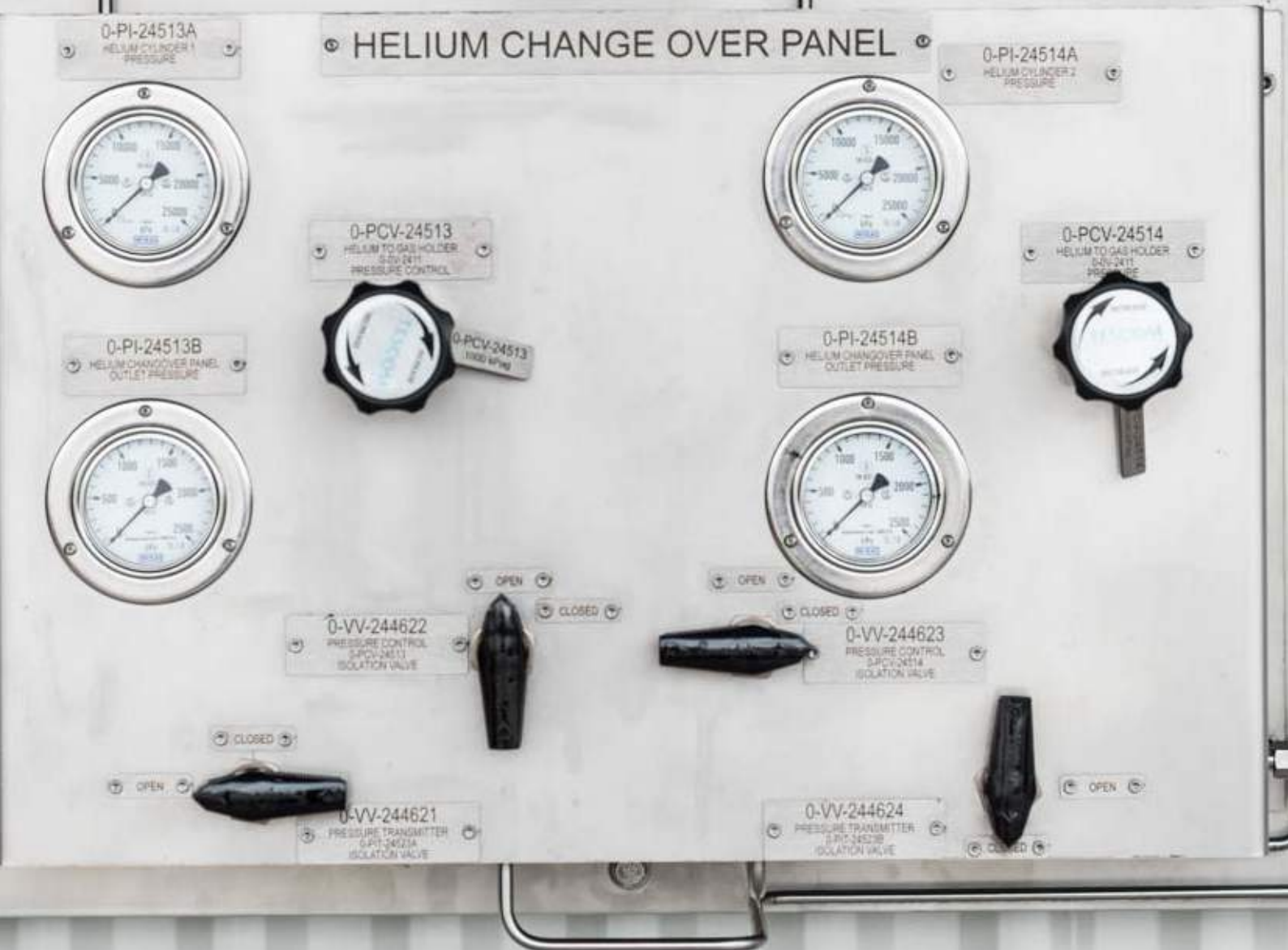
15.9 Synertec Equipment Design and Supply Agreement

Synertec has entered into an agreement with an Australian company beneficially owned by a Chinese State-owned entity and another Asian Government-owned entity (Australian Entity) dated 20 November 2016, having commenced on 7 November 2016 and expiring on 20 December 2017 for the provision of equipment design and supply. The Company estimates the fees payable to Synertec to be approximately \$1.17 million over the term of the agreement.

The agreement contains various termination rights in favour of each party for default. The Australian Entity may terminate for convenience upon 30 days' notice given to Synertec.

Synertec has provided certain warranties and indemnified the Australian Entity, its directors, employees, contractors, agents and invitees from all losses, damage and expenses suffered arising from any the services provided, default, negligence or any act or omission by Synertec, its officers, employees, agents or subcontractors in connection with this agreement or any defect in the services.

Synertec has arranged for the issue of two bank guarantees totalling \$98,372 in favour of the Corporation to secure Synertec's obligations.



16.1 Litigation

As at the date of this Prospectus, neither the Company nor its any of its subsidiaries nor Synertec are involved in any material legal proceedings and the Directors and Proposed Directors are not aware of any legal proceedings pending or threatened against the Company or its any of its subsidiaries or Synertec.

16.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Share Offer and the Vendor Offer)

The following is a summary of the more significant rights and liabilities attaching to 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 Bye-laws, a copy of which is available for inspection at the Company's registered office in Australia during normal business hours or it can be obtained from the Company's website www.smlcorporation.com.

The rights and liabilities attaching to the Shares are governed by the Bye-laws and are affected by the Bermuda Companies Act and the common law of Bermuda. The rights and liabilities attaching to the Shares are also affected by the ASX Listing Rules.

(a) Profits and dividends

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 in their discretion (subject to any preferred dividend rights attached to any class of shares and to the Bermuda Companies Act) declare and pay a dividend or make a distribution out of contributed surplus to the Shareholders according to their rights and interests, including interim dividends, which may be declared and paid in proportion to the amount paid up on each share. Payment or satisfaction of any dividend or distribution out of contributed surplus may be made in cash or by the issue of fully paid Shares or by the distribution of specific assets.

Contributed surplus includes proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash or other assets to the company.

The Company does not have any current intention to declare and pay a dividend or make a distribution out of contributed surplus.

(b) Voting Rights

Subject to any rights or restrictions attaching to any class of shares in the Company, at any general meeting of the Company, each Shareholder entitled to vote may vote in person or by proxy, or, if it is a company, by representative, each of whom is entitled to speak and to one vote on a show of hands and each Shareholder present in person or by proxy, or, if it is a company, by representative, is entitled on a poll to one vote for each Share held.

No Shareholder is entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of the Shares have been paid. On a poll, a Shareholder or proxy or representative, if entitled to more than one vote, need not use all his votes or cast all the votes he uses in the same way.

(c) Appointment and removal of directors

Shareholders in general meeting may by ordinary resolution appoint any person as an additional director, or as a director to fill up any casual vacancy.

The board of directors shall have the power to appoint any person as a director to either fill a vacancy on the board of directors occurring or, subject to authorisation by the Shareholders in general meeting, as an addition to the board of directors.

The Company's directors who are subject to retirement by rotation shall retire from office at annual general meetings of the Company's Shareholders.

16.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Share Offer) - continued

(d) Rights to convene general meetings

The board of directors of the Company may convene a special general meeting whenever in their judgment such a meeting is necessary.

The board of directors of the Company shall, on the requisition of Shareholders of the Company holding at the date of the deposit of the requisition no less than one-tenth of such of the paid up share capital of the Company carrying the right to vote, proceed to convene a special general meeting and where they should fail to convene such a requisitioned meeting in due course, the provisions of the Bermuda Companies Act shall apply.

(e) Rights on a winding up

Subject to the terms of issue of the shares, if the Company shall be wound up, the liquidator may, with the sanction of a resolution of the Company's Shareholders and any other sanction required by the Bermuda Companies Act, divide amongst the shareholders of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as the liquidator deems fair upon any property to be so divided and may determine how such division shall be carried out as between the Shareholders of the Company or different classes of shareholders.

The liquidator may, with such a sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the shareholders of the Company as the liquidator shall think fit, but so that no shareholder of the Company shall be compelled to accept any shares or other assets upon which there is any liability.

(f) Variation of rights

Subject to the Bermuda Companies Act if, at any time, the share capital of the Company is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the terms of issue of the shares of that class, be varied with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares at which the quorum is at least two persons holding or representing by proxy one-third of the issued shares of that class.

(g) Alteration of Bye-laws

In accordance with the Bermuda Companies Act, the Bye-laws can only be amended by a special resolution passed by a majority of not less than three fourths of votes validly cast by members at the general meeting.

16.3 General comparison between rights attaching to Shares (being fully paid common shares in a Bermuda company) and rights attaching to fully paid ordinary shares in an ASX listed Australian public company

The rights attaching to the shares in an ASX listed Australian public company (**Australian company**) are mainly derived from both its constitution and the Corporations Act. The rights attaching to the Shares are derived from the Bye-laws, the Bermuda Companies Act and the common law of Bermuda. The comments below are only general in nature as specific companies or their constitutions may have additional or other differences in respect of the rights attaching to their shares.

(a) Reports and notices

There are generally no material differences between the provisions in constitution of an Australian company and the Company's Bye-laws that relate to reports and notices.

(b) General Meetings

The provisions in both an Australian company's constitution and the Company's Bye-laws in relation to general meetings are substantially similar, including the use of proxies.

(c) Voting

There are generally no material differences between the provisions of an Australian public company's constitution and the Company's Bye-laws that relate to voting.

(d) Dividends

The material difference between an Australian company and the Company's Bye-laws in relation to dividends and distributions is that the directors of an Australian company may declare and authorise distributions if the company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the shareholders as a whole and the payment of the dividend does not materially prejudice the Australian company's ability to pay its creditors. The directors of the Company may declare and pay a dividend from profits or make a distribution out of contributed surplus.

16.3 General comparison between rights attaching to Shares (being fully paid common shares in a Bermuda company) and rights attaching to fully paid ordinary shares in an ASX listed Australian public company - continued

(e) Winding up

There are generally no material differences between the provisions in an Australian public company's constitution and the Company's Bye-laws that relate to winding up.

(f) Transfer of shares

There are generally no material differences between the provisions in an Australian public company's constitution and the Company's Bye-laws that relate to the transfer of shares.

(g) Future increases in capital

There are generally no material differences between the provisions in an Australian public company's constitution and the Company's Bye-laws with respect to future increases in capital.

(h) Variation of rights attaching to shares

The provisions in both an Australian public company's constitution and the Company's Bye-laws in relation to the variation of rights attaching to shares differ slightly in terms of the procedure to be followed.

Under an Australian company's constitution, the company may vary or cancel rights attached to a class of shares or convert shares from one class into another by a special resolution of the company and:

- (i) a special resolution passed at a meeting of the members holding shares in that class; or
- (ii) obtaining the written consent of members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Under the Company's Bye-laws, if at any time where the share capital is divided into different classes of shares, the rights attaching to any class of shares may be varied by:

- (i) obtaining the written consent of the holders of 75% of the issued shares of that class; or
- (ii) a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of that class. The quorum at such meeting must be two persons at least holding or representing by proxy one third of the issued shares of that class.

Apart from the above, there are generally no material differences between the provisions in an Australian company's constitution or the Company's Bye-laws that relate to variation of rights attaching to shares.

(i) Directors

There are generally no material differences between the provisions in an Australian company's constitution or the Company's Bye-laws relating to the rotation, election and retirement of directors.

16.4 Summary of key aspects of Bermudian law

(a) Introduction

As a company incorporated in Bermuda, the Company:

- will be subject to the provisions of the Bermuda Companies Act, and will not be subject to many provisions of the Corporations Act; and
- will be subject to Bermudian taxation laws, which may have different consequences for the Shareholders under Australian taxation laws.

A summary of the significant provisions of the Bermuda Companies Act applicable to the Company and the key differences from the provisions of the Corporations Act are set out in Sections 16.4(b) and 16.4(c).

16.4 Summary of key aspects of Bermudian law - continued

(b) Summary of certain provisions of Bermudian law

Set out below is a summary of certain provisions of Bermuda company law. As a number of these provisions are capable of being qualified by the constituent documents of a company, it is important that this summary be read in conjunction with the memorandum of association and Bye-laws of the Company.

The following statements are summaries, and do not address all aspects of Bermudian law which may be relevant to the Company or the Shareholders:

(I) DUTIES OF DIRECTORS

The Bye-laws of the Company provide that its business is to be managed and conducted by its board of directors. Under the Bermuda Companies Act the directors and officers of a company have a duty to the company to:

- (A) act honestly and in good faith with a view to the best interests of the company; and
- (B) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Bermuda Companies Act also imposes specific duties on directors and officers of a company with respect to certain matters of management and administration of the company.

Under the common law of Bermuda, the directors of a company owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

- (A) a duty to act in good faith in the best interests of the company;
- (B) a duty not to make a personal profit from opportunities that arise from the office of director;
- (C) a duty to avoid conflicts of interest; and
- (D) a duty to exercise powers for the purpose for which such powers were intended.

(II) CHALLENGING THE ACTIONS OF DIRECTORS

Directors and officers of a Bermuda company generally owe fiduciary duties to the company and not to the company's individual shareholders. This generally means that any claim or suit against a director for a breach of his or her duties must be brought by the company rather than an individual shareholder in the company. Accordingly, a company's shareholders may not have a direct cause of action against the company's directors (see "Shareholders' Suits" below).

(III) SHAREHOLDERS' ACTIONS

Class actions are generally not available to shareholders under Bermudian law. However, provided the act complained of by a shareholder is beyond the corporate power of the company, or would result in the violation of the company's memorandum of association or bye-laws, then in most circumstances the courts of Bermuda will permit a shareholder to commence an action in the name of a company to remedy a wrong committed against the company. Furthermore, a Bermuda court will give consideration to acts that are alleged to constitute a fraud against the minority shareholders or, for example, where an act requires approval by way of special resolution and the relevant approval was only granted by way of ordinary resolution.

When the affairs of a company are being conducted in a manner which is oppressive to the interests of some of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

(III) DIRECTORS' INTERESTS

Bermudian law and the Company's Bye-laws provide that if a director has an interest in a material contract or proposed material contract with the company or any of its subsidiaries, or has a material interest in any person that is a party to such a contract, the director must disclose the nature of that interest at the first opportunity, either at a meeting of directors or in writing to the directors. Under the Company's Bye-laws, a director is generally prohibited from voting on any resolution (and must not be included for the purposes of determining whether a quorum is present) in respect of a contract or arrangement in which he/she, or his/her associates, has a material interest.

16.4 Summary of key aspects of Bermudian law - continued

(IV) DIRECTORS INDEMNITY

The Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favour or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

The Company's Bye-laws provide that the company indemnifies its officers and directors in respect of their actions and omissions, except in the case of matters involving any fraud or dishonesty. Section 98A of the Bermuda Companies Act permits the company to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him/her in respect of any negligence, default, breach of duty or breach of trust, whether or not the Company may otherwise indemnify such officer or director.

(V) CORPORATE RECORDS

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association and any charge registered against the company. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented to the annual general meeting. The register of shareholders of a company is also open to inspection by shareholders and by members of the general public without charge.

A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermudian law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records apart from those set out above. Where a company, the shares of which are listed on an appointed stock exchange (such as ASX), sends its summarised financial statements to its shareholders pursuant to section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarised financial statements) must be made available for inspection by the public at the company's registered office.

(VI) VOTING RIGHTS AND QUORUM REQUIREMENTS

Under Bermudian law, the voting rights of shareholders are regulated by the Company's Bye-laws and, in certain circumstances, by the Bermuda Companies Act. Pursuant to the Company's Bye-laws, the quorum required for a general meeting of shareholders is three or more persons entitled to vote present in person or by proxy. Generally, except as otherwise provided in the Bye-laws, or the Bermuda Companies Act, any action or resolution requiring approval of the shareholders may be passed by a simple majority of votes cast.

Any individual who is a shareholder of the Company and who is present at a meeting may vote in person, as may any corporate shareholder that is represented by a duly authorised representative at a meeting of shareholders. The Company's Bye-laws also permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in the form specified in the Bye-laws or such other form as the directors of the Company may determine. Under the Company's Bye-laws, on a poll each shareholder has one vote for every one fully paid share that they hold in the Company.

(VII) APPROVAL OF CORPORATE MATTERS BY WRITTEN CONSENT

The Bermuda Companies Act provides that shareholders may take action by written consent. A resolution in writing is passed when it is signed by the shareholders of the company who at the date of the notice of the resolution represent such majority of votes as would be required if the resolution had been voted on at a meeting or when it is signed by all the shareholders of the company or such other majority of shareholders as may be provided by the bye-laws of the company.

(VIII) VARIATION OF RIGHTS ATTACHING TO SHARES

Pursuant to the Company's Bye-laws, 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) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The Company's Bye-laws further provide the rights of issued shares shall not, unless otherwise expressly provided by the terms of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

16.4 Summary of key aspects of Bermudian law - continued

(IX) SHARE TRANSFERS

The Directors may refuse to register any transfer of uncertificated shares where the ASX Listing Rules so permit and shall refuse to register any transfer of shares where the ASX Listing Rules so require or where the transfer is in breach of the ASX Listing Rules or the Bermuda Companies Act.

(X) SHAREHOLDERS MEETINGS

Under Bermudian law, a company is required to convene at least one general meeting of shareholders each calendar year unless the shareholders vote otherwise. Bermudian law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. Bermudian law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting.

Under the Company's Bye-laws, at least 21 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed:

- (A) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or
- (B) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting.

The quorum required for a general meeting of shareholders is three or more persons entitled to vote present in person or by proxy.

(XI) DIVIDENDS

Under Bermudian law, a company may not declare or pay dividends or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

- (A) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (B) the realisable value of its assets would thereby be less than its liabilities.

Under the Company's Bye-laws, the holder of each ordinary share is entitled to dividends if, as and when dividends are declared by the directors of the Company, subject to any preferred dividend right of the holders of any preference shares. Issued share capital is the aggregate par value of the company's issued shares, and the share premium account is the aggregate amount paid for issued shares over and above their par value. Share premium accounts may be reduced in the manner set out in the Bermuda Companies Act.

(XII) SHAREHOLDER PROPOSALS

Shareholder(s) may, as set forth below and at their own expense (unless the company otherwise resolves), require the company to:

- (A) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholder(s) may properly move at the next annual general meeting; and/or
- (B) circulate to all shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in the proposed resolution on any business to be conducted at such general meeting.

The number of shareholders necessary for such a requisition is either:

- i. any number of members representing not less one-twentieth of the total voting rights of members having at the date of the requisition of the meeting carrying the right to vote at a general meeting; or
- ii. not less than 100 members.

16.4 Summary of key aspects of Bermudian law - continued

(XIII) AMALGAMATIONS AND MERGERS

Two Bermuda companies may amalgamate and continue as one company or merge and continue as one of the merging companies, as the “surviving company”. A Bermuda company may also merge with a foreign company and the “surviving company” will be able to choose, post-merger, to either continue in Bermuda or discontinue in Bermuda and continue in a foreign jurisdiction.

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement or merger agreement to be approved by the company’s board of directors and by its shareholders. Unless the company’s bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation agreement or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company.

Under Bermudian law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who is not satisfied with the consideration been offered for such shareholder’s shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the value of those shares.

(XIX) TAKEOVERS

An acquirer of a Bermuda company is generally able to acquire compulsorily the common shares of minority holders in the following ways:

- (A) By a procedure under the Bermuda Companies Act known as a “scheme of arrangement”. A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Supreme Court of Bermuda. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could have their shares compulsorily acquired under the terms of the scheme of arrangement.
- (B) If the acquiring party is a company, it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer of 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (**offeror**) or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror’s notice of its intention to acquire such shares) orders otherwise.
- (C) Where one or more parties holds not less than 95% of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all shareholders whose shares are being acquired.

(c) Comparison of key differences between Corporations Act and Bermuda Companies Act

The summary set out below is a general overview of the certain principal differences between the Corporations Act and the Bermuda Companies Act. It is provided as a general overview and should not be regarded as a comprehensive analysis. The overview set out below will be subject to change from time to time.

16.4 Summary of key aspects of Bermudian law - continued

(c) Comparison of key differences between Corporations Act and Bermuda Companies Act

The summary set out below is a general overview of the certain principal differences between the Corporations Act and the Bermuda Companies Act. The overview set out below will be subject to change from time to time.

BERMUDA COMPANIES ACT	CORPORATIONS ACT
Purchase of own shares	
If authorised in a company's memorandum of association or bye-laws, in Bermuda a company has the power to purchase its own shares. A company may not purchase its own shares if on the date the purchase is to be effected, there are reasonable grounds for believing the company is, or after the purchase would be, unable to pay its liabilities as and when they become due. A purchase by a company of its own shares may be authorised by the company's board of directors or in accordance with its bye-laws.	In Australia, a company has the right to buy-back its shares in accordance with the provisions of the Corporations Act. A company may conduct a number of different types of share buy-backs. Depending on the type of share buy-back and the number of shares the company proposes to buy-back, a share buy-back may need to be approved by its shareholders.
Takeovers	
<p>The Bermuda Companies Act does not prescribe a regime for undertaking a takeover, nor does it prescribe a general prohibition on acquiring a relevant interest in a specified number of a company's voting shares in a similar fashion to the requirements under the Corporations Act.</p> <p>The Bermuda Companies Act provides different regimes for compulsory acquisition of the shares of minority holders of issued share capital of a Bermudian company. Further details are set out in 16.4(b)(xix) above.</p>	<p>Chapter 6 of the Corporations Act governs company takeovers in Australia and the acquisition of a relevant interest in voting shares in a listed company. Chapter 6 provides a general rule that a person must not acquire a "relevant interest" in voting shares of a company if, because of the transaction, a person's voting power in the company:</p> <ul style="list-style-type: none"> (i) increases from 20% or below to more than 20%; or (ii) increases from a starting point, which is above 20% but less than 90%. <p>Certain exceptions apply, such as acquisitions of relevant interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% over less over a 6 month period.</p> <p>Australian law permits compulsory acquisition by 90% holders.</p>
Substantial Shareholdings	
The Bermuda Companies Act does not require a shareholder to notify the company of its shareholding on any stock exchange regardless of the size of that shareholder's interest in the company.	Under the Corporations Act, a shareholder who begins, or ceases, to have a "substantial holding" in a listed company, or has a substantial holding in a listed company and there is a movement of at least 1% in their holding, must notify the company and ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.

16.4 Summary of key aspects of Bermudian law - continued

BERMUDA COMPANIES ACT	CORPORATIONS ACT
Amalgamations and mergers	
<p>The amalgamation or merger of a Bermuda company with another company on corporation (other than certain affiliated companies) requires the amalgamation agreement or merger agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such a meeting is required to approve the amalgamation agreement or merger agreement, and the quorum for such a meeting must be two persons holding or representing more than one-third of the issued shares of the company.</p> <p>Companies may amalgamate and continue as one company or merge and continue as one of the merging companies. A Bermuda company may merge with a foreign company.</p>	<p>The Corporations Act contains no equivalent to the concept of an 'amalgamation' as set out in the Bermuda Companies Act.</p>
Shareholders' suits	
<p>Class actions and derivative actions are generally not available to shareholders under the Bermuda Companies Act. As mentioned in section 16.4(b)(iii) above, the Bermuda courts would ordinarily be expected to permit a shareholder to commence an action in the name of the company where the act complained of is alleged to be beyond the corporate power of the company or would result in a violation of the company's bye-laws.</p>	<p>Under the Corporations Act, a shareholder may sue a wrongdoer on behalf of himself or herself and all fellow shareholders who are not among the wrongdoers in the company's name in respect of wrongs committed against the company.</p>
Interested Directors	
<p>A director must disclose to the company if that director has an interest or a material contract or proposed material contract with the company or any of its subsidiaries. A director is not precluded from voting at meetings of the board by reason of having a material personal interest in the subject matter under consideration by the board.</p>	<p>A director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting, or vote on the matter, except where that director's participation is approved by ASIC or by the other directors who do not have a material personal interest in the matter.</p>
Indemnification of directors	
<p>The Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company.</p>	<p>A company may indemnify a director, officer or auditor but may not provide an indemnity for a liability owed to the company or a related body corporate, a liability for a pecuniary penalty order or compensation order under the Corporations Act, or a liability that is owed to someone other than the company on a related body corporate and did not arise out of conduct in good faith.</p>

16.4 Summary of key aspects of Bermudian law - continued

BERMUDA COMPANIES ACT	CORPORATIONS ACT
Related party transactions	
<p>The Bermuda Companies Act contains limited restrictions on related party transactions.</p> <p>However, as an entity listed on the ASX, the Company is subject to the restrictions on related party transactions contained in Chapter 10 of the ASX Listing Rules.</p>	<p>The Corporations Act requires that a public company obtain the approval of its shareholders to give a financial benefit to a related party of the public company. The approval of shareholders is not required in certain circumstances where the financial benefit is:</p> <ul style="list-style-type: none">(i) given on arm's length terms;(ii) reasonable remuneration given to or reimbursement of expenses incurred by an officer or employee of the public company, an entity the public company controls, an entity that controls the public company or an entity that is controlled by an entity that controls the public company;(iii) indemnities, exemptions, insurance premiums and payment of legal costs for officers;(iv) small amounts given to a related entity;(v) a benefit to or by closely held subsidiary; or(vi) a benefit given to a related party in their capacity as a shareholder of the public company and the giving of the benefit does not discriminate unfairly against the other shareholders.

16.5 Terms and Conditions of Bonus Options

The following are the terms and conditions of the Bonus Options:

- (a) Each Bonus Option entitles the holder to subscribe for one Share upon payment of \$0.053 (**Exercise Price**).
- (b) The Bonus Options are exercisable on or before 3 years from the date of issue at any time.
- (c) The Bonus Options will expire on the date being 3 years from the date of issue. Bonus Options not exercised on the expiry date will automatically lapse.
- (d) The Bonus Options may be exercised in whole or in part, by notice in writing to the Company.
- (e) Holders of Bonus Options will be permitted to participate in new issues of securities only following the prior exercise of the Bonus Option, in which case the record date must be at least seven (7) Business Days, or such lesser number of days as is permitted under the ASX Listing Rules, after announcement of the new issue, to allow exercise of the Bonus Options.
- (f) Shares issued on the exercise of the Bonus Options will be issued not more than fourteen (14) days after receipt by the Company of Notice of Exercise Option Form and payment of the Exercise Price in respect of each Option exercised.
- (g) Shares allotted or issued pursuant to the exercise of a Bonus Option will rank equally with the then issued Shares.
- (h) Subject to paragraphs (i) and (j), a Bonus Option does not confer the right to a change in Exercise Price or a change in the number of Shares over which the Bonus Option can be exercised.

16.5 Terms and Conditions of Bonus Options - continued

- (i) In the event of a pro-rata issue (except a bonus issue) of Shares by the Company, the Exercise Price for each Option will be adjusted in accordance with the formula specified in Listing Rule 6.22.2 of the ASX Listing Rules.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Bonus Options or Exercise Price or both shall be reconstructed in a manner consistent with the Bermuda Companies Act and the ASX Listing Rules at the time of the reconstruction.

16.6 Terms and Conditions of Redemption Notes

The following are the terms and conditions of the Redemption Notes:

- (a) subject to completion of the Mining Assets Sale (including payment of the sale price for the Mining Assets Sale) occurring within 6 months from Completion, a Redemption Note entitles the holder to an amount (in dollar terms or a fraction of a dollar) equal to the amount of the Net Sale Proceeds divided by the total number of Redemption Notes issued by the Company (**Redemption Amount**);
- (b) the Redemption Amount will be paid by the Company at a date to be determined by the Board and notified to the ASX following completion of the Mining Assets Sale;
- (c) the Redemption Notes are unsecured;
- (d) other than the right to payment of the Redemption Amount, a Redemption Note confers no other rights including (without limitation):
- (e) no right convert to any other securities (whether equity or debt or otherwise);
- (f) no right to attend or vote at any general meeting of the Company or to receive any notices of any such meeting unless required by law;
- (g) no right to participate in any dividends or capital distributions; and
- (h) no right to participate in any new issue of securities;
- (i) a Redemption Note is not transferable, except to a transfer to its holder's administrator, liquidator or trustee in the event of the death or insolvency of its holder;
- (j) the validity of a Redemption Note (including the right to payment of the Redemption Amount in accordance with these terms and conditions) is not conditional upon its holder remaining a Shareholder of the Company and is not affected if the holder ceases to be a Shareholder of the Company; and
- (k) the Redemption Notes will not be quoted on the ASX, and
- (l) If completion of the Mining Assets Sale does not occur within 6 months from the date of Completion, then no Redemption Amount will be payable in respect of any of the Redemption Notes and all the Redemption Notes will automatically lapse and be of no effect.

16.7 Interests of Directors and Proposed 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;

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:

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

16.7 Interests of Directors and Proposed Directors - continued

Section 11.6 sets out the interests of the Directors and Proposed Directors in the Securities of the Company upon completion of the Offer and Completion of the Acquisition.

As at the date of lodgement of this Prospectus, the outstanding indebtedness to Synertec by Michael Carroll and entities related to him is \$360,263. Pursuant to the Share Sale Agreement at Completion, the indebtedness amount will be discharged and extinguished in full.

16.8 Interests of Experts and Advisers

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

- 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; or
- promoter of the Company,

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 Offer; or
- (c) the Offer,

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:

- the formation or promotion of the Company; or
- the Offer.

Grant Thornton has acted as Investigating Accountant, auditor and tax adviser of the Company and has prepared the Investigating Accountant's Report which is included in Section 13 of this Prospectus. The Company estimates it will pay Grant Thornton a total of \$22,500 (excluding GST) for preparation of the Investigating Accountant's Report. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton has acted as auditor, tax adviser for the Company and has received \$180,413 fees (excluding GST) from the Company.

William Ross has acted as the lawyers to Company in Australia in relation to the Offers. The Company estimates that it will pay William Ross approximately \$210,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Ross has acted for the Company and has received \$188,925 fees (excluding GST and disbursements) from the Company for legal services provided to the Company.

Inaya Limited has agreed to provide assistance to the Company in managing and communicating any proposed investment, merger and/or acquisition opportunities with its primary shareholders in the Peoples' Republic of China ("PRC"), Singapore and elsewhere outside Australia. In consideration therefor, and subject to completion of the Acquisition, the Company will issue 13,928,571 Shares to Inaya Limited in consideration for Inaya Limited's facilitation of the Acquisition. During the 24 months preceding lodgement of this Prospectus with the ASIC, Inaya Limited has acted for the Company and has not yet received any fees from the Company for services provided to the Company.

Phillip Capital is acting as Lead Manager of the Share Offer. The Company estimates it will pay a total of \$125,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Phillip Capital has received \$10,000 (excluding GST) in fees from the Company for lead manager and related services provided to the Company in relation to the Share Offer.

16.9 Consents

Grant Thornton has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 13 of this Prospectus in the form and context in which the information and report is included. Grant Thornton has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

William Ross has given its written consent to being named as the lawyers to the Company in Australia in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Inaya Limited has given its written consent to being named as the service provider to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Phillip Capital Limited has given its written consent to being named as Lead Manager of the Share Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Boardroom Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Boardroom Pty Limited has not been involved in the preparation of this Prospectus. Boardroom Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Each of the parties referred to above in this Section 16.9:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- 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.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other references, and information relevant, to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

Synertec Pty Ltd has given its written consent to all references to it, and to the inclusion of all information relevant to it, in this Prospectus in the form and context in which such references and inclusions are made in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

16.10 Estimated Expenses of the Offers

The proceeds of the Share Offer (excluding GST) are intended to be applied, in part, towards the items set out in the table below:

	ITEM OF EXPENDITURE	ESTIMATED EXPENDITURE
1	ASIC fees	\$2,350
2	ASX fees	\$10,000
3	Legal fees	\$133,041
4	Investigating Accountant's fees	\$22,500
5	Lead Manager's fees and brokerages	\$125,000
6	Prospectus management fee	\$39,901
7	Printing, distribution and miscellaneous	\$23,400
	TOTAL	\$356,192

16.11 ASX Waivers

The Company has been granted by the ASX the following waivers from the ASX Listing Rules:

- (a) a waiver from ASX Listing Rule 1.1 condition 12 to the extent necessary to permit the exercise price of 16,175,970 Bonus Options not to be at least \$0.20, given the exercise price is \$0.053 per Bonus Option;
- (b) a waiver from ASX Listing Rule 2.1 condition 2 to the extent necessary to permit the issue price of the Share Offer not to be at least \$0.20, given it is \$0.04 per Share;
- (c) a waiver from ASX Listing Rule 7.25 to the extent necessary to permit the Company to reorganise its capital pursuant to the issue of the Redemption Notes and the payments in respect of them which may have the effect of reducing the trading price of the Company's securities to a price further below \$0.20.

16.12 Continuous disclosure obligations

As the Company is admitted to ASX's Official List, the Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be 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 Company's securities.

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

16.13 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form and fully read those documents. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.smlcorporation.com

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. 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.

16.14 Governing law

This Prospectus is governed by the laws of Victoria, Australia.

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 and each Proposed Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to be 'Kiat Poh', with a stylized, flowing script.

Kiat Poh
Chairman
For and on behalf of
SML CORPORATION LIMITED



Where the following terms are used in this Prospectus they have the following meanings:

\$ or AUD means an Australian dollar.

Acquisition means the acquisition of the Synertec Shares from the Synertec Shareholders in accordance with the terms and conditions set out in the Share Sale Agreement.

Adviser Shares means the 13,928,571 Shares in the Company to be issued to Inaya Limited as described in Sections 6.4 and 16.8.

AEST means Australian Eastern Standard Time as observed in Melbourne, Victoria, Australia.

Applicant or **applicant** means a person who applies for Shares under the Share Offer in accordance with this Prospectus.

Application or **application** means an application for Shares made under the Share Offer in accordance with this Prospectus by way of an Application Form.

Application Form means an application form attached to, or accompanying, this Prospectus relating to the Share Offer.

Application Monies means the money received by the Company from Applicants for Shares under the Share Offer.

ASIC means Australian Securities and Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Bermuda Companies Act means the Companies Act 1981 of Bermuda.

Beneficial Owners means Michael Carroll, Gassan Abdallah, Samantha Carroll and Kerry Abdallah.

Board means the board of Directors as constituted from time to time.

Bonus Option means an option to acquire a Share as described and to be issued on the terms and conditions set out in Section 16.5.

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.

Bye-laws or **Constitution** means the bye-laws of the Company.

Calculation Date means the day after the closing date of the Share Offer.

Cash Consideration means \$5,000,000.

Company or **SML** or **SML Corporation** means SML Corporation Limited (ARBN 161 803 032).

Completion means completion of the Acquisition in accordance with the terms of the Share Sale Agreement.

Completion Date means the date on which Completion occurs.

Conditions Precedent means the conditions precedent in the Share Sale Agreement including those set out in Section 15.1.

Consideration Shares means the 107,142,857 new Shares in the Company to be issued to the Synertec Shareholders pursuant to the Share Sale Agreement and includes 8,345,865 Shares offered to Kipberg under pursuant to this Prospectus.

Consolidated Shares means the Share in the Company which was consolidated on the basis of four (4) common shares in the authorised and issued capital of the Company into three (3) common shares in the authorised and issued capital of the Company (rounded up or down to the nearest whole number), effective 9 June, 2017.

Corporations Act means the Corporations Act 2001 (Cth).

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

GLOSSARY - continued

End Date means 31 August 2017 or such later date agreed in writing by the Synertec Shareholders and the Company

Eligible Existing Shareholders means the Existing Shareholders with a registered address in Australia, New Zealand or such other jurisdiction in which the Company determines it would be lawful and inexpensive to make the Options Offer or issue the Bonus Options under this Prospectus without having to lodge or register this Prospectus or any other document in any such other jurisdiction.

Essential Resolutions means each of Resolutions 1 to 7 (inclusive), described in Section 6.4.

Existing Shareholders means:

- (a) in respect of the Bonus Options, the persons who are registered in the Company's register of shareholders as a holder of Shares as at 5.00pm (AEST) on the Options Record Date; and
- (b) in respect of the Redemption Notes, the persons who are registered in the Company's register of shareholders as a holder of Shares as at 5.00pm (AEST) on the Notes Record Date.

FIRB Act means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Gold Mines means Australian Gold Mines Pty Limited (ACN 056 562 924).

GST means goods and services tax under Australian law.

ISO 9001 means the international standard that specifies requirements for a quality management system .

LNG means liquefied natural gas.

LNG Custody Transfer Technology means the equipment described in Section 6.6.

Kipberg means Kipberg Pty Ltd (ACN 007 130 190) as trustee for the EDP Family Trust.

Mining Assets means the Glen Wills-Sunnyside mining tenement and related plant and equipment and inventory owned by Mt Wills.

Mining Assets Sale means a sale of the Mining Assets or the sale of the shares in Mt Wills or Gold Mines.

Mt Wills means Mt Wills Gold Mines Pty Ltd (ACN 009 223 992), a wholly-owned subsidiary of the Company.

Net Sale Proceeds means the sale price received by:

- (i) Mt Wills or its nominee for the sale of the Mining Assets; or
- (ii) any holding company of Mt Wills for the sale of the shares in Mt Wills or in its immediate holding company Gold Mines (**Seller**),

less:

- (a) all direct costs, expenses, fees and taxes payable by the Company, Mt Wills or any other subsidiary of the Company in relation to or in connection with the maintenance or operation of the Mining Assets (including, tenement rent, exploration expenditure and other holding costs) from the Completion Date;
- (b) all costs, expenses, fees and taxes payable by the Company, Mt Wills or any other subsidiary of the Company in relation to or in connection with the sale of the Mining Assets or the Seller in relation to or in connection with the sale of the shares in Mt Wills or in its immediate holding company Gold Mines; and
- (c) all registry costs and taxes payable by the Company in relation to or in connection with the issue or redemption of the Redemption Notes.

New Concept means New Concept Corporation Ltd (HK Company No. 2451989).

GLOSSARY - continued

Notes Record Date means 26 June 2017.

Offers means the Share Offer, the Options Offer and the Vendor Offer.

Official List means the official list of ASX.

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

Option means a Bonus Option.

Optionholder means a holder of an Option.

Options Offer means the issue of the Bonus Options pursuant to this Prospectus.

Options Record Date means 26 June 2017.

Proposed Directors means Michael Carroll and Leeanne Bond who will be appointed to the Board of the Company upon completion of the Acquisition.

Prospectus means the prospectus to be lodged with ASIC and issued by the Company in relation to the Offers.

Record Date means the Options Record Date or the Notes Record Date, as the context requires.

Redemption Amount means an amount (in dollars or a fraction of a dollar) equal to the Net Sale Proceeds divided by the number of Redemption Notes issued by the Company.

Redemption Note means a redemption note as described in Section 6.7 and to be issued on the terms and conditions set out in Section 16.6.

Resolutions means the resolutions described in Section 6.4 and approved by the Shareholders at the Special General Meeting.

Section means a section of this Prospectus.

Securities means the Shares and Bonus Options offered under this Prospectus.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

Share means a fully paid common share par value AUD \$0.001333 (recurring) in the capital of the Company.

Share Offer means the offer of Shares pursuant to this Prospectus.

Share Sale Agreement means the share sale agreement between the Company, Synertec, the Synertec Shareholders and the Beneficial Owners dated 10 March 2017 (as varied by Deeds of Variation dated 1 May 2017 and 23 June 2017).

Shareholder means a registered holder of Shares.

Special General Meeting or **Meeting** means the special general meeting of Shareholders held on 5 June 2017 at which the Shareholders approved all Resolutions outlined in the Notice of Meeting including the Essential Resolutions.

Synertec Asia (Malaysia) means Synertec Asia (M) SDN, BHD (Registration No 835927K), a company incorporated in Singapore and a former subsidiary of Synertec.

Synertec Asia means Synertec Asia Pte Ltd (Registration No. 200202245M), a company incorporated in Singapore and a former subsidiary of Synertec.

Synergy Metals means Synergy Metals Pty Limited (ACN 005 482 904), a wholly-owned subsidiary of the Company.

Synertec means Synertec Pty Limited (ACN 114 707 050).

Synertec Business means the business carried on by Synertec and described in Section 6.6.

Synertec Shareholders means New Concept and Kipberg.

GLOSSARY - continued

Synertec Shares means all of the issued shares of Synertec.

TMF Trustees Singapore means TMF Trustees Singapore Limited as trustee of the Pinnacle (MCGA) Retirement Fund.

Vendor Offer means the offer of 8,345,865 Shares to Kipberg (or its nominee) pursuant to this Prospectus.

Vendor Offer Application Form means an application form attached to, or accompanying, this Prospectus relating to the Vendor Offer.

Vendor Shares means 8,345,865 Shares offered to Kipberg (or its nominee) under the Vendor Offer.

Working Capital means the amount of the current assets minus the amount of the current liabilities.

