

**SUPPLEMENTARY PROSPECTUS**  
**AssembleBay Limited**  
**ACN 061 375 442**  
**(to be renamed ScandiVanadium Ltd)**

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**1. Important Information**

This Supplementary Prospectus is dated 1 October 2018 and is supplementary to the prospectus dated 17 September 2018 (**Prospectus**) issued by AssembleBay Limited ACN 061 375 442 (to be renamed ScandiVanadium Ltd) (**Company**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 1 October 2018. ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning where used in this Supplementary Prospectus and references to 'Section' in this Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

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**2. Reasons for Supplementary Prospectus**

**2.1 Purpose of Document**

The purpose of this Supplementary Prospectus is to provide:

- (a) further information regarding the Company's proposed plan of operations for the Granted Exploration Permits;
- (b) an update regarding the remaining applications for exploration permits for the Skåne Project; and
- (c) an updated indicative timetable for the Offers, Completion of the Acquisition and reinstatement to trading on ASX, among others.

**2.2 Application Forms**

The content of this Supplementary Prospectus is not considered to be materially adverse to investors. As at the date of this Supplementary Prospectus, the Company has received no applications for Securities under the Offers.

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### 3. Amendments to Prospectus

#### 3.1 Plan of Operations for the Granted Exploration Permits

Exploration work in the area of the Granted Exploration Permits may only be carried out in accordance with a valid plan of operations confirmed by the Mining Inspectorate of Sweden (**Mining Inspectorate**). The plan must contain, among other things, details of the exploration work planned, a timetable for the work and an assessment of the extent to which the work may be expected to affect public interests and private rights.

The aim of the exploration work is to demonstrate that a mineral or minerals covered by the permit are present within the permit area and to obtain more detailed information about the size, character and recoverability of the deposit, if any, with minimal damage to and encroachment on any person's property and the natural and cultural environment.

Consent for drilling and access over private land is required from the landholder and the holder of any special rights who is affected. Whilst permit holders are permitted to use existing roads to access the exploration area, consent to drive off-road must be obtained by the Skåne County Administrative Board (**CAB**), which consent must not be unreasonably withheld. There is no requirement for environmental approvals at this stage unless applications are being made to drill in areas of environmental sensitivity. Though there are some environmentally sensitive areas within the Granted Exploration Permit areas and the application areas, they comprise a small percentage of the overall Skåne Project area and ScandiUK does not intend to conduct any drilling activities in environmentally sensitive areas.

The approval process for a plan of operations takes a minimum of three weeks and, depending on the level of any further consultation and negotiation with landholders and other affected parties, potentially up to three months (or more in exceptional circumstances). If agreement on the contents of the plan cannot be reached, the matter may be referred by the permit holder to the Mining Inspectorate for examination and determination, including what conditions are needed to protect public and private interests and rights, and to prevent or limit inconvenience. Such determination may be appealed by either party and, whilst appeals are not generally a common occurrence for a plan of operations, the likelihood of the plan being altered or revoked on appeal is low. The Title Report in Section 10 of the Prospectus provides further details as to the approval process for a plan of operations.

ScandiUK has commenced work on its proposed plan of operations for the Granted Exploration Permit areas and intends to submit the plan to the Mining Inspectorate in October 2018, with the aim of commencing a drilling program in early 2019. ScandiUK will also submit off-road access requests to the CAB, a process that will run concurrently with the approval process for the plan of operations.

To assist with the planning for proposed works and in the preparation of the plan of operations, ScandiUK has engaged or is in the process of engaging a number of external consultants, including for:

- consultation and negotiation with local landholders, the CAB and other key stakeholders;
- the design and development of the drill program; and
- environmental studies, water sampling and preparation of a nature value inventory.

In addition, ScandiUK is in the process of selecting an appropriately qualified drilling contractor to ensure the methods and equipment for drilling are of the quality required for JORC Code reporting.

In its confirmation of a plan of operations, the Mining Inspectorate will stipulate certain conditions to be met in order to protect public interests and private rights and to prevent or limit inconvenience. ScandiUK is consulting with the Mining Inspectorate (see section 3.2 below) on these matters in the light of objections raised during the application process for both the Granted Exploration Permits and the existing applications.

Whilst it is unusual for the Mining Inspectorate to refuse to confirm a plan of operations and rare for plans to be altered or revoked on appeal, there is a risk that the approval process may take longer than planned and this could delay the start of the drilling program and increase the timeframe for determination of a maiden resource, though ScandiUK has factored in potential delays in its timeline of proposed activities and has developed other strategies to mitigate this and other risks (see below). Further information as to the risks associated with this process are set out in the Title Report in Section 10 of the Prospectus and in the Risk Factors set out in the Prospectus, in Section 13.1(i) in particular.

ScandiUK's strategies to mitigate against these risks include:

- Engaging directly with the CAB and relevant municipalities to address their queries and concerns, providing a draft of the plan of operations to the CAB prior to formal submission to the Mining Inspectorate and meeting with the CAB to discuss the proposed program.
- Approaching and consulting with affected landholders directly prior to formal submission of the plan of operations with the Mining Inspectorate to explain details of the proposed drilling program, address any specific objections and if possible agree terms of access and compensation upfront. Advance consultation with landholders will assist ScandiUK in determining which landholders are likely to object to drilling on their land and enable the plan of operations to be modified accordingly if necessary.
- Splitting the full drilling program into separate components if necessary so that any objections or appeals from specific landholders against one or more proposed drill holes will not disrupt the approval of the whole program. In addition, individual holes may also be removed from a submitted plan of operations if consent from an individual landholder is significantly delayed. Works on these areas may be submitted under a separate plan or plans to allow additional time for the objection process to run its course and for further negotiation for access with the relevant landholder/s.
- Scheduling exploration activities, including drilling, to minimise disruption to landholders during the agricultural growing season.

### **3.2 Update on Skåne Project exploration permit applications**

ScandiUK continues to engage with the Mining Inspectorate on its remaining Skåne Project exploration permit applications. ScandiUK has responded to a request from the Mining Inspectorate for further information as to its proposed activities on the relevant project areas and to address certain matters raised in statements of objection submitted to the Mining Inspectorate by affected parties. Details of these applications are set out in Section 7.2(b) of the Prospectus and the Title Report in Section 10.

It is commonplace in Sweden for affected parties to raise objections to applications for exploration permits and to appeal against the grant of exploration permits, and there are standard processes for dealing with objections and appeals of this nature. Details of these processes and associated risks are set out in the Title Report in Section 10 and in the Risk Factors set out in the Prospectus, in Sections 13.1(i) and 13.1(o) in particular.

ScandiUK does not anticipate the objections made will prevent the grant of exploration permits for the remaining applications.

#### 4. Updated Indicative Timetable

Indicative timetable	
General Meeting	12 September 2018
Lodgement of Prospectus with ASIC	17 September 2018
Lodgement of this Supplementary Prospectus with ASIC	1 October 2018
Opening Date for the Offers	2 October 2018
Closing Date for the Offers (5.00pm AEDT)	15 October 2018
Completion of Acquisition	26 October 2018
Issue of Securities under the Offers	26 October 2018
Dispatch of holding statements	26 October 2018
Expected date for Shares to be reinstated to trading on ASX	9 November 2018

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

#### 5. Directors' Authorisation

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

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



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Simon Robertson  
Chairman

1 October 2018

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**AssembleBay Limited**  
**ACN 061 375 442**  
**To be renamed ScandiVanadium Ltd**

# PROSPECTUS

For the offer of 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 (before costs) (**Public Offer**). Oversubscriptions of up to a further 18,518,518 Shares at an issue price of \$0.027 each to raise a further \$500,000 (before costs) may be accepted under the Public Offer.

The Prospectus also contains:

- (a) an offer of 56,250,000 Shares and 112,500,000 Performance Shares to the Vendors (or their nominee/s) in consideration for the acquisition of all of the issued capital of ScandiVanadium (**Vendor Offer**). Refer to Section 6.2 of this Prospectus for more information in respect of the Vendor Offer;
- (b) an offer of 6,018,519 Shares to the ScandiVanadium Noteholders (or their nominee/s) in satisfaction of the ScandiVanadium Note Debt (**Convertible Noteholder Share Offer**). Refer to Section 6.3 of this Prospectus for more information in respect of the Convertible Noteholder Share Offer;
- (c) an offer of 47,500,000 Management Options to Management (or their nominee/s) (**Management Offer**). Refer to Section 6.4 of this Prospectus for more information in respect of the Management Offer; and
- (d) an offer of 12,500,000 Options to the Advisers (or their nominees) for assisting the Company in raising capital under the Public Offer (**Adviser Offer**). Refer to Section 6.5 of this Prospectus for more information in respect of the Adviser Offer.

## Conditional Offers

The Public Offer is conditional upon the Conditions of the Public Offer outlined in Section 6.6 being satisfied. In the event that the Conditions of the Public Offer are not satisfied, the Company will not proceed with the Public Offer and the Company will repay all application monies received. In the event that the Public Offer does not proceed, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.

## Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer and issuing Securities under the other Offers, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules, following a change to the nature and scale of the Company's activities.

## Important Information

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

**An investment in the Securities offered under this Prospectus should be considered speculative.**

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## **1. Important Information**

### **1.1 Important notice**

This Prospectus is dated 17 September 2018 and was lodged with ASIC on that date. The ASX, ASIC and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. The expiry date of this Prospectus is that date which is 13 months after the date this Prospectus was lodged with ASIC (**Expiry Date**). No Securities may be issued on the basis of this Prospectus after the Expiry Date.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to invest. An investment in the Securities the subject of this Prospectus should be considered speculative. Please refer to Section 13 for details relating to risk factors that could affect the financial performance and assets of the Company.

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the acceptance of applications for Securities under the Offers. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under the Offers will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Within seven days after the date of this Prospectus the Company will apply to ASX for Official Quotation of the Shares the subject of the Public Offer and the Convertible Noteholder Share Offer under this Prospectus.

Persons wishing to apply for Securities under the Offers must do so using the applicable Application Form as provided with a copy of this Prospectus. 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.

### **1.2 Web site – electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.assemblebay.com](http://www.assemblebay.com). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company 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, or accompanied by, the complete unaltered version of the Prospectus. If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. During the offer period, any person may obtain a copy of the Prospectus (free of charge) by contacting the Company on (08) 6555 2955.

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.

### **1.3 Overseas applicants**

The offers of Securities made pursuant to this Prospectus are not made to persons to whom, or places in which, it would be unlawful to make such an offer of Securities. No action has been taken to register or qualify the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe, any of those restrictions. Failure to comply with these restrictions may violate securities laws.

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

### **1.4 Consolidation of share capital**

Unless otherwise stated, all references to Securities as set out in this Prospectus are on the basis that the Consolidation of the Company's issued capital (for which Shareholder approval was given at the General Meeting) has been implemented.

### **1.5 Forward looking statements**

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

While the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 13, as well as other matters not yet known to the Company or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

### **1.6 Definitions**

A number of defined terms are used in this Prospectus. Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 17, words and phrases in this Prospectus have the same meaning and interpretation as in the Corporations Act or ASX Listing Rules.

### **1.7 Disclaimer**

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers. You should only rely on information in this Prospectus.

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## 2. Corporate directory

### Existing Directors

Simon Robertson (Chairman)  
*(Proposed to resign as Chairman but remain as Non-Executive Director following Completion)*  
Davide Defendi (Non-Executive Director)  
*(Proposed to resign following Completion)*  
John Gilfillan (Non-Executive Director)  
*(Proposed to resign following Completion)*

### Company Secretary

Simon Robertson

### Proposed New Directors

Brandon Munro (Chairman)  
David Minchin (Managing Director)  
Ian Burvill (Non-Executive Director)

### Registered Office

68 Aberdeen Street  
Northbridge WA 6003

### Auditors

William Buck Audit (WA) Pty Ltd  
Level 3, 15 Labouchere Road  
South Perth WA 6151

### Share Registry\*

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

### Company Website

[www.assemblebay.com](http://www.assemblebay.com)

### ASX Code

Current: ASY  
Proposed: SVD

### Investigating Accountant

William Buck Consulting (WA) Pty Ltd  
Level 3, 15 Labouchere Road  
South Perth WA 6151

### Independent Geologist

Auralia Mining Consulting Pty Ltd  
Suite 1, 19-21 Outram Street  
West Perth WA 6005

### Lawyers on the Offer

Milcor Legal  
Level 1, 6 Thelma Street  
West Perth WA 6005

### Lawyers reporting on the Tenements

Advokatbryån Kaiding  
Kungsgatan 58  
901 04 Umeå  
Sweden

### Lead Manager

PAC Partners  
Level 10, 330 Collins Street  
Melbourne Vic. 3000

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

### 3. Key information and indicative timetable

<b>Public Offer</b>	<b>Minimum Subscription<sup>1</sup></b>	<b>Maximum Subscription<sup>1</sup></b>
Price per Share	\$0.027	\$0.027
Number of Shares offered	92,592,593	111,111,111
Amount to be raised (before costs)	\$2,500,000	\$3,000,000
<b>Vendor Offer</b>		
Shares offered to the Vendors (or their nominee/s)	56,250,000	56,250,000
Performance Shares offered to the Vendors (or their nominee/s)	112,500,000	112,500,000
<b>Convertible Noteholder Share Offer</b>		
Shares offered to the ScandiVanadium Noteholders (or their nominee/s)	6,018,519	6,018,519
<b>Management Offer</b>		
Management Options offered to Management (or their nominee/s)	47,500,000	47,500,000
<b>Adviser Offer</b>		
Adviser Options offered to Advisers	12,500,000	12,500,000
Amount to be raised (before costs)	\$1,250	\$1,250
<b>General</b>		
Total cash on completion of the Offers (after costs of the Offers)	\$4,620,216	\$5,087,216
Total Shares on issue on completion of the Offers <sup>2</sup>	333,347,775	351,866,293
Notes:		
1. Exact figures will be subject to the rounding effects of the Consolidation.		
2. Refer to Section 6.11 for further details relating to the proposed capital structure of the Company.		

<b>Indicative timetable</b>	
General Meeting	12 September 2018
Lodgement of this Prospectus with ASIC	17 September 2018
Opening Date for the Offers	25 September 2018
Closing Date for the Offers	8 October 2018
Completion of Acquisition	19 October 2018
Issue of Securities under the Offers	19 October 2018
Dispatch of holding statements	19 October 2018
Expected date for Shares to be reinstated to trading on ASX	2 November 2018

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

## 4. Investment Summary

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

### 4.1 Introduction

Topic	Summary	Details
Who is the issuer of the Prospectus?	AssembleBay Limited ACN 061 375 442 ( <b>Company</b> ) (to be renamed "ScandiVanadium Ltd").	Section 7.1
Who is the Company and what does it do?	<p>The Company is a public company that has been listed on the ASX since July 1994. The Company currently has no material business or operations and its shares have been suspended from trading on ASX since April 2017.</p> <p>The Company has been actively evaluating new opportunities and ventures to create value for Shareholders and to facilitate the re-quotations of its shares on ASX.</p>	Section 7.1
What is the Company's strategy?	<p>The Company has entered into the Acquisition Agreement to acquire 100% of the issued capital of ScandiVanadium from the Vendors. ScandiVanadium holds interests in the Skåne Project via its wholly-owned subsidiary, ScandiUK.</p> <p>Following reinstatement to quotation of the Company's shares on ASX, the Company's primary focus will be its activities on the exploration, discovery and development of mineral deposits at the Skåne Project. The Company has no other material operations.</p>	Section 7.1
What are the Company's key assets?	The Company's primary assets are its cash holdings (approximately \$2.4 million as at 30 June 2018) and its rights under the Acquisition Agreement. Under the Acquisition Agreement, subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, the Company will acquire 100% of the issued capital of ScandiVanadium and the Skåne Project.	Sections 11.1 and 12
What is the Public Offer?	The Company is offering 92,592,593 Shares to the public at an issue price of \$0.027 each to raise \$2,500,000 (before costs of the Offers), which is the minimum subscription. Oversubscriptions of up to a further 18,518,518 Shares at an issue price of \$0.027 each to raise a further \$500,000 (before costs of the Offers) may be accepted.	Section 6.1
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 6.12
What is the Vendor Offer?	The Company is offering 56,250,000 Shares and 112,500,000 Performance Shares (being the Consideration Securities) to the Vendors (or their nominee/s) in consideration for the acquisition of all the shares in ScandiVanadium under the Acquisition.	Section 6.2

Topic	Summary	Details
What is the Convertible Noteholder Share Offer?	The Company is offering 6,018,519 Shares to the ScandiVanadium Noteholders (or their nominee/s) in satisfaction of the ScandiVanadium Note Debt.	Section 6.3
What is the Management Offer?	The Company is offering 47,500,000 Management Options to Management (or their nominee/s). Management comprises Existing Director Simon Robertson, Proposed Directors Brandon Munro, David Minchin and Ian Burvill, and proposed specialist metallurgical consultant, John Turney.	Section 6.4
What is the Adviser Offer?	The Company is offering 12,500,000 Options to the Advisers (or their nominees) for assisting the Company in raising capital under the Public Offer. This includes 4,000,000 Adviser Options proposed to be issued to PAC Partners (or their nominees).	Section 6.5
What are the conditions of the Offers?	The Public Offer is conditional upon the following events occurring: <ul style="list-style-type: none"> <li>the Company receiving the Minimum Subscription under the Public Offer (being \$2,500,000);</li> <li>Shareholders approving the Acquisition Resolutions at the General Meeting (which has already occurred);</li> <li>completion of the Acquisition; and</li> <li>ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the Listing Rules and the Company receiving conditional approval for re-quotations from ASX subject only to the usual terms and conditions on which such conditional approval is given by ASX.</li> </ul> <p>If any of the Conditions of the Public Offer are not satisfied, then the Company will not proceed with the Public Offer and the Company will repay all Application Monies received. If the Company does not proceed with the Public Offer, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.</p>	Section 6.6
Why is the Public Offer being conducted?	The purposes of the Public Offer are to: <ul style="list-style-type: none"> <li>assist the Company to meet the requirements of ASX to re-comply with ASX's admission requirements under Chapters 1 and 2 of the Listing Rules;</li> <li>provide funding for the Company's expenditure commitments for the Skåne Project, including exploration and in-fill drilling, metallurgical, scoping and environmental base-line studies, and community engagement;</li> <li>meet the costs of the Offers; and</li> <li>to provide general working capital and administration expenditure.</li> </ul>	Section 6.9

## 4.2 The Acquisition

Topic	Summary	Details
What is the Acquisition?	This is the Company's proposed acquisition of 100% of the issued capital of ScandiVanadium from the Vendors pursuant to the Acquisition Agreement.	Section 7.1
What are the key terms of the Acquisition?	<p>The Company has entered into the Acquisition Agreement with the Vendors.</p> <p>The key terms of the Acquisition are as follows:</p> <ul style="list-style-type: none"> <li>• as consideration for the acquisition of 100% of the issued capital of ScandiVanadium, the Company will issue the Vendors (or their nominee/s) an aggregate total of 56,250,000 Shares and 112,500,000 Performance Shares (being the Consideration Securities the subject of the Vendor Offer);</li> <li>• the Acquisition is conditional upon, and subject to, a number of conditions. These conditions have either been satisfied, substantially satisfied or waived, with the exception of the following conditions which remain outstanding at the date of this Prospectus: <ul style="list-style-type: none"> <li>○ the Company achieving the Minimum Subscription under the Public Offer; and</li> <li>○ the Company obtaining all necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules and receiving conditional approval for re-quotations from ASX subject only to the usual terms and conditions on which such conditional approval is given by ASX;</li> </ul> </li> <li>• ScandiVanadium has issued Convertible Notes with a face value of \$130,000 (<b>ScandiVanadium Note Debt</b>) to unrelated third parties (<b>ScandiVanadium Noteholders</b>). On completion of the Acquisition, the ScandiVanadium Note Debt will be assigned to, and assumed by, the Company and satisfied in full through the issue of 6,018,519 Shares to the ScandiVanadium Noteholders (or their nominee/s) (being the Convertible Noteholder Shares the subject of the Convertible Noteholder Share Offer); and</li> <li>• there are standard commercial warranties regarding ScandiVanadium and ScandiVanadium's business and assets provided by the Vendors.</li> </ul>	Section 14.2
What approvals were sought at the General Meeting?	<p>At the General Meeting, the Company sought and obtained Shareholder approval for, among other things, the following Acquisition Resolutions:</p> <ul style="list-style-type: none"> <li>• for the change in nature and scale of the activities of the Company as a result of the Acquisition;</li> <li>• for the acquisition of ScandiVanadium and to issue the Consideration Securities to the Vendors (or their nominee/s);</li> <li>• to create a new class of Securities (being the Performance Shares);</li> <li>• to issue the Convertible Noteholder Shares to the ScandiVanadium Noteholders (or their nominee/s);</li> </ul>	Section 6.7

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Topic	Summary	Details
	<ul style="list-style-type: none"> <li>• to issue Shares pursuant to the Public Offer;</li> <li>• for the Consolidation;</li> <li>• to change of the Company’s name to “ScandiVanadium Ltd”;</li> <li>• to appoint Brandon Munro, David Minchin and Ian Burvill to the Board;</li> <li>• to adopt the new Employee Securities Incentive Plan (see Section 15.4 for a summary of the Plan);</li> <li>• for the grant of the Management Options to Management (or their nominee/s);</li> <li>• to issue the Advisor Options the subject of the Adviser Offer to the Advisers (or their nominees);</li> <li>• for Brandon Munro, Ian Burvill and Simon Robertson to participate in the Public Offer;</li> <li>• for the adoption of a new constitution; and</li> <li>• to approve the proportional takeover provisions in the proposed new constitution.</li> </ul>	
<p>Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules?</p>	<p>The Company will undergo a change in the nature and scale of its activities as a result of the Acquisition. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.</p> <p>The Company’s shares have been suspended from trading since April 2017 and will not be reinstated until the Company has satisfied the Conditions of the Public Offer, including re-compliance with Chapters 1 and 2 of the Listing Rules and any conditions ASX imposes on reinstatement.</p> <p>There is a risk that the Company may not be able to meet the requirements for re-quotations on ASX. If the Conditions of the Public Offer are not satisfied or the Company does not receive conditional approval for re-quotations on ASX, then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest).</p>	<p>Section 6.8</p>
<p>Who is ScandiVanadium?</p>	<p>ScandiVanadium is an Australian proprietary company incorporated in May 2018 that is 100% owned by the Vendors.</p> <p>ScandiVanadium owns 100% of the issued share capital of ScandiUK, a UK private company that holds the Granted Exploration Permits and applications for exploration permits comprising the Skåne Project.</p>	<p>Section 7.1</p>
<p>What is the Skåne Project?</p>	<p>The Skåne Project comprises a tenement package of two granted exploration permits and a further nine applications for exploration permits in the surrounding area that are expected to be granted in late 2018. They cover in aggregate an area of approximately 220km<sup>2</sup>.</p> <p>The area has been selected primarily where the targeted shale hosted vanadium unit (the <i>Dictyonema formation</i>) is projected to be within 50m of surface. The Skåne deposit is a sediment hosted black shale ore with a thick and continuous layer of high-grade mineralisation identified in historic drilling with an opportunity to discover and define a substantial vanadium resource in a developed, low-risk, mining friendly jurisdiction.</p>	<p>Sections 7.2 and 9</p>

Topic	Summary	Details
	<p>Skåne is located on the southern-most tip of Sweden, about 1 hour's drive from Malmö and 90 minutes' drive from Copenhagen, the nearest international airport. The area is rural, characterised by seasonal tourism and agriculture. The primary exploration targets are situated on agricultural land. Although there are nature reserves or conservation areas within the application tenements, the primary exploration targets do not interfere with such areas.</p> <p>Skåne has excellent infrastructure connections to Copenhagen and European markets including paved roads, grid power and telecommunication towers throughout the district. The Port of Trelleborg is 80kms by road from Skåne. Trelleborg is Scandinavia's largest Roll on/Roll off port, offering a logistics centre with 8 berths suitable for vessels up to 240m long including 3 cargo berths that are directly rail-linked. The project is also connected to the continent by road and rail via the Øresund Bridge, completed in 2000, that connects Malmo to Copenhagen and is 90km by road from Skåne.</p>	
What is the Company's strategy?	Following completion of the Acquisition and re-compliance by the Company with Chapters 1 and 2 of the Listing Rules, the Company's proposed strategy is to focus its activities on the exploration, discovery and development of mineral deposits at the Skåne Project. The Company currently has no other material business or operations.	Sections 7.4 and 9

### 4.3 Key Risks

Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 13 and other risks applicable to all listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company must be considered highly speculative. This Section summarises some of the risks that apply to an investment in the Company. Investors should refer to Section 13 for a more detailed summary of the risks.

Key risk	Summary	Details
Conditional Acquisition	<p>The Acquisition Agreement is conditional on the Company re-complying with Chapters 1 and 2 of the Listing Rules. Pursuant to the Acquisition Agreement (the key terms of which are summarised in Section 14.2) the Company has agreed to acquire 100% of ScandiVanadium. Completion of the Acquisition is subject to the satisfaction of certain conditions. There is a risk that these conditions cannot be satisfied and completion under the Acquisition Agreement will not occur. If the Acquisition does not proceed, the Company will incur costs relating to advisers and other costs, with no material benefit being achieved.</p> <p>Completion of the Public Offer remains subject to completion of the Acquisition. If this condition, or the other Conditions of the Public Offer set out in Section 6.3 are not satisfied or the Company does not receive conditional approval for re-quotations on ASX, the Company will not proceed with the Public Offer and will repay all Application Monies received. In the event that the Public Offer does not proceed, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.</p>	Section 13.1(a)

Key risk	Summary	Details
	<p>ASX has an absolute discretion to re-admit the Company to the ASX Official List, and the Acquisition may not proceed if it does not meet ASX's requirements, even though it has been approved by Shareholders.</p>	
<p>Re-compliance with Chapters 1 and 2 of the Listing Rules</p>	<p>As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus has been issued to assist the Company to re-comply with these requirements. The Shares have been suspended from trading on ASX since April 2017 and will remain suspended until completion of the Acquisition, the Offers, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.</p> <p>There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation. ASX has an absolute discretion to re-admit the Company to the ASX Official List, and the Acquisition may not proceed if it does not meet ASX's requirements, even though it has been approved by Shareholders.</p>	<p>Section 13.1(b)</p>
<p>Extraterritorial risk</p>	<p>The company being acquired has interests in assets overseas, namely Sweden, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the tenements, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Sweden. Fluctuations in the currency of Sweden may also affect the dealings and operations of the Company.</p> <p>Whilst Sweden's risk profile is similar to that of Western Australia, the Company remains subject to the risks associated with operating in a foreign jurisdiction. Such risks could potentially include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.</p> <p>Changes to Sweden's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of mining companies in Sweden, there can be no assurance that the requirements of the various governments in respect of foreign ownership and control of mining companies will not change. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments may have a material adverse effect on the Company's operations.</p>	<p>Section 13.1(c)</p>

Key risk	Summary	Details
Limited history	<p>ScandiVanadium and ScandiUK were only recently incorporated and have limited operating history and limited historical financial performance. Exploration has previously been conducted on the area of land the subject of the Skåne Project area, however, the Company has only recently commenced its own review and assessment of the exploration activities at the Skåne Project. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Skåne Project. Until the Company is able to realise value from the Skåne Project, it is likely to incur ongoing operating losses.</p>	Section 13.1(d)
Capital requirements and impact on operations	<p>The Company's operations, including the development of the Skåne Project, will require substantial expenditure.</p> <p>The funds raised through the Public Offer, even if fully subscribed, together with cash reserves may not be sufficient to successfully achieve all the objectives of the Company's overall business strategy. Successful development of the Skåne Project will require significant additional amounts of capital in due course.</p> <p>There is no assurance that the Company will be successful in raising additional capital under the Public Offer or in the future as and when it is required in order to fully finance and develop the Skåne Project. Failure to obtain additional funding may cause the Company to postpone any development plans, forfeit rights to some or all of the Skåne Project or reduce its operating structures, including staff and overhead levels, which may delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.</p> <p>Any additional equity financing may be dilutive to the Company's shareholders and any debt financing, if available, may involve restrictive covenants which limit the Company's operations and business strategy.</p>	Section 13.1(e)
Reliance on key personnel	<p>The Company is reliant on its management and consultants. The loss of one or more of these individuals could adversely affect the Company. In addition, the Company's ability to achieve its business goals effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although the Company expects to be able to do so in the future, there can be no assurance that the Company will be able to attract and retain skilled and experienced personnel and consultants.</p>	Section 13.1(f)
Exploration, development, mining and processing risks	<p>Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:</p> <ul style="list-style-type: none"> <li>• the discovery and/or acquisition of economically recoverable ore resources;</li> <li>• successful conclusions to bankable feasibility studies;</li> <li>• access to adequate capital for project development;</li> <li>• design and construction of efficient mining and processing facilities within capital expenditure budgets;</li> <li>• securing and maintaining exploration permits;</li> </ul>	Section 13.1(h)

Key risk	Summary	Details
	<ul style="list-style-type: none"> <li>• obtaining exploitation concessions, access to land, consents, permits and approvals necessary for the conduct of exploration, exploitation and mining;</li> <li>• access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;</li> <li>• adverse weather conditions which, over a prolonged period can adversely affect exploration and mining operations and the timing of revenues; and</li> <li>• operational and technical risks arising once production commences.</li> </ul> <p>Whether or not income will result from development of the Skåne Project depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.</p>	
<p>Approvals and process for exploration activities</p>	<p>Upon the grant of an exploration permit and prior to exploration work commencing at the Skåne Project, the Company must put in place a proposed plan of operations for undertaking that work and, in some areas, apply for additional permits and consents to carry out exploration work. Exploration work must not commence until the plan of operations is deemed valid. The proposed plan must be served on the owner of the land on which the work is to be undertaken and on the holder of any special right who is affected, and such parties may object to the plan and the matter is either resolved by reaching agreement with the Company or by referral to the Chief Mining Inspector for examination. After such examination, the Chief Mining Inspector will decide whether or not the plan shall become valid and, if so, on what terms. Such decision may be appealed against and if so will be referred to the Swedish courts. Exploration activity may commence even if an appeal is in process where the Chief Mining Inspector so decides, however this decision may be appealed against so that exploration work may not commence until a final decision on the plan of operations from the courts has been given. Further, the Chief Mining Inspector or the courts may in any event refuse permission for exploration work to commence where the grant of an exploration permit remains the subject of an appeal. There is a risk that an affected person may object to a plan submitted for the Granted Exploration Permits and other permits that may be granted for the Skåne Project, which may result in a significant delay in the commencement of exploration activities, make the exploration activities significantly more expensive or make the exploration activity impossible.</p>	<p>Sections 10 and 13.1(i)</p>
<p>Regulatory risks</p>	<p>The Company's exploration, exploitation and mining activities are subject to extensive laws and regulations relating to numerous matters including obtaining permits for the activities, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of land and endangered and protected species and other matters. The Company will require various permits and consents to conduct its operations relating to, among other things,</p>	<p>Section 13.1(j)</p>

Key risk	Summary	Details
	<p>exploration, exploitation, mining, construction and rehabilitation activities.</p> <p>Obtaining necessary permits and consents can be a time consuming process and the grant of permits and consents may be appealed against (see above). There is a risk that the Company will not obtain permits and consents on acceptable terms, in a timely manner or at all. Costs and delays associated with obtaining necessary permits and complying with their terms of grant and applicable laws and regulations could materially delay or restrict the Company from proceeding with the exploration, exploitation and/or the development of a mine. A failure to comply with the terms of permits and consent, and applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of its exploration permits or future permits/concessions that could be granted to the Company.</p>	
Environmental	<p>The operations and proposed activities of the Company are subject to laws and regulations concerning minerals and the environment. As with most exploration projects, exploitation and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration, exploitation or mine development proceeds.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable effects on people's health and the environment in the area may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>Among other things, the disposal of mining and process waste, mine water discharge, quality and status of ground water and surface water and rehabilitation of sites for mining operations are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more burdensome making the Company's operations more expensive or impossible to commence or continue.</p>	Section 13.1(k)
Local community and stakeholders	<p>The Skåne Project covers a large area of land with a significant population. The Company will continue to engage with the local communities and stakeholders through the life of the project.</p> <p>Timely and appropriate community and stakeholder engagement will assist the Company in negotiating with local landowners and other stakeholders to ensure that they are dealt with fairly and are understanding and supportive of the project. Such engagement may require negotiation of compensation. Failure to have appropriate engagement procedures in place and/or agree suitable access and compensation arrangements may adversely impact upon the Company's ability to undertake the Skåne Project and this could result</p>	Section 13.1(l)

Key risk	Summary	Details
	in additional expense, restrictions and delays in the development of the project and/or result in a failure to develop the project.	
Metallurgy	<p>The Company is developing a black shale hosted vanadium deposit which is atypical compared to most vanadium deposits currently in production. Whereas a number of known technologies exist for extracting vanadium from black shale, the Company's ability to achieve its business goals effectively will require it to identify, develop and implement a flow sheet that is suitable for the specific ore type present within the Skåne Project. A series of testwork will be required to determine mechanical, mineralogical, and chemical properties of the ore and there can be no assurance that the Company will be able to develop a metallurgical flow-sheet that provides sufficient economics to incentivise the development of a new mine. Specific factors that can affect the economics of mineral processing are:</p> <ul style="list-style-type: none"> <li>• mechanical properties of the ore and behaviour under crushing and grinding;</li> <li>• mineralogical host of vanadium within the ore;</li> <li>• bulk chemistry of the ore rock;</li> <li>• presence or absence of deleterious elements that may affect the chemical extraction of vanadium concentrate;</li> <li>• presence or absence of deleterious elements that may affect the sale price of vanadium concentrate;</li> <li>• presence or absence of deleterious elements that may affect the disposal waste streams under environmental management constraints;</li> <li>• land requirements of the proposed process plant including any tailings or waste disposal facilities;</li> <li>• capital expenditure requirements of constructing the process plant; and</li> <li>• operational expenditure requirements of running the process plant.</li> </ul> <p>Should the proposed process route for extraction of vanadium require the development of new technologies or the interconnection of known technologies in new and innovative ways then it may be necessary for the Company to construct a pilot processing plant to test mine ore material from the Skåne Project. This itself may require additional approvals, permits and local community and stakeholder consent, which may not be forthcoming and could as a consequence hinder the development of the Skåne Project. Further, the requirements of additional testwork could cause additional expense, capital expenditures, and delays in the development of the Skåne Project, the extent of which cannot be predicted.</p>	Section 13.1(m)
Vanadium Price Volatility	The financial performance of the Company is sensitive to the vanadium price. Vanadium prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity, costs of production by other vanadium producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.	Section 13.1(n)

Key risk	Summary	Details
	<p>If vanadium prices should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down its vanadium reserves and may have a material adverse effect on the Company's production, earnings and financial position.</p> <p>A significant driver of expectations of future vanadium prices is the extent to which VRFB batteries will be adopted and resultant grid storage facilities constructed. Whilst the VRFB technology is commercially proven and a number of large scale VRFB storage facilities exist, there are a number of factors that may disrupt further adoption of this technology, including competing storage technologies, shifts in political incentives for intermittent renewable energy or changes in the patterns of electricity consumption that increase the ability of intermittent energy to be consumed.</p>	
<p>Title</p>	<p>The ability of the Company to carry out successful exploration and mining activities at the Skåne Project will depend on it obtaining and maintaining the appropriate approvals and permits to operate, including exploration permits, valid plans of operations for exploration activities, exploitation concessions, environmental permits, access to land and other approvals and permits necessary to carry out these activities.</p> <p>The grant, maintenance and renewal of such permits and approvals is regulated by the applicable mining and environmental legislation of Sweden, such as the Minerals Act and the Environmental Code. Applications must be made to the Mining Inspectorate of Sweden. No guarantee can be given that any such permit or approval will be granted and/or maintained or, if granted, any attaching conditions are acceptable to the Company or their grant is not overturned or restricted on appeal. There is also no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation or granted without new conditions, including relinquishment of ground.</p> <p>An exploration permit is valid for three years from the date of grant. Certain environmental organisations and authorities and anyone affected by the decision may appeal against the decision either within three weeks from the date of the grant or from the date on which the decision was served on them, as may be stipulated by the Mining Inspectorate of Sweden. Appeals are made directly to the Mining Inspectorate and are heard by the Swedish courts.</p> <p>The appeal process is commonly utilised by affected parties following the grant of exploration permits and appeals are not often upheld. However, if successful, a ruling of the court in favour of an appeal could include the imposition of further conditions to protect the interests of the affected party, the excise of a portion of the exploration permit area to remove areas impacting the aggrieved party or, in extreme circumstances, a reversal of the decision to grant the exploration permit, though this is a very rare outcome.</p> <p>The Granted Exploration Permits are the subject of appeals made by various stakeholders in those tenement areas. The Company does not</p>	<p>Sections 10 and 13.1(o)</p>

Key risk	Summary	Details
	anticipate the appeals process will hinder its proposed exploration and budgeted expenditure program or impact the grant of those permits. However, there is a risk that the Courts could rule in favour of one or more appeals, and this could make the exploration activities significantly more expensive or make the exploration activity impossible.	

#### 4.4 Proposed use of funds and other key terms of the Offers

Topic	Summary	Details
What is the proposed use of funds raised under the Public Offer?	<p>The funds raised under the Public Offer are proposed to be used (over the first year following re-instatement to quotation of the Shares) to fund the following key business activities:</p> <ul style="list-style-type: none"> <li>• Skåne Project expenditure, including exploration and in-fill drilling, metallurgical, scoping and environmental base-line studies, and community engagement;</li> <li>• costs of the Offers; and</li> <li>• corporate administration and working capital.</li> </ul> <p>The above reflects the current intentions as at the date of this Prospectus. As with any budget, the allocation of funds set out may change depending on a number of factors, including the outcome of exploration and study and evaluation activities, further acquisitions, regulatory developments and market and general economic conditions.</p>	Section 6.10
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its business objectives as set out in this Prospectus.	Section 6.9 and 6.10
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Public Offer and the Convertible Note Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 15.1.	Section 15.1
What are the terms and conditions of the Performance Shares being offered under the Vendor Offer?	<p>The Performance Shares issued to the Vendors (or their nominee/s) under the Vendor Offer as part of the consideration for the Acquisition will be issued in two classes and will convert into Shares on a one for one basis on the satisfaction of specified performance milestones, namely:</p> <ul style="list-style-type: none"> <li>• 56,250,000 Class A Performance Shares that will convert into Shares on a one-for-one basis on the delineation of an inferred mineral resource of 50,000,000 tonnes at a minimum average grade of 0.5% V<sub>2</sub>O<sub>5</sub> being achieved within 24 months of the relisting of the Company; and</li> <li>• 56,250,000 Class B Performance Shares that will convert into Shares on a one-for-one basis on the publication of a pre-feasibility study demonstrating the viability of a proposed mine at the Skåne Project being achieved within 42 months of the relisting of the Company.</li> </ul>	Section 15.2

Topic	Summary	Details
	<p>The Performance Shares will convert on a Change of Control Event prior to that date (subject to a cap of 10% of issued Shares). If the performance milestones of a Performance Share have not been achieved by the relevant expiry date, then the Performance Share will lapse.</p> <p>Full terms and conditions of the Performance Shares are set out in Section 15.2.</p>	
What are the terms and conditions of the New Options being offered under the Management Offer and Adviser Offer?	<p>The New Options will have an exercise price of \$0.04 each and expire four years from the date of grant.</p> <p>The Management Options will be granted for nil consideration as long-term incentives for Management. 50% of the Management Options will vest immediately and the remaining 50% will vest after 12 months, subject to the relevant recipient remaining in their role or position with the Company unless there is a Change of Control Event in which case the Options will vest after 12 months regardless of whether or not the recipient remains in that role or position.</p> <p>The Adviser Options will be issued at a price of \$0.0001 each.</p> <p>Further terms and conditions of the New Options are set out in Section 15.3.</p>	Section 15.3
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Sections 6.13
Who is the lead manager to the Public Offer?	<p>The Company has appointed PAC Partners to act as lead manager to the Company in relation to the Public Offer.</p> <p>The Company will pay PAC Partners the following fees in relation to these roles:</p> <ul style="list-style-type: none"> <li>• a capital raising fee in cash of 5% of the gross proceeds limited to those raised by PAC Partners under the Public Offer (ex. GST);</li> <li>• a management fee in cash of 1% of the gross cash proceeds raised under the Public Offer (plus GST); and</li> <li>• 4,000,000 Adviser Options (each exercisable at \$0.04 and expiring four years after issue) as part of the Adviser Offer.</li> </ul>	Sections 6.13 and 14.3
Will the Securities issued under the Offers be listed?	<p>The Company will apply for listing of the Shares offered under the Public Offer and the Convertible Noteholder Share Offer under the ASX code 'SVD' within seven days of the date of this Prospectus.</p> <p>The Company will not apply for listing of the Shares and Performance Shares offered under the Vendor Offer or the New Options offered under the Management Offer and the Adviser Offer.</p>	Section 6.8 and 6.14
What are the tax implications of investing in Securities under the Offers?	The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 6.25
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves on its expenditure commitments for the Skåne Project.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon</p>	Section 6.15

Topic	Summary	Details
	<p>matters such as 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 Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	
<p>How do I apply for Shares under the Public Offer?</p>	<p>Applications for Shares under the Public Offer must be made by completing a Public Offer Application Form and must be accompanied by a cheque in Australian dollars (or an electronic transfer to the bank account advised by the Company) for the full amount of the application being \$0.027 per Share. Cheques must be made payable to "AssembleBay Limited – Share Offer Account" and should be crossed "Not Negotiable".</p>	<p>Section 6.16(a)</p>
<p>How do I apply for Securities under the Vendor Offer?</p>	<p>The Vendor Offer is an offer to the Vendors (and their nominee/s) only. Only the Vendors (and their nominee/s) may accept the Vendor Offer. A personalised Vendor Offer Application Form will be issued to the Vendors (and their nominee/s), together with a copy of this Prospectus. The Company will only provide the Vendor Offer Application Form to the Vendors (and their nominee/s).</p>	<p>Section 6.16(b)</p>
<p>How do I apply for Shares under the Convertible Noteholder Share Offer?</p>	<p>The Convertible Noteholder Share Offer is an offer to the ScandiVanadium Noteholders (and their nominee/s) only. Only the ScandiVanadium Noteholders (and their nominee/s) may accept the Convertible Noteholder Share Offer. A personalised Convertible Noteholder Share Offer Application Form will be issued to the ScandiVanadium Noteholders (and their nominee/s), together with a copy of this Prospectus. The Company will only provide the Convertible Noteholder Share Offer Application Form to the ScandiVanadium Noteholders (and their nominee/s).</p>	<p>Section 6.16(c)</p>
<p>How do I apply for New Options under the Management Offer?</p>	<p>The Management Offer is an offer to Management (or their nominee/s) only. Only Management (and their nominee/s) may accept the Management Offer. A personalised Management Offer Acceptance Form will be issued to Management (and their nominee/s), together with a copy of this Prospectus. The Company will only provide the Management Offer Application Form to Management (and their nominee/s).</p>	<p>Section 6.16(d)</p>
<p>How do I apply for New Options under the Adviser Offer?</p>	<p>The Adviser Offer is an offer to the Advisers (and their nominees) only. Only the Advisers (and their nominees) may accept the Adviser Offer. A personalised Adviser Offer Application Form will be issued to the Advisers (and their nominees), together with a copy of this Prospectus. The Company will only provide the Adviser Offer Application Form to Advisers (and their nominees).</p>	<p>Section 6.16(e)</p>
<p>When will I receive confirmation that my application has been successful?</p>	<p>It is expected that holding statements will be sent to successful Applicants by post on or about the dispatch date noted in the indicative timetable set out in Section 3.</p>	<p>Section 3, 6.18 and 6.21</p>

Topic	Summary	Details
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers can be directed to the Company on (08) 6555 2955.	Section 6.26

#### 4.5 Board and management

Topic	Summary	Details
Who are the Directors of the Company?	<p>The Existing Directors of the Company are:</p> <ul style="list-style-type: none"> <li>• Simon Robertson – Chairman;</li> <li>• Davide Defendi – Non Executive Director; and</li> <li>• John Gilfillan – Non Executive Director.</li> </ul> <p>On completion of the Acquisition and the Offers, changes will be made to the Board, with the resignation of Existing Directors Davide Defendi and John Gilfillan and the appointment of the Proposed Directors, such that the Board will then comprise:</p> <ul style="list-style-type: none"> <li>• Brandon Munro – Chairman;</li> <li>• David Minchin – Managing Director;</li> <li>• Ian Burvill – Non-Executive Director; and</li> <li>• Simon Robertson – Non-Executive Director.</li> </ul> <p>Refer to Section 8.1 for details of the relevant experience and expertise of the Directors.</p>	Section 8.1
Who are the key management personnel?	<p>In addition to the appointments of Brandon Munro, David Minchin and Ian Burvill to the Company's Board and management team as outlined above, John Turney will join as specialist metallurgical consultant.</p> <p>Refer to Section 8.2 and 8.3 for details of their credentials and to Sections 8.6 and 8.7 for summaries of the terms of the relevant employment and consultancy agreements with the Company.</p> <p>Simon Robertson will remain as Company Secretary following completion of the Offers.</p>	Sections 8.1, 8.2, 8.3, 8.6 and 8.7
What are the significant interests of Directors?	<p>The interests of the Directors are detailed in Section 8.3.</p> <p>The security holdings of the Directors are set out in Section 8.4.</p> <p>A summary of the Directors' remuneration is set out in Section 8.5.</p> <p>Section 8.6 sets out details of related party agreements with the Company from which the Directors may benefit. These comprise customary executive service agreements, consultancy agreements, appointment letters and deeds of indemnity, insurance and access.</p> <p>Proposed Director David Minchin is a Vendor and Proposed Director Brandon Munro is associated with another one of the Vendors. The Company proposes to acquire ScandiVanadium from the Vendors under the Acquisition. Accordingly:</p> <ul style="list-style-type: none"> <li>• Mr Minchin (or his nominee/s) will receive a proportion of the Consideration Securities on completion of the Acquisition (being 24,642,857 Shares and 49,285,718 Performance Shares in total); and</li> </ul>	Sections 8.3, 8.4, 8.5 and 8.6

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Topic	Summary	Details
	<ul style="list-style-type: none"> <li>Mr Munro's associated entity (or its nominee/s) will also receive a proportion of the Consideration Securities on completion of the Acquisition (being 4,017,857 Shares and 8,035,714 Performance Shares in total).</li> </ul> <p>Upon completion of the Acquisition, Messrs Munro, Minchin, Burvill and Robertson (or their nominee/s) will also receive the following Management Options:</p> <ul style="list-style-type: none"> <li>Mr Munro: 11,250,000 Management Options;</li> <li>Mr Minchin: 18,750,000 Management Options;</li> <li>Mr Burvill: 6,750,000 Management Options; and</li> <li>Mr Robertson: 6,750,000 Management Options.</li> </ul> <p>In addition, Messrs Munro, Burvill and Robertson (or their nominee/s) will also apply for up to the following number of Shares under the Public Offer:</p> <ul style="list-style-type: none"> <li>Mr Munro: 2,000,000 Shares for \$54,000;</li> <li>Mr Burvill: 1,000,000 Shares for \$27,000; and</li> <li>Mr Robertson: 2,000,000 Shares for \$54,000.</li> </ul>	
Are there any relationships between the Company and parties involved in the Acquisition or Offers that are relevant to investors?	<p>Proposed Director David Minchin is a Vendor and Proposed Director Brandon Munro is associated with another one of the Vendors. The Company proposes to acquire ScandiVanadium from the Vendors under the Acquisition. Accordingly:</p> <ul style="list-style-type: none"> <li>Mr Minchin (or his nominee/s) will receive a proportion of the Consideration Securities on completion of the Acquisition (being 24,642,857 Shares and 49,285,718 Performance Shares in total); and</li> <li>Mr Munro's associated entity (or its nominee/s) will also receive a proportion of the Consideration Securities on completion of the Acquisition (being 4,017,857 Shares and 8,035,714 Performance Shares in total).</li> </ul>	Section 8.4
What are the terms and conditions of the Management Options being granted to Management?	<p>The Management Options will be granted for nil consideration as long-term incentives for Management. 50% of the Management Options will vest immediately and the remaining 50% will vest after 12 months, subject to the relevant recipient remaining in their role or position with the Company unless there is a Change of Control Event in which case the Options will vest after 12 months regardless of whether or not the recipient remains in that role or position.</p> <p>Further terms and conditions of the New Options are set out in Section 15.3.</p>	Sections 15.3

#### 4.6 Miscellaneous

Topic	Summary	Details
What material contracts are the Company and ScandiVanadium a party to?	<p>The material contracts of the Company and ScandiVanadium comprise:</p> <ul style="list-style-type: none"> <li>the Acquisition Agreement;</li> <li>executive service agreement with David Minchin;</li> <li>consulting agreements with entities associated with Brandon Munro, Simon Robertson and John Turney; and</li> </ul>	Sections 8.6, 8.7 and 14

	<ul style="list-style-type: none"> <li>the Lead Manager mandate.</li> </ul>	
<p>What is the financial position of the Company and ScandiVanadium post completion of the Offers and the Acquisition?</p>	<p>The Company is currently listed on ASX and its financial history, including its 2018 Annual Report for the period ended 30 June 2018 are available on its website (<a href="http://www.assemblebay.com.au">www.assemblebay.com.au</a>).</p> <p>ScandiVanadium and ScandiUK are recently incorporated and their operations have focussed on the Skåne Project. They have incurred costs in doing so and made consolidated net losses of \$40,376 for the period from incorporation to 31 July 2018.</p> <p>Further financial information regarding the Company and ScandiVanadium is set out in Section 11 and the Investigating Accountant’s Report in Section 12.</p>	<p>Sections 11 and 12</p>
<p>Will any Securities be subject to escrow?</p>	<p>Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and the Shares being reinstated to trading on ASX, certain of the Securities issued will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date the reinstatement.</p> <p>No Shares issued under the Public Offer or Convertible Note Offer are expected to be subject to escrow.</p> <p>All of the Consideration Securities to be issued under the Vendor Offer will be subject to ASX escrow for 24 months from reinstatement.</p> <p>All of the New Options to be issued under the Management Offer and Adviser Option Offer will be subject to ASX escrow for 24 months from reinstatement.</p> <p>Refer to Section 6.13 for further details of the escrow arrangements.</p>	<p>Section 6.13</p>

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## 5. Chairman's Letter

Dear Investor

On behalf of the Board of AssembleBay Limited, proposed to be renamed ScandiVanadium Ltd, I am pleased to present this Prospectus and invite you to become a security holder in the Company.

The Company has agreed to purchase, subject to shareholder and regulatory approvals, 100% of ScandiVanadium which owns the Skåne Project in southern Sweden. The Skåne Project comprises two exploration permits and a further nine applications for exploration permits in southern Sweden, about an hour's drive from the town of Malmö and 80 kms by road from the busy port of Trelleborg.

The Skåne Project is prospective for vanadium mineralisation, hosted in shale rocks of the Dictyonema Formation, a shallow dipping, sedimentary horizon that outcrops in several areas on the Skåne Project area.

This Prospectus has been issued by the Company for a public offering of 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 (before costs). Oversubscriptions of a further 18,518,518 Shares at a price of \$0.027 each may be accepted to raise an additional \$500,000.

The Company intends to use the funds raised from the Public Offer primarily to drill test the continuation of the Dictyonema Formation observed at surface, undertake metallurgical testwork and to conduct community and stakeholder engagement.

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules. It also contains secondary offers in the form of the Vendor Offer (in connection with the acquisition of ScandiVanadium), the Convertible Noteholder Share Offer, the Management Offer and the Adviser Offer (refer Sections 6.2 to 6.5 for details of secondary offers).

This Prospectus contains information on the Offers, the Skåne Project, the current and proposed operations of the Company, proposed Board and management changes, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 13).

On behalf of the Board, I commend the Offers to you and look forward to welcoming you as a security holder of the Company.

Yours sincerely



Simon Robertson  
Chairman

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## 6. Details of the Offers

### 6.1 The Public Offer and Minimum Subscription

Pursuant to this Prospectus, the Company offers 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 (before costs of the Offers) (**Public Offer**). Oversubscriptions of a further 18,518,518 Shares at an issue price of \$0.027 each to raise a further \$500,000 may be accepted.

The minimum level of subscription of the Public Offer is 92,592,593 Shares to raise \$2,500,000 (before costs) (**Minimum Subscription**). No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies received (without interest) in accordance with the Corporations Act. The maximum level of subscription under the Public Offer is 111,111,111 Shares to raise \$3,000,000 (before costs) (**Maximum Subscription**).

All Shares issued pursuant to the Public Offer will rank equally with the existing Shares on issue. Please refer to Section 15.1 for further information regarding the rights and liabilities attaching to the Shares.

Please refer to Section 6.16(a) for details on how to apply for Shares under the Public Offer.

### 6.2 The Vendor Offer

Pursuant to this Prospectus, the Company also offers 56,250,000 Shares and 112,500,000 Performance Shares to the Vendors (or their nominee/s) in consideration for the acquisition of all of the issued capital of ScandiVanadium (**Vendor Offer**).

All Shares issued pursuant to the Vendor Offer will rank equally with the existing Shares on issue. Please refer to Section 15.1 for further information regarding the rights and liabilities attaching to the Shares. The Performance Shares issued pursuant to the Vendor Offer will have the terms and conditions set out in Section 15.2.

Please refer to Section 6.16(b) for details of how to apply for Shares and Performance Shares under the Vendor Offer.

### 6.3 The Convertible Noteholder Share Offer

Pursuant to this Prospectus, the Company also offers 6,018,519 Shares to the ScandiVanadium Noteholders (or their nominee/s) in satisfaction of the ScandiVanadium Note Debt (**Convertible Noteholder Share Offer**). See Section 14.2 for further details.

The ScandiVanadium Noteholders are not related to the Company.

All Shares issued pursuant to the Convertible Noteholder Share Offer will rank equally with the existing Shares on issue. Please refer to Section 15.1 for further information regarding the rights and liabilities attaching to the Shares.

Please refer to Section 6.16(c) for details of how to apply for Shares under the Convertible Noteholder Share Offer.

## 6.4 The Management Offer

Pursuant to this Prospectus, the Company also offers 47,500,000 Management Options to Management (or their nominee/s) (**Management Offer**).

Management comprises current Director Simon Robertson, proposed Directors Brandon Munro, David Minchin and Ian Burvill, and proposed specialist metallurgical consultant, John Turney. See Sections 8.1, 8.2 and 8.6(a) for further details.

The Management Options will be issued for nil cash consideration. 50% of the Management Options will vest immediately and the remaining 50% will vest after 12 months, subject to the relevant recipient remaining in their role or position with the Company unless there is a Change of Control Event in which case the Options will vest after 12 months regardless of whether or not the recipient remains in that role or position. Please refer to Section 15.3 for further information regarding the general terms and conditions of the Management Options.

Please refer to Section 6.16(d) for details of how to apply for Management Options under the Management Offer.

## 6.5 The Adviser Offer

Pursuant to this Prospectus, the Company also offers 12,500,000 Options (**Adviser Options**) to the Advisers (or their nominees) for assisting the Company raising capital under the Public Offer (**Adviser Offer**). This includes 4,000,000 Adviser Options proposed to be issued to PAC Partners (see Section 6.13).

The Adviser Options will be issued at a price of \$0.0001 each. Please refer to Section 15.3 for further information regarding the general terms and conditions of the Adviser Options.

Please refer to Section 6.16(e) for details of how to apply for Options under the Adviser Offer.

## 6.6 Conditions of the Public Offer

The Public Offer is conditional upon the following events occurring:

- (a) the Company receiving the Minimum Subscription under the Public Offer (being \$2,500,000) (see Section 6.1);
- (b) Shareholders approving the Acquisition Resolutions at the General Meeting (see Section 6.7);
- (c) completion of the Acquisition; and
- (d) ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the Listing Rules and receiving conditional approval for re-quotation from ASX subject only to the usual terms and conditions on which such conditional approval is given by ASX,

(together the **Conditions of the Public Offer**).

Shareholders approved the Acquisition Resolutions at the General Meeting.

If the remaining Conditions of the Public Offer are not achieved then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

If the Public Offer does not proceed, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.

## 6.7 General Meeting

At the General Meeting the Company sought and obtained Shareholder approval:

- (a) for the change in nature and scale of the activities of the Company as a result of the Acquisition;
- (b) for the acquisition of ScandiVanadium and to issue the Consideration Securities to the Vendors (or their nominee/s);
- (c) to create a new class of Securities (being the Performance Shares);
- (d) to issue the Convertible Noteholder Shares to the ScandiVanadium Noteholders (or their nominee/s);
- (e) to issue Shares pursuant to the Public Offer;
- (f) for the Consolidation;
- (g) to change of the Company's name to "ScandiVanadium Ltd";
- (h) to appoint Brandon Munro, David Minchin and Ian Burvill to the Board;
- (i) to adopt the new Employee Securities Incentive Plan (see Section 15.4 for a summary of the Plan);
- (j) for the grant of the Management Options to Management (or their nominee/s);
- (k) to issue the Adviser Options the subject of the Adviser Offer to the Advisers (or their nominees);
- (l) for Brandon Munro, Ian Burvill and Simon Robertson to participate in the Public Offer;
- (m) for the adoption of a new constitution; and
- (n) to approve the proportional takeover provisions in the proposed new constitution.

The **Acquisition Resolutions** were those resolutions associated with the approval of items (a) to (f) above.

## 6.8 Re-compliance with Chapters 1 and 2 of the Listing Rules

The Company will undergo a change in the nature and scale of the Company's activities as a result of the Acquisition. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company's shares have been suspended from trading since April 2017 and will remain suspended until the Company complies with Chapters 1 and 2 of the Listing Rules and any conditions ASX imposes on reinstatement, and has been readmitted to the Official List.

There is a risk that the Company may not be able to meet the requirements for re-quotations on the ASX. If the Conditions of the Public Offer are not satisfied or the Company does not receive conditional approval for re-quotations on ASX, then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest). If the Public Offer does not proceed, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.

ASX has an absolute discretion to re-admit the Company to the ASX Official List, and the Acquisition may not proceed if the Company does not meet ASX's requirements, even though the Acquisition has been approved by Shareholders.

The Company will apply to ASX no later than seven days from the date of this Prospectus for Official Quotation of the Shares issued under the Public Offer and Convertible Noteholder Share Offer pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full (without interest) in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation of the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

## **6.9 Purpose of the Public Offer**

The purpose and key objectives of the Public Offer are to:

- (a) assist the Company to meet the requirements of ASX to re-comply with ASX's admission requirements under Chapters 1 and 2 of the Listing Rules;
- (b) provide funding for the Company's expenditure commitments under the Skåne Project (see Section 6.10);
- (c) meet the costs of the Offers; and
- (d) provide general working capital and administration expenditure.

## 6.10 Use of funds

The Company intends to apply the funds raised from the Public Offer together with existing cash reserves over the first year following reinstatement to quotation of the Company's shares on ASX as follows:

Item	Minimum Subscription \$	Maximum Subscription \$
<b>Total Funds Available (per pro forma before costs)<sup>1</sup></b>	<b>\$4,995,616</b>	<b>\$5,495,616</b>
Phase 1 exploration drilling campaign	\$550,000	\$550,000
Phase 2 in-fill drilling campaign	\$860,000	\$1,160,000
Metallurgy studies	\$410,000	\$510,000
Scoping study preparation including mineral resource estimation	\$270,000	\$270,000
Environmental base line studies and community engagement	\$220,000	\$220,000
<b>Total Exploration Expenditure (Granted Exploration Permits)<sup>2</sup></b>	<b>\$2,310,000</b>	<b>\$2,710,000</b>
Phase 1 exploration drilling campaign (Applications – see Section 7.2(b) for details) <sup>3</sup>	\$300,000	\$300,000
<b>Total Exploration Expenditure (Granted Exploration Permits and Applications)</b>	<b>\$2,610,000</b>	<b>\$3,010,000</b>
Estimated costs of the Offers	\$375,400	\$408,400
General working capital, including corporate and administrative costs <sup>4</sup>	\$2,010,216	\$2,077,216
<b>TOTAL FUNDS ALLOCATED</b>	<b>\$4,995,616</b>	<b>\$5,495,616</b>

### Notes

- The Company is proposing the Public Offer to raise a minimum of \$2.5 million through the issue of 92,592,593 Shares at \$0.027 each with the ability to accept oversubscriptions of up to \$500,000 by way of the issue of an additional 18,518,518 Shares at \$0.027 each for an aggregate \$3 million.
- The Company has total budgeted expenditure of \$2,310,000 allocated to planned exploration activities on those areas of the Skåne Project comprising the Granted Exploration Permits (ie those tenements that have been granted to ScandiUK as at the date of this Prospectus). For further information, see Section 7.2(b), the Independent's Geologist's Report in Section 9 and the Title Report contained in Section 10.
- The Company has budgeted an additional \$300,000 for exploration activities on those areas of the Skåne Project where applications for exploration permits made by ScandiUK are yet to be granted. The amount of expenditure will depend on the timing of grant of those applications. Any unused funds will be allocated to general working capital.
- General working capital will be utilised by the Company to meet corporate and administrative costs up to and following re-listing, to pay for cost overruns in budgeted expenditures (if any) and may be allocated to additional exploration activities depending on the results of planned exploration activities.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the permitting, approvals and consents processes for the Skåne Project, the outcome of exploration and study and evaluation activities,

further acquisitions, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives as set out in this Prospectus.

## 6.11 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Shares	Performance Shares	Options
<b>Pre-consolidation</b>			
Currently on issue	237,982,218	-	25,000,000
<b>Post-consolidation<sup>1</sup></b>			
Currently on issue	178,486,664	-	18,750,000 <sup>2</sup>
Public Offer – Minimum Subscription <sup>3</sup>	92,592,593	-	-
Options issued to Management (or their nominee/s) <sup>4</sup>	-	-	47,500,000
Consideration Securities issued to the Vendors (or their nominee/s)	56,250,000	112,500,000 <sup>5</sup>	-
Options issued to the Advisers (or their nominees) <sup>6</sup>	-	-	12,500,000
Shares issued to ScandiVanadium Noteholders (or their nominee/s) <sup>7</sup>	6,018,519	-	-
<b>Total – Minimum Subscription</b>	<b>333,347,775</b>	<b>112,500,000</b>	<b>78,750,000</b>
Public Offer – Oversubscriptions <sup>3</sup>	18,518,518	-	-
<b>Total – Maximum Subscription</b>	<b>351,866,293</b>	<b>112,500,000</b>	<b>78,750,000</b>

### Notes:

- The Company received Shareholder approval on 12 September 2018 to consolidate its share capital on the basis of three securities for every four securities on issue.
- Options exercisable at \$0.027 each on a post-consolidation basis (expiring 4 Mar 2019).
- The Public Offer will raise a minimum of \$2.5 million through the issue of 92,592,593 Shares at \$0.027 each with the ability to accept oversubscriptions of up to \$500,000 by way of the issue of 18,518,518 Shares at \$0.027 each for an aggregate \$3 million.
- Comprising unlisted New Options for Management which are exercisable at \$0.04 expiring 4 years from the date of issue. 50% of the Management Options will vest immediately and the remaining 50% will vest after 12 months, subject to the relevant recipient remaining in their role or position with the Company unless there is a Change of Control Event in which case the Options will vest after 12 months regardless of whether or not the recipient remains in that role or position. The terms and conditions of the Management Options are set out in Sections 6.4 and 15.3.

5. Comprising:
- 56,250,000 Class A Performance Shares that will convert into Shares on a one-for-one basis on the delineation of an inferred mineral resource of 50,000,000 tonnes at a minimum average grade of 0.5% V<sub>2</sub>O<sub>5</sub> being achieved within 24 months of the relisting of the Company; and
  - 56,250,000 Class B Performance Shares that will convert into Shares on a one-for-one basis on the publication of a pre-feasibility study demonstrating the viability of a proposed mine at the Skåne Project being achieved within 42 months of the relisting of the Company
- The Performance Shares convert on a Change of Control Event (subject to a cap of 10% of shares on issue). Full terms and conditions of the Performance Shares are set out in Section 15.2.
6. Comprising unlisted New Options issued to the Advisers (or their nominees) which are exercisable at \$0.04 expiring 4 years from the date of issue. This includes 4,000,000 Adviser Options proposed to be issued to PAC Partners (see Section 6.13). The terms and conditions of the Adviser Options are set out in Sections 6.4 and 15.3.
7. ScandiVanadium currently has \$130,000 worth of Convertible Notes on issue and a nominal amount of cash. The obligation to repay the ScandiVanadium Note Debt will be assigned to, and assumed by, the Company with effect from completion of the Acquisition, and then satisfied by the issue of the Convertible Noteholder Shares (at a deemed issue price of \$0.0216 per Share).

## **6.12 Public Offer not underwritten**

The Public Offer is not underwritten.

## **6.13 Lead Manager**

The Company has appointed PAC Partners to act as lead manager for the Public Offer and to raise the full amount of the Public Offer on a best endeavours basis.

For performing this roles, the Company will:

- (a) pay PAC Partners a capital raising fee in cash of 5% of the gross proceeds limited to those raised by PAC Partners under the Public Offer (excluding GST);
- (b) pay PAC Partners a management fee in cash of 1% of the gross cash proceeds raised under the Public Offer (plus GST); and
- (c) issue to PAC Partners and/or nominees 4,000,000 Adviser Options (each exercisable at \$0.04 and expiring four years after issue) as part of the Adviser Offer.

Refer to Section 14.3 for a summary of the terms of the Lead Manager Mandate.

## **6.14 Restricted securities**

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and the Company's shares being reinstated to trading on the ASX, certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to quotation of the Company's shares on ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

It is anticipated that:

- 56,250,000 Shares and 112,500,000 Performance Shares (and 112,500,000 Shares issued on conversion of those Performance Shares) to be issued to the Vendors (or their nominee/s) as consideration for the acquisition of ScandiVanadium (being the Consideration Securities to be issued under the Vendor Offer) will be subject to ASX escrow for 24 months from reinstatement;

- 47,500,000 New Options to be granted to Management (or their nominee/s) (being the Management Options the subject of the Management Offer) and 47,500,000 Shares issued on exercise of such Options will be subject to ASX escrow for 24 months from reinstatement;
- 12,500,000 New Options to be issued to the Advisers (or their nominees) for assisting the Company in raising capital under the Public Offer (being the Adviser Options to be issued under the Adviser Offer) and 12,500,000 Shares issued on exercise of such Options will be subject to ASX escrow for 24 months from reinstatement.

None of the Shares issued under the Public Offer and Convertible Note Offer are expected to be restricted securities.

The Vendors and other relevant parties have acknowledged that some or all of the Consideration Securities, the Management Options and the Adviser Options may be escrowed in accordance with the requirements of ASX and will sign (or procure that its nominee/s sign) such form of restriction agreement as required by ASX.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. Prior to the Company's shares being reinstated to trading on the ASX, the Company will enter into restriction agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

## 6.15 Dividend policy

The Company does not expect to declare any dividends in the near future as its focus will be primarily on its expenditure commitments for the Skåne Project.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on matters such as 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 Directors. No assurances can be given by the Company in relation to the payment of dividends or that franking credits may attach to any dividends.

## 6.16 How to apply

### (a) Public Offer

Applications for Shares under the Public Offer will only be accepted on the general application form accompanying this Prospectus (**Public Offer Application Form**). The Public Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

The Public Offer Application Form must be accompanied by a personal cheque, payable in Australian dollars, or an electronic transfer to the bank account advised by the Company, for an amount equal to the number of Shares for which the Applicant wishes to apply multiplied by the Application price of \$0.027 per Share. Cheques must be made payable to "**AssembleBay Limited – Share Offer Account**" and should be crossed "**Not Negotiable**".

Applications for Shares must be for a minimum of 74,075 Shares (\$2,000.03).

Completed Public Offer Application Forms and accompanying cheques (or payment to the bank account advised by the Company) must be received by the Share Registry before 5.00pm (AEST) on the Closing Date at the following address:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Vic 3001 Australia

Applicants under the Public Offer are urged to lodge their Public Offer Application Forms as soon as possible as the Public Offer may close early without notice.

An original, completed and lodged Public Offer Application Form, together with a cheque for the Application Monies or an electronic transfer to the bank account advised by the Company, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Public Offer Application Form. The Public Offer Application Form does not need to be signed to be valid. If the Public Offer Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Public Offer Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or direct transfer for the Application Monies.

(b) **Vendor Offer**

The Vendor Offer is an offer to the Vendors (and their nominee/s) only.

Only the Vendors (and their nominee/s) may apply for Shares and Performance Shares under the Vendor Offer.

A personalised application form will be issued to the Vendors (and its nominee/s), together with a copy of this Prospectus (**Vendor Offer Application Form**). The number of Shares and Performance Shares to be offered to the Vendors (and its nominee/s) will be outlined in the Vendor Offer Application Form provided by the Company. The Company will only provide the Vendor Offer Application Form to the Vendors (and their nominee/s).

In order to apply for the issue of Shares and Performance Shares under the Vendor Offer, you must complete and return the personalised Vendor Offer Application Form to:

Company Secretary  
AssembleBay Limited  
68 Aberdeen Street  
Northbridge WA 6003

by no later than 3.00pm (AWST) on the Closing Date. If you do not return your Vendor Offer Application Form by this time and date, then the Vendor Offer will lapse.

(c) **Convertible Noteholder Share Offer**

The Convertible Noteholder Share Offer is an offer to the ScandiVanadium Noteholders (and their nominee/s) only.

Only the ScandiVanadium Noteholders (and their nominee/s) may apply for Shares under the Convertible Noteholder Share Offer.

A personalised application form will be issued to the ScandiVanadium Noteholders (and their nominee/s), together with a copy of this Prospectus (**Convertible Noteholder Share Offer Application Form**). The number of Shares to be offered to the ScandiVanadium Noteholders (and their nominee/s) will be outlined in the Convertible Noteholder Share Offer Application Form

provided by the Company. The Company will only provide the Convertible Noteholder Share Offer Application Form to the ScandiVanadium Noteholders (and their nominee/s).

In order to apply for the issue of Shares under the Convertible Noteholder Share Offer, you must complete and return the personalised Convertible Noteholder Share Offer Application Form to:

Company Secretary  
AssembleBay Limited  
68 Aberdeen Street  
Northbridge WA 6003

by no later than 3.00pm (AWST) on the Closing Date. If you do not return your Convertible Noteholder Share Offer Application Form by this time and date, then the Convertible Noteholder Share Offer will lapse.

(d) **Management Offer**

The Management Offer is an offer to Management (and their nominee/s) only.

Only Management (and their nominee/s) may apply for Management Options under the Management Offer.

A personalised application form will be issued to Management (and their nominee/s), together with a copy of this Prospectus (**Management Offer Application Form**). The number of Management Options to be offered to Management (and their nominee/s) will be outlined in the Management Offer Application Form provided by the Company. The Company will only provide the Management Offer Application Form to Management (and their nominee/s).

In order to apply for the issue of Management Options under the Management Offer, you must complete and return the personalised Management Offer Application Form to:

Company Secretary  
AssembleBay Limited  
68 Aberdeen Street  
Northbridge WA 6003

by no later than 3.00pm (AWST) on the Closing Date. If you do not return your Management Offer Application Form by this time and date, then the Management Offer will lapse.

(e) **Adviser Offer**

The Adviser Offer is an offer to the Advisers (and their nominees) only.

Only the Advisers (and their nominees) may apply for Shares under the Adviser Offer.

A personalised application form will be issued to the Advisers (and their nominees), together with a copy of this Prospectus (**Adviser Offer Application Form**). The number of Shares to be offered to the Advisers (and their nominees) will be outlined in the Adviser Offer Application Form provided by the Company. The Company will only provide the Adviser Offer Application Form to the Advisers (and their nominees).

In order to apply for the issue of Shares under the Adviser Offer, you must complete and return the personalised Adviser Offer Application Form to:

Company Secretary  
AssembleBay Limited  
68 Aberdeen Street  
Northbridge WA 6003

by no later than 3.00pm (AWST) on the Closing Date. If you do not return your Adviser Offer Application Form by this time and date, then the Adviser Offer will lapse.

#### **6.17 Application monies to be held on trust**

Until the Securities are issued under this Prospectus, the Application Monies for Shares under the Public Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

#### **6.18 Allocation of Securities**

The Directors will determine the recipients of the Shares under the Public Offer. The Directors reserve the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque to the Applicant (without interest).

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Public Offer closes. Securities under the other Offers will be issued on or about the same date as Shares under the Public Offer. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk.

#### **6.19 Applicants outside Australia**

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

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

## 6.20 Commissions on application forms

The Company will pay a capital raising fee of 5% (exclusive of goods and services tax) to licensed securities dealers or Australian Financial Services Licensees in respect of valid Applications lodged and accepted by the Company and bearing the stamp of a licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services Licensee.

## 6.21 CHESS and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). All trading on ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement Pty Ltd (**ASXS**), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASXS will send a CHESS statement.

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

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

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holding changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

## 6.22 Risks

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 13 of this Prospectus. An investment in the Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

## 6.23 Forecast financial information

The Company will only complete the Acquisition shortly before re-quotations of the Shares on the Official List and there will be an integration period following that. In addition, the Company intends to utilise funds raised from the Public Offer primarily on its expenditure commitments for the Skâne Project. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In the light of uncertainty as to timing and outcome of the Company's growth strategies, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and, accordingly, financial forecasts have not been included in this Prospectus.

## 6.24 Privacy statement

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

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

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

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

## 6.25 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers by consulting their own professional tax advisers.

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

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or otherwise.

## 6.26 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers can be directed to the Company on (08) 6555 2955.

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## 7. Company, Skåne Project and Vanadium Market Overview

### 7.1 Introduction

#### Background

The Company is an Australian public company that was incorporated in 1993 and listed on ASX in 1994. Most recently, the Company conducted the AssembleBay business, which comprised a web platform focussed on matching people who want items assembled (clients) with people who provide assembly services (workers) in a convenient online competitive bid environment. In December 2017 the Company announced to ASX it had formed the view that the AssembleBay business model was no longer viable and, consequently, decided to cease operating the AssembleBay business and discontinue the platform and its website with immediate effect.

The Company's shares have been suspended from trading on ASX since April 2017.

#### Proposed Acquisition

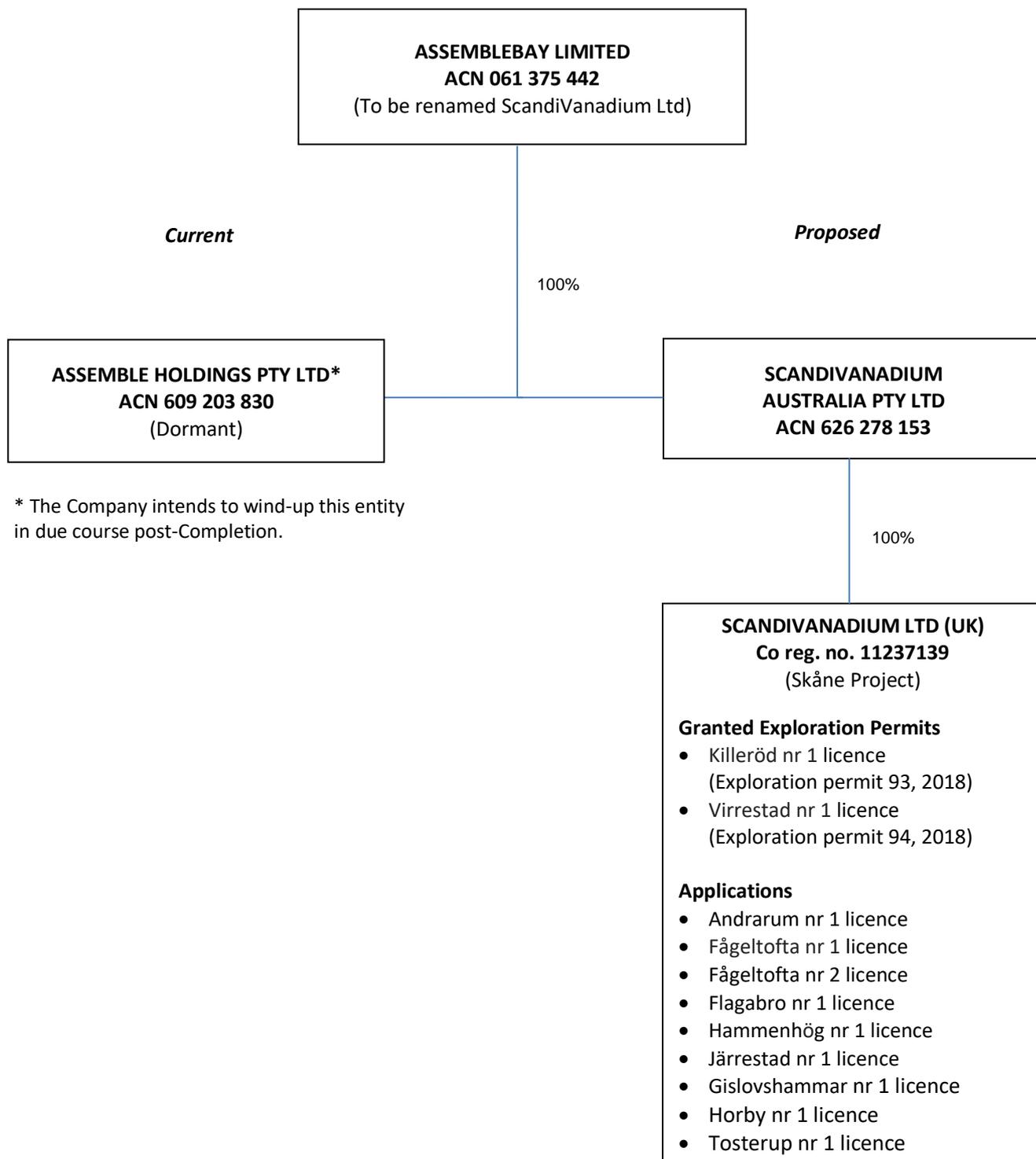
As announced to ASX on 31 July 2018, the Company has entered into a conditional acquisition agreement (**Acquisition Agreement**) to acquire the Skåne Vanadium Project in Southern Sweden (**Skåne Project**) through the purchase by the Company of all of the issued share capital in ScandiVanadium (**Acquisition**). ScandiVanadium is an Australian proprietary company incorporated in May 2018 for the purpose of acquiring ScandiUK, which in turn holds two granted exploration permits at the Skåne Project and has applied for a further nine exploration permits in the surrounding area (details are set out in Section 7.2(b) and the Independent Geologist's Report in Section 9 and Title Report in Section 10).

The key terms of the Acquisition Agreement are set out in Section 14.2.

The Company's proposed strategy post completion of the Offers and the Acquisition is to focus its activities on the exploration, discovery and development of mineral deposits at the Skåne Project. The Company currently has no other material business or operations.

## Group Structure

The following diagram sets out a group structure chart for the Company following completion of the Acquisition:



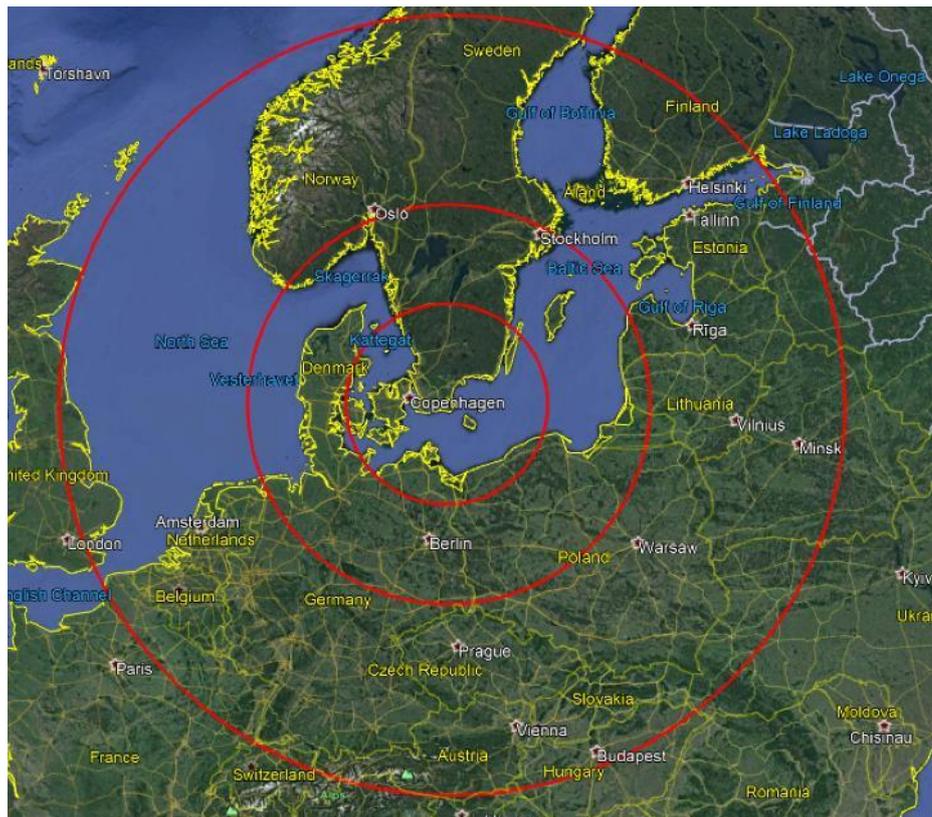
## 7.2 Overview of Skåne Project

### (a) Location

Skåne is located on the southern-most tip of Sweden, with the Skåne Project area about 1 hour's drive from Malmö and 90 minutes' drive from Copenhagen, the nearest international airport. The area is rural, characterised by seasonal tourism and agriculture. The primary exploration targets are situated on agricultural land. Although there are nature reserves or conservation areas within the Skåne Project area, the primary exploration targets do not interfere with this area.

Skåne has excellent infrastructure connections to Copenhagen and European markets including paved roads, grid power and telecommunication towers throughout the district. The Port of Trelleborg is 80kms by road from the Skåne Project area. Trelleborg is Scandinavia's largest Roll on/Roll off port, offering a logistics centre with 8 berths suitable for vessels up to 240m long including 3 cargo berths that are directly rail-linked. The project is also connected to the continent by road and rail via the Øresund Bridge, completed in 2000, that connects Malmo to Copenhagen and is 90km by road from the Skåne Project area.

Figure 1 shows the Project Skåne area location within Europe.



**Figure 1 - Location of the Project Skåne area within Europe**

Sweden is a member of the European Union and the 2017 Fraser Institute Policy Perception Index rated Sweden as the 4<sup>th</sup> most attractive jurisdiction in the world on ease and certainty of conducting mining and exploration activities. Sweden has amongst the lowest mining royalties globally at 0.2% and a corporate income tax rate of 22%.

**(b) Tenements**

ScandiUK has been granted the following exploration permits from the Mining Inspectorate of Sweden (**Mining Inspectorate**):

- (a) Killeröd nr 1 licence (exploration permit 93, 2018), comprising 3524.98 Ha (**Killeröd nr 1**), and
- (b) Virrestad nr 1 licence (exploration permit 94, 2018), comprising 597.75 Ha (**Virrestad nr 1**),

together the **Granted Exploration Permits**.

For further information, see the Title Report in Section 10.

Separately, ScandiUK has also applied to the Mining Inspectorate for the following exploration permits in order to achieve greater coverage of potentially prospective areas:

- (a) Andrarum nr 1 licence (Docket 000469/2018), comprising 3242.98 Ha.
- (b) Fågeltofta nr 1 licence (Docket 000299/2018), comprising 722.29 Ha
- (c) Fågeltofta nr 2 licence (Docket 000471/2018), comprising 701.8 Ha.
- (d) Flagabro nr 1 licence (Docket 000470/2018), comprising 1738.42 Ha.
- (e) Hammenhög nr 1 licence (Docket 000473/2018), comprising 3128.57 Ha.
- (f) Järrestad nr 1 licence (Docket 000474/2018), comprising 4399.17 Ha.
- (g) Gislovshammar nr 1 licence (Docket 000472/2018), comprising 44.31 Ha.
- (h) Horby nr 1 licence (Docket 000475/2018), comprising 1709.08 Ha, and
- (i) Tosterup nr 1 licence (Docket 000476/2018), comprising 1983.57 Ha

ScandiUK is not aware of any issue preventing the grant of exploration permits for these applications. For further information, see the Title Report in Section 10.

Figure 2 shows the location of the specific tenements in the Skåne Project area, with the white outlined areas comprising the Granted Exploration Permits.

Full details are set out in the Independent Geologist's Report in Section 9 and the Title Report in Section 10.

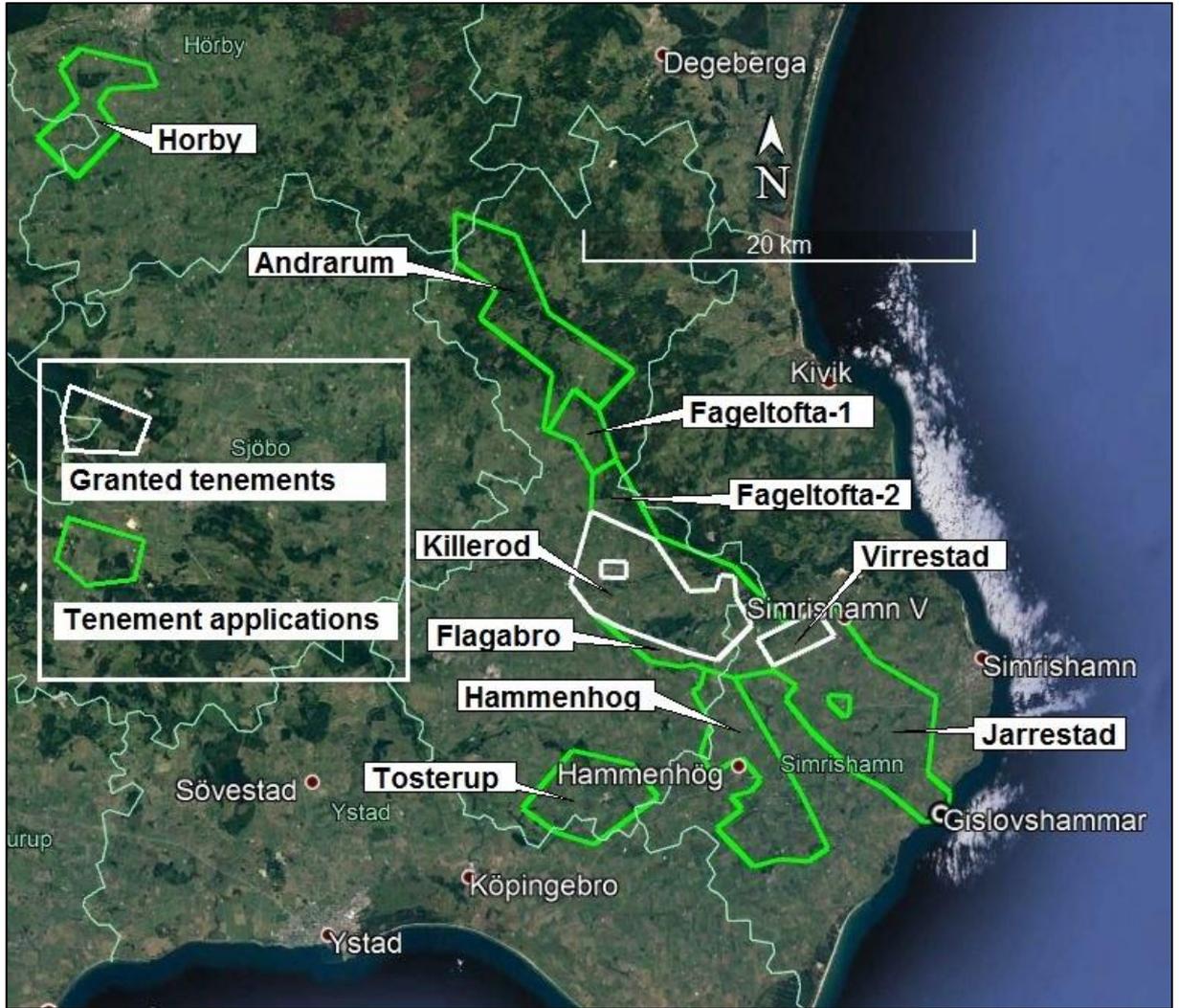


Figure 2 - Skåne Project area

ScandiUK is of the view that the area covered by the Granted Exploration Permits is likely the most prospective for the Skåne Project after having reviewed historical information for the project area (see below) and exploration work planned for the first 12 months post-relisting will focus on the ground within the Granted Exploration Permits. The other applications made by ScandiUK will, if granted, secure surrounding ground in the region prospective for black shale hosted vanadium.

Exploration permits that are granted in the region of the Skåne Project are valid for a period of three years and can be prolonged for a maximum of 15 years under special conditions. An exploration permit grants the holder an exclusive right to exploration and a preferential right to an exploitation concession.

The area comprising the Granted Exploration Permits will be sufficient for ScandiVanadium to achieve its strategy and objectives.

**(c) Exploration History**

The presence of unusually high concentrations of vanadium in the *Dictyonema Formation* of the Alum shales in Skåne was first identified in 1940 when mining and production of vanadium

pentoxide was conducted during World War II near to the hamlet of Flagabro on an area contained within the Killeröd nr 1 licence application.

Detailed geological maps of the Skåne area have been produced by the Sveriges Geologiska Undersökning (**SGU**) with original maps being periodically updated as further data became available. In addition to field mapping, the SGU undertook high resolution geophysical surveys flown in 1996 at 60m altitude with 16m point distance and 200m line spacing including:

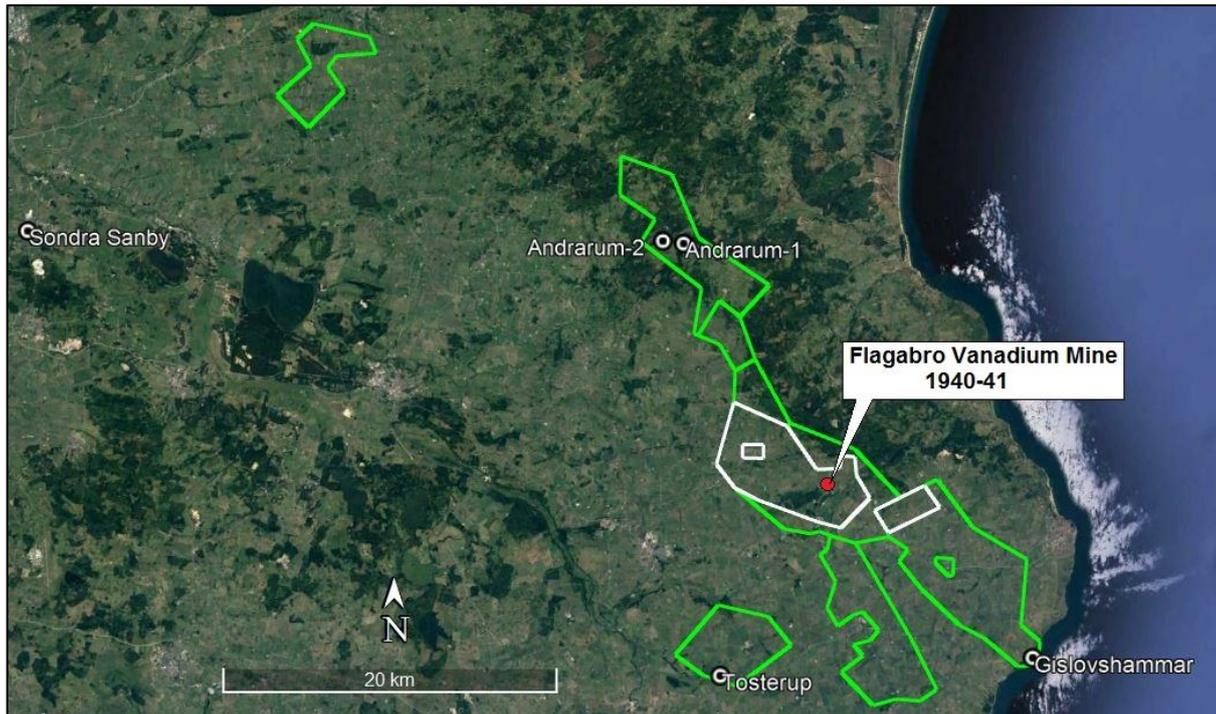
- Multi-spectral radiography
- High resolution magnetics
- Gravity
- Detailed aerial photography and digital terrain mapping

Further detail has been derived from a network of water boreholes which are logged to give depth to the top of each stratigraphic unit. Approximately 140 logged water boreholes are present on the Skåne Project area. This data shows that the Alum Shale occurs as a flat lying unit broken into blocks by a series of faults. Borehole data assists with the development of a regional stratigraphic model for calculation of an exploration target and identifying areas for drill testing.

The Alum shale of Skåne has been the subject of many investigations with historic boreholes and data stored in the archives of the SGU. The *Dictyonema Formation* has not been universally logged, often being grouped together with the Alum shale. Where *Dictyonema Formation* is recorded, thickness is consistent across the province. Thickness of *Dictyonema Formation* across the project areas has been estimated from stratigraphic boreholes drilled in the 1940s:

- 8.5m at Andrarum
- 10m at Gislövshammar
- 15m at Tosterup
- 11m at Flagabro (recorded from outcrop)

Core from boreholes in the 1940s (see Figure 7) were assayed for vanadium with elevated vanadium results reported. However, sampling and analytical techniques are not known and original assay results have been lost.



**Figure 3 – Location of 1941/42 diamond drillholes**

Extraction of vanadium from Flagabro was recorded during the Second World War but actual production was not recorded. ScandiVanadium geologists have visited the former working quarry and taken rock chip samples from here and the nearby Flagabro Creek (see Figure 4). Rock chip samples were taken for analysis with results presented in Table 1 below.

Sample No	North lat.	East long.	V ppm	V <sub>2</sub> O <sub>5</sub> ppm	Lab	Sample description
F001	No sample taken					
F002	55.57682	14.12678	3,250	0.58%	ALS Sweden	Top of Dictyonema in Flagabro creek
F003	55.57688	14.12724	4,760	0.85%	ALS Sweden	South end of Flagabro quarry
F004	55.57755	14.12790	3,980	0.71%	ALS Sweden	North end of Flagabro quarry
F005	55.57800	14.12715	4,530	0.81%	ALS Sweden	Outcrop in Flagabro creek
F006	No sample taken					
F007	55.57959	14.12734	1,580	0.28%	ALS Sweden	Outcrop in Flagabro creek
F008	55.57999	14.12810	1,740	0.31%	ALS Sweden	Outcrop in Flagabro creek
R001	55.57800	14.12715	na	0.50%	Panalytical UK	Outcrop in Flagabro creek
R002	55.57800	14.12715	na	0.85%	Panalytical UK	Outcrop in Flagabro creek

**Table 1: Details of chip samples taken at Flagabro**

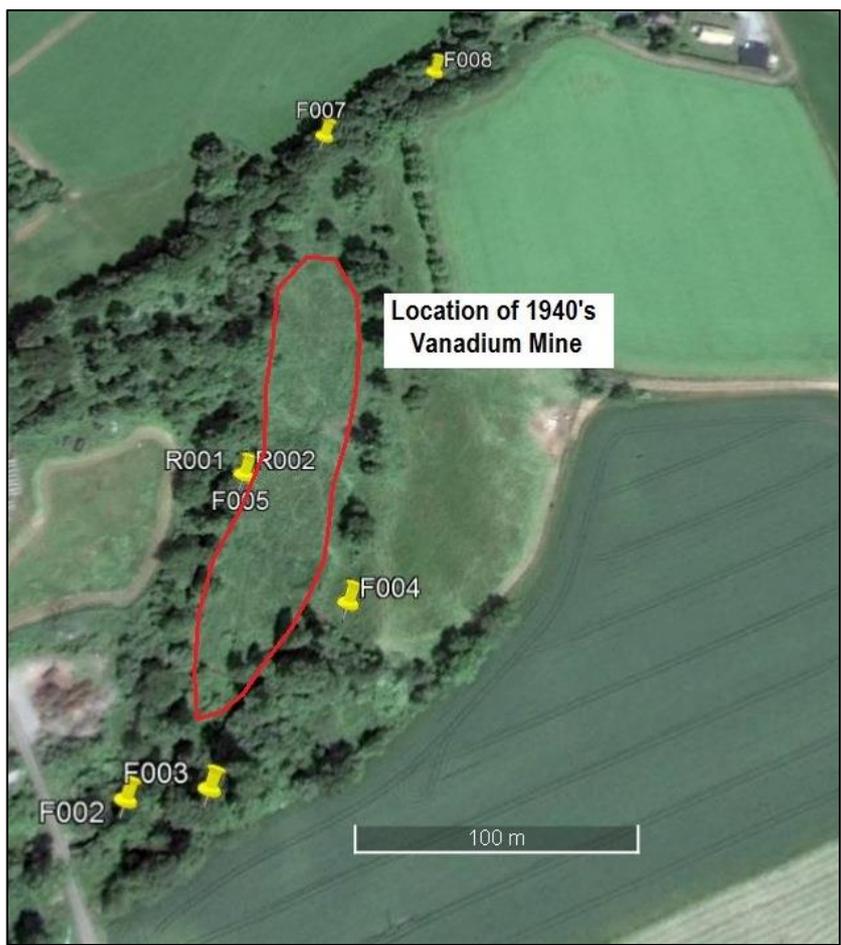


Figure 4 - Sample locations and vanadium assays at Flagabro Creek

Results of mapping and sampling indicate an approximately 10m thick mineralized black shale dipping 6-2° to the west. Grades of the six samples taken within the top 10m of the shale range from 0.5% - 0.85%  $V_2O_5$ .



**Figure 5 - Dictyonema Formation Outcrop at surface. Assay of grab samples from this rock contained 0.81%V<sub>2</sub>O<sub>5</sub>.**

The Gislövhammar borehole was assayed by Schovsbo in 2001 and included in graphic form in his paper '*Why barren intervals? A taphonomic case study of the Scandinavian Alum Shale and its faunas*'. An approximately 1-cm thick slice of half a core, corresponding to 15 g of core material, was picked and scanned for fossils during crushing. Major elements were determined by XRF analysis of glass discs supplemented by atomic absorption and wet chemistry.

The Gislövhammar borehole shows elevated levels of vanadium within the *Dictyonema Formation*. Grades, read from the graph, within the ten point samples taken in the top 10m of *Dictyonema Formation* (circled in red in Figure 6 below) range from approximately 2000 to 4900ppm V, equivalent to 0.36% - 0.88% V<sub>2</sub>O<sub>5</sub>. This borehole location is 15km south-east from the Flagabro mine and illustrates the potential for significant areal extent of the vanadiferous shale.

Gislövshammar drill collar details in UTM Zone 33U coordinates:

East	North	RL	Dip	Depth
456811	6149213	2	-90°	106m

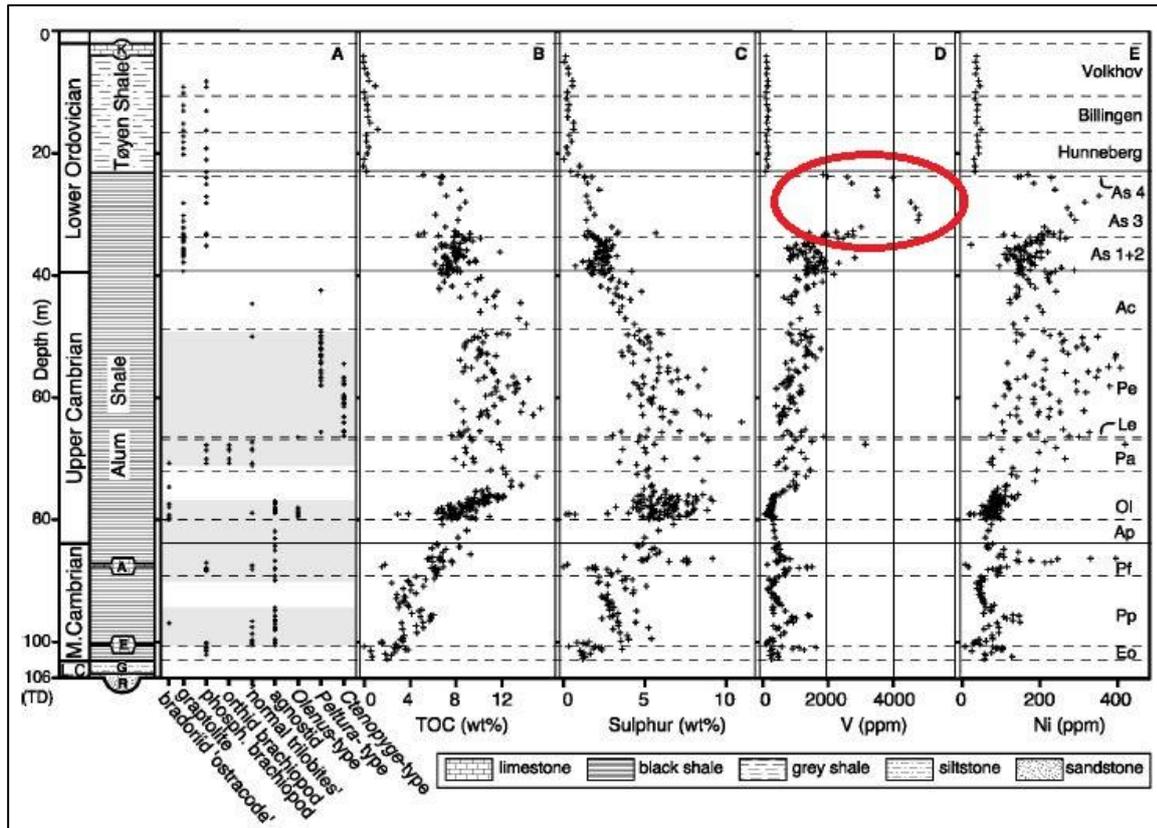


Figure 6 - Gislövshammar Borehole log (from Schovsbro 2001)

**(d) Regional Geology and Mineralisation**

Vanadium black shales are generated by a combination of biological and abiotic processes in a reduced deep-water environment. Upwelling nutrient rich water encourages algal activity in a constrained sedimentary basin with limited terrigenous input. Plankton concentrate vanadium from sea water to act as pigment in chlorophyll and as a primitive defence. Biological concentrations of vanadium were highest in the Cambrian/Ordovician periods as the sun was fainter requiring a darker green colour for efficient photosynthesis.

Algae die and sink to the ocean floor where reducing conditions prevent decomposition and recycling of vanadium back to the ocean. During diagenesis  $V^{3+}$  in organic compounds is adsorbed in vanadium rich clays where it remains trapped. There is also an abiotic contribution caused by the precipitation of vanadium directly from sea water at the redoxcline as vanadium is altered from  $V^{4+}$  (soluble) to  $V^{3+}$  (insoluble), however this is believed to be secondary to the biological process mentioned above.

The Cambrian/Ordovician black shale horizon, referred to as the Alum Shale, was deposited on the southern margin of Iapetus Ocean and is now distributed across Fenno-Scandinavia and into the United Kingdom. Within the Alum Shale certain horizons are higher in Vanadium than others, with the top-most layer, the Early Ordovician *Dictyonema Formation*, being the highest-grade unit.

Occurrence of *Dictyonema Formation* is not consistent across the basin with the unit either not being deposited or being removed by an unconformity across much of northern Sweden. At Skåne, the Alum Shale is over 90m thick with the entire stratigraphic sequence preserved. ScandiVanadium's proposed tenement areas are believed to be unique as they cover the only part of Sweden where *Dictyonema Formation* is located near surface.

## (e) Metallurgy

Black shale vanadium deposits are present in various locations globally and well understood. A range of metallurgical solutions are available to recover vanadium from shale depending on the specific lithological characteristics of each host rock. Although the details of each flow sheet vary, at the most basic level each process works by oxidising immobile  $V^{3+}$  to soluble  $V^{4+}$  or  $V^{5+}$  and then leaching.

At Skåne, vanadium was recovered from *Dictyonema Formation* in the 1940s using a simple process of roasting followed by acid leaching with sulphuric acid. Similarities between Alum Shale and Balasausqandik deposit in Kazakhstan suggest that the deposit would be suitable for pressure acid leach (PAL) in an autoclave. Pilot plant work in Kazakhstan showed this process was able to generate recoveries over 90%<sup>1</sup>, producing high purity flake  $V_2O_5$  which is suitable for the battery industry.

## (f) Exploration Targets

The Company has generated exploration targets for the Skåne Project.

For the area comprising the Granted Exploration Permits, the exploration target is 350 million to 440 million tonnes at an average grade of 0.5% to 0.8%  $V_2O_5$ .

If the remaining applications are granted, the exploration target is 610 million to 1,200 million tonnes at an average grade of 0.5% to 0.8%  $V_2O_5$ .

Figure 7 shows the location of the exploration targets within the specific tenements in the Skåne Project area, with the white outlined areas comprising the Granted Exploration Permits. See Section 7.2(b) for details of the tenements.

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<sup>1</sup> Balasa Vanadium Project CP report for Ferro Alloy Resources Limited ([http://www.ferro-alloy.com/upload/static/presentations-other/en/0551-RPT-001\\_Rev0\\_EN-FINAL%20summary.pdf](http://www.ferro-alloy.com/upload/static/presentations-other/en/0551-RPT-001_Rev0_EN-FINAL%20summary.pdf))

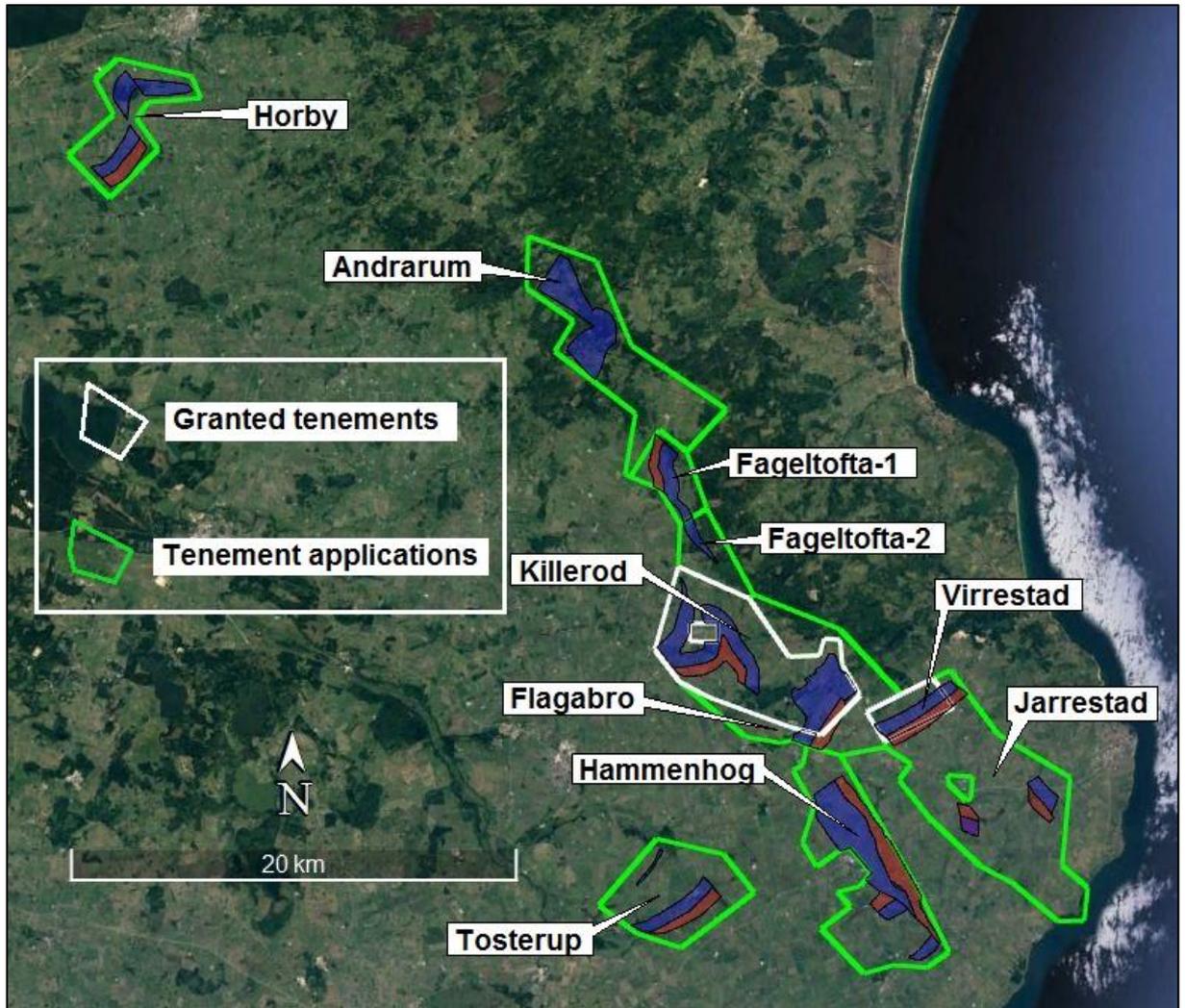


Figure 7 – Map of exploration targets at the Skåne Project

The exploration targets are a statement or estimate of the exploration potential of the mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

It is based on limited exploration results. The tonnages are based on geological mapping by the Swedish Geological Survey and published in their 1:50,000 Bedrock Geology Map series. The grades are based on assaying of three boreholes and particularly on the recent assaying of one borehole, Gislövshammar. In addition, a site visit to the Flagabro outcrop by the Competent Person (see below) incorporated mapping, sampling and assaying of the mineralised Dictyonema Shale and this was also used in determining a grade range for the exploration target.

Full details are set out in the Independent Geologist’s Report in Section 9 (including estimation parameters for the exploration targets).

**Competent Person’s Statement**

The information in this document that relates to exploration results is based on information compiled by Mr Richard Maddocks, a Competent Person who is a Fellow of the Australasian

Institute of Mining and Metallurgy. Mr Maddocks is employed by Auralia Mining Consulting Pty Ltd and is an independent consultant to the Company. Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Maddocks consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

### **7.3 Overview of Vanadium Market**

#### **(a) Introduction**

Vanadium is primarily used to produce high strength specialty steel alloys, with the steel industry accounting for approximately 90% of current vanadium consumption.<sup>2</sup> However, expected demand growth is most pronounced for its use in Vanadium Redox Flow Battery (VRFB) technology for grid storage to complement renewable energy.

Vanadium is rarely mined on its own, often occurring in vanadium-bearing magnetite iron ore, with most current production coming from South Africa, China and Russia, with over 90% of global reserves held in these regions.<sup>3</sup> These deposits typically produce a ferro-vanadium product which is suitable for steel production but requires further refining for application in VRFB technology.

Vanadium is listed as a critical raw material by the EU and is included in the United States Department of Interior's 35 commodities regarded as critical to the economic and national security of the country.

#### **(b) Demand**

Vanadium consumption has experienced a 0.9% compound annual growth rate (CAGR) over the last decade (2007-2017), with the market dominated (91%) by steel usage last year. Robust global steel production is expected to sustain traditional vanadium demand by 2.24% CAGR through to 2027 largely due to the introduction in 2018 of revised tensile strength rebar products in China which in 2017 represented approximately 42% of demand.<sup>4</sup>

Excess iron ore supply is expected to suppress iron ore prices in the medium-term and this price level is unlikely to support production from underutilised co-production steel capacity.

#### **(c) Battery Storage**

Demand for Vanadium Redox Flow Battery (VRFB) technology is expected to grow rapidly because of the proliferation of intermittent renewable generation, such as solar and wind power, and the resultant need for grid storage. VRFB technology is favoured for grid storage over, for instance, lithium ion battery technology because of long lifespan cycles and the ability of a VRFB storage

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<sup>2</sup> <http://www.ferro-alloy.com/en/vanadium/vanadium-market-overview/>

<sup>3</sup> <https://minerals.usgs.gov/minerals/pubs/mcs/2018/mcs2018.pdf>, U.S. Geological Survey, Mineral Commodity Summaries, January 2018, page 181

<sup>4</sup> SPAngel 101 Webinar, 8 May 2018, published at <http://www.bushveldminerals.com/wp-content/uploads/2018/05/Mining-Flash-Note.pdf>

unit to charge and discharge without appreciable loss of capacity.<sup>5</sup> This long operating life complements renewable development projects and enables more favourable financing solutions.

Demand for vanadium used in VRFB applications is expected to grow relatively rapidly with global vanadium consumption required for VRFBs expected to grow from 2% currently to 20% of vanadium production by 2030.<sup>6</sup> Approximately 15 tonnes of vanadium pentoxide is required to construct a 1.6MWh VRFB unit.

Grid scale VRFBs have been deployed to date in California, Washington, Hawaii, Singapore, and Japan. Rongke Power in Dalian province, China, is building an 800MWh VRFB, which will need about 7,000 tonnes of vanadium pentoxide.

#### **(d) Supply**

The vast majority of vanadium mining is in South Africa, north-western China and eastern Russia, with greater than 90% of global reserves attributable to those regions. Worldwide resources exceed 63Mt of contained Vanadium.<sup>7</sup>

The combined impact of Chinese environmental policy change, focussing on improving air emission standards, and bans on imports of waste (including vanadium slags) has triggered a tightening of supply in ferrovandium and V<sub>2</sub>O<sub>5</sub>. Since 2014 global vanadium supply has dropped more than 10%.<sup>8</sup>

Coupled with healthy consumption from traditional metallurgical applications, recent increases in Chinese steel standards to more High Strength Low Alloy steels (HSLA) and emergent VRFB energy storage solutions, vanadium prices have risen significantly from multi-year lows of late 2015 to early 2016.

Vanadium-containing products are centralised around ferrovandium (FeV) and V<sub>2</sub>O<sub>5</sub>. V<sub>2</sub>O<sub>5</sub> represents the most common intermediate product with purities ranging from steelgrade of at least 86% up to 99.8%. Additional processing via aluminothermic reactions of the V<sub>2</sub>O<sub>5</sub> red cake yields ferrovandium products.<sup>9</sup>

Co-production, particularly from Chinese magnetite production, offers significant unutilised supply capacity. However, iron ore economics drive this potential supply source. The combination of expected subdued iron ore prices into the medium term and toughening Chinese environmental standards reduces the probability of this unused capacity playing a major role in meeting growing vanadium demand.

#### **(e) Vanadium Prices**

There is no exchange-based standard price for vanadium. It is traded via over-the-counter (OTC) markets or direct contracts between suppliers, consumers and traders. Indicative prices are

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<sup>5</sup> CSIRO Paper, Emerging electrochemical energy conversion and storage technologies, 24 September 2014, Volume 2, Article 79, page 14

<sup>6</sup> SPAngel 101 Webinar , 8 May 2018, published at <http://www.bushveldminerals.com/wp-content/uploads/2018/05/Mining-Flash-Note.pdf>

<sup>7</sup> <https://minerals.usgs.gov/minerals/pubs/commodity/vanadium/mcs-2018-vanad.pdf>

<sup>8</sup> SPAngel 101 Webinar , 8 May 2018, published at <http://www.bushveldminerals.com/wp-content/uploads/2018/05/Mining-Flash-Note.pdf>

<sup>9</sup> SPAngel Commodity Research Note, Vanadium, Q1 2018, published at [https://www.blueskyuranium.com/assets/docs/SP\\_Angel\\_Research\\_Note\\_Vanadium-1.pdf](https://www.blueskyuranium.com/assets/docs/SP_Angel_Research_Note_Vanadium-1.pdf)

published by a number of commodities market intelligence organisations including Metal Bulletin and Metal Pages.

Vanadium pentoxide prices have moved from \$3.50 per pound at the start of 2017 to a high of \$19.35 per pound in mid-July 2018. This price increase has been driven by Chinese adoption of higher quality specifications in steel production and speculation arising from the role of vanadium in forecast demand for grid storage. Global inventories have decreased significantly in the last two years.<sup>10</sup>

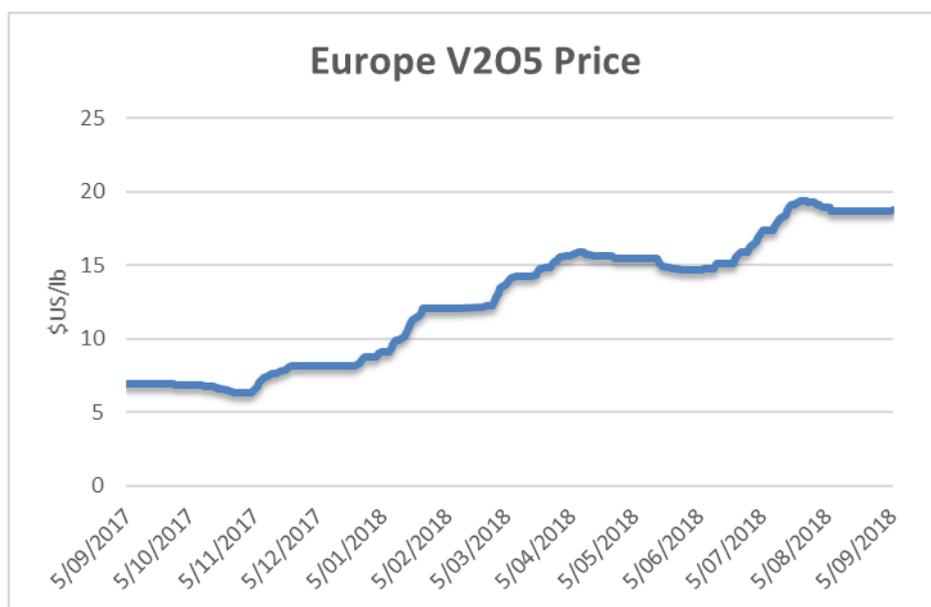


Figure 8 - 12 month vanadium price graph. V<sub>2</sub>O<sub>5</sub> Flake 98% Europe, USD/lb  
(Source: Bloomberg, European Vanadium Pentoxide 98% Index, In warehouse in Rotterdam)

#### 7.4 Forward Plan

The Company proposes the following work program which it aims to complete within the first 12 months from the Company re-listing on ASX:

- Additional field mapping
- Approximately 2,000m of exploration drilling across identified targets
- Approximately 2,000m of infill drilling based on initial drill results
- Environmental baseline studies and community engagement activities
- Initial metallurgical testwork to establish desk-top amenity to Pressure Acid Leach (PAL) recovery
- Desktop economic analysis
- Publication of a JORC compliant maiden resource and scoping study

The proposed 12 month exploration program and budget are summarised in Section 6.10.

It is expected the initial work program will be sufficient to produce a JORC inferred resource to support a long-life mining operation.

<sup>10</sup> CRU Article, 29 June 2018 <https://www.crugroup.com/knowledge-and-insights/insights/2018/a-price-spike-with-staying-power-a-look-into-the-vanadium-market/>

The areas comprising the Granted Exploration Permits are sufficient for ScandiVanadium to achieve its strategy and objectives.

## **7.5 Business Strategy Post-Relisting**

Following completion of the Offers and the Company's readmission to the Official List, the Company's proposed business strategy will be the exploration of mineral resources, in particular vanadium, that have the potential to deliver growth for Shareholders.

The focus of the Company upon re-listing will be the exploration of the identified vanadium targets located within the Skåne Project especially in the area of the Granted Exploration Permits, in addition to assessing the potential for further prospectively within the Skåne Project area. The results of the proposed exploration and metallurgical programs detailed in Section 7.4 will determine the economic viability and possible timing for the commencement of further work on the Skåne Project, including resource definition, feasibility studies and possible commencement of mining operations. The Company believes that the incoming Directors and new management team have the necessary skills, experience and capability to undertake these programs.

Subject to successful exploration and metallurgy work, the identification of a mineral resource, granting of necessary licences and permits for mineral extraction, and funding, all of which could take several years and none of which can be guaranteed, the Company ultimately intends to take advantage of the expected growth in demand for vanadium used in VRFB applications as set out in Section 7.3.

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## 8. Directors, key management and corporate governance

### 8.1 Director profiles

Subject to completion of the Acquisition, it is intended that the Board will comprise:

- Brandon Munro – Chairman
- David Minchin – Managing Director;
- Ian Burvill – Non-Executive Director; and
- Simon Robertson – Non-Executive Director.

Existing Directors Davide Defendi and John Gilfillan will resign from the Board with effect from Completion.

Brief profiles of the Directors following completion of the Offers and the Acquisition are set out below.

#### **Brandon Munro** ***Chairman***

Brandon Munro has 20 years' experience as a corporate lawyer and resources executive. Brandon is Managing Director and Chief Executive Officer of Bannerman Resources Ltd, an ASX-listed company focused on developing the Etango uranium project in Namibia.

Brandon's honorary board roles include as Trustee of high-profile conservation NGO, Save the Rhino Trust Namibia. His industry roles include Strategic Advisor–Mining Charter to the Namibian Chamber of Mines and Co-Chair of the World Nuclear Association's uranium demand working group.

Brandon has degrees in economics and law and post graduate qualifications in finance. He is known for his endorsement of corporate social investment and thought leadership in community engagement.

Brandon is a Non-Executive Director of Novatti Group Ltd and was previously managing director of ASX-listed Kunene Resources Limited (now Department 13 International Limited) and non-executive director of ASX-listed Rewardle Holdings Limited.

He is a Fellow of FinSIA and graduate member of the AICD.

#### **David Minchin** ***Managing Director***

David Minchin is a geologist with 15 years' experience working in exploration and mining. He holds a Masters Degree in Geology from the University of Southampton. He is based in the UK which will enable accessibility to the Skåne Project and meeting with Swedish stakeholders.

David has worked for Rio Tinto and the British Geological Survey, as well working as Senior Exploration Geologist for ICL-Boulby where he was instrumental in the discovery of the 3.2Bt Polyhalite Deposit that was subsequently put into production and with an extended operating

mine life of over 30 years. Since 2013 David has worked as Director of Geology for AMED Funds, a Private Equity group that focuses on exploration projects in Africa.

David has been responsible for investing and monitoring approximately \$450 million in projects from exploration through to feasibility and across a range of commodities.

He currently sits on the board of Kaminex Ltd, a private copper exploration company in the DRC, and serves as consulting geologist for Sarmin Ltd and Circum Ltd.

**Ian Burvill**  
***Non-Executive Director***

Ian has over 30 years of mining industry experience, with an emphasis on financing and development of mineral projects. He started his career as a mechanical engineer, then worked as a merchant banker before becoming a senior executive in private equity. He is a former Partner of Resource Capital Funds and a past Associate Director of Rothschild Australia Limited.

Ian has particular expertise in mineral processing, mine project development, and debt and equity finance.

Ian is a non-executive director of mining technology investment firm Jolimont Global Mining Systems and ASX-listed Bannerman Resources Ltd.

**Simon Robertson**  
***Non-Executive Director (to resign from position of Chairman with effect from Completion)***

Simon Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of Chartered Accountants Australia & New Zealand and the Governance Institute of Australia.

Simon currently holds and has previously held the position of company secretary for a number of ASX-listed companies, including TNG Limited, Antipa Minerals Limited, Todd River Resources Limited, BBX Minerals Limited, Egan Street Resources Limited and Galaxy Resources Limited.

He has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

He has been a director of the Company since 19 November 2015.

## **8.2 Key Management Personnel**

In addition to the appointment of Brandon Munro, David Minchin and Ian Burvill to the Board as outlined in Section 8.1, John Turney will join the Company's management team with effect from Completion as Specialist Metallurgical Consultant. Current Company Secretary, Simon Robertson, will continue as Company Secretary.

**Specialist Metallurgical Consultant – John Turney**

John Turney is a chemical engineer and project director with more than 40 years' experience in the resources industry. John's more recent roles include General Manager Leaching at Bateman Engineering and Project Director at Bannerman Resources Ltd.

In addition to his metallurgical expertise, John offers extensive project development experience, from feasibility to construction. He led the successful development of the Cowal gold project in Australia and the Tulawaka gold project in Tanzania, as well as other development and capital project roles for both Homestake and Barrick, where John was Vice-President Capital Projects.

Refer to Section 8.6(a) for details of the material terms of the consultancy agreement between the Company and Mr Turney.

#### **Company Secretary – Simon Robertson**

See Section 8.1 for a brief profile for Mr Robertson.

### **8.3 Directors' interests**

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with 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 its formation or promotion, or the Offers; or
- (c) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

### **8.4 Directors' Securities interests**

Directors are not required under the Constitution to hold any Shares.

The interests of the Directors in securities of the Company as at the date of this Prospectus (on a pre-Consolidation basis) are as follows.

Director	Shares		Options <sup>1</sup>
	No.	%	No.
Simon Robertson	1,200,000	0.54%	1,000,000
Davide Defendi	5,000,000	2.1%	2,000,000
John Gilfillan	7,500,000	3.1%	1,000,000

1. Existing Options exercisable at 2.7 cents each (on a post-Consolidation basis) expiring 4 March 2019.

Of the Existing Directors and Proposed Directors, Simon Robertson, Brandon Munro and Ian Burvill have advised that they (or their nominees) intend to subscribe for Shares under the Public Offer as follows:

- (a) Mr Munro: 2,000,000 Shares for \$54,000;
- (b) Mr Burvill: 1,000,000 Shares for \$27,000; and
- (c) Mr Robertson: 2,000,000 Shares for \$54,000.

The remaining Existing Directors and Proposed Director have advised that they do not intend to subscribe for any Shares under the Public Offer.

The anticipated interests of the Directors in the securities of the Company, following completion of the Offers and the Acquisition, are as follows:

Director	Shares		Performance Shares <sup>1</sup>	Management Options <sup>2</sup>	Options <sup>3</sup>
	No.	%	No.	No.	No.
Brandon Munro	6,167,857	1.7%	8,035,714	11,250,000	-
David Minchin	24,642,287	7.0%	49,285,718	18,750,000	-
Ian Burvill	1,000,000	0.2%	-	6,750,000	-
Simon Robertson	2,900,000	0.8%	-	6,750,000	750,000

- Class A and Class B Performance Shares with specific performance milestones. A summary of the terms and conditions of the Performance Shares is set out in Section 15.2.
- Management Options exercisable at \$0.04 expiring 4 years from the date of issue. The terms and conditions of the Management Options are set out in Sections 6.4 and 15.3
- Existing Options exercisable at \$0.027 each (on a post-Consolidation basis) expiring 4 March 2019.

## 8.5 Remuneration of Directors

The Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders, which is currently \$400,000 per annum. The annual remuneration payable to each of the Existing Directors is as follows (inclusive of statutory superannuation contributions):

Director	Annual Remuneration
Simon Robertson <sup>1</sup>	\$24,000
Davide Defendi <sup>2</sup>	\$24,000
John Gilfillan	\$24,000

- An entity associated with Simon Robertson has been paid or invoiced \$124,446 in consultancy fees in the 24 months prior to the date of the Prospectus.
- An entity associated with Davide Defendi has been paid \$62,693 in consultancy fees in the 24 months prior to the date of the Prospectus.

Following completion of the Offers and the Acquisition it is proposed that the Directors' fees will be \$50,000 per annum for the Chairman and \$30,000 per annum for Non-Executive Directors (inclusive of statutory superannuation contributions).

The remuneration of executive Directors and management personnel will be determined by the Board from time to time. A summary of the material terms of the engagement of David Minchin (Managing Director), Brandon Munro, Simon Robertson and John Turney as members of the Company's management team under the terms of their respective executive service and consulting agreements are set out in Section 8.6 and 8.7.

The annual remuneration (inclusive of superannuation) payable to each of the Directors following completion of the Offers and the Acquisition is as follows:

Director	Annual Remuneration
Brandon Munro <sup>1</sup>	\$100,000
David Minchin <sup>2</sup>	£120,000
Ian Burvill <sup>3</sup>	\$30,000
Simon Robertson <sup>4</sup>	\$80,000
<ol style="list-style-type: none"> <li>1. Comprising \$50,000 (including superannuation) in Director's (Chairman's) fees and \$50,000 (plus GST) in consultancy fees to Caprodite Transaction Execution Pty Ltd, an entity related to Mr Munro (see Section 8.6(b)). It is also proposed that Mr Munro (and/or his nominee) will be granted 11,250,000 Management Options. Refer to Section 8.4 for further details.</li> <li>2. Refer to Section 8.6(a) for details of Mr Minchin's engagement. Excludes UK statutory compulsory employer pension contributions of 4% of base salary. No Director's fee will be payable to Mr Minchin. It is also proposed that Mr Minchin (and/or his nominee) will be granted 18,750,000 Management Options. Refer to Section 8.4 for further details.</li> <li>3. Includes superannuation. It is also proposed that Mr Burvill (and/or his nominee) will be granted 6,750,000 Management Options. Refer to Section 8.4 for further details.</li> <li>4. Comprising \$30,000 (including superannuation) in Director's fees and \$50,000 (plus GST) in consultancy fees to SLR Consulting Pty Ltd, an entity related to Mr Robertson and inclusive of his role as Company Secretary (see Section 8.6(c)). It is also proposed that Mr Robertson (and/or his nominee) will be granted 6,750,000 Management Options. In addition, SLR Consulting Pty Ltd will be paid up to \$12,000 (plus GST) for administration services provided in connection with this Prospectus and the Acquisition. Refer to Section 8.4 for further details.</li> </ol>	

## 8.6 Agreements with Directors or Related Parties

### (a) Executive Service Agreement – David Minchin

The Company and David Minchin have entered into an executive service agreement for his role as Managing Director with effect from Completion.

The principal terms of the agreement are as follows:

- (i) The remuneration comprises a base salary of £120,000 per annum plus UK statutory compulsory employer pension contributions of 4% of base salary.
- (ii) The Agreement may be terminated:
  - (A) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
  - (B) by the Company with one month's notice, or immediately with payment in lieu of notice if Mr Minchin is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;

- (C) by either party with 6 months' written notice if Mr Minchin's role becomes redundant. If the Company terminates the employment of Mr Minchin within 6 months of a change of control of the Company it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay Mr Minchin for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements; and
  - (D) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
  - (E) by Mr Minchin immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.
- (iii) Mr Minchin will be subject to a non-compete restraint for a period of 6 months from date on which his employment under the agreement is terminated.
  - (iv) Where the employment of Mr Minchin is terminated under the agreement, Mr Minchin will also be required to resign from his position as Director.

The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

(b) **Consultancy Agreement – Caprodite**

The Company has entered into a consultancy agreement with Caprodite Transaction Execution Pty Ltd (**Caprodite**), a company associated with Brandon Munro, for the provision of marketing and investor relations services to the Company with effect from lodgement of this Prospectus.

The material terms of the consultancy agreement are as follows:

- (i) Caprodite will provide marketing, investor relations and related services for the equivalent of four days in each calendar month.
- (ii) Caprodite will be paid a monthly fee of \$4,166.67 plus GST, none of which shall be due and payable unless until completion of the Acquisition Agreement occurs, and disbursements for provision of these services. In addition, should the Board require the services of Caprodite over and above the agreed time requirement, the Company will pay an additional daily fee of \$1,400 for such additional services.
- (iii) The agreement may be terminated:
  - (A) by either party on three months' written notice; and
  - (B) by either party without notice in the event of a material breach of the agreement and in other specified circumstances.

Caprodite and Mr Munro will be subject to a non-compete restraint for three months from date on which their engagement under the consultancy agreement is terminated.

The agreement otherwise contains industry-standard provisions for a consultancy of this nature to a public listed company.

(c) **Consultancy Agreement – SLR Consulting**

The Company has in place a consultancy agreement with SLR Consulting Pty Ltd (**SLR Consulting**), a company associated with Simon Robertson, for the provision of company secretarial and accounting services to the Company.

The material terms of the consultancy agreement are as follows:

- (i) SLR Consulting will provide administration services in respect of company secretarial and related matters. In addition, as and when required by the Company, SLR Consulting will provide accounting and related services.
- (ii) SLR Consulting will be paid a monthly fee of \$4,166.67 plus GST and disbursements for provision of company secretarial services and, in addition, standard commercial hourly rates for the provision of accounting services as and when required by the Company.
- (iii) The agreement may be terminated:
  - (A) by either party on three months' written notice; and
  - (B) by SLR Consulting without notice in the event that fees due under the agreement remain unpaid for over 30 days.

The agreement otherwise contains industry-standard provisions for a consultancy of this nature to a public listed company.

(d) **Chairman and Non-Executive Director Appointments**

The Company has entered into agreements with Brandon Munro and Ian Burvill in respect of their appointments as Chairman and Non-Executive Director, respectively. Section 8.5 sets out details for the remuneration of Existing Directors and Proposed Directors. The Chairman and Non-Executive Directors are also entitled to be reimbursed for all reasonable expenses incurred in performing their duties. The appointments of Mr Munro and Mr Burvill are otherwise on terms that are customary for appointments of this nature.

Simon Robertson was appointed as Chairman and Non-Executive Director of the Company on 19 November 2015 and will resign from his position as Chairman at Completion. Section 8.5 sets out details for his remuneration. His appointment is otherwise on the same terms as for the Chairman and other Non-Executive Directors.

Current Non-Executive Directors Davide Defendi and John Gilfillan will resign from their positions as Directors with effect from Completion.

(e) **Relationship between Proposed Directors and ScandiVanadium**

Proposed Director David Minchin is a Vendor and Proposed Director Brandon Munro is associated with another one of the Vendors. The Company proposes to acquire ScandiVanadium from the Vendors under the Acquisition. Accordingly:

- (i) Mr Minchin (or his nominee/s) will receive a proportion of the Consideration Securities on completion of the Acquisition (being 24,642,857 Shares and 49,285,718 Performance Shares in total); and
- (ii) Mr Munro's associated entity (or its nominee/s) will also receive a proportion of the Consideration Securities on completion of the Acquisition (being 4,017,857 Shares and 8,035,714 Performance Shares in total).

(f) **Deeds of indemnity, insurance and access**

The Company is party to a deed of indemnity, insurance and access with each of the Existing Directors and is proposing to enter into similar deeds with each of the Proposed Directors upon their appointment. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances.

## **8.7 Agreements with key management personnel**

(a) **Specialist Metallurgical Consultant – John Turney**

The Company has entered into a consultancy agreement with John Turney, for the provision of specialist metallurgical services to the Company with effect from Completion.

The material terms of the consultancy agreement are as follows:

- (i) Mr Turney will provide specialist metallurgical services as and when required by the Company.
- (ii) Mr Turney will be paid a day rate of \$2,000 plus GST (if any) and disbursements for provision of these services with a minimum payment of \$6,000 plus GST (if any) per calendar quarter.
- (iii) The agreement may be terminated by either party on one months' written notice.

The agreement otherwise contains industry-standard provisions for a consultancy of this nature to a public listed company.

It is also proposed that Mr Turney (and/or his nominee) will be granted 4,000,000 Management Options. Refer to Section 8.4 for further details.

(b) **Company Secretary – Simon Robertson**

See Section 8.6(c).

## 8.8 Corporate governance

This summary identifies the key corporate governance policies and practices adopted by the Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

### The role of the Board

The role of the board of Directors is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its Shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for Shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

### Responsibilities of the Board

The responsibilities of the Board include:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and ensure compliance with the Company's values and governance framework; and
- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

### Composition of the Board

Under the Constitution, the minimum number of Directors is three and the maximum number is 10. The Board at the date of this Prospectus comprises of three Directors, namely Simon Robertson, Davide Defendi and John Gilfillan. Upon completion of the Offers and the Acquisition, the Board will comprise four Directors, namely Brandon Munro, David Minchin, Ian Burvill and

Simon Robertson. The Directors consider the size and composition of the Board is appropriate given the current size and status of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the Board. Such committees will be established by a formal charter.

The responsibility for the day to day operation and administration of the Company is delegated by the Board to the managing director.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

#### **Independent professional advice**

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

#### **Securities trading policy**

The Company has adopted a formal policy for dealing in the Company's securities by Directors and employees and their related entities (in accordance with Listing Rule 12.9). The securities trading policy provides that Key Management Personnel should:

- (a) not deal in the Company's securities while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's securities after receiving clearance to do so from a designated clearance officer, where clearance may not be provided in defined "blackout periods".

The securities trading policy is available on the Company's website at [www.azpetro.com](http://www.azpetro.com).

#### **Remuneration policy**

The Company has adopted a remuneration policy designed to align individual and team reward and encourage executives to perform to their full capacity.

Remuneration packages may contain any or all of the following:

- (a) annual salary with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) rewards, bonuses, commissions, special payments and other measures available to reward individuals if deemed appropriate;
- (c) long term incentives – executive Directors may participate in share option schemes with the prior approval of Shareholders; and
- (d) other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year.

Remuneration of executives will be reviewed annually by the Board. Determination of Non-Executive Director's fees is with regard to the long term performance of the Company.

#### **Continuous disclosure policy**

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

#### **Shareholder communication**

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via ASX;
- (b) through the distribution of the annual report and notice of annual general meeting;
- (c) through letters and other forms of communications directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

#### **Ethical standards and business conduct**

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

#### **ASX Corporate Governance Principles and Recommendations**

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (3rd Edition) issued by ASX Corporate Governance Council. As a listed entity the Company has been required to report any departures from the principles and recommendations in its annual report. The Company's proposed departures from the principles and recommendations, as at the date of re-admission to the Official List, are set out in the table below.

Recommendation	Nature of departure	Explanation for departure
1.5(c)	Measurable objectives for achieving gender diversity have not been established or disclosed.	<p>The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website.</p> <p>The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.</p> <p>The Company does not have any female Board members or employees.</p>
2.1	The Board will not have nomination committee.	Given the present size and complexity of the Company the Board has not constituted a nomination committee with the full Board carrying out the role of a nomination committee.
4.1	The Board audit committee will not consist of a majority of independent directors or be chaired by an independent director	Given the present size and complexity of the Company the Board has not constituted an Audit Committee, with the full Board carrying out the role.
4.2	The Board does not seek declarations from the CEO and CFO regarding the Company's financial records and financial statements.	The Board has previously received the assurances required from the Chairman/Company Secretary. Given the size and nature of the Company's operations the Board has not received the assurance in respect of the quarterly cash flow statements believing that the provision of the assurance for the half and full year financial statements is sufficient.
7.1	The Board does not have a risk management committee	Given the present size and complexity of the Company the Board has not constituted a risk committee with the full Board responsible for risk management.
8.1	The Board does not have a separate remuneration committee	Given the present size and complexity of the Company the Board has not constituted a remuneration committee with the full Board carrying out the role.

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## 9. Independent Geologist's Report



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# Independent Geologists Report

AssembleBay Ltd (proposed to be renamed ScandiVanadium Limited)  
Skåne Vanadium Project

17 September 2018

Qualified Person:  
Richard Maddocks MSc BAppSci FAusIMM

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The Directors  
AssembleBay Limited  
68 Aberdeen St  
Northbridge WA 6003

Dear Sirs

### INDEPENDENT GEOLOGIST'S REPORT

Auralia Mining Consulting Pty Ltd (ACN 136 516 277) ("Auralia") has been requested by AssembleBay Limited ("ASY" or the "Company") to prepare an Independent Geologist's Report ("IGR" or the "Report") on the tenements set out in Table 1 ("Tenements") in Sweden.

The Tenements are being acquired by ASY and are located in the Skåne region of southern Sweden. The primary commodity of interest is Vanadium. ASY intends to acquire all of the issued share capital of ScandiVanadium Australia Pty Ltd. ScandiVanadium Australia Pty Ltd is an Australian proprietary company incorporated in May 2018 for the purpose of acquiring ScandiVanadium Limited, a company incorporated in England and Wales ("ScandiUK").

This Report is to be included in a Prospectus to be lodged by ASY with the Australian Securities and Investments Commission ("ASIC") on or about 17 September 2018, offering for subscription 92,592,593 fully paid ordinary shares in the capital of ASY ("Shares") at an issue price of 2.7 cents per Share to raise \$2,500,000 with the ability to raise a further \$500,000 by the issue of a further 18,518,518 Shares. The funds raised will be used primarily for the purpose of exploration and evaluation of the Tenements.

This IGR has been prepared in accordance with the rules and guidelines issued by such bodies as ASIC and the Australian Securities Exchange ("ASX"). Where exploration results, exploration targets, mineral resources or ore reserves have been referred to in this IGR, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

The information in this Report that relates to exploration results and exploration target for the Tenements is based on, and fairly represents, information and supporting documentation compiled by Richard Maddocks; MSc (Mineral Economics), BAppSci (Applied Geology) and Grad Dip (Applied Finance and Investment). Mr Maddocks is a consultant to Auralia and is a Fellow of the Australasian Institute of Mining and Metallurgy with over 30 years of experience. Mr Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Maddocks consents to the inclusion in this Report of the matters based on his information in the form and content in which it appears.

The legal status of the Tenements is subject to a separate Title Report which is set out in the Prospectus and these matters have not been independently verified by Auralia. The present status of tenements listed this Report is based on information provided by ASY and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

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In addition, Auralia has not been requested to provide an independent valuation, nor has it been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and therefore it has not offered any opinion on these matters.

In the course of the preparation of this Report, access has been provided to all relevant data held by ASY and various other technical reports and information quoted in Section 8 of this Report (References). The information used to prepare this Report is drawn from:

- discussions with consultants, directors and management of ASY and ScandiUK
- field investigation and site visit between 8<sup>th</sup> and 10<sup>th</sup> June 2018
- scientific and technical research reports and publicly available papers

Auralia does not doubt the authenticity or substance of previous investigating reports. Auralia has not, however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary.

The authors and competent persons of the reports referred to in Section 8 of this Report (References) have not consented to the references made to their reports in this Report.

This Report has been prepared by Auralia strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes Auralia's only commercial interest in ASY. Payment of fees is in no way contingent upon the conclusions of this Report.

The Tenements are considered to be sufficiently prospective, subject to customary risks associated with minerals exploration projects, to warrant further exploration and development of their economic potential, consistent with the programs proposed by ASY. No Mineral Resources have been previously reported within the Tenements.

Mr Maddocks is of the opinion that ASY has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the nature of the mineralisation and the stated objectives of the Company. ASY's exploration programs are included in the Report. It is noted that they may be altered in view of results gained which could revise the emphasis of current priorities.

Yours faithfully



Richard Maddocks  
MSc Mineral Economics  
BAppSci Applied Geology  
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## SUMMARY

This Independent Geologists Report ("IGR", or the "Report") has been prepared by Auralia Mining Consulting Pty Ltd ("Auralia") at the request of AssembleBay Limited ("ASY" or the "Company"). ASY has the right to acquire through ScandiVanadium Australia Pty Ltd controlling interests in Tenements in Sweden, collectively known as the Skåne Vanadium Project. The project is prospective for sediment hosted Vanadium mineralisation.

The Tenements are all at an early stage of exploration. No JORC (2012) Mineral Resources have been delineated at any of the Projects. An Exploration Target has been estimated to aid in exploration planning and future drilling programs. Based on prevailing market sentiment and commodity prices exploration for Vanadium is warranted and the Tenements are considered sufficiently prospective to justify the exploration expenditure and work programmes outlined in the Prospectus.

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## 1.0 INTRODUCTION

### 1.1 Tenure

The tenements in which ScandiUK has, or will have subject to approval of current applications, an interest in are summarised in Table 1. Figure 1 shows the tenement locations.

Table 1: Tenement Details

Tenement	Status	Area km <sup>2</sup>	Holder
Killeröd nr 1 licence	Granted	35.2498	ScandiUK
Virrestad nr 1 licence	Granted	5.9775	ScandiUK
Fågeltafta nr 1 licence	Application	7.2229	ScandiUK
Andrarum nr 1 licence	Application	32.4298	ScandiUK
Fågeltafta nr 2 licence	Application	7.018	ScandiUK
Flagabro nr 1 licence	Application	17.3842	ScandiUK
Hammenhög nr 1 licence	Application	31.2857	ScandiUK
Järrestad nr 1 licence	Application	43.9917	ScandiUK
Gislovshammar nr 1 licence	Application	0.4431	ScandiUK
Horby nr 1 licence	Application	17.0908	ScandiUK
Tosterup nr 1 licence	Application	19.8357	ScandiUK

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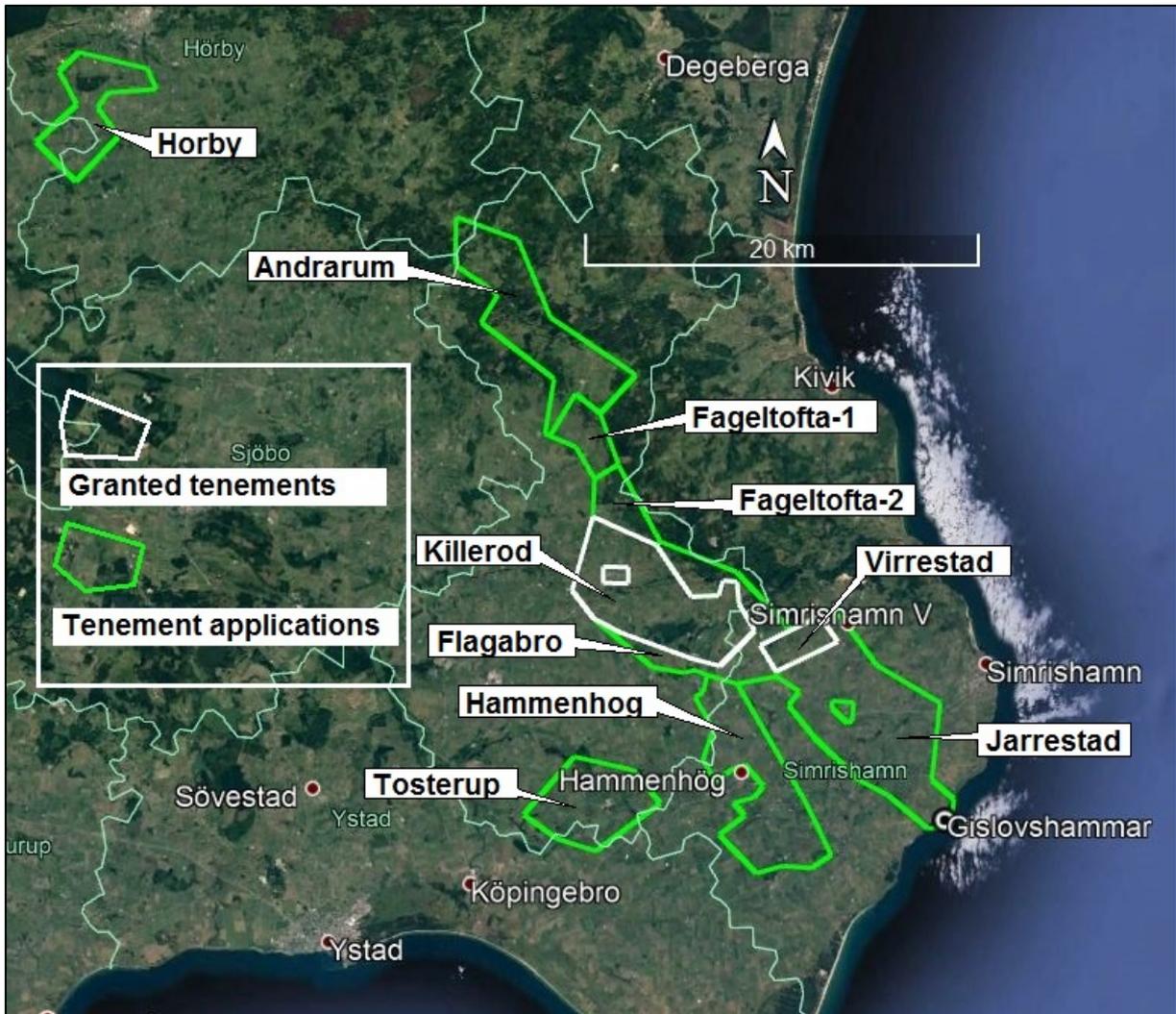


Figure 1: Tenement Locations, Granted Tenements are in white

## 1.2 Location and Access

The Tenements are located in the Skåne region of southern Sweden (Figure 2). Skåne is located on the southern-most tip of Sweden, about 1 hour's drive from Malmö and 90 minutes' drive from Copenhagen, the nearest international airport. The area is rural, characterised by seasonal tourism and agriculture. The primary exploration targets are situated on agricultural land. Although there are nature reserves or

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conservation areas within the application tenements, the primary exploration targets do not interfere with such areas.

Skåne has excellent infrastructure connections to Copenhagen and European markets including paved roads, grid power and telecommunication towers throughout the district. The Port of Trelleborg is 80kms by road from the Skåne tenements. Trelleborg is Scandinavia's largest Roll on/Roll off port, offering a logistics centre with 8 berths suitable for vessels up to 240m long including 3 cargo berths that are directly rail-linked. The project is also connected to the continent by road and rail via the Øresund Bridge, completed in 2000, that connects Malmo to Copenhagen and is 90km by road from the Skåne tenements. Copenhagen has an international airport with connecting flights to all major European cities.

Sweden is an established and highly regarded mining jurisdiction, a member of the European Union and has excellent human capital and infrastructure. The 2017 Fraser Institute Policy Perception Index, rated Sweden as the 4th most attractive jurisdiction in the world on ease and certainty of conducting mining and exploration activities. Sweden has amongst the lowest mining royalties globally at 0.2% and a corporate income tax rate of 22%.



Figure 2: Location of the Project Skåne area within Europe

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### 1.3 Data Sources

Much of the data and information contained within this Report is sourced from academic papers on the Alum Shale. There has been very little previous exploration and mining on the project areas so there is not a large body of work and/or data. The Geological Survey of Sweden ("SGU") has published 1:50,000 geological maps of the region and these and SGU reports have been used to source relevant geological details. The SGU carried out some diamond drilling in the 1940's and this has been used as a primary source due to some of these holes being sampled and assayed for Vanadium.

## 2.0 REGIONAL GEOLOGY

Vanadium black shales are generated by a combination of biological and abiotic processes in a reduced deep-water environment. Upwelling nutrient rich water encourages algal activity in a constrained sedimentary basin with limited terrigenous input. Plankton concentrate vanadium from sea water to act as pigment in chlorophyll and as a primitive defence. Biological concentrations of vanadium were highest in the Cambrian/Ordovician periods as the sun was fainter requiring a darker green colour for efficient photosynthesis.

Algae die and sink to the ocean floor where reducing conditions prevent decomposition and recycling of vanadium back to the ocean. During diagenesis V<sup>3+</sup> in organic compounds is adsorbed in vanadium rich clays where it remains trapped. There is also an abiotic contribution caused by the precipitation of vanadium directly from sea water at the redoxcline as vanadium is altered from V<sup>4+</sup> (soluble) to V<sup>3+</sup> (insoluble), however this is believed to be secondary to the biological process mentioned above.

The Cambrian/Ordovician black shale horizon, referred to as the Alum Shale, was deposited on the southern margin of Iapetus Ocean and is now distributed across Fenno-Scandinavia and into the United Kingdom. Within the Alum Shale certain horizons are higher in Vanadium than others, with the top-most layer, the Early Ordovician Dictyonema Formation, being the highest-grade unit.

Occurrence of Dictyonema Formation is not consistent across the basin with the unit either not being deposited or being removed by an unconformity across much of northern Sweden. At Skåne, the Alum Shale is over 90m thick with the entire stratigraphic sequence preserved. ScandiVanadium's proposed tenement areas are believed to be unique as they cover the only part of Sweden where Dictyonema Fm is located near surface.

The Alum Shale is the host rock for vanadium mineralisation in the Skåne Project. The Alum Shale is widespread and is present in southern Scandinavia wherever there are Lower Paleozoic rocks (Figure 3). There is very little visible outcrop of the Alum Shale in Skåne due to the extensive overlying glacial sediments. These poorly sorted tills vary in thickness but in the tenement area are typically from 3m to 10m thick.

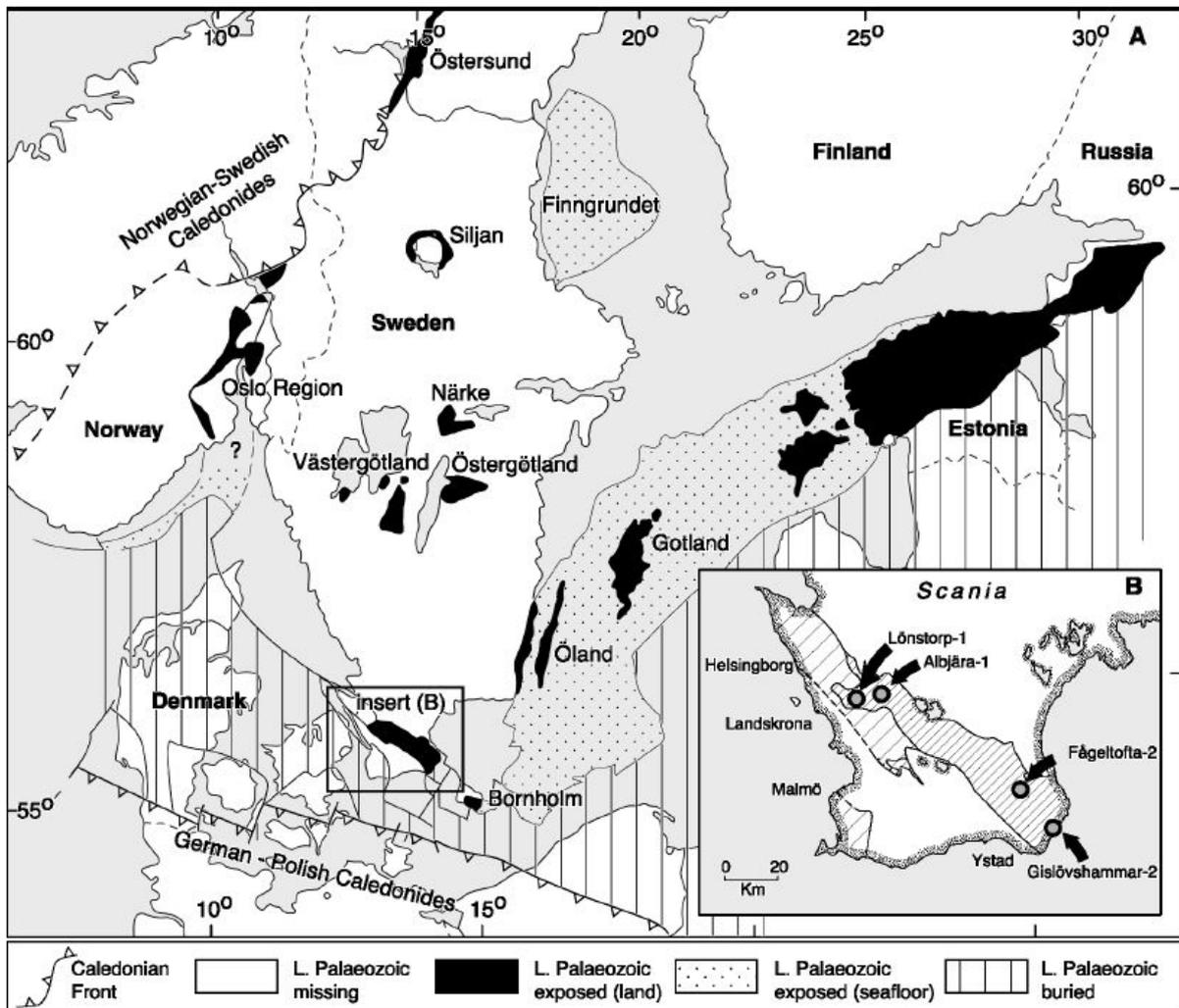


Figure 3: Distribution of Lower Palaeozoic rocks in southern Scandinavia (Schovsbro 2001)

Dyni (2005) describes the Alum Shale as a unit of black organic-rich shale about 20–60 m thick that was deposited in a shallow marine-shelf environment on the tectonically stable Baltoscandian Platform in Cambrian to earliest Ordovician time in Sweden and adjacent areas. The Alum Shale is present in outliers, partly bounded by local faults, on Precambrian rocks in southern Sweden as well as in the tectonically disturbed Caledonides of western Sweden and Norway, where it reaches thicknesses of 200 m or more in repeated sequences owing to multiple thrust faults.

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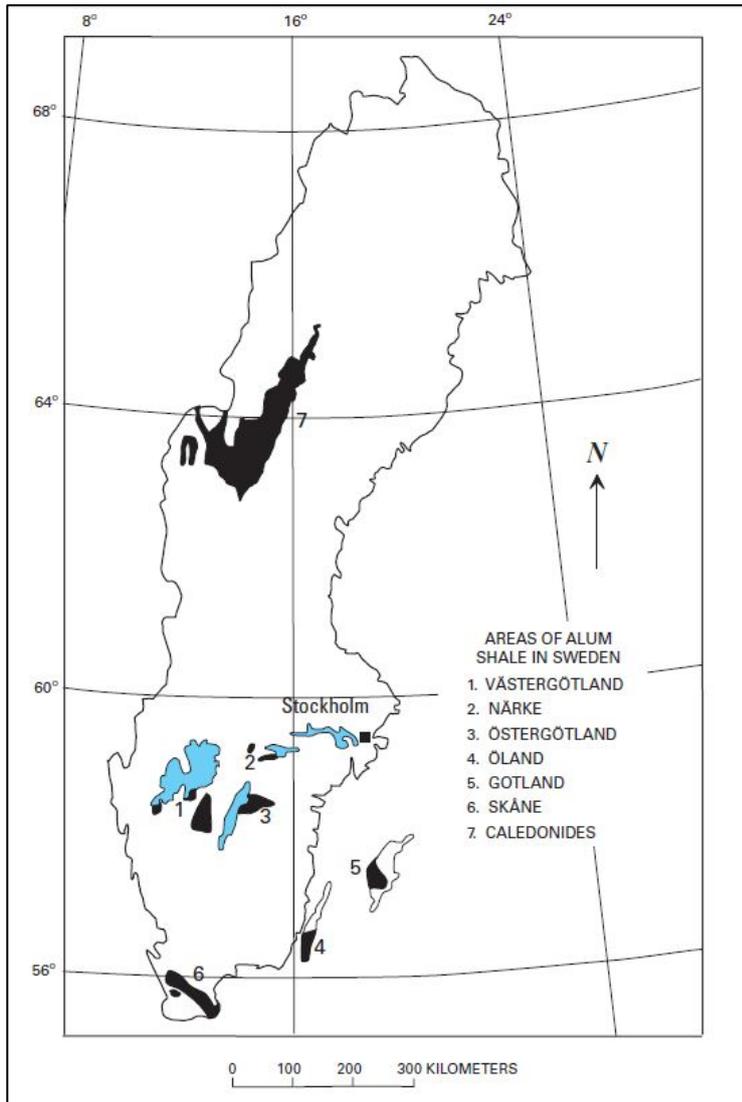


Figure 4: Distribution of Alum Shale in Sweden, lakes are in blue (Dyini 2005)

Black shales, equivalent in part to the Alum Shale, are present on the islands of Öland and Gotland, underlie parts of the Baltic Sea, and crop out along the north shore of Estonia (Andersson and others, 1985). The Alum Shale represents slow deposition in shallow, near-anoxic waters that were little disturbed by wave- and bottom-current action. The Cambrian and Lower Ordovician Alum Shale of Sweden has been known for more than 350 years. It was a source of potassium aluminum sulfate that was used in the leather tanning industry, for fixing colours in textiles, and as a pharmaceutical astringent. Mining the shales for alum began in 1637 in Skåne. The Alum Shale was also recognized as a source of fossil energy and, toward the end of the 1800s, attempts were made to extract and refine hydrocarbons (Andersson and others, 1985, p. 8–9).

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Before and during World War II, Alum Shale was retorted for its oil, but production ceased in 1966 owing to the availability of cheaper supplies of crude petroleum. During this period, about 50 million tons of shale was mined at Kinnekulle in Västergötland and at Närke.

The Alum Shale is remarkable for its high content of metals including uranium, vanadium, nickel, and molybdenum. Small amounts of vanadium were produced during World War II at Flagabro, within the Tenement area. A pilot plant built at Kvarntorp produced more than 62 tons of uranium between 1950 and 1961. Later, higher-grade U ore was identified at Ranstad in Västergötland, where an open-pit mine and mill were established. About 50 tons of uranium per year were produced between 1965 and 1989. During the 1980s, production of uranium from high-grade deposits elsewhere in the world caused a drop in the world price of uranium to levels too low to profitably operate the Ranstad plant, and it closed in 1989.

The organic content of Alum Shale ranges from a few percent to more than 20 percent, being highest in the upper part of the shale sequence. Oil yields, however, are not in proportion to the organic content from one area to another because of variations in the metamorphic history of the areas underlain by the formation. For example, at Skåne and Jämtland in west-central Sweden, the Alum Shale is overmature and oil yields are nil, although the organic content of the shale is 11–12 percent. In areas less affected by metamorphic alteration, oil yields range from 2 to 6 percent by Fischer assay. Hydroretorting can increase the Fischer assay yields by as much as 300 to 400 percent (Andersson and others, 1985).

Kelley et al (2017) have described the origin of vanadium in black shales. "The ultimate source of vanadium in metalliferous black shales is dissolved vanadium in seawater. Whereas the specific mechanisms of enrichment are disputed, all require the reduction of dissolved V5+, which is the predominant redox state in the oceans. Vanadium is used by various phytoplankton species and sedimentation of phytoplankton debris likely acts as a minor source of vanadium in black shales. In oxygen-deficient bottom waters and pore waters, dissolved vanadium is reduced to particle-reactive V4+ and is incorporated into the sedimentary fraction. Further reduction to V3+ requires the presence of dissolved aqueous sulfide (H2S) and promotes the incorporation of vanadium into sedimentary organic matter and authigenic clays. Vanadium concentrations correlate with organic carbon in black shales, suggesting that vanadium is incorporated into organic matter upon burial. Black shales that have been buried to depths sufficient to pass through the oil window typically produce petroleum that has high vanadium. Conversely, vanadium can become incorporated into illite upon burial. Because no modern analogues for vanadiferous black shales are known, the processes of vanadium enrichment are not well understood." Figure 5 from Breit et al summarises the geochemical processes that contribute to concentrating Vanadium in black sediments.

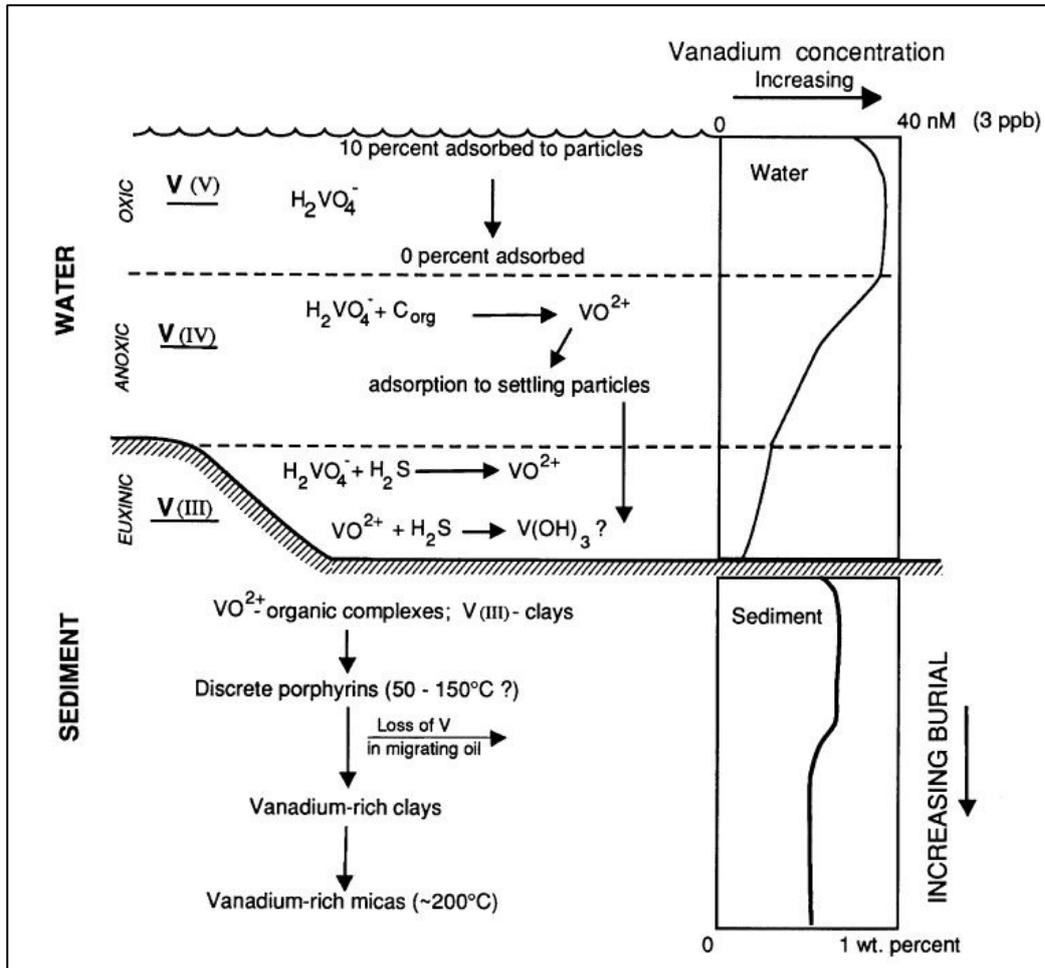


Figure 5: Geochemical processes that affect the abundance and speciation of dissolved vanadium and the distribution of vanadium in sediments during diagenesis (Breit et al 1989)

Vanadiferous black shales deposits are relatively well known globally and include the Woodruff Formation in Nevada, the Meade Peak Phosphatic Shale Member of the Phosphoria Formation in Idaho and Wyoming, The Daejon deposit in South Korea (Protean Energy ASX:POW), the Mecca Quarry Shale Member of Illinois and Indiana, the Doushantuo Formation in Hubei Province in southern China, the Karatau deposit in the Republic of Kazakhstan and portions of the Toolebuc Formation in Queensland, Australia (Intermin Resources ASX:IMC). The Häggån deposit is hosted in the Alum Shale in the Caledonides in north-central Sweden and is currently being explored by ASX company Aura Energy (ASX:AEE).

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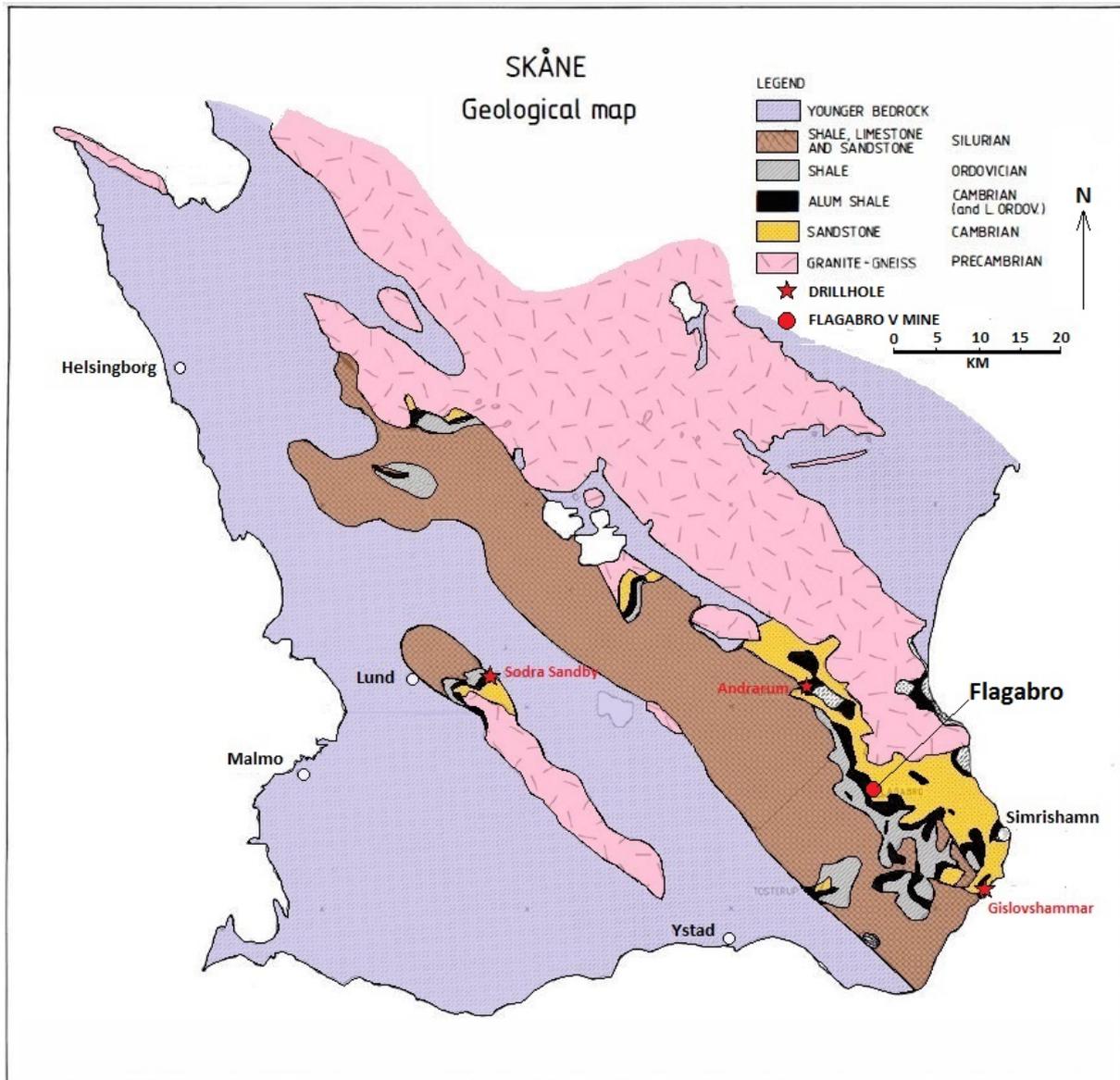


Figure 6: Geological Map of Skåne region (after Andersson et al 1985)

### 3.0 SKÅNE VANADIUM PROJECT

#### 3.1 Exploration History

The presence of unusually high concentrations of vanadium in the Dictyonema Formation of the Alum shales in Skåne was first identified in 1940 when mining and production of vanadium pentoxide was conducted during World War II near to the hamlet of Flagabro on an area contained within the Killeröd nr 1 licence application.

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Detailed geological maps of the Skåne area have been produced by the Sveriges Geologiska Undersökning (SGU) with original maps being periodically updated as further data became available. In addition to field mapping, the SGU undertook high resolution geophysical surveys flown in 1996 at 60m altitude with 16m point distance and 200m line spacing including:

- Multi-spectral radiography
- High resolution magnetics
- Gravity
- Detailed aerial photography and digital terrain mapping

Further detail has been derived from a network of water boreholes which are logged to give depth to the top of each stratigraphic unit. Approximately 140 logged water boreholes are present on the Skåne Project area. This data shows that the Alum Shale occurs as a flat lying unit broken into blocks by a series of faults. Borehole data assists with the development of a regional stratigraphic model for calculation of an exploration target and identifying areas for drill testing.

The Alum shale of Skåne has been the subject of many investigations with historic boreholes and data stored in the archives of the SGU. The Dictyonema Formation has not been universally logged, often being grouped together with the Alum shale. Where Dictyonema Formation is recorded, thickness is consistent across the province. Thickness of Dictyonema Formation across the licence has been estimated from stratigraphic boreholes drilled in the 1940s:

- 8.5m at Andrarum-2
- 10m at Gislövshammar
- 15m at Tosterup
- 11m at Flagabro (recorded from outcrop)

Core from boreholes in the 1940s were assayed for vanadium with elevated vanadium results reported. However, sampling and analytical techniques are not known and original assay results have been lost except for graphical representations in contemporary reports from the SGU.

### **3.2 1941/42 Diamond Drilling Program**

The Palaeozoic sediments in the Skåne area have been the subject of much study focussing on their fossil assemblages. This study has enabled further subdivision of the sediments into smaller packages based on fossil content. Much of this early work was carried out by A.H. Westergård of the Swedish Geological Survey. Westergård logged and described several diamond boreholes that were drilled in the Skåne area in 1941-42. A total of 5 diamond core holes of 7cm diameter were drilled targeting the Alum Shale looking for stratigraphical and chemical differences in the shale unit (Figure 7). A comprehensive description of fossils was accompanied by assays for Vanadium. These assays provide evidence for elevated vanadium in the upper unit of the Alum Shale known as the Dictyonema Shale. Importantly these boreholes contain much of the available knowledge and data regarding the Vanadium content and extent of the Dictyonema Shale. These holes have been mentioned in several academic and SGU reports since they were drilled; some of these relevant papers are summarised below.

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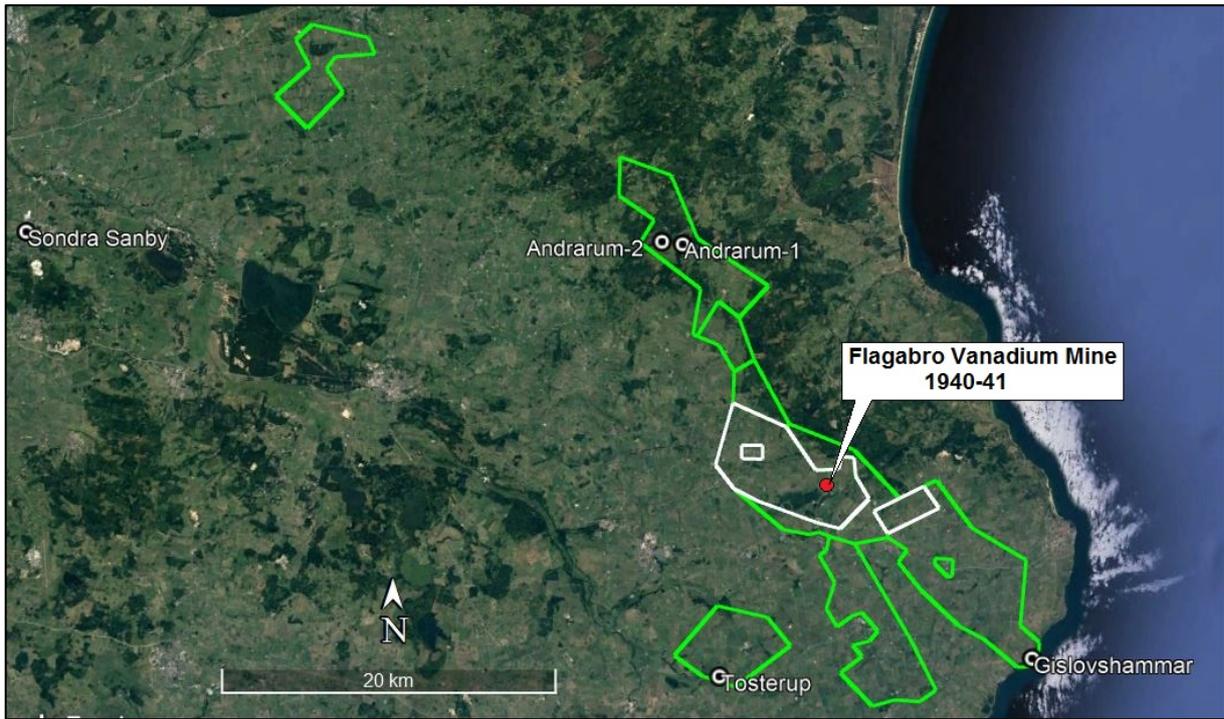


Figure 7: Location of 1941/42 Diamond drill holes

Dictyonema Flabelliforme is a species of graptolite, a small marine invertebrate common the Palaeozoic oceans. These small animals are common in the upper levels of the Alum Shale and have provided the name for this sub-division of the Alum Shale (Figure 8).

Hole	Easting	Northing	Dip	Depth
Gislovshammar	456811	6149213	-90	106m
Andrarum-1	436182	6174631	-90	68.1m
Andrarum-2	434938	6174770	-90	40.7m
Sondra Sanby	395855	6175965	-90	107m
Tosterup	438090	6148307	-90	95.3m

Table 2 1941/42 Diamond drill collar details, UTM Zone 33U

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Figure 8 Dictyonema Flabelliforme from North Wales, (Mary Evans, Natural History Museum)

Three of the five holes drilled intersected the Dictyonema Shale; these holes were drilled at Gislövshammar, Andrarum and Sodra Sandby (Figure 6). Gislövshammar and Sodra Sandby appear to have intersected the entire Alum Shale sequence whereas at Andrarum the top of the Alum Shale containing some of the Dictyonema Shale unit was not present.

Each of these holes was assayed for Vanadium. There were two assaying methods used, Spectral analysis (right side of bar graph) and Chemical analysis (left side of bar graph). Only the upper, higher grade Dictyonema Shale has been assayed using the chemical analysis. The details and methodology of these assaying methods is not known nor is the accuracy.

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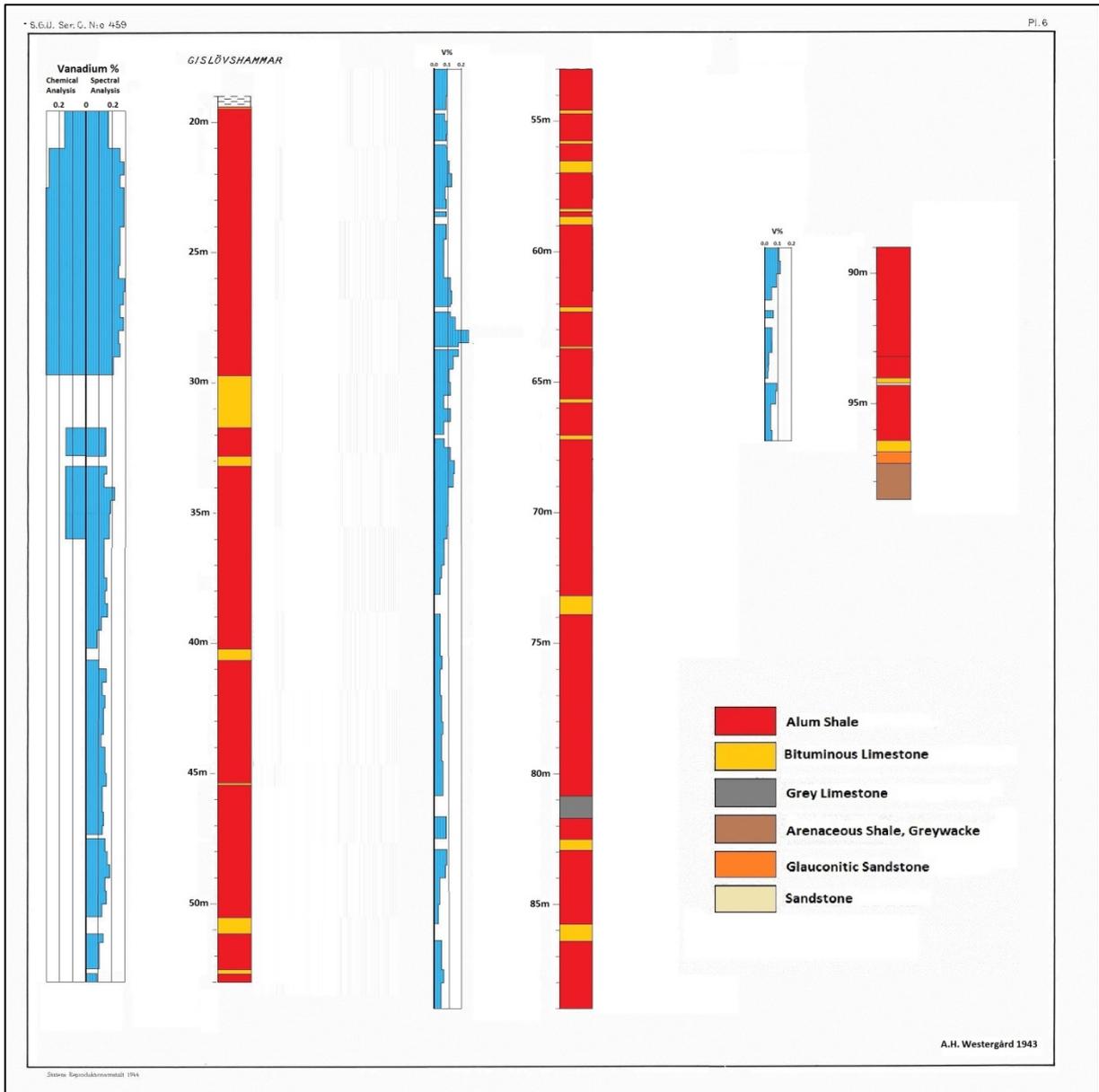


Figure 9: Gislövshammar borehole log (after Westergård 1944)

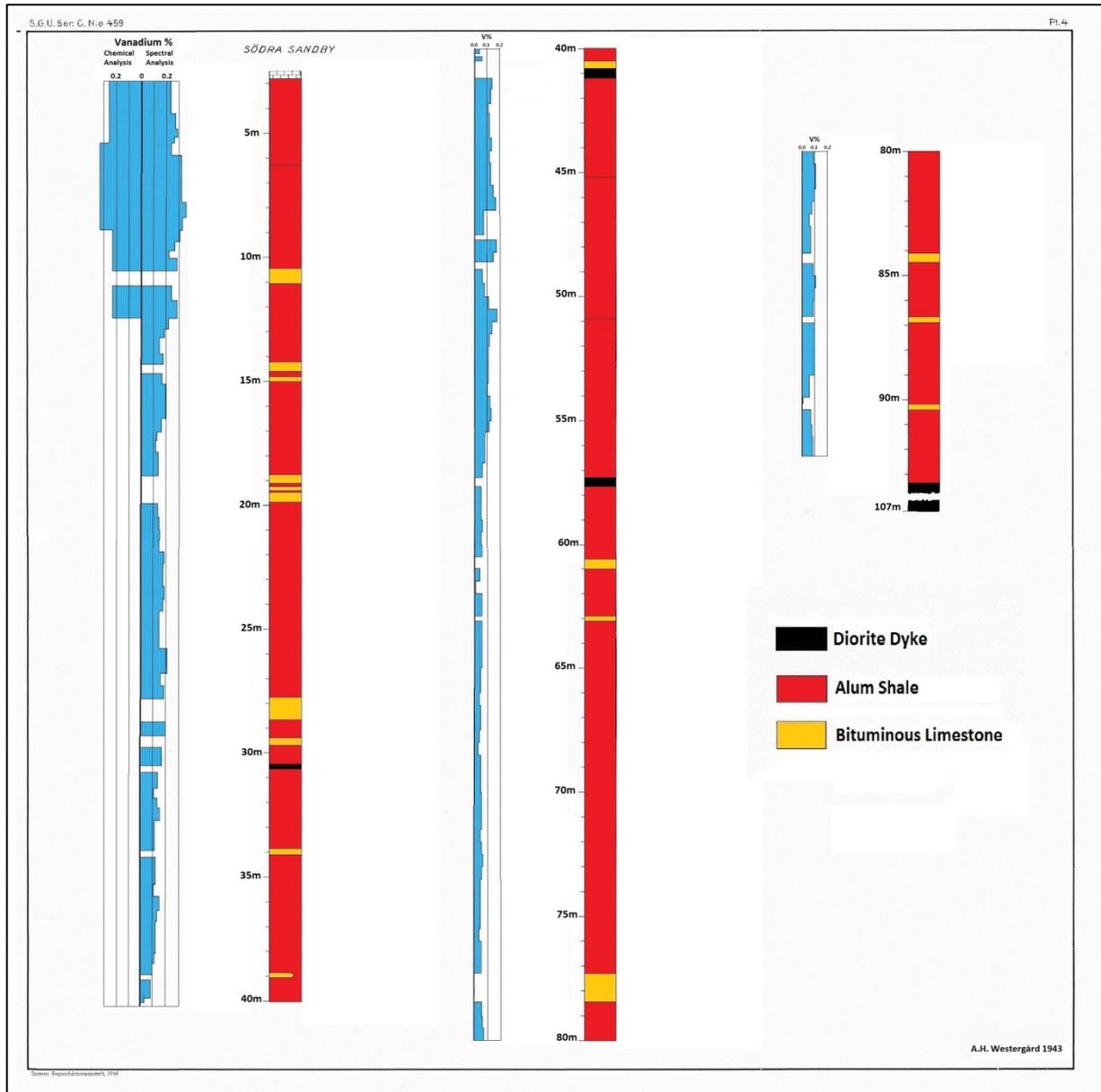


Figure 10: Sodra Sandby borehole log (after Westergård 1944)

The importance of these holes is in their location. Andrarum (Figure 11) is located 30km NW of Gislövshammar (Figure 9) and Sodra Sandby (Figure 10) is 70km WNW of Gislövshammar. These holes are drilled into the Alum Shale within 20m of the natural surface at three points covering an extensive area of the Skåne region. Each of these holes has intersected significantly elevated levels of Vanadium thus indicating that the Dictyonema Shale contains consistent, continuous mineralisation over a significant areal extent.

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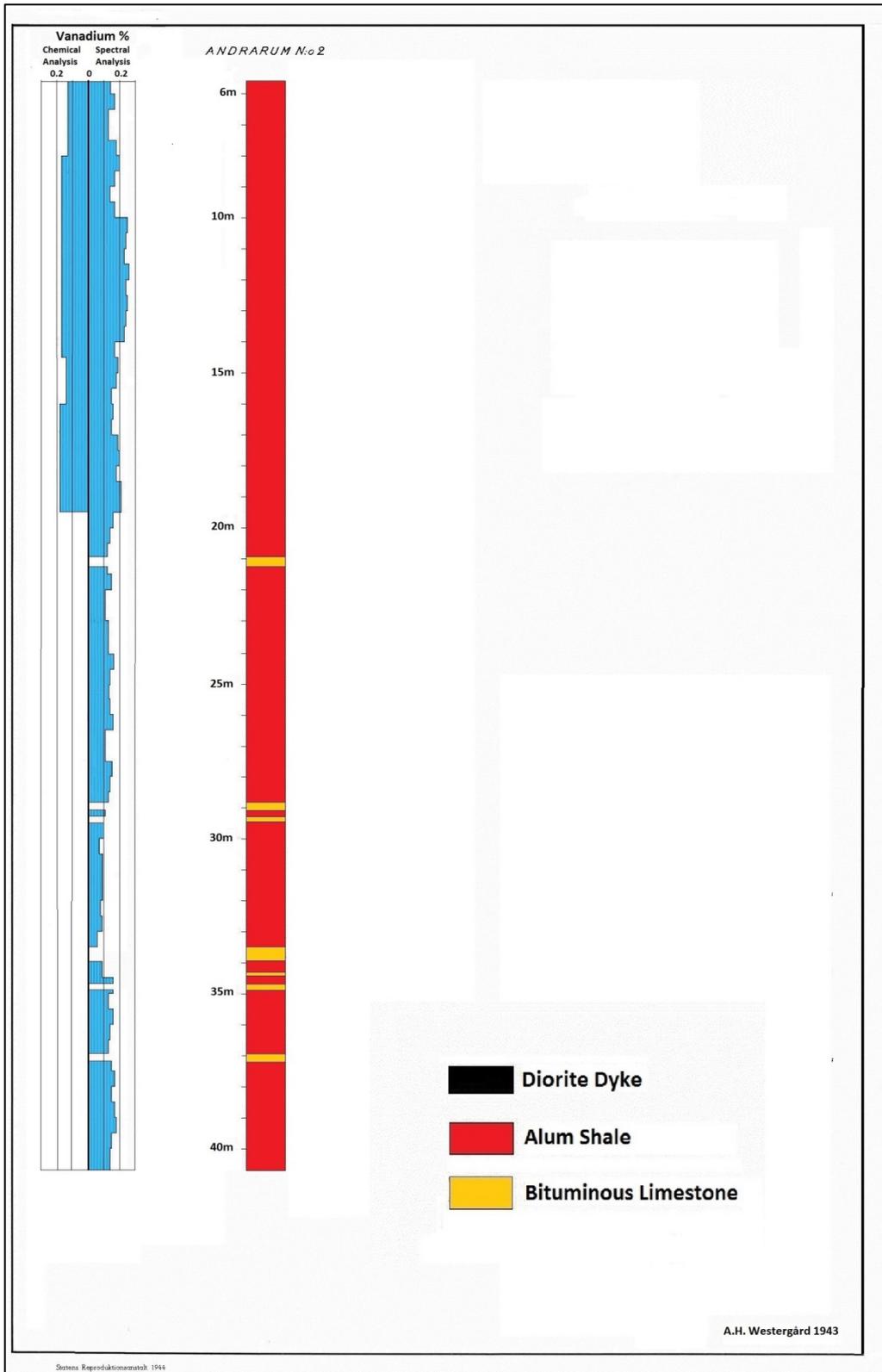


Figure 11: Andrarum-2 borehole log (after Westergård 1944)

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Andersson in 1985 presented a reworked version of Westergård's log of the Gislövshåmmar borehole (Figure 12). This appears to use the same Vanadium assay values as Westergård presented in his 1944 paper. Buchardt in 1997 presented another version of the Gislövshåmmar borehole (Figure 13) but this time with new assay results for Vanadium. This graphical representation of the Vanadium assays appears to contain higher grades in the Dictyonema Shale than presented earlier by Westergård or Andersson. Schovsbo in 2001 also included a graphical representation of the Gislövshåmmar borehole (Figure 14) again with new Vanadium assays. These assays appear higher than Westergård or Andersson presented and are much closer to those contained in Buchardt's report. Buchardt used a subset of the Schovsbo data for his paper (Schovsbo pers. comm.).

The Gislövshåmmar borehole was assayed by Schovsbo in 2001 and included in graphic form in his paper 'Why barren intervals? A taphonomic case study of the Scandinavian Alum Shale and its faunas'. The Gislövshåmmar borehole shows elevated levels of vanadium within the Dictyonema Fm. Grades, read from the graph, within the ten point samples taken in the top 10m of Dictyonema Fm (Figure 14) range from approximately 2000 to 4900ppm V, equivalent to 0.36% - 0.88% V<sub>2</sub>O<sub>5</sub>. This borehole location is 15km south-east from the Flagabro mine and illustrates the potential for significant areal extent of the vanadiferous shale.

Schovsbo described the sampling and assaying methodology in his report, "An approximately 1-cm thick slice of half a core, corresponding to 15 g of core material, was picked and scanned for fossils during crushing. Prior to crushing, macroscopic calcite-veins, pyrite and barite crystals were removed. The sample material was homogenized and crushed in an agate swingmill to a grain size below 60 micron. Total carbon (TC) and sulphur content was measured on a Metalyt 90S by combustion of 100 mg samples at 1250 °C in an oxidizing atmosphere. Measurements of CO<sub>2</sub> and sulphur gases were carried out with a TCD detector. Total organic carbon (TOC) content was either measured directly on acid-treated sample material following the above-mentioned method or was calculated from the total calcium content. Major elements were determined by XRF analysis of glass discs supplemented by atomic absorption (Mg, Na) and wet chemistry (FeO, H<sub>2</sub>O, LOI). Trace element concentrations were analysed directly on pressed powder pellets by X-ray fluorescence using a Phillips PW 1400 and the methodology of Norrish & Chappell (1977)."

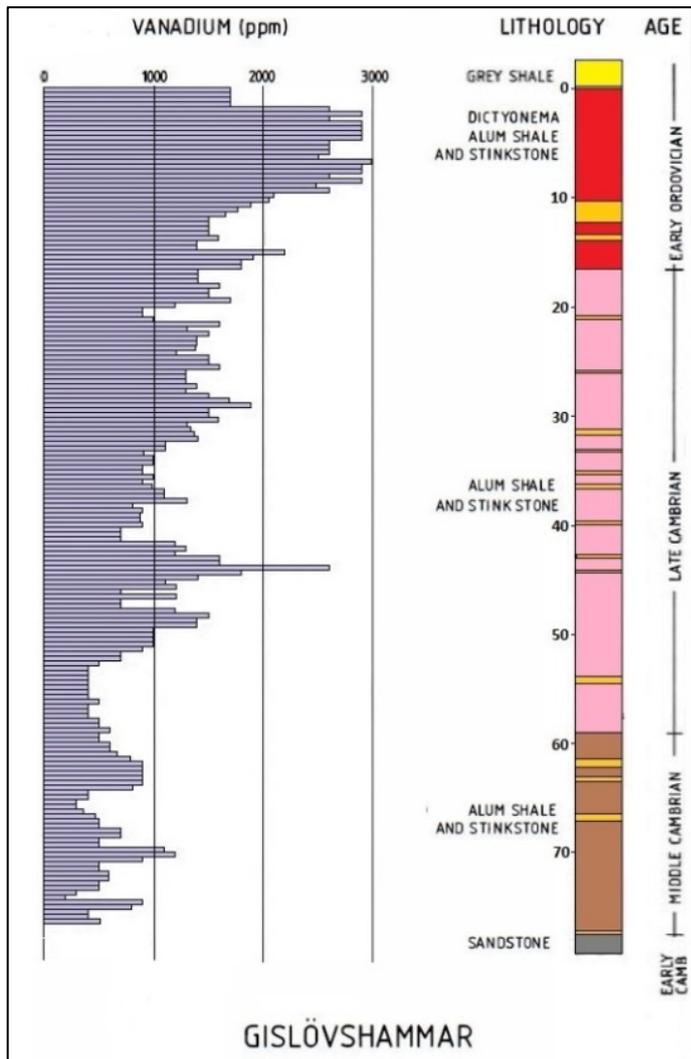


Figure 12: Gislövshammar borehole log and V assays (Andersson 1985)

Given the description of sampling and assaying in the Schovsbo report this must be considered to be the most accurate assaying of any of the 1941/42 boreholes. Given the higher Vanadium assays Schovsbo reported compared to Westergård one could possibly come to the conclusion that the assaying techniques in the 1940's underestimated the Vanadium content of the Dictyonema Shale. In any case these diamond core holes provide empirical confirmation of the extent of the Vanidiferous Dictyonema Shale formation.

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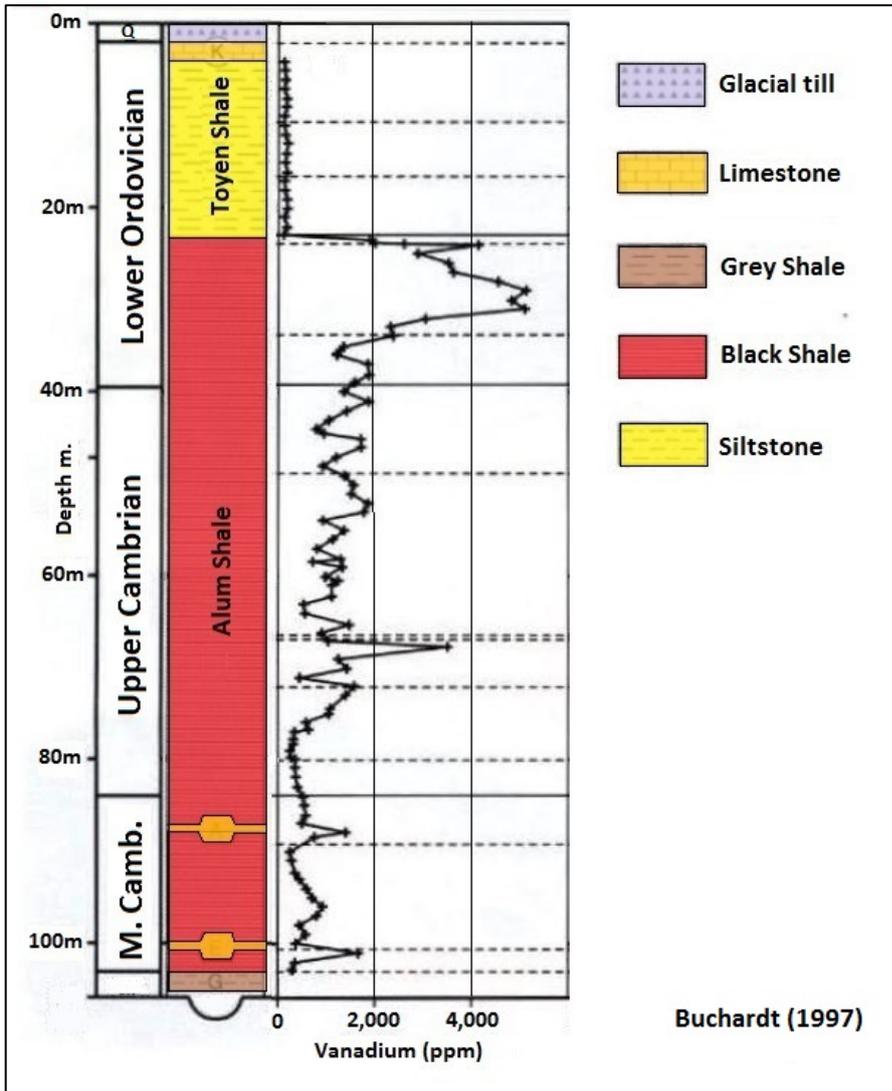


Figure 13 Borehole log of Gislövshammar drillhole (after Buchardt 1997)

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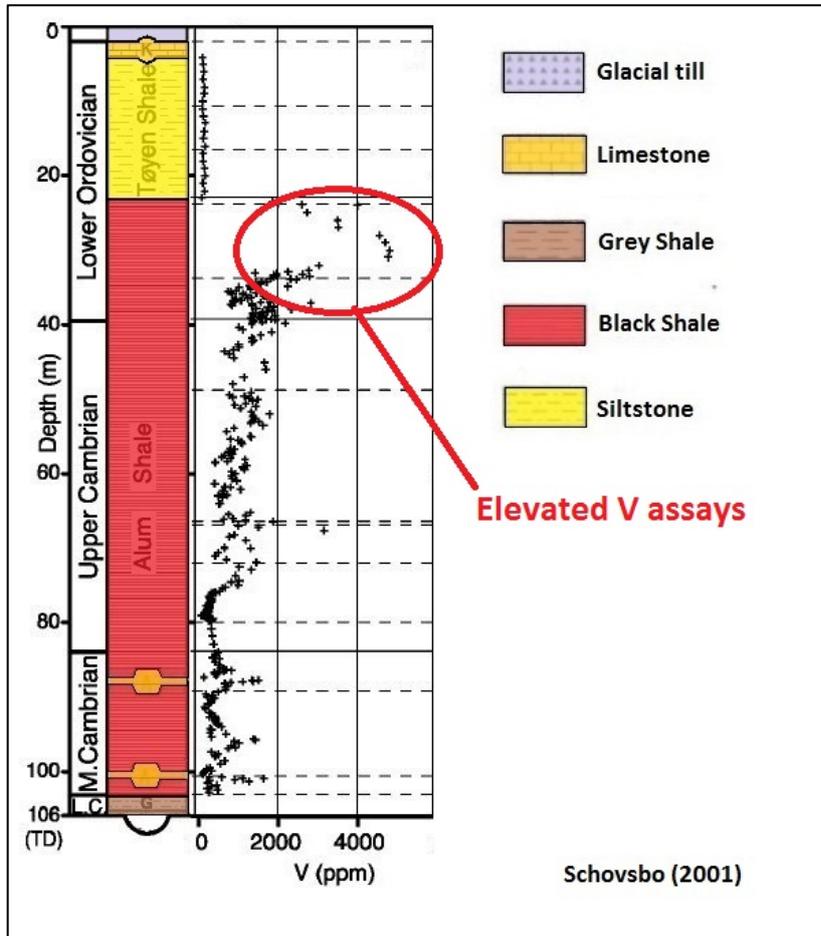


Figure 14: Borehole log of Gislövshammar drillhole (after Schovsbo 2001))

The assay data from the Schovsbo paper focussing on the Dictyonema Shale are presented in Figure 15. The data clearly illustrate the elevated levels of Vanadium, especially in the mid-levels of the unit. Towards the base of the Dictyonema Shale the Vanadium assays become more variable indicating changing atmospheric/oceanic conditions affecting the amount of Vanadium being deposited into the sediment. The data in Figure 16 has been normalised into 1m bins and illustrates the very high Vanadium grades in the hole between 23m and 33m downhole. The assay data for the entire Gislövshammar borehole is presented in Appendix 1.

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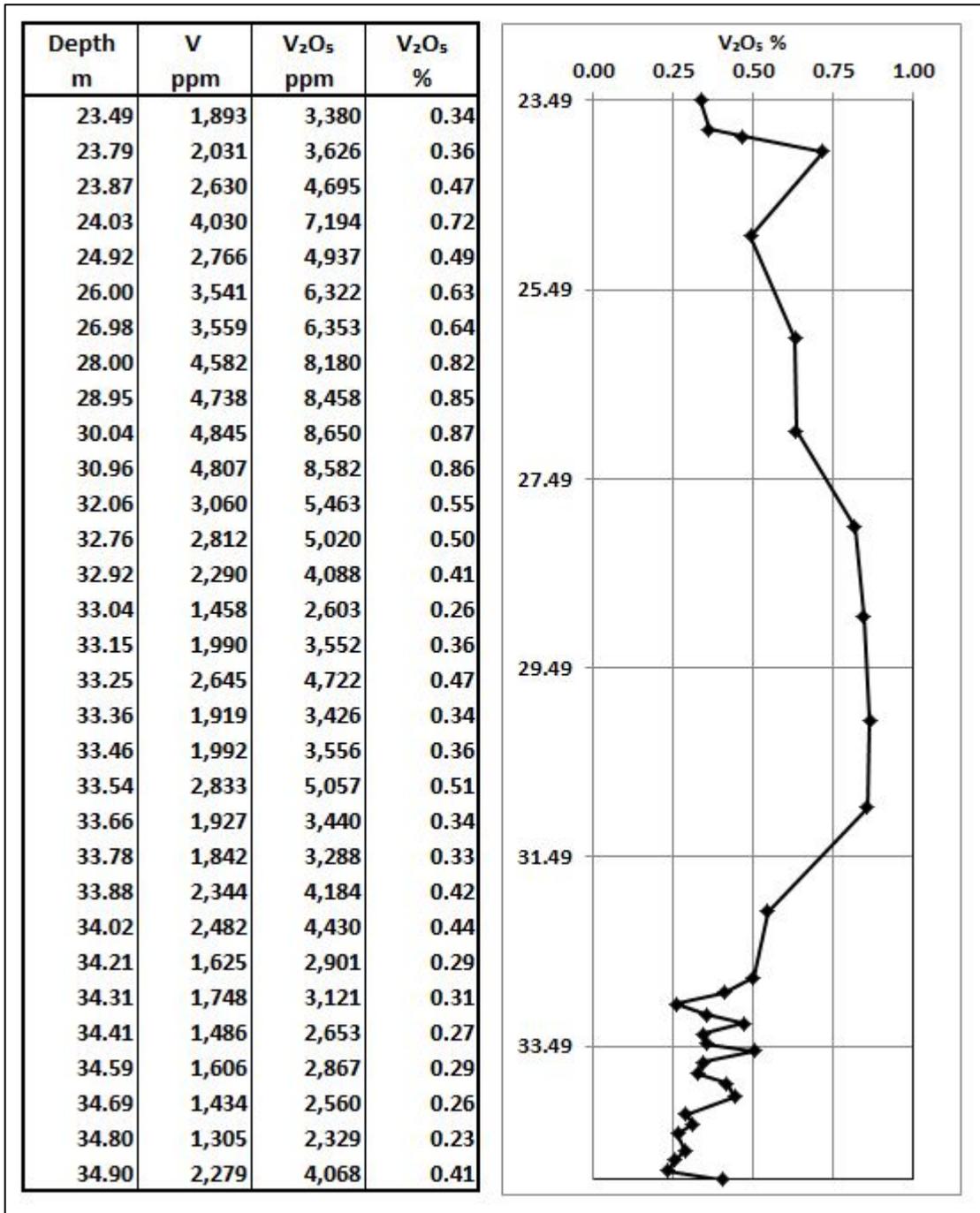


Figure 15: Vanadium assays from Gislövshammar borehole (Schovsbo 2001)

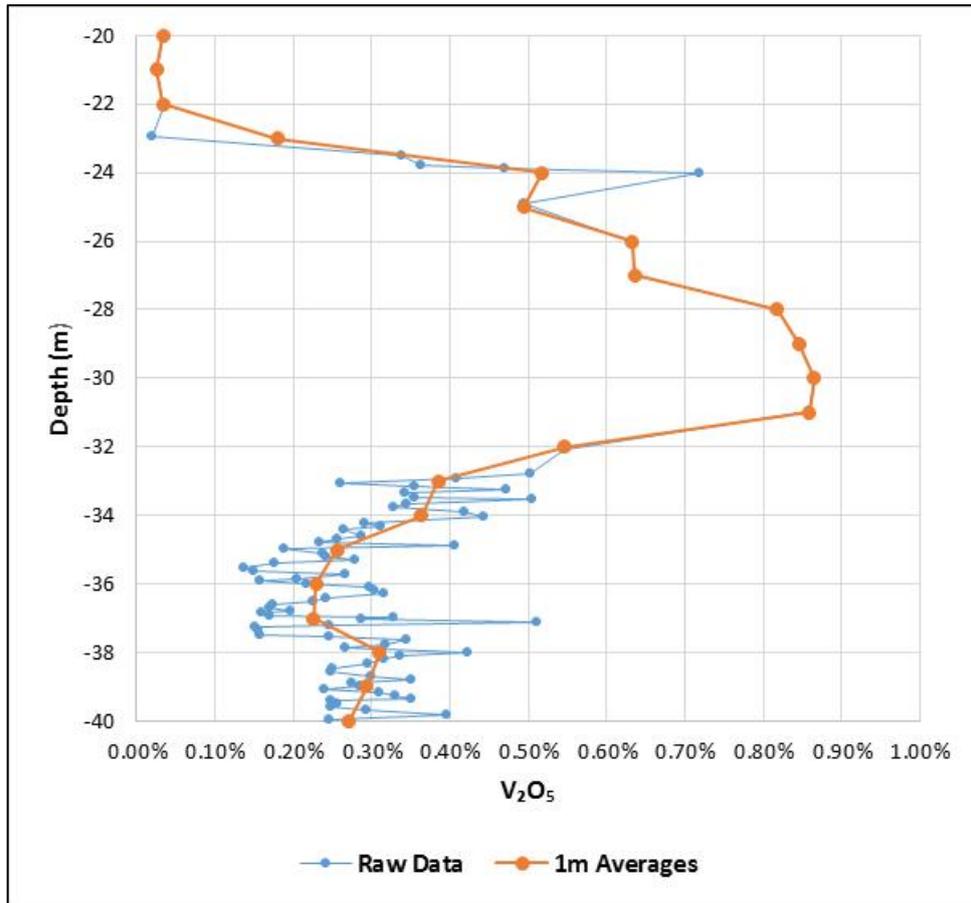


Figure 16: Dictyonema Shale V<sub>2</sub>O<sub>5</sub> assay results graphed in 1m interval bins

### 3.3 Flagabro Vanadium Mine

The abandoned Flagabro Vanadium Mine is located approximately midway between the Gislövshammar and Andrarum boreholes (Figure 7). This represents one of the few places on the tenement package that outcrop of the Dictyonema Shale is visible. There is very little recorded information regarding this old mine but a brief summary appears in Andersson (1985 p9), "The presence of unusually high concentrations of vanadium in the Dictyonema alum shales in Skåne was established in 1940 and led to various attempts to extract the element. The techniques involved roasting of the shales and subsequent leaching with sulphuric acid. Due to the low organic carbon content (about 5-8%) and calorific value of these shales it was necessary to introduce oil into the roasting furnace. Small amounts of vanadium pentoxide were produced together with potassium and ammonium aluminium sulphate during World War II."

Dyni (2006) reported, "The Alum Shale is remarkable for its high content of metals including uranium, vanadium, nickel, and molybdenum. Small amounts of vanadium were produced during World War II."

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A site visit to the Flagabro mine was carried out on 9<sup>th</sup> June 2018. A considerable distance (~300m) of outcrop of the Dictyonema Shale is found along the Flagabro Creek.

Bergstrom (1982) provided the following summary of the Flagabro area. "The base of the Ordovician (Tremadoc) is accessible along a small rivulet at the farm Flagabro, run by Mr. Julius Jönsson. Just east of a small bridge there is the 1m thick, grey-coloured and calcilitic Ceratopyge Limestone, which forms the top of the Tremadoc. This limestone has yielded a fauna including trilobites (*Ceratopyge forficula*, *Euloma ornatum*, and *Symphysurus augustatus*) and brachiopods (Tjernvik 1958). The limestone is underlain by a thin sheet of dark Ceratopyge Shale with the phyllocarid crustacean *Ceraticaris* and brachiopods. This is in turn underlain by the 11 m thick Dictyonema Shale, an alum shale forming the base of the Tremadoc. This shale is highly bituminous and contains concretions of stinkstone (bituminous limestone), baryte and pyrite. The total carbon content is 11% and the sulphur content is 2%, while the uranium content is low, only some 50-60 g/t (0.005%). The Dictyonema Shale is known for its content of vanadium (around 0.4%); a water-filled digging 100m NE of the bridge is the remains of an attempt at extraction. The fauna is dominated by Dictyonema but the upper part, exposed at Flagabro, is poorly fossiliferous. Towards the south-west the section is terminated by a Permo-Carboniferous dolerite dyke just on the other side of the bridge." The plan and section in Figure 17 is from the Bergstrom paper and illustrates the outcrop of Dictyonema Shale along the creek. The water filled digging on the plan is the remains of the Second World War Vanadium mine.

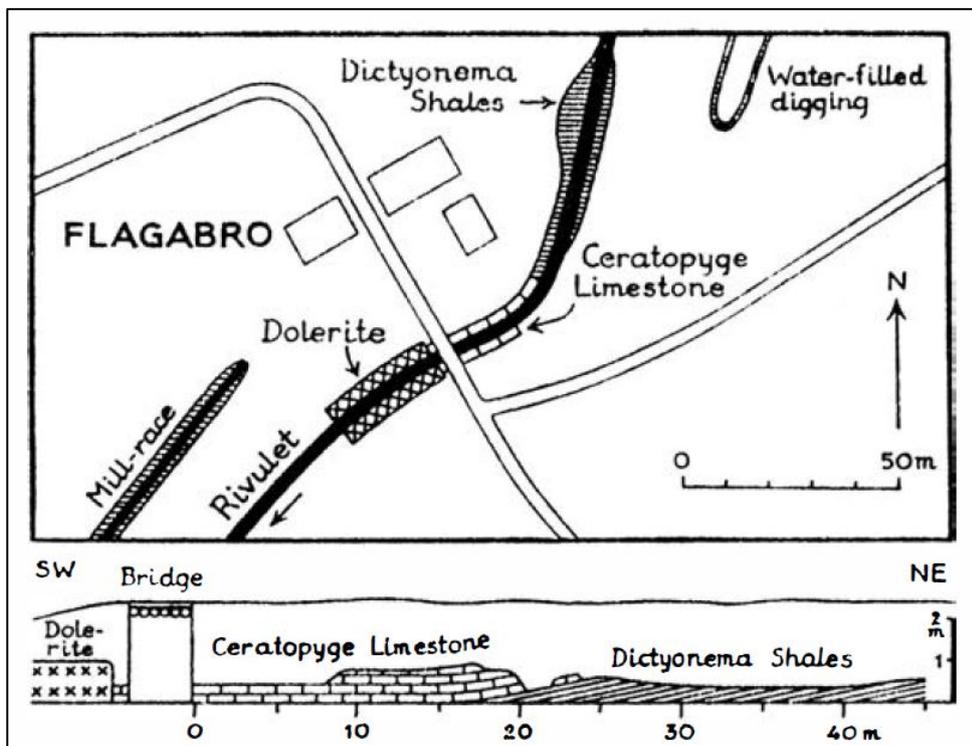


Figure 17: Flagabro Dictyonema Shale outcrop (Bergstrom 1982)

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Figure 18: Outcrop of Dictyonema Shale along Flagabro Creek at sample location F005 (0.81%  $V_2O_5$ )

During a site visit to Flagabro on May 18<sup>th</sup> – 21<sup>st</sup> a suite of chip samples was taken along the creek. The samples were about 0.5kg in weight and were taken from the top of the Dictyonema outcrop (sample F002) to the bottom (sample F008). Samples R001 and R002 were taken within 10m of F005 and were sent to a UK laboratory. The F series samples were assayed for Vanadium and these results have then been converted to Vanadium Pentoxide ( $V_2O_5$ ) by multiplying by 1.7852. Vanadium Pentoxide contains 56% Vanadium by weight. The R series assays were reported by the lab as  $V_2O_5$  assays. The upper reaches of the Dictyonema Shale contain high  $V_2O_5$  values, towards the bottom of the unit the assays appear to be lower.

Results of mapping and sampling indicate an approximately 10m thick mineralized black shale dipping 6-2° to the west. Grades of the six samples taken within the top 10m of the shale range from 0.58% to 0.85%  $V_2O_5$ . These assay results are similar to those received by Schovsbo from the Gislövshammar borehole located about 25km to the south-east. This indicates the continuity of Vanadium mineralisation within the Dictyonema Shale.

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Sample No	North lat.	East long.	V ppm	V2O5 ppm	Lab	Sample description
F001	No sample					
F002	55.57682	14.12678	3,250	0.58%	ALS Sweden	Top of Dictyonema in Flagabro creek
F003	55.57688	14.12724	4,760	0.85%	ALS Sweden	South end of Flagabro quarry
F004	55.57755	14.12790	3,980	0.71%	ALS Sweden	North end of Flagabro quarry
F005	55.57800	14.12715	4,530	0.81%	ALS Sweden	Outcrop in Flagabro creek
F006	No sample					
F007	55.57959	14.12734	1,580	0.28%	ALS Sweden	Outcrop in Flagabro creek
F008	55.57999	14.12810	1,740	0.31%	ALS Sweden	Outcrop in Flagabro creek
R001	55.57800	14.12715	na	0.50%	Panalytical UK	Outcrop in Flagabro creek
R002	55.57800	14.12715	na	0.85%	Panalytical UK	Outcrop in Flagabro creek

Table 3: Details of chip samples taken at Flagabro



Figure 19: Plan of Flagabro location showing sample locations

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### 3.4 Exploration Potential and Proposed Work Programmes

ASY proposes to conduct a significant exploration program at its Skåne Vanadium Project. Target generation will be aided by SGU 1:50000 bedrock maps. Initial work will consist of RC drilling on a relatively wide spaced grid to confirm the presence and depth to the Dictyonema Shale. Once the presence of mineralised material has been confirmed infill drilling will commence to enable the estimation of Mineral Resources should they be supported by successful drilling results. Initial drilling will be conducted on the granted tenements with the tenement applications being explored as they are granted. These programs are summarised in Table 4.

Each step in the proposed exploration programme will be conducted contingent upon the success of the preceding activity.

	Minimum Subscription	Maximum Subscription
Phase 1 Exploration Drilling Campaign	\$550,000	\$550,000
Phase 2 in-fill drilling campaign	\$860,000	\$1,160,000
Metallurgy Studies	\$410,000	\$510,000
Scoping study preparation including mineral resource estimation	\$270,000	\$270,000
Environmental base line studies and community engagement	\$220,000	\$220,000
<b>Total Exploration Expenditure (Granted Exploration Permits)</b>	<b>\$2,310,000</b>	<b>\$2,710,000</b>
Phase 1 exploration drilling campaign (Applications – see Section 7.2(b) for details)	\$300,000	\$300,000
<b>Total Exploration Expenditure (Granted Exploration Permits and Applications)</b>	<b>\$2,610,000</b>	<b>\$3,010,000</b>

Table 4: Proposed 12 month Exploration Program for the Skåne Vanadium Project

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## 4.0 SKÅNE PROJECT EXPLORATION TARGET

This Exploration Target is a statement or estimate of the exploration potential of the mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Skåne Project Exploration Target is based on limited exploration results. The tonnages are based on geological mapping by the Swedish Geological Survey and published in their 1:50,000 Bedrock Geology Map series. The grades are based on assaying of three boreholes and particularly on the recent assaying of one borehole, Gislövshammar. In addition a site visit to the Flagabro outcrop by the competent person incorporated mapping, sampling and assaying of the mineralised Dictyonema Shale and this was also used in determining a grade range for the Exploration Target.

The Exploration Target for the entire Skåne Vanadium Project area (inclusive of areas covered by exploration permit applications) is:

- 610 million to 1,200 million tonnes at an average grade of 0.5% to 0.8% V<sub>2</sub>O<sub>5</sub>

The Exploration Target within the area of Exploration Tenements granted as at the date of this Report is:

- 350 million to 440 million tonnes at an average grade of 0.5% to 0.8% V<sub>2</sub>O<sub>5</sub>

See Table 5 for further details.

Mapping by the SGU of the tenement area has been carried out on 1:50,000 scale. The maps interpret the bedrock geology based on a significant number of boreholes, geophysical data and mapping of outcrop. The boreholes were drilled mainly for water and are marked on the maps.

The exploration target has been constructed to estimate the range of volume/tonnage and grade of the Vanadiferous Dictyonema Shale within the tenement area. As the Dictyonema Shale is located at the top of the main Alum Shale unit the contact between the Alum Shale and the overlying sediments have been used to determine the location of the mineralisation. This contact and its location has been mapped by the SGU and forms the basis for the exploration target. The Dictyonema Shale has been assumed to be 10m thick based on the 1941/42 drillholes and measurements taken at the Flagabro outcrop. The average dip is assumed to be -5°. The assumed density, based on similar rock types in Sweden is 2.5t/m<sup>3</sup>. The estimated range for contained tonnes of mineralised material is based on a depth to 50m to 100m vertical depth from top of bedrock. It should be noted that there is approximately 5-10m of transported glacial till overlying the bedrock so the total depth considered in the exploration target can be up to 110m.

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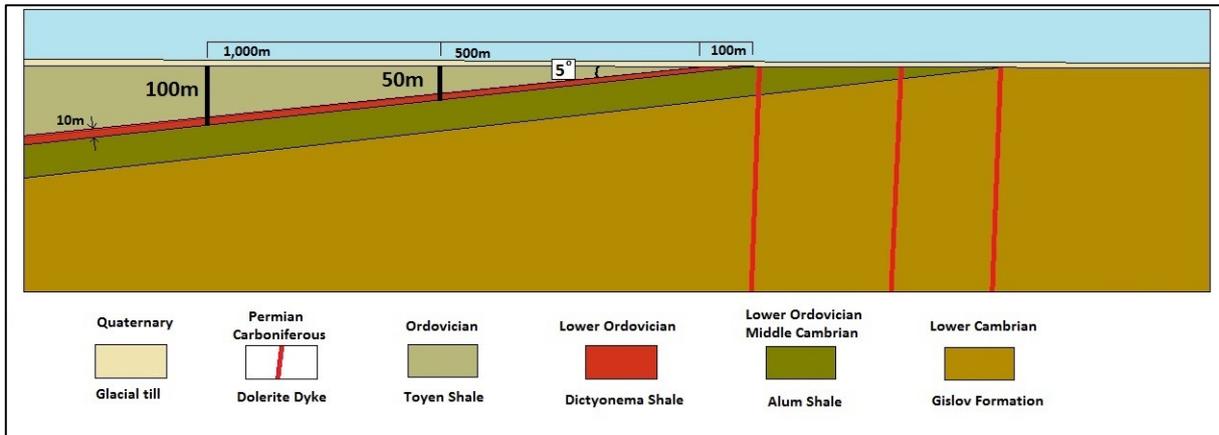


Figure 20: Schematic cross section showing exploration target parameters

The Exploration Target extends from 500m to 1,000m in the down dip direction from the Dictyonema/Tøyen Shale contact. It also extends for 100m in the other direction from the contact representing the actual Dictyonema outcrop/subcrop (Figure 20). In some cases these dimensions are not reached due to geological discontinuities such as fault displacements. The area representing a depth of 50m is generally equivalent to the lower tonnage range and the 100m depth is the upper tonnage range.

The Andrarum target and parts of the Hammenhog target do not have a sub-cropping contact as they are constrained by faults. The Andrarum-2 borehole indicates the presence of mineralised Dictyonema Shale but it is not certain whether or not some of the mineralised shale has been eroded away. The Andrarum-1 hole definitely does not have any mineralised Dictyonema Shale preserved. In order to account for this uncertainty the thickness of the Dictyonema Shale in the Andrarum target and part of the Hammenhog target is assumed to be in a range of thickness from 0m to 5m. Part of the Hammenhog target is beneath overlying Ordovician sediments, possibly deeper than 50m, so this is only included in the upper range case.

The location of the Exploration Target areas is shown in Figure 21. The range of size for each target is tabulated in Table 5. The tonnages are rounded to the nearest 10 million tonnes to reflect the low level of accuracy.

ASY intends to commence exploration of the tenements as soon as relevant statutory approvals are received. The exploration program is contained in section 3.4 on page 31 of this report. Drilling programs will confirm the presence, thickness and Vanadium grade of the Dictyonema Shale within the exploration target. A prioritisation exercise will target the most prospective areas for further infill drilling. If this drilling is successful Mineral Resources may then be estimated and, if warranted, a feasibility study commenced.

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Exploration Target						
Location	Lower Range area (ha)	Upper Range area (ha)	thickness (m)	density t/m <sup>3</sup>	Lower Range tonnes	Upper Range tonnes
<b>Granted Tenements</b>						
Killerod	1,186	1,448	10	2.5	300,000,000	360,000,000
Virrestad	199	303	10	2.5	50,000,000	80,000,000
<b>TOTAL</b>	<b>1,385</b>	<b>1,751</b>	<b>10</b>	<b>2.5</b>	<b>350,000,000</b>	<b>440,000,000</b>
<b>Tenement Applications</b>						
Horby	445	594	10	2.5	40,000,000	80,000,000
Andrarum	765	765	0-5	2.5	0	100,000,000
Flagabro	48	117	10	2.5	10,000,000	30,000,000
Fageltofta1	204	307	10	2.5	50,000,000	80,000,000
Fageltofta2	79	79	10	2.5	20,000,000	20,000,000
Hammenhog	844	1,327	0-10	2.5	40,000,000	250,000,000
Jarrestad	182	394	10	2.5	40,000,000	100,000,000
Tosterop	236	378	10	2.5	60,000,000	100,000,000
<b>TOTAL</b>	<b>2,802</b>	<b>3,961</b>			<b>260,000,000</b>	<b>760,000,000</b>
<b>GRAND TOTAL</b>	<b>4,187</b>	<b>5,712</b>			<b>610,000,000</b>	<b>1,200,000,000</b>

Table 5: Exploration Target size range

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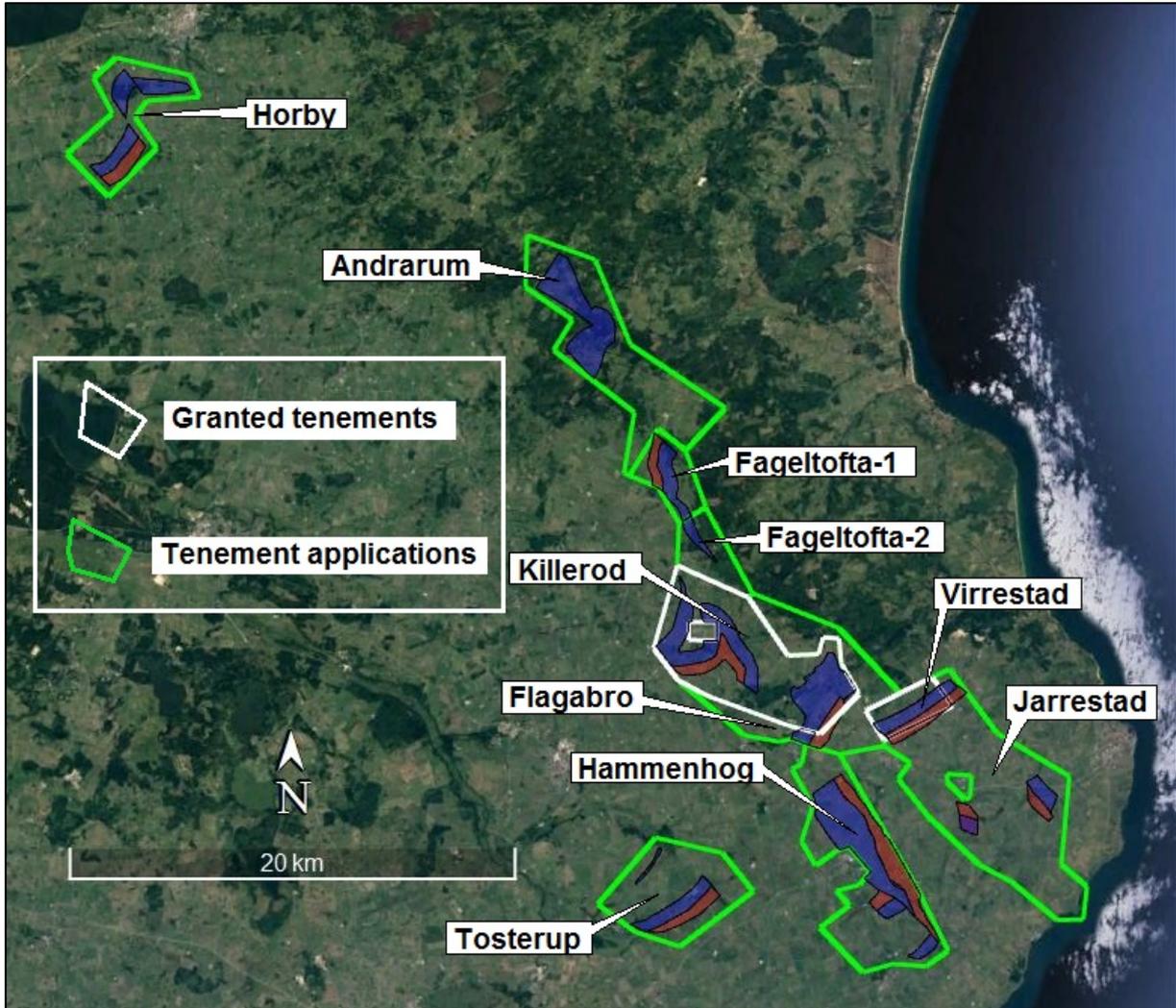


Figure 21: Location of Exploration Target areas

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## 6.0 GLOSSARY

**Aeolian** Relating to wind-formed surficial deposits, typically composed of fine sand and sediment.

**Aeromagnetics** Airborne measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

**Ag** Chemical symbol for silver.

**Airborne EM** Airborne measurement of the electromagnetic response for the purpose of recording electromagnetic characteristics of rocks.

**Albite** A plagioclase feldspar mineral which is the sodium endmember of the plagioclase solid solution series.

**Allochthon** a large block of rock which has been moved from its original site of formation

**Anomalous** Having statistically significantly higher or lower values than the norm.

**Anomaly** A portion of an area surveyed that is different in appearance from the area surveyed in general or containing higher or lower values than considered normal.

**Archean** The oldest rocks of the Earth's crust – older than 2,400 million years.

**Arenaceous** – sand-bearing, or rock with abundant grains with a size classed as “sand”.

**As** Chemical symbol for arsenic.

**Assay** An examination of a sample to determine by measurement certain of its ingredients.

**ASTER** Advanced Spaceborne Thermal Emission and Reflection Radiometer, a high resolution imaging instrument that is flying on the Terra satellite.

**Au** Chemical symbol for gold.

**Auger** a rotating drill used to drill shallow holes for sub surface sampling (commonly within 5 m of surface)

**Auriferous** Containing gold.

**Autochthon** a large block or mass of rock which is in the place of its original formation relative to its basement or foundation rock

**Axial Surface** A surface defined by connecting all the hinge lines of folded surfaces (e.g. strata). If the axial surface is a planar surface it is called the axial plane and is described by the strike and dip of the plane.

**Barite** A mineral consisting of barium sulfate

**Basalt** A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

**Basement** The igneous or metamorphic rock that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface

**Batholith** A large emplacement of igneous intrusive (also called plutonic) rock that forms from cooled magma

**Beryl** A mineral composed of beryllium aluminium cyclosilicate

**Breccia** A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.

**Brine** A solution of salt in water

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**Brine hosted** Commodities, principally metals, dissolved in salt water and able to be captured and extracted.

**Bulk Cyanide Leach** An analytical process to leach metals from a sample

**Caledonian orogeny** A mountain building era recorded in the northern parts of Ireland and Britain, the Scandinavian Mountains, Svalbard, eastern Greenland and parts of north-central Europe. 390 Ma – 490 Ma

**Calcrete** A surficial form of carbonate, usually formed during weathering processes.

**Cambrian** A geological period from 540Ma to 485Ma

**Carbonate** Rock of sedimentary or hydrothermal origin, composed primarily of CO<sub>3</sub>

**Carbonatite** A type of intrusive or extrusive igneous rock defined by a mineralogic composition consisting of greater than 50 percent carbonate minerals.

**Carnotite** A uranium bearing mineral (potassium uranium vanadate).

**Celestite** A strontium bearing mineral (strontium sulphate)

**Cenozoic** The current geological era, from 66 Ma to the present day

**Chert** A hard, extremely dense or compact, dull to semi-vitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.

**Chlorite** A dark replacement mineral related to mica.

**Clastic** Sediments derived from erosion of pre-existing rocks.

**Cleavage (mineral)** The tendency of crystalline materials to split along definite crystallographic structural planes.

**Cleavage (structural)** A type of planar rock feature that develops as a result of deformation and metamorphism.

**Closed basin** A basin that retains water and allows no outflow to other external bodies of water, such as rivers or oceans, but converges instead into lakes or swamps, permanent or seasonal, that equilibrate through evaporation

**Co** Chemical symbol for cobalt

**Columbite** A niobium bearing mineral (iron-manganese niobium oxide)

**Conglomerates** A coarse-grained clastic sedimentary rock that is composed of a substantial fraction of rounded to subangular gravel-size clasts. Conglomerates may be “clast supported” where the clasts are the dominant constituent or “matrix supported” where the matrix between the clasts is the dominant constituent.

**Contact** The surface over which two solid geological bodies, usually rocks, are in touch

**Craton** A craton is an old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.

**Crustal** From the crust

**Cu** Chemical symbol for copper

**Deformation** Process by which rocks are folded or faulted.

**Deposition** The precipitation of mineral matter from solution.

**Diamond (Core) Drilling** The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.

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**Diapir** a type of geologic intrusion in which a more mobile and ductily deformable material is forced into brittle overlying rocks

**Dip** A measure of the orientation or attitude of a geological feature

**Disseminated** Mineral grains scattered throughout host rock.

**Dolerite** A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase; crystalline basalt.

**Dyke** A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

**Electromagnetic Survey** Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.

**EM** Electromagnetic – a geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface

**Ensialic** the assemblage of rocks, rich in silica and alumina, that comprise the continental portions of the upper layer of the earth's crust

**Ensimatic** an assemblage of rocks, rich in silica and magnesium, that constitutes the lower layer of the earth's crust and is found beneath the ocean floors

**Eocene** A geological epoch from 56 Ma – 33.9 Ma

**Erosion** The action of surface processes (such as water flow or wind) that remove soil, rock, or dissolved material from one location on the Earth's crust, then transport it away to another location

**Evaporitic sediments** A water-soluble mineral sediment that results from concentration and crystallization by evaporation

**Exploration** Projecting, sampling, mapping, drilling and other work involved in the search for

**Extrusive** The mode of igneous volcanic rock formation

**Fault** A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

**Fe** Chemical symbol for iron.

**Feldspathic** Containing feldspar minerals

**Felsic** Descriptive of light-coloured, fine-grained igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

**Felsic Volcanic** Descriptive of light-coloured, fine-grained extrusive igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

**Ferruginous** Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

**Fischer assay** a standardized laboratory test for determining the oil yield from oil shale

**Fissure** A groove or natural division

**FLEM** Fixed loop electromagnetic survey

**Fluvial** Produced by the action of flowing water.

**Fold** A bend or curve in a stack of flat and planar surfaces, such as sedimentary strata, as a result of permanent deformation.

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**Formation** A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

**Fractionation** A separation process in which a solidifying mixture is divided, usually through the loss of the more liquid portions of the mixture.

**Ga** A symbol for billions of years before the present time.

**Gabbro** Coarse-grained, dark igneous rock of similar composition to basic volcanics.

**Gamma radiation** A penetrating electromagnetic radiation of a kind arising from the radioactive decay of atomic nuclei.

**Garnet** A group of nesosilicate minerals

**Geochemical anomaly** A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

**Geochemical surveys** The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

**Geological Time** (or chronostratigraphy) is divided into Eons, Era, Periods and Epochs.

**Geophysical survey** The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

**Gneiss** A rock formed by high-grade regional metamorphism of originally either igneous or sedimentary rocks. It is often foliated and characterized by alternating darker and lighter coloured bands.

**Gossan** An intensely oxidized, weathered or decomposed rock, sometimes the exposed part of a mineral vein, frequently appearing as a red stain against the background rock and soil due to the abundance of oxidized iron

**Gossanous** Containing material derived from a gossan

**Grade** Quantity of gold or other metal per unit weight of host rock or sample.

**Granite** Coarse-grained igneous crystalline rock with a high silica content.

**Granitoid** Pertaining to or composed of granite.

**Graphitic** Containing graphite

**Graptolite** a small invertebrate creature living in Palaeozoic oceans

**Grid** Systematic array of points or lines along which field observations are made.

**Hexavalent** An element in a chemical state where 6 univalent atoms (e.g. hydrogen or chlorine atoms) may combine with an atom of the element under consideration.

**HoistEM** An airborne electromagnetic survey technique

**Hydrothermal** The transport and circulation of water within the deep crust, in general from areas of hot rocks to areas of cooler rocks

**Hyperspectral analysis** analysis of spectral imagery to determine either surface or subsurface characteristics.

**Iapetus Ocean** was an ocean that existed in the late Neoproterozoic and early Paleozoic eras between the paleocontinents of Laurentia, Baltica and Avalonia

**Igneous** Formed by solidification from the molten state.

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**Induced Polarization (IP)** The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.

**Intermediate** A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica (SiO<sub>2</sub>) between 54% and 65%.

**Intrusion** The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

**Ironstone** Generic name for an iron bearing rock, usually at surface. May be a Banded Iron Formation or a weathering product similar to a laterite.

**Isoclinal folds** A fold where the two limbs have a dip of 10 degrees or less, ie are essentially parallel.

**K-feldspar** A feldspar mineral containing potassium, also known as orthoclase. Orthoclase forms a solid solution with albite.

**Lacustrine sediments** Sediments deposited in a lake.

**Laminated** A small scale sequence of fine layers that occurs in sedimentary rocks.

**LANDSAT** A program administered by NASA which acquires satellite imagery of Earth on an ongoing basis and supplies them to enable analysis of surface and sub surface features.

**Laterite** Iron-rich residual surface rock capping formed by weathering in tropical conditions.

**Lenticular** Adjective describing a formation with a lens-shaped cross-section

**Lepidolite** A lithium bearing mica mineral

**Lignite** A soft brown combustible sedimentary rock formed from naturally compressed peat often referred to as brown coal.

**Limonite** An iron ore consisting of a mixture of hydrated iron(III) oxide-hydroxides in varying composition

**Limonitic** Containing limonite

**Lithogeochemical** A technique to classify rocks solely on the basis of their chemical composition.

**Low-displacement fault** A fault with little displacement.

**Ma** A symbol for millions of years before the present time.

**Mafic** Referring to igneous rocks composed dominantly of iron and magnesium minerals.

**Magnetic anomaly** magnetic values above or below the norm for a particular rock.

**Magnetite** A mineral; magnetic oxide of iron.

**Malachite** a copper oxide mineral commonly found near surface.

**Manganiferous** Containing manganese

**Manganite** A mineral composed of manganese oxide-hydroxide

**Massive sulphide** Sulphide mineralisation where a large number of sulphide grains are in contact with each other.

**Mesozoic** A geological era from 252 to 66 Ma

**Metamorphic** Alteration and re-crystallisation of rocks because of heating or application of pressure or both.

**Metamorphism** The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and

pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.

**Metasedimentary** A sediment or sedimentary rock that has been altered by metamorphism.

**Metasomatism** The chemical alteration of a rock by hydrothermal and other fluids, resulting in the replacement of one rock by another of different mineralogical and chemical composition

**Metavolcanic** A volcanic or volcanoclastic rock that has been altered by metamorphism.

**Mica** A group of minerals characterised by nearly perfect basal cleavage

**Migmatite** A rock that is a mixture of metamorphic rock and igneous rock, created when a metamorphic rock partially melts, and then that melt recrystallizes into an igneous rock

**Mineral Sands** A class of placer deposit formed in beach environments due to the specific gravity of the mineral grains.

**Mineralisation** The concentration of metals and their chemical compounds within a body of rock.

**Mn** Chemical symbol for manganese.

**Mo** Chemical symbol for molybdenum.

**Mudstone** A fine-grained sedimentary rock whose original constituents were clays or muds

Muscovite

**Nappe** thrust sheet or a large sheetlike body of rock that has been moved more than 2 km or 5 km above a thrust fault from its original position

**Ni** Chemical symbol for nickel

**Nickel** Silvery-white metal used in alloys.

**Normal fault** is a fault where the hanging wall moves down relative to the footwall. Reverse faults indicate extension of the crust.

**Ogliocene** A geological epoch from 66 Ma – 56 Ma

**Ordovician** A geological period from 485 Ma – 443 Ma

**Orogeny** An event that leads to a large structural deformation of the Earth's lithosphere (crust and uppermost mantle) due to the interaction between tectonic plates

**Orogenic** Formed in an Orogeny

**Outcrop** An exposure of bedrock at the surface, projecting through the overlying soil cover.

**Oxidation** is the loss of electrons or an increase in oxidation state by a molecule, atom, or ion

**Oxidised** Near-surface decomposition by exposure to the atmosphere and groundwater.

**Palaeochannel** A remnant of an inactive river or stream channel that has been either filled or buried by younger sediments.

**Palaeovalley** A remnant of a geographical low or valley feature preserved in the basement following deposition of younger sediments. Often associated with palaeochannels.

**Paleocene** A geological epoch from 34 Ma – 23 Ma

**Pb** Chemical symbol for lead.

**Pegmatite** A holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually larger than 2.5 cm in size

**Peneplain** A low-relief non-constructive plain

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**Percussion drilling** A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.

**Permeable** Allows water flow

**PGE** Platinum Group Element (e.g. platinum, palladium, etc.)

**Phyllite Schist** fine-grained metamorphic rock formed by the reconstitution of fine-grained, parent sedimentary rocks, such as mudstones or shales

**Pillow breccias**, also known as volcanic breccias, are formed by explosive eruption of lava and any rocks which are entrained within the eruptive column

**Pillow Lava** Lavas that contain characteristic pillow-shaped structures that are attributed to the extrusion of the lava under water

**Pisolitic** A sedimentary rock made of pisoids, which are concretionary grains

**Pitchblende** A uranium bearing mineral now referred to as Uraninite (UO<sub>2</sub>)

**Playa lakes**. Another name for a salt lake, or dry lake. An ephemeral lakebed, or a remnant of an endorheic lake. Such flats consist of fine-grained sediments infused with alkali salts

**Pliocene** A geological epoch from 5.3 Ma – 2.6 Ma.

**Primary** – unweathered rock or minerals, e.g. primary sulphides

**Project** An area including a group of tenements that constitute a logical working unit.

**Proterozoic** A geological period of time from 2500 Ma – 545 Ma. Subdivided into Palaeo- (oldest), Meso- and neo-proterozoic (youngest).

**Pyrite** Magnetic iron sulphide mineral.

**Pyritic** containing pyrite

**Quartz** A very common mineral composed of silica.

**Quaternary** – the current geological system, from 2.6 Ma to present day

**RAB drilling** Rotary air blast drilling, a technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

**Radiometrics** Measurement of the radiation, or radioactivity, of the surface or sub surface,

**RC drilling** Reverse circulation drilling, a technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

**Redox** A chemical reaction in which the oxidation states of atoms are changed. Any such reaction involves both a reduction process and a complementary oxidation process, two key concepts involved with electron transfer processes

**Reduction** is the gain of electrons or a decrease in oxidation state by a molecule, atom, or ion

**REE** Rare Earth Elements

**Regolith** All the material at the earth's surface that lies above fresh, unweathered rocks.

**Regolith** Weathered portion of the land surface down to bedrock.

**Reverse fault** is a fault where the hanging wall moves up relative to the footwall. Reverse faults indicate compressive shortening of the crust. The dip of a reverse fault is relatively steep.

**Saline** Containing salt.

**Sampling** Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).

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**Sandstone** A clastic sedimentary rock composed mainly of sand-sized minerals or grains

**Schist** Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

**SEDEX** Sedimentary exhalative deposits are ore deposits which are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore

**Sediment** Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

**Sedimentary** Containing sediments.

**Sedimentary Basin** A low area in the earth's crust, of tectonic origin, in which sediments have accumulated. These may include volcanoclastic sediments.

**SEM** Scanning Electron Microscope

**SGU** Swedish Geological Survey

**Shale** A fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals

**Shear** A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

**Siliciclastic** Clastic noncarbonate sedimentary rocks that are almost exclusively silica-bearing

**Silicified** Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

**Sill** Intrusive igneous rock horizontally or sub-horizontally emplaced.

**Siltstone** A clastic sedimentary rock primarily composed of silt sized particles, defined as grains 2–62 µm

**Sparagmite** is an arkosic sandstone, greywacke and conglomerate set of beds

**Stockwork** A complex system of structurally controlled or randomly oriented veins

**Stratiform** Parallel to the stratigraphy

**Stratigraphic** Pertaining to the composition, sequence and correlation of stratified rocks.

**Stratigraphy** The study of stratified rocks, especially their age, correlation and character.

**Strike** A measure of the orientation or attitude of a geological feature

**Structural Geology** A branch of geology focussed on the orientation of different geological features and interpretation of the deformational history of a rock or area.

**Structure** The sum total of the structural features of an area.

**Subcrop** Part of a geological formation that is close to the surface but is not outcropping

**Sulphides** Minerals comprising a chemical combination of sulphur and metals.

**Sulphidic** Containing sulphides

**Supergene** A process that occurs near the surface, usually as a result of the circulation of meteoric water.

**Syncline** A fold with younger layers closer to the center of the structure

**Synclorium** A large syncline with superimposed smaller folds

**Tantalite** A tantalum bearing mineral (iron-manganese tantalum oxide)

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**Tenement** Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property'. eg Mining Lease or Prospecting Licence.

**Tetravalent** An element in a chemical state where 4 univalent atoms (e.g. hydrogen or chlorine atoms) may combine with an atom of the element under consideration.

**Thrust fault** is a fault where the hanging wall moves up relative to the footwall. Thrust faults indicate compressive shortening of the crust. The dip of a thrust fault is not steep.

**Tight folds** A fold where the two limbs have a dip of 30 degrees or less.

**Tuff** A type of rock made of volcanic ash ejected from a vent during a volcanic eruption.

**Unconformity** A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

**V** Chemical symbol for vanadium

**V<sub>2</sub>O<sub>5</sub>** Chemical formula for Vanadium Pentoxide, a common product of vanadium processing

**Vein** A narrow, dyke-like intrusion of mineral traversing a rock mass of different material.

**VMS** Volcanogenic Massive Sulphide

**VTEM** Versatile time domain electromagnetic survey. An aerial geophysical survey method.

**Volcanic** Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

**Volcanic breccias** are formed by explosive eruption of lava and any rocks which are entrained within the eruptive column

**Volcaniclastics** A sediment formed by material (dust, rocks) ejected from a volcano, which usually includes additional material derived from the weathering of volcanic rocks.

**Weathering** The set of all processes that decay and break up bedrock by physical fracturing

**Zn** Chemical symbol for zinc.

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## 7.0 APPENDICES

### 7.1 Appendix 1: JORC Tables

The following tables and statements are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Skåne Vanadium Project and supporting data for the Exploration Target for the Project.

#### Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>The 1940/41 drill holes were diamond core holes. The core was split before sampling.</p> <p>The Flagabro chip samples were taken from outcrop along the Flagabro Creek at the location of the 1940's Flagabro Vanadium mine.</p> <p>The measures to ensure sample representivity are not known and were not recorded for the 1941/42 SGU boreholes.</p> <p>The Flagabro chip samples were taken along the creek and were positioned to sample the exposure of the Dictyonema Shale unit.</p> <p>The drilling was conducted for stratigraphical interpretation of the sediment units.</p>
<b>Drilling Techniques</b>	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Diamond core drilling with 7cm diameter core.</p>

Criteria	JORC Code Explanation	Commentary
<b>Drill Sample Recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>The core recovery was reportedly good but there were small zones with approximately 50% recovery</p>
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>The core was geologically logged with emphasis on the fossil assemblages contained within the sediment units</p>
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The sub-sampling process involved taking an approximate 1cm thick section of half core for analysis.</p> <p>The Flagabro chip samples were about 0.8kg in weight and the entire sample was submitted for assay.</p>

Criteria	JORC Code Explanation	Commentary
<p><b>Quality of assay data and laboratory tests</b></p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>The Gislövhammar borehole was assayed by Schovsbo in 2001 and included in graphic form in his paper 'Why barren intervals? A taphonomic case study of the Scandinavian Alum Shale and its faunas'. An approximately 1-cm thick slice of half a core, corresponding to 15 g of core material, was picked and scanned for fossils during crushing. Prior to crushing, macroscopic calcite-veins, pyrite and barite crystals were removed. The sample material was homogenized and crushed in an agate swingmill to a grain size below 60 micron. Total carbon (TC) and sulphur content was measured on a Metalyt 90S by combustion of 100 mg samples at 1250 °C in an oxidizing atmosphere. Measurements of CO<sub>2</sub> and sulphur gases were carried out with a TCD detector. Total organic carbon (TOC) content was either measured directly on acid-treated sample material following the above-mentioned method or was calculated from the total calcium content. Major elements were determined by XRF analysis of glass discs supplemented by atomic absorption (Mg, Na) and wet chemistry (FeO, H<sub>2</sub>O, LOI). Trace element concentrations were analysed directly on pressed powder pellets by X-ray fluorescence using a Phillips PW 1400 and the methodology of Norrish &amp; Chappell.</p> <p>The Flagabro chip samples were assayed by ALS in Pitea, Sweden. The assay method was ME-MS61, a four acid 48 element ICP-MS assay technique.</p> <p>Standards, blanks and duplicates were run by ALS laboratories using internal standards and blanks and duplicates taken from field samples after homogenisation. Results of QAQC assays are all within laboratory target ranges, however due to the low number of analysis undertaken a statistical analysis of QAQC results was not conducted.</p>

Criteria	JORC Code Explanation	Commentary
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes</i></p> <p><i>Discuss any adjustment to assay data</i></p>	<p>The core from the Gislövhammar borehole no longer exists so independent verification is not possible. However there is another academic paper, Buchardt 1997, that predates the 2001 Schovbo assaying. This presents a similar graphic log with Vanadium assays but on different intervals and slightly different grades but consistent with the 2001 results.</p> <p>The Flagabro chip samples are consistent with the reported historic mine grade.</p> <p>For consistency, assays reported as elemental vanadium (V) were converted to V<sub>2</sub>O<sub>5</sub> by multiplying by the gravimetric factor, 1.7852.</p>
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used</i></p> <p><i>Quality and adequacy of topographic control</i></p>	<p>The precise location of the 1941/42 boreholes are not known. The boreholes are delineated on the 1:50000 SGU bedrock geology maps enabling the collar locations to be measured within a few meters. This is not a significant issue as the mineralised sediment horizon is gently dipping (&lt;10°) and has an extensive areal extent. The mineralisation is generally homogeneous within the unit with limited variability over its full width.</p> <p>The location of the Flagabro chip samples were surveyed by a hand held GPS</p>
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied</i></p>	<p>The holes were drilled for stratigraphic information and was drilled as part of a very wide spaced (10's of km) program in the Scania region.</p> <p>The drill spacing is not sufficient for the estimation of Mineral Resources.</p> <p>There has been no sample compositing.</p>
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>The holes were vertical and intersected flat lying to gently dipping (&lt;10°) sediments.</p> <p>The Flagabro chip samples were taken over a horizontal length of approximately 450m, this equates to about 15m of vertical width of the gently dipping Dictyonema Shale unit.</p>

Criteria	JORC Code Explanation	Commentary
<b>Sample security</b>	<i>The measures taken to ensure sample security</i>	These measures were not recorded for the Gislövhammar borehole. The Flagabro chip samples were sampled, transported and delivered to the lab by ScandiVanadium geologists.

(Criteria in this section apply to all succeeding sections.)

### Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>ScandiVanadium has applied for grant of several tenements with the relevant Swedish authorities. As of the date of this report two of the 11 applications have been granted, Killerod and Virrestad. These are 100% owned by ScandiVanadium.</p> <p>There are no known impediments to the tenement application being granted</p>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The Gislövhammar, Andrarum1 and 2 and Sondra Sanby boreholes were drilled by the Swedish Geological Survey in the late autumn and winter of 1941-42. It was drilled as part of a five hole program investigating the Alum Shale.

Criteria	JORC Code Explanation	Commentary
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	The drill holes were targeting Sediment hosted mineralisation within the Dictyonema Fm, the topmost horizon of the Alum Shale. The Middle Cambrian to Early Ordovician (Tremadoc) Alum Shale Formation was deposited in a shallow water epicontinental sea on the East European Platform. The Dictyonema Shale is about 10m thick. This unit is known to have elevated levels of Vanadium and was mined at Flagabro about 25km west of Gislövhammar during the Second World War. The Vanadium is enriched by biological action and locked into sediment under anoxic conditions in sediment starved shelf facies.
<b>Drill hole information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>The drillhole locations were not surveyed but their location was described in the relevant geological survey reports and collar positions located on 1:50,000 geological maps. From this it is possible to estimate its location to within approximately a few meters.</p> <p>The assay results are presented in a graphical form taken from an academic paper. The raw data was made available by the author of the paper. The graphically presented data illustrates the Vanadium content of the borehole in the relevant Dictyonema Shale unit.</p> <p>The details of the Flagabro chip samples are included in the body of the report.</p>

Criteria	JORC Code Explanation	Commentary
<b>Data aggregation methods</b>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	Aggregated data or metal equivalent values have not been reported.
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	The Dictyonema Shale has been mapped and drilled by the Swedish Geological Survey and has been reported to average about 10m in true thickness.
<b>Diagrams</b>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	Included in report.
<b>Balanced reporting</b>	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	There has historically been very little exploration work done on the Vanadium potential of the Scania region. The Gislövhammar borehole is the only borehole known with Vanadium assaying available.
<b>Other substantive exploration data</b>	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test</i></p>	The available outcrop of the Dictyonema Shale at the Flagabro location has been traversed by ScandiVanadium geologists and extensively assayed with a portable XRF. In addition some samples have been taken and submitted to an independent laboratory for

Criteria	JORC Code Explanation	Commentary
	<i>results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	analysis. These results all indicate the presence of elevated levels of Vanadium and are consistent with the results from the Gislövhammar borehole.
<b>Further work</b>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Further work will include drilling programs to define extent of mineralised Dictyonema Formation. This first phase of drilling will be followed up with additional phase two of in-fill drilling in areas of interest to enable Mineral Resources to be estimated</p> <p>The maps in appendix 3 illustrate the potential for mineralisation.</p>

**Competent Person's Statement**

*The information in this document that relates to Exploration Targets and Exploration Results is based on information compiled by Mr. Richard Maddocks, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Maddocks is employed by Auralia Mining Consultants and is an independent consultant to AssembleBay Limited. Mr. Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Maddocks consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.*

**7.1 Appendix 2: Assay results for the Gislövshammar borehole from the 2001 Schovsbo paper**

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>	
		m	m	m	ppm	ppm	%	
Tøyen shale	Volkov	4.00	4.10	0.1	126	40	0.02%	
		4.99	5.00	0.01	143	38	0.03%	
		5.98	6.03	0.05	162	41	0.03%	
		6.96	7.00	0.04	140	38	0.02%	
		8.04	8.08	0.04	180	46	0.03%	
		8.94	8.98	0.04	175	49	0.03%	
		9.97	10.00	0.03	137	38	0.02%	
	Billingen	10.99	11.04	0.05	137	36	0.02%	
		11.98	12.02	0.04	159	43	0.03%	
		12.89	12.94	0.05	202	41	0.04%	
		14.03	14.08	0.05	175	42	0.03%	
		14.97	15.02	0.05	159	40	0.03%	
		16.06	16.11	0.05	189	52	0.03%	
	Hunneberg	17.01	17.05	0.04	141	42	0.03%	
		17.94	18.04	0.1	144	43	0.03%	
		19.01	19.06	0.05	182	45	0.03%	
		20.02	20.04	0.02	190	46	0.03%	
		20.93	20.94	0.01	141	34	0.03%	
		22.07	22.09	0.02	186	36	0.03%	
		22.90	22.93	0.03	115	36	0.02%	
	Alum Shale	D3	23.46	23.49	0.03	1,893	172	0.34%
		D2- Dictyonema Shale	23.78	23.79	0.01	2,031	154	0.36%
		D2- Dictyonema Shale	23.86	23.87	0.01	2,630	146	0.47%
		D2- Dictyonema Shale	24.00	24.03	0.03	4,030	232	0.72%
		D2- Dictyonema Shale	24.90	24.92	0.02	2,766	187	0.49%
		D2- Dictyonema Shale	25.97	26.00	0.03	3,541	241	0.63%
		D2- Dictyonema Shale	26.96	26.98	0.02	3,559	355	0.64%
D2- Dictyonema Shale		27.97	28.00	0.03	4,582	318	0.82%	
D2- Dictyonema Shale		28.93	28.95	0.02	4,738	273	0.85%	
D2- Dictyonema Shale		30.02	30.04	0.02	4,845	282	0.87%	
D2- Dictyonema Shale		30.94	30.96	0.02	4,807	293	0.86%	
D2- Dictyonema Shale		32.04	32.06	0.02	3,060	214	0.55%	
D2- Dictyonema Shale		32.75	32.76	0.01	2,812	224	0.50%	
D2- Dictyonema Shale		32.90	32.92	0.02	2,290	256	0.41%	
D2- Dictyonema Shale		33.03	33.04	0.01	1,458	225	0.26%	
D2- Dictyonema Shale		33.14	33.15	0.01	1,990	208	0.36%	

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
	D2- Dictyonema Shale	33.24	33.25	0.01	2,645	238	0.47%
	D2- Dictyonema Shale	33.35	33.36	0.01	1,919	110	0.34%
	D2- Dictyonema Shale	33.45	33.46	0.01	1,992	137	0.36%
	D1	33.53	33.54	0.01	2,833	213	0.51%
		33.65	33.66	0.01	1,927	199	0.34%
		33.77	33.78	0.01	1,842	177	0.33%
		33.85	33.88	0.03	2,344	254	0.42%
		34.00	34.02	0.02	2,482	269	0.44%
		34.20	34.21	0.01	1,625	208	0.29%
		34.30	34.31	0.01	1,748	193	0.31%
		34.40	34.41	0.01	1,486	196	0.27%
		34.58	34.59	0.01	1,606	167	0.29%
		34.67	34.69	0.02	1,434	182	0.26%
		34.79	34.80	0.01	1,305	178	0.23%
		34.88	34.90	0.02	2,279	204	0.41%
		34.98	34.99	0.01	1,054	26	0.19%
		35.08	35.10	0.02	1,333	166	0.24%
		35.20	35.21	0.01	1,348	166	0.24%
		35.29	35.30	0.01	1,565	148	0.28%
		35.39	35.40	0.01	981	151	0.18%
		35.50	35.51	0.01	768	119	0.14%
		35.60	35.61	0.01	832	139	0.15%
		35.70	35.71	0.01	1,490	152	0.27%
		35.80	35.85	0.05	1,145	149	0.20%
		35.90	35.91	0.01	884	127	0.16%
		35.97	36.00	0.03	1,221	162	0.22%
		36.10	36.11	0.01	1,668	205	0.30%
		36.19	36.20	0.01	1,702	223	0.30%
		36.27	36.29	0.02	1,770	196	0.32%
		36.39	36.40	0.01	1,356	169	0.24%
		36.49	36.50	0.01	1,267	124	0.23%
		36.57	36.59	0.02	977	112	0.17%
		36.67	36.68	0.01	950	136	0.17%
		36.79	36.80	0.01	1,096	155	0.20%
		36.84	36.85	0.01	897	181	0.16%
		36.90	36.91	0.01	949	135	0.17%
		36.94	36.97	0.03	1,832	176	0.33%
		37.02	37.03	0.01	1,609	191	0.29%
		37.12	37.13	0.01	2,862	206	0.51%
		37.19	37.20	0.01	1,379	144	0.25%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
		37.26	37.27	0.01	844	118	0.15%
		37.34	37.35	0.01	875	162	0.16%
		37.46	37.47	0.01	879	120	0.16%
		37.54	37.55	0.01	1,374	171	0.25%
		37.64	37.65	0.01	1,927	155	0.34%
		37.74	37.75	0.01	1,779	147	0.32%
		37.86	37.87	0.01	1,487	183	0.27%
		37.99	38.00	0.01	2,366	179	0.42%
		38.09	38.11	0.02	1,879	183	0.34%
		38.20	38.21	0.01	1,768	148	0.32%
		38.30	38.31	0.01	1,648	190	0.29%
		38.47	38.48	0.01	1,396	99	0.25%
		38.57	38.58	0.01	1,387	152	0.25%
		38.67	38.68	0.01	1,672	159	0.30%
		38.78	38.79	0.01	1,959	258	0.35%
		38.86	38.87	0.01	1,543	149	0.28%
		38.93	38.97	0.04	1,591	155	0.28%
		39.06	39.07	0.01	1,344	177	0.24%
		39.16	39.17	0.01	1,733	291	0.31%
		39.27	39.28	0.01	1,850	215	0.33%
		39.32	39.33	0.01	1,960	242	0.35%
		39.40	39.41	0.01	1,388	152	0.25%
		39.50	39.51	0.01	1,430	151	0.26%
	<b>Acerocare</b>	39.59	39.60	0.01	1,390	145	0.25%
		39.69	39.70	0.01	1,642	230	0.29%
		39.81	39.82	0.01	2,219	224	0.40%
		39.93	39.96	0.03	1,373	160	0.25%
		40.36	40.37	0.01	1,057	222	0.19%
		40.70	40.71	0.01	1,139	172	0.20%
		41.00	41.05	0.05	1,866	228	0.33%
		41.46	41.47	0.01	1,605	179	0.29%
		41.80	41.81	0.01	1,373	144	0.25%
		42.02	42.04	0.02	1,429	191	0.26%
		42.30	42.31	0.01	1,383	151	0.25%
		42.67	42.68	0.01	1,040	244	0.19%
		43.03	43.05	0.02	1,051	144	0.19%
		43.38	43.40	0.02	917	145	0.16%
		43.61	43.62	0.01	672	142	0.12%
		43.97	44.02	0.05	798	126	0.14%
		44.50	44.51	0.01	928	127	0.17%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
		45.08	45.10	0.02	1,691	200	0.30%
		45.98	46.00	0.02	1,724	210	0.31%
		47.08	47.10	0.02	1,177	168	0.21%
		48.00	48.02	0.02	903	135	0.16%
	<b>P. lobata</b>	49.10	49.12	0.02	1,355	213	0.24%
		49.40	49.41	0.01	805	144	0.14%
		49.57	49.58	0.01	1,188	255	0.21%
		49.72	49.73	0.01	903	157	0.16%
		49.89	49.90	0.01	1,303	229	0.23%
		50.05	50.08	0.03	1,527	351	0.27%
		50.19	50.20	0.01	1,396	312	0.25%
		50.60	50.61	0.01	1,209	265	0.22%
		50.80	50.81	0.01	944	142	0.17%
		50.97	51.02	0.05	1,476	260	0.26%
		51.29	51.30	0.01	1,091	313	0.19%
		51.74	51.76	0.02	1,358	298	0.24%
	<b>Peltura scarabaeoides</b>	52.01	52.05	0.04	1,815	324	0.32%
		52.30	52.31	0.01	1,402	262	0.25%
		52.55	52.56	0.01	1,449	185	0.26%
		52.85	52.86	0.01	1,396	275	0.25%
		53.02	53.04	0.02	1,552	397	0.28%
		53.19	53.20	0.01	1,339	177	0.24%
		53.55	53.56	0.01	1,667	396	0.30%
		53.91	53.94	0.03	930	217	0.17%
		54.38	54.39	0.01	742	120	0.13%
		55.00	55.02	0.02	1,332	379	0.24%
		55.15	55.16	0.01	1,359	410	0.24%
		55.39	55.40	0.01	834	217	0.15%
		55.55	55.56	0.01	1,043	353	0.19%
		55.80	55.81	0.01	1,110	327	0.20%
		55.95	55.98	0.03	1,117	268	0.20%
		56.59	56.60	0.01	835	165	0.15%
		56.69	56.70	0.01	942	348	0.17%
		56.99	57.01	0.02	794	145	0.14%
		57.20	57.21	0.01	791	210	0.14%
		57.38	57.39	0.01	891	296	0.16%
		57.55	57.56	0.01	682	117	0.12%
		57.79	57.80	0.01	616	121	0.11%
		57.96	57.97	0.01	850	189	0.15%
	<b>Peltura minor</b>	58.11	58.13	0.02	1,190	381	0.21%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
		58.35	58.40	0.05	760	211	0.14%
		58.58	58.59	0.01	442	124	0.08%
		58.99	59.02	0.03	1,251	297	0.22%
		59.18	59.19	0.01	1,151	321	0.21%
		59.34	59.47	0.13	1,184	228	0.21%
		59.74	59.75	0.01	858	112	0.15%
		60.02	60.05	0.03	957	149	0.17%
		60.25	60.26	0.01	862	187	0.15%
		60.70	60.71	0.01	870	252	0.16%
		60.80	61.00	0.2	1,004	188	0.18%
		61.39	61.40	0.01	437	89	0.08%
		61.79	61.80	0.01	690	144	0.12%
		61.90	61.92	0.02	840	229	0.15%
	<b>Protopeltura praecursor</b>	62.14	62.18	0.04	1,088	316	0.19%
		62.39	62.40	0.01	628	201	0.11%
		62.50	62.52	0.02	649	255	0.12%
		62.78	62.79	0.01	658	198	0.12%
		62.88	62.89	0.01	750	126	0.13%
		63.00	63.05	0.05	525	143	0.09%
		63.23	63.24	0.01	630	226	0.11%
		64.00	64.03	0.03	566	152	0.10%
		64.09	64.10	0.01	537	106	0.10%
		65.28	65.30	0.02	1,333	262	0.24%
		65.52	65.53	0.01	786	111	0.14%
		65.64	65.65	0.01	1,210	198	0.22%
		65.75	65.76	0.01	1,208	330	0.22%
		66.12	66.15	0.03	905	176	0.16%
		66.22	66.23	0.01	663	77	0.12%
	<b>Leptoplastus</b>	66.35	66.36	0.01	1,211	278	0.22%
	<b>Leptoplastus</b>	66.49	66.50	0.01	1,903	303	0.34%
	<b>Parabolina spinulosa</b>	67.00	67.03	0.03	1,035	143	0.18%
	<b>Parabolina</b>	67.26	67.27	0.01	1,540	215	0.27%
	<b>Parabolina spinulosa</b>	67.68	67.70	0.02	3,186	421	0.57%
	<b>Parabolina</b>	68.30	68.31	0.01	941	244	0.17%
	<b>Parabolina</b>	68.55	68.56	0.01	805	105	0.14%
	<b>Parabolina spinulosa</b>	69.00	69.03	0.03	1,225	200	0.22%
	<b>Parabolina</b>	69.99	70.00	0.01	685	81	0.12%
	<b>Parabolina spinulosa</b>	70.08	70.10	0.02	1,339	268	0.24%
	<b>Parabolina</b>	70.60	70.61	0.01	521	75	0.09%
	<b>Parabolina spinulosa</b>	71.06	71.08	0.02	446	81	0.08%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
	<b>Parabolina spinulosa</b>	71.59	71.61	0.02	731	133	0.13%
	<b>Olenus</b>	71.97	72.00	0.03	1,490	195	0.27%
		72.60	72.61	0.01	1,059	130	0.19%
		72.96	72.99	0.03	1,362	144	0.24%
		73.70	73.72	0.02	968	190	0.17%
		74.41	74.43	0.02	1,060	119	0.19%
		74.59	74.60	0.01	854	114	0.15%
		75.00	75.02	0.02	1,027	95	0.18%
		75.35	75.36	0.01	705	114	0.13%
		75.47	75.48	0.01	624	87	0.11%
		75.90	75.92	0.02	552	92	0.10%
		75.97	75.98	0.01	435	147	0.08%
		76.02	76.03	0.01	449	92	0.08%
		76.06	76.07	0.01	362	102	0.06%
		76.12	76.13	0.01	370	114	0.07%
		76.17	76.18	0.01	385	82	0.07%
		76.22	76.23	0.01	364	80	0.06%
		76.28	76.29	0.01	387	93	0.07%
		76.31	76.32	0.01	358	130	0.06%
		76.39	76.40	0.01	324	82	0.06%
		76.44	76.45	0.01	362	85	0.06%
		76.48	76.49	0.01	370	109	0.07%
		76.60	76.61	0.01	313	139	0.06%
		76.64	76.65	0.01	300	95	0.05%
		76.71	76.72	0.01	318	94	0.06%
		76.75	76.76	0.01	308	84	0.05%
		76.79	76.80	0.01	324	109	0.06%
		76.85	76.86	0.01	324	94	0.06%
		76.89	76.89	0	347	91	0.06%
		76.90	76.90	0.005	358	75	0.06%
		76.95	76.97	0.02	332	84	0.06%
		77.02	77.02	0	330	100	0.06%
		77.07	77.08	0.01	331	103	0.06%
		77.13	77.14	0.01	360	77	0.06%
		77.16	77.17	0.01	334	87	0.06%
		77.20	77.21	0.01	338	85	0.06%
		77.21	77.22	0.01	330	98	0.06%
		77.27	77.28	0.01	335	78	0.06%
		77.33	77.34	0.01	290	99	0.05%
		77.37	77.38	0.01	309	90	0.06%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
		77.38	77.39	0.01	301	83	0.05%
		77.45	77.46	0.01	301	100	0.05%
		77.51	77.52	0.01	299	114	0.05%
		77.56	77.57	0.01	285	113	0.05%
		77.63	77.64	0.01	297	121	0.05%
		77.66	77.67	0.01	314	87	0.06%
		77.69	77.70	0.01	277	76	0.05%
		77.72	77.73	0.01	280	99	0.05%
		77.75	77.77	0.02	282	89	0.05%
		77.80	77.81	0.01	224	55	0.04%
		77.87	77.88	0.01	291	93	0.05%
		77.93	77.94	0.01	309	87	0.06%
		77.97	77.98	0.01	281	68	0.05%
		78.02	78.03	0.01	307	60	0.05%
		78.06	78.08	0.02	319	74	0.06%
		78.10	78.11	0.01	312	80	0.06%
		78.15	78.16	0.01	284	100	0.05%
		78.20	78.21	0.01	252	67	0.05%
		78.24	78.25	0.01	282	78	0.05%
		78.29	78.30	0.01	253	80	0.05%
		78.34	78.35	0.01	284	85	0.05%
		78.39	78.40	0.01	258	83	0.05%
		78.43	78.44	0.01	254	70	0.05%
		78.44	78.45	0.01	232	89	0.04%
		78.50	78.51	0.01	242	87	0.04%
		78.57	78.58	0.01	305	103	0.05%
		78.61	78.62	0.01	264	79	0.05%
		78.65	78.66	0.01	255	73	0.05%
		78.66	78.67	0.01	248	83	0.04%
		78.71	78.72	0.01	269	76	0.05%
		78.77	78.77	0	249	62	0.04%
		78.81	78.82	0.01	218	65	0.04%
		78.87	78.88	0.01	218	63	0.04%
		78.92	78.93	0.01	244	56	0.04%
		78.95	78.97	0.019	256	70	0.05%
		78.98	79.00	0.02	244	58	0.04%
		79.01	79.02	0.01	224	93	0.04%
		79.04	79.05	0.01	223	50	0.04%
		79.10	79.11	0.01	110	25	0.02%
		79.14	79.15	0.01	93	22	0.02%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
		79.19	79.20	0.005	172	34	0.03%
		79.20	79.20	0.005	206	78	0.04%
		79.23	79.24	0.01	256	65	0.05%
		79.27	79.28	0.01	242	74	0.04%
		79.32	79.33	0.01	238	71	0.04%
		79.38	79.39	0.01	244	76	0.04%
		79.43	79.44	0.01	243	64	0.04%
		79.47	79.48	0.01	262	98	0.05%
		79.48	79.49	0.01	268	96	0.05%
		79.53	79.54	0.01	392	86	0.07%
		79.58	79.59	0.01	351	76	0.06%
		79.63	79.64	0.01	382	93	0.07%
		79.68	79.69	0.01	357	84	0.06%
		79.74	79.75	0.01	335	92	0.06%
		79.79	79.80	0.01	317	83	0.06%
		79.84	79.85	0.01	292	63	0.05%
		79.89	79.91	0.02	351	102	0.06%
	Ø. Kambrium	79.92	79.95	0.03	357	66	0.06%
	Ø. Kambrium	80.81	80.86	0.05	356	78	0.06%
	Agnostus pisiformis	81.83	81.85	0.02	376	71	0.07%
	Agnostus pisiformis	82.95	82.97	0.02	409	63	0.07%
	Ø. Kambrium	83.99	84.01	0.02	516	82	0.09%
	Andrarum limestone	84.24	84.25	0.01	451	69	0.08%
	Andrarum limestone	84.46	84.47	0.01	443	66	0.08%
	Andrarum limestone	84.73	84.74	0.01	392	71	0.07%
	Paradoxides forchhammeri	84.90	84.92	0.02	547	110	0.10%
	paradoxides forchhammeri	85.38	85.39	0.01	453	148	0.08%
	paradoxides forchhammeri	85.73	85.74	0.01	530	104	0.09%
	Paradoxides forchhammeri	86.05	86.08	0.03	579	96	0.10%
	paradoxides forchhammeri	86.22	86.23	0.01	652	111	0.12%
	paradoxides forchhammeri	86.37	86.38	0.01	740	397	0.13%
	paradoxides forchhammeri	86.41	86.42	0.01	719	333	0.13%
	paradoxides forchhammeri	86.49	86.50	0.01	866	248	0.15%
	paradoxides forchhammeri	86.63	86.64	0.01	668	180	0.12%
	paradoxides forchhammeri	86.69	86.70	0.01	541	144	0.10%
	paradoxides forchhammeri	86.79	86.80	0.01	426	181	0.08%
	Paradoxides forchhammeri	86.90	86.92	0.02	501	149	0.09%
	paradoxides forchhammeri	86.95	86.96	0.01	429	232	0.08%
	paradoxides forchhammeri	87.03	87.04	0.01	462	215	0.08%
	paradoxides forchhammeri	87.39	87.40	0.01	160	12	0.03%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
	paradoxides forchammeri	87.79	87.80	0.01	1,535	20	0.27%
	paradoxides forchammeri	87.80	87.81	0.01	1,370	119	0.24%
	Paradoxides forchammeri	87.88	87.90	0.02	1,408	104	0.25%
	paradoxides forchammeri	87.96	87.97	0.01	1,134	99	0.20%
	Andrarum limestone	88.04	88.05	0.01	848	82	0.15%
	paradoxides forchammeri	88.19	88.20	0.01	691	92	0.12%
	paradoxides forchammeri	88.24	88.25	0.01	693	70	0.12%
	Andrarum limestone	88.50	88.51	0.01	762	93	0.14%
	Andrarum limestone	88.74	88.75	0.01	705	101	0.13%
	Paradoxides paradoxissimus	89.08	89.10	0.02	714	94	0.13%
	Andrarum limestone	89.42	89.43	0.01	520	51	0.09%
	Andrarum limestone	89.71	89.72	0.01	221	55	0.04%
	M.K.	89.86	89.87	0.01	384	62	0.07%
	Paradoxides paradoxissimus	90.01	90.04	0.03	250	52	0.04%
	M.K.	90.20	90.21	0.01	428	51	0.08%
	M.K.	90.40	90.41	0.01	330	40	0.06%
	M.K.	90.72	90.73	0.01	339	47	0.06%
	Paradoxides paradoxissimus	90.94	90.97	0.03	286	53	0.05%
	M.K.	91.36	91.37	0.01	184	41	0.03%
	M.K.	91.57	91.58	0.01	204	48	0.04%
	M.K.	92.10	92.15	0.05	310	55	0.06%
	Paradoxides paradoxissimus	92.30	92.32	0.02	358	46	0.06%
	M.K.	92.64	92.65	0.01	431	54	0.08%
	M.K.	92.73	92.74	0.01	315	50	0.06%
	Paradoxides paradoxissimus	92.98	93.01	0.03	454	55	0.08%
	M.K.	93.19	93.20	0.01	461	58	0.08%
	M.K.	93.52	93.53	0.01	470	56	0.08%
	M.K.	93.75	93.76	0.01	509	60	0.09%
	Paradoxides paradoxissimus	94.02	94.05	0.03	607	86	0.11%
	M.K.	94.34	94.35	0.01	319	76	0.06%
	M.K.	94.50	94.51	0.01	359	64	0.06%
	M.K.	94.79	94.80	0.01	325	78	0.06%
	Paradoxides paradoxissimus	95.00	95.02	0.02	720	77	0.13%
	M.K.	95.42	95.43	0.01	362	58	0.06%
	M.K.	95.65	95.66	0.01	1,410	134	0.25%
	M.K.	95.80	95.81	0.01	1,470	149	0.26%
	Paradoxides paradoxissimus	95.97	96.00	0.03	930	111	0.17%
	M.K.	96.27	96.28	0.01	1,049	119	0.19%
	M.K.	96.55	96.56	0.01	860	134	0.15%
	M.K.	96.87	96.88	0.01	964	152	0.17%

Stratigraphic Unit	Member	from	to	thickness	V	Ni	V <sub>2</sub> O <sub>5</sub>
		m	m	m	ppm	ppm	%
	Paradoxides paradoxissimus	96.96	96.99	0.03	777	93	0.14%
	M.K.	97.48	97.49	0.01	354	72	0.06%
	M.K.	97.78	97.79	0.01	511	98	0.09%
	Paradoxides paradoxissimus	97.98	98.00	0.02	455	59	0.08%
	M.K.	98.62	98.63	0.01	691	98	0.12%
	Paradoxides paradoxissimus	98.99	99.03	0.04	581	80	0.10%
	M.K.	99.56	99.57	0.01	323	82	0.06%
	Exulands limestone	99.64	99.65	0.01	237	47	0.04%
	Paradoxides paradoxissimus	99.92	99.95	0.03	348	65	0.06%
	Exulands limestone	100.07	100.08	0.01	170	39	0.03%
	Exulands limestone	100.16	100.17	0.01	184	36	0.03%
	Exulands limestone	100.33	100.34	0.01	139	32	0.02%
	Exulands limestone	100.44	100.45	0.01	141	48	0.03%
	Exulands limestone	100.80	100.81	0.01	308	11	0.06%
	Exulands limestone	100.85	100.86	0.01	619	82	0.11%
	Eccaparadoxides oelandicus	100.97	101.00	0.03	1,671	107	0.30%
	Exulands limestone	101.06	101.07	0.01	1,135	91	0.20%
	Exulands limestone	101.20	101.21	0.01	946	90	0.17%
	Exulands limestone	101.28	101.29	0.01	310	108	0.06%
	Exulands limestone	101.41	101.42	0.01	1,296	103	0.23%
	Exulands limestone	101.56	101.57	0.01	258	28	0.05%
	Exulands limestone	101.85	101.86	0.01	485	79	0.09%
	Eccaparadoxides oelandicus	102.00	102.05	0.05	358	61	0.06%
	Exulands limestone	102.29	102.30	0.01	245	64	0.04%
	genbestemmelse run2	102.53	102.53	0	506	131	0.09%
	Eccaparadoxides oelandicus	102.81	102.86	0.05	301	61	0.05%

Bin Averages							
From	To	Centre	Count	Average	Unit	Member	
4	5.5	-4.75	2	0.02%	Tøyenskifer	Volkov	
5.5	6.5	-6	1	0.03%	Tøyenskifer	Volkov	
6.5	7.5	-7	1	0.02%	Tøyenskifer	Volkov	
7.5	8.5	-8	1	0.03%	Tøyenskifer	Volkov	
8.5	9.5	-9	1	0.03%	Tøyenskifer	Volkov	
9.5	10.5	-10	1	0.02%	Tøyenskifer	Volkov	
10.5	11.5	-11	1	0.02%	Tøyenskifer	Volkov	
11.5	12.5	-12	1	0.03%	Tøyenskifer	Billingen	
12.5	13.5	-13	1	0.04%	Tøyenskifer	Billingen	
13.5	14.5	-14	1	0.03%	Tøyenskifer	Billingen	
14.5	15.5	-15	1	0.03%	Tøyenskifer	Billingen	

Bin Averages						
From	To	Centre	Count	Average	Unit	Member
15.5	16.5	-16	1	0.03%	Tøyenskifer	Billingen
16.5	17.5	-17	1	0.03%	Tøyenskifer	Billingen
17.5	18.5	-18	1	0.03%	Tøyenskifer	Hunneberg
18.5	19.5	-19	1	0.03%	Tøyenskifer	Hunneberg
19.5	20.5	-20	1	0.03%	Tøyenskifer	Hunneberg
20.5	21.5	-21	1	0.03%	Tøyenskifer	Hunneberg
21.5	22.5	-22	1	0.03%	Tøyenskifer	Hunneberg
22.5	23.5	-23	2	0.18%	Tøyenskifer	Hunneberg
23.5	24.5	-24	3	0.52%	Alunskifer	D3
<b>24.5</b>	<b>25.5</b>	<b>-25</b>	<b>1</b>	<b>0.49%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>25.5</b>	<b>26.5</b>	<b>-26</b>	<b>1</b>	<b>0.63%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>26.5</b>	<b>27.5</b>	<b>-27</b>	<b>1</b>	<b>0.64%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>27.5</b>	<b>28.5</b>	<b>-28</b>	<b>1</b>	<b>0.82%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>28.5</b>	<b>29.5</b>	<b>-29</b>	<b>1</b>	<b>0.85%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>29.5</b>	<b>30.5</b>	<b>-30</b>	<b>1</b>	<b>0.87%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>30.5</b>	<b>31.5</b>	<b>-31</b>	<b>1</b>	<b>0.86%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>31.5</b>	<b>32.5</b>	<b>-32</b>	<b>1</b>	<b>0.55%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>32.5</b>	<b>33.5</b>	<b>-33</b>	<b>7</b>	<b>0.39%</b>	<b>Alunskifer</b>	<b>D2</b>
<b>33.5</b>	<b>34.5</b>	<b>-34</b>	<b>8</b>	<b>0.36%</b>	<b>Alunskifer</b>	<b>D2</b>
34.5	35.5	-35	9	0.26%	Alunskifer	D1
35.5	36.5	-36	11	0.23%	Alunskifer	D1
36.5	37.5	-37	12	0.23%	Alunskifer	D1
37.5	38.5	-38	9	0.31%	Alunskifer	D1
38.5	39.5	-39	10	0.29%	Alunskifer	D1
39.5	40.5	-40	6	0.27%	Alunskifer	D1
40.5	41.5	-41	3	0.27%	Alunskifer	Acerocare
41.5	42.5	-42	3	0.25%	Alunskifer	Acerocare
42.5	43.5	-43	3	0.18%	Alunskifer	Acerocare
43.5	44.5	-44	2	0.13%	Alunskifer	Acerocare
44.5	45.5	-45	2	0.23%	Alunskifer	Acerocare
45.5	46.5	-46	1	0.31%	Alunskifer	Acerocare
46.5	47.5	-47	1	0.21%	Alunskifer	Acerocare
47.5	48.5	-48	1	0.16%	Alunskifer	Acerocare
48.5	49.5	-49	2	0.19%	Alunskifer	Acerocare
49.5	50.5	-50	5	0.23%	Alunskifer	P. lobata
50.5	51.5	-51	4	0.21%	Alunskifer	P. lobata
51.5	52.5	-52	3	0.27%	Alunskifer	P. lobata
52.5	53.5	-53	4	0.26%	Alunskifer	Peltura scarabaeoides
53.5	54.5	-54	3	0.20%	Gislövshammar-2	Peltura scarabaeoides
54.5	55.5	-55	3	0.21%	Gislövshammar-2	Peltura scarabaeoides

Bin Averages						
From	To	Centre	Count	Average	Unit	Member
55.5	56.5	-56	3	0.19%	Gislövshammar-2	Peltura scarabaeoides
56.5	57.5	-57	5	0.15%	Alunskifer	Peltura scarabaeoides
57.5	58.5	-58	5	0.15%	Alunskifer	Peltura scarabaeoides
58.5	59.5	-59	4	0.18%	Alunskifer	Peltura minor
59.5	60.5	-60	3	0.16%	Alunskifer	Peltura minor
60.5	61.5	-61	3	0.14%	Gislövshammar-2	Peltura minor
61.5	62.5	-62	4	0.14%	Alunskifer	Peltura minor
62.5	63.5	-63	5	0.11%	Alunskifer	Protopeltura praecursor
63.5	64.5	-64	2	0.10%	Alunskifer	Protopeltura praecursor
64.5	65.5	-65	1	0.24%	Alunskifer	Protopeltura praecursor
65.5	66.5	-66	7	0.20%	Alunskifer	Protopeltura praecursor
66.5	67.5	-67	2	0.23%	Alunskifer	Leptoplastus
67.5	68.5	-68	2	0.37%	Gislövshammar-2	Parabolina
68.5	69.5	-69	2	0.18%	Gislövshammar-2	Parabolina
69.5	70.5	-70	2	0.18%	Alunskifer	Parabolina spinulosa
70.5	71.5	-71	2	0.09%	Alunskifer	Parabolina spinulosa
71.5	72.5	-72	2	0.20%	Alunskifer	Parabolina spinulosa
72.5	73.5	-73	2	0.22%	Alunskifer	Olenus
73.5	74.5	-74	2	0.18%	Alunskifer	Olenus
74.5	75.5	-75	4	0.14%	Alunskifer	Olenus
75.5	76.5	-76	12	0.07%	Alunskifer	Olenus
76.5	77.5	-77	20	0.06%	Alunskifer	Olenus
77.5	78.5	-78	22	0.05%	Alunskifer	Olenus
78.5	79.5	-79	25	0.04%	Alunskifer	Olenus
79.5	80.5	-80	9	0.06%	Alunskifer	Olenus
80.5	81.5	-81	1	0.06%	Alunskifer	Ø. Kambrium
81.5	82.5	-82	1	0.07%	Alunskifer	Ø. Kambrium
82.5	83.5	-83	1	0.07%	Alunskifer	Agnostus pisiformis
83.5	84.5	-84	3	0.08%	Alunskifer	Agnostus pisiformis
84.5	85.5	-85	3	0.08%	Alunskifer	Andrarumkalk
85.5	86.5	-86	6	0.12%	Alunskifer	paradoxides forchammeri
86.5	87.5	-87	7	0.08%	Alunskifer	paradoxides forchammeri
87.5	88.5	-88	7	0.20%	Alunskifer	paradoxides forchammeri
88.5	89.5	-89	4	0.12%	Alunskifer	Andrarumkalk
89.5	90.5	-90	5	0.06%	Alunskifer	Andrarumkalk
90.5	91.5	-91	3	0.05%	Alunskifer	M.K.
91.5	92.5	-92	3	0.05%	Alunskifer	M.K.
92.5	93.5	-93	4	0.07%	Alunskifer	M.K.
93.5	94.5	-94	4	0.09%	Alunskifer	M.K.
94.5	95.5	-95	4	0.08%	Alunskifer	M.K.

<b>Bin Averages</b>						
<b>From</b>	<b>To</b>	<b>Centre</b>	<b>Count</b>	<b>Average</b>	<b>Unit</b>	<b>Member</b>
95.5	96.5	-96	4	0.22%	Alunskifer	M.K.
96.5	97.5	-97	4	0.13%	Gislövshammar-2	M.K.
97.5	98.5	-98	2	0.09%	Gislövshammar-2	M.K.
98.5	99.5	-99	2	0.11%	Gislövshammar-2	M.K.
99.5	100.5	-100	7	0.04%	Gislövshammar-2	M.K.
100.5	101.5	-101	7	0.16%	Gislövshammar-2	Exulandskalk
101.5	102.5	-102	4	0.06%	Alunskifer	Exulandskalk
102.5	103.5	-103	2	0.07%	Alunskifer	Exulandskalk

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## 7.2 Appendix 3: Exploration Target plans

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource.



Figure 22: Legend for Exploration Target Plans

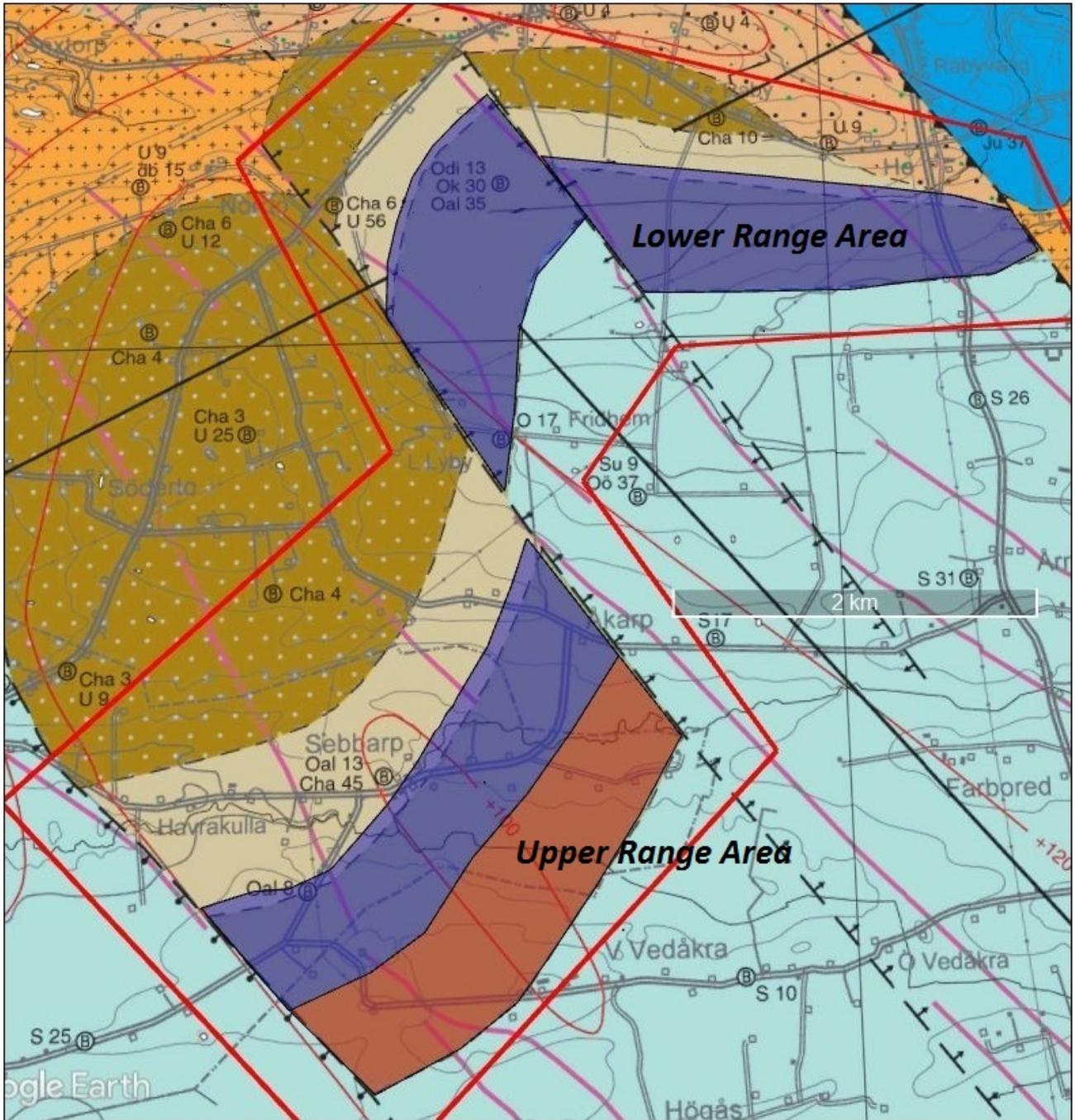


Figure 23: Horby Exploration Target



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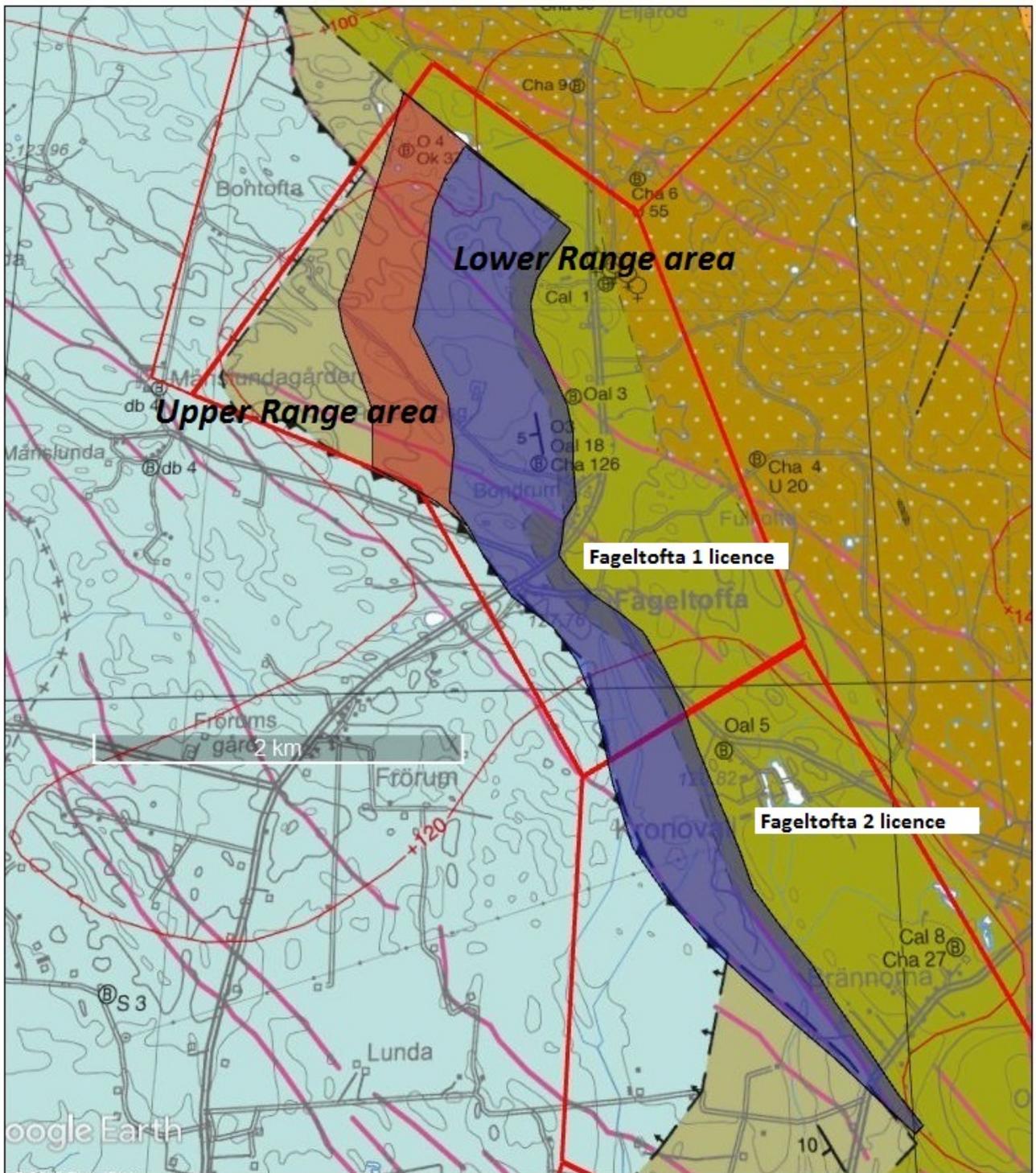


Figure 25: Fageltofta Exploration Target

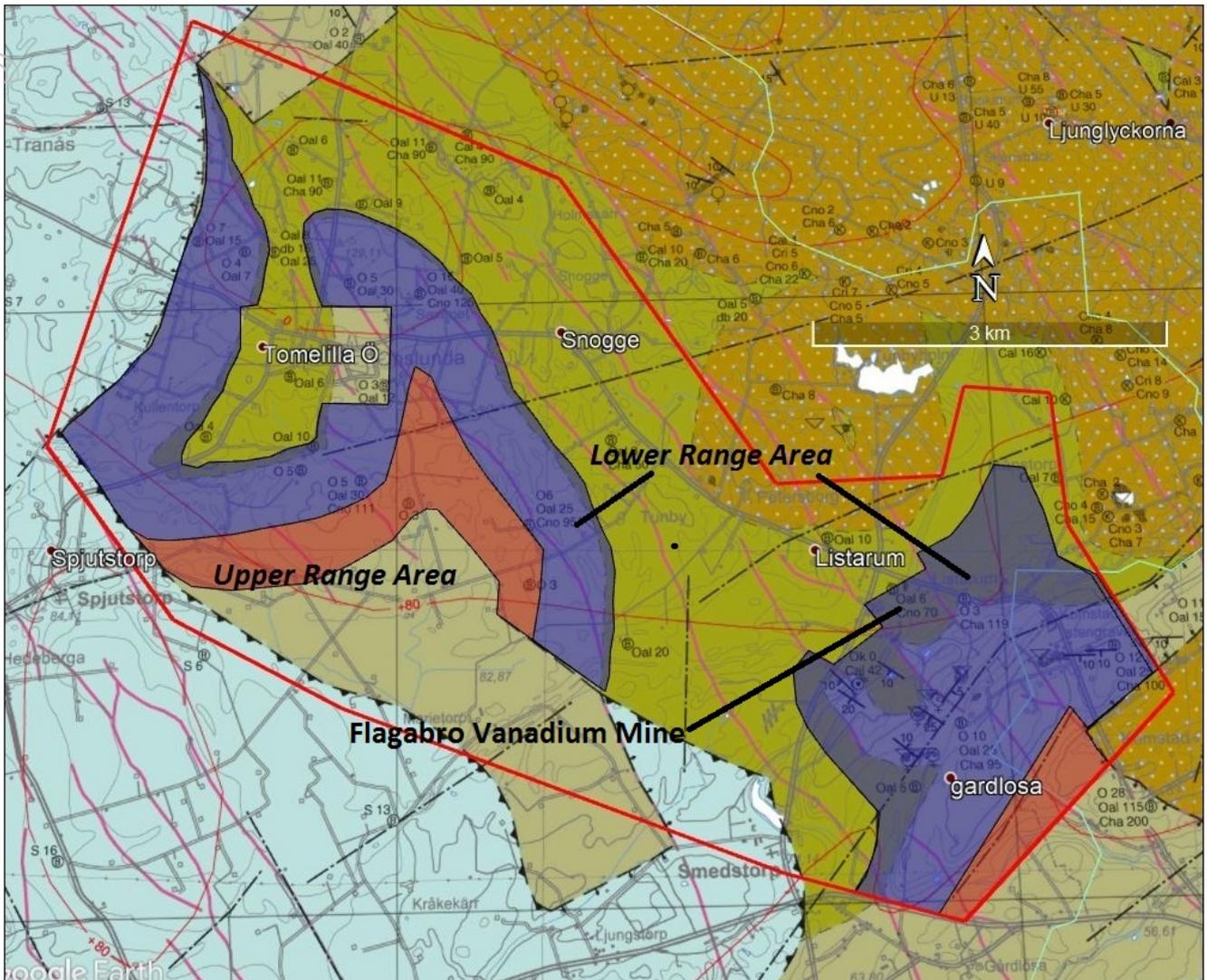


Figure 26: Killerod Exploration Target

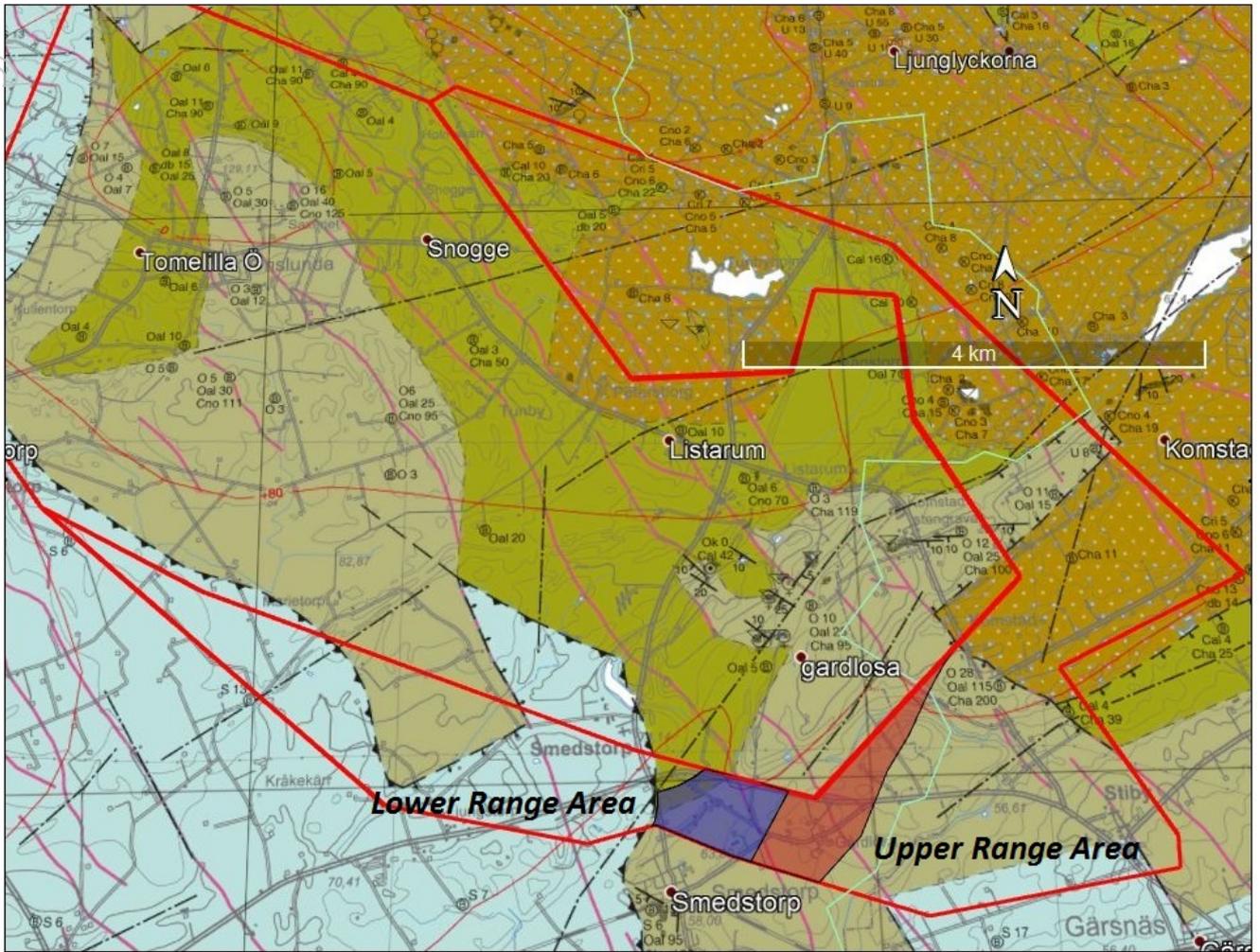


Figure 27: Flagabro Exploration Target

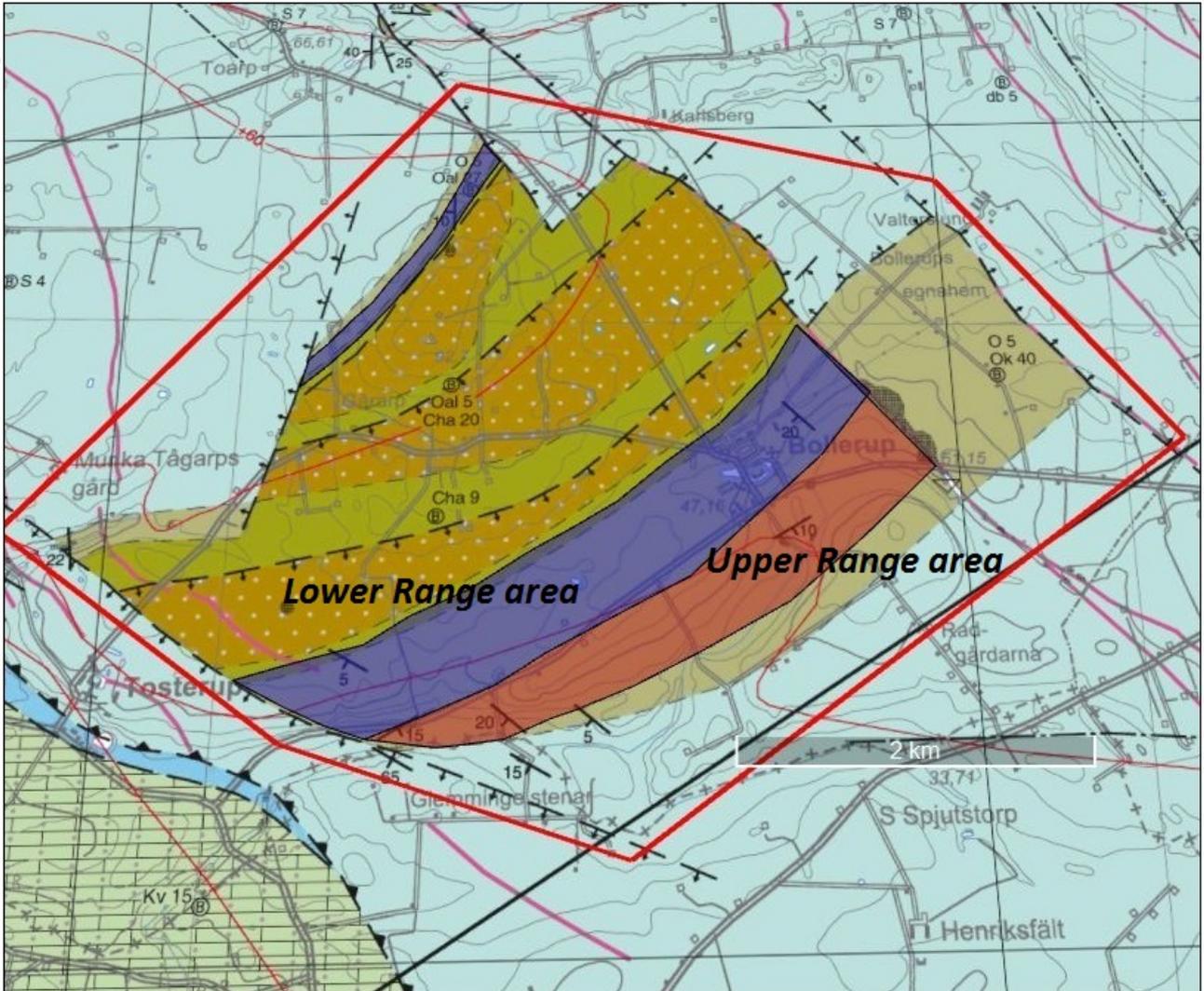


Figure 28: Tosterup Exploration Target

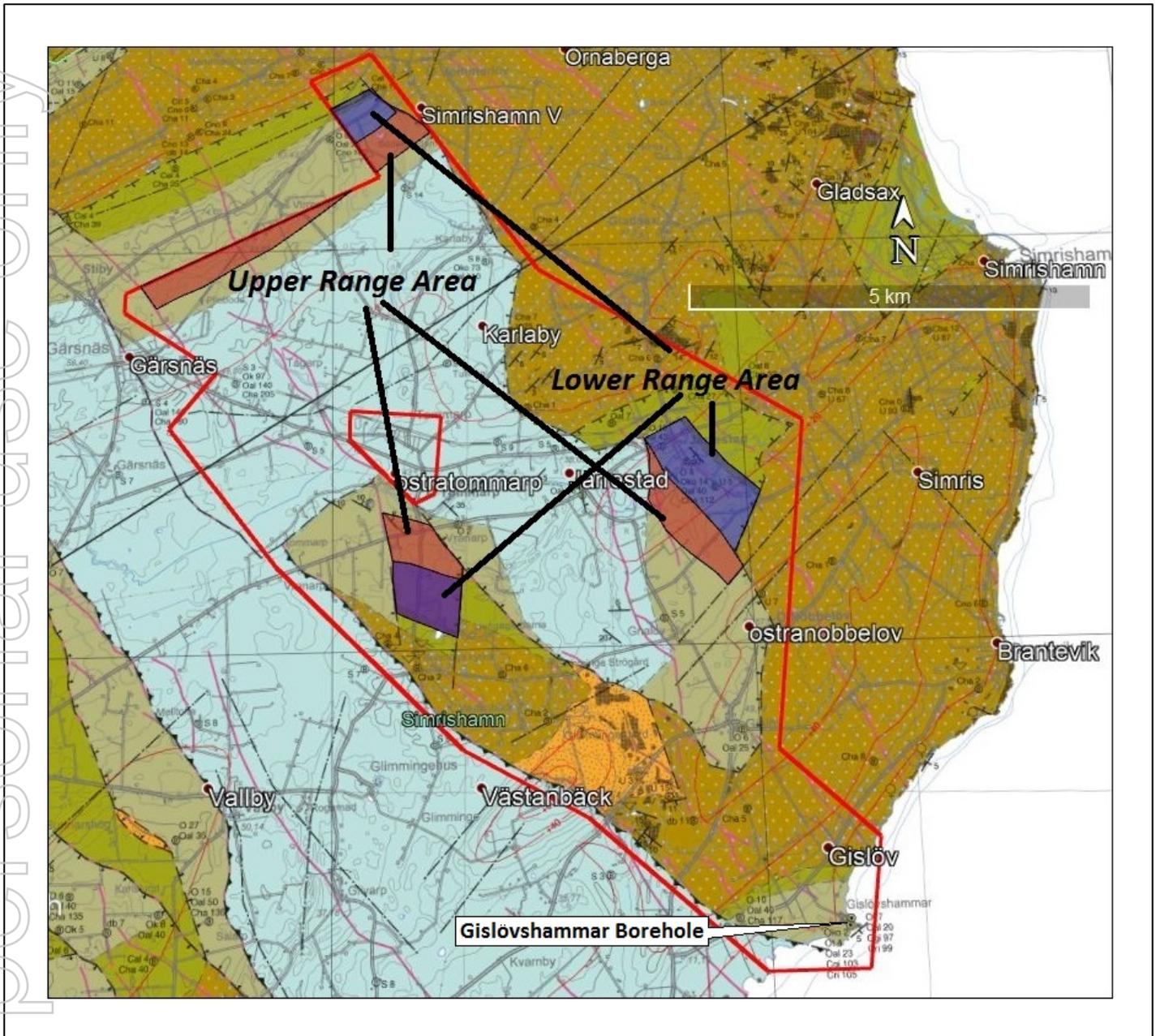


Figure 29: Jarrestad Exploration Target

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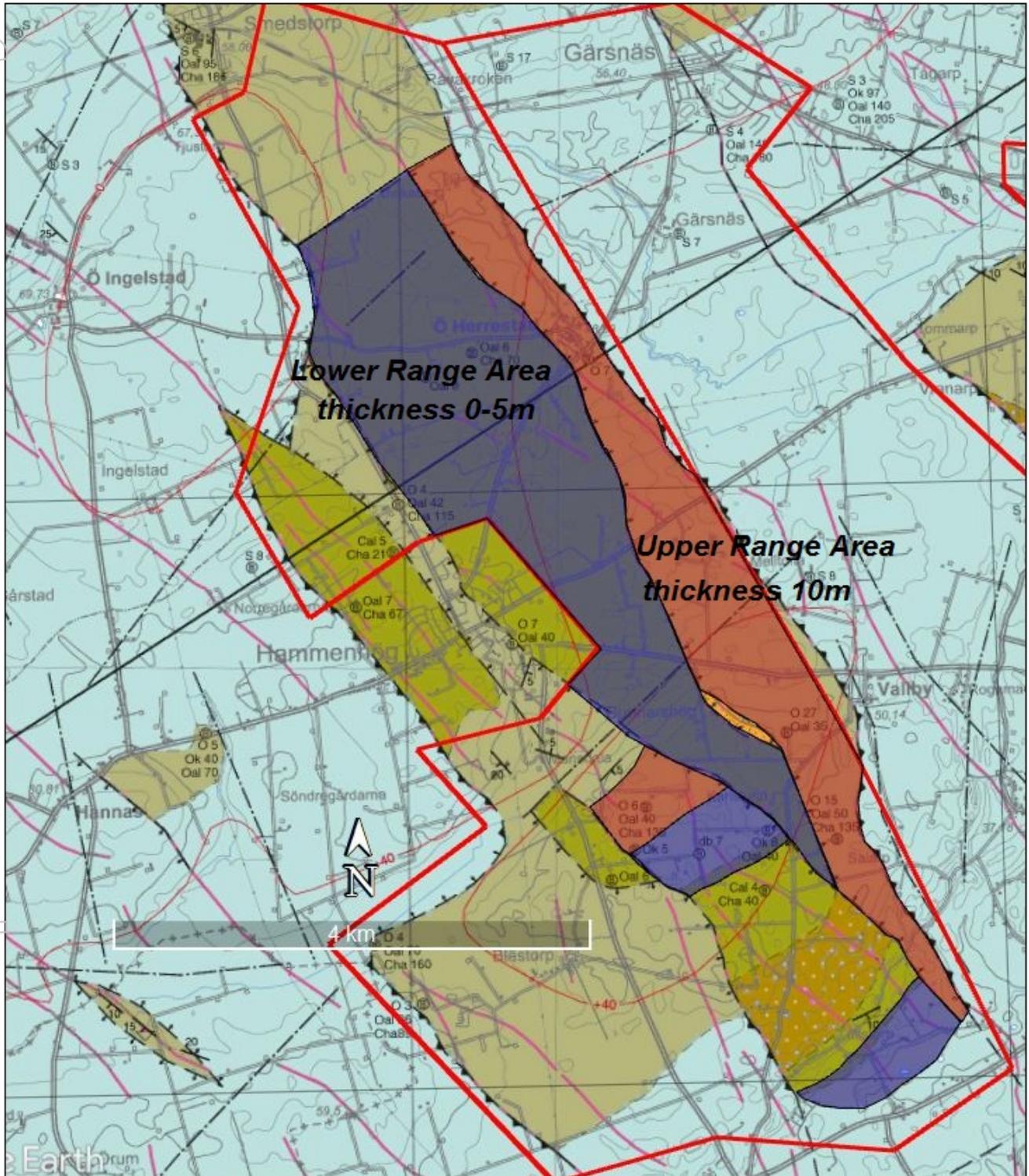


Figure 30: Hammenhog Exploration Target

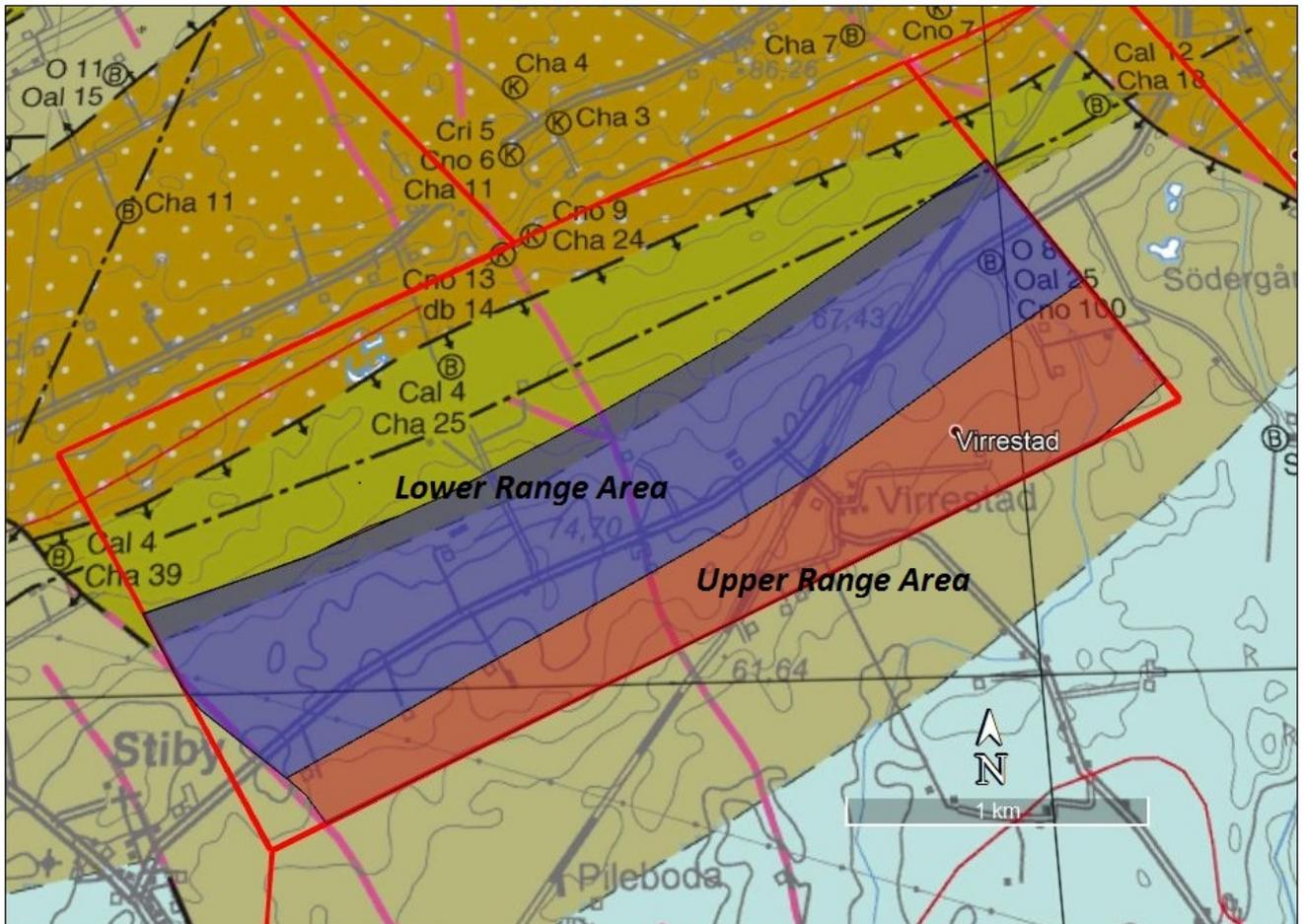


Figure 31: Virrestad Exploration Target

## 10. Title Report



1 (38)  
Ref nr  
1041997.2.0021

To: AssembleBay Limited  
68 Aberdeen Street  
Northbridge, Western Australia 6003  
Australia

### LEGAL TITLE REPORT

#### 1. INTRODUCTION

##### 1.1 Scope of the report

This report (the "**Report**") has been prepared by Advokatbyrån Kaiding (the Law firm Kaiding, hereinafter "**we**" or "**Kaiding**") on the 14th September 2018 for inclusion in the prospectus dated on or around the same date and issued by AssembleBay Limited ("**Company**") for lodgement at the Australian Securities and Investments Commission and the Australian Securities Exchange ("**ASX**") ("**Prospectus**"). This Report relates to the mining rights owned by Scandivanadium Ltd (registered in England and Wales, Company registration no 11237139) ("**Scandivanadium**").

For the purpose of this Report, Kaiding, has received information from the Company regarding exploration permits (*Sw. undersökningstillstånd*) ("**Exploration Permits**") that have been granted to Scandivanadium and otherwise applied for by Scandivanadium. Kaiding has made enquiries into the status of the Exploration Permits with the Swedish Mining Inspectorate (*Sw. Bergsstaten*).

##### 1.2 Qualifications

Kaiding has acted as specialist Swedish counsel for the Company to set up this Report. We have vast experience in assisting companies with regard to acquisition of property and adjacent rights and mining related issues.

##### 1.3 Independence

Kaiding has not acted as counsel for and provided legal advice to the Company in other matters. We are neither in any business relationship (other than the counsel-client

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Bankgiro klientmedel: 204-0467

F-skattsedel

Org nr: 994700-9438

*De allmänna villkor som gäller för de tjänster som Advokatbyrån Kaiding tillhandahåller finns tillgängliga på [www.kaiding.se](http://www.kaiding.se)*

relationship) nor are we shareholders of the Company. Consequently, we deem ourselves not to be in conflict pursuant to the Swedish BAR association regulation to render this Report.

Kaiding's costs for preparing this Report has been calculated at our normal hourly charge out rate, and the payment of our fees is not dependant on the results of this Report.

#### **1.4 Information Sources**

The information forming the basis of this Report has been obtained from the Company and public information registers, as listed below. Kaiding considers these to be reasonable enquiries.

- Correspondence from and discussions with the Company's and Scandivanadium's management teams;
- Communication to Scandivanadium (provided to us by the Company) from the Mining Inspectorate dated the 11<sup>th</sup> September 2018 with statements from the County Administrative Board and municipalities of Tomellilla, Ystad, Hörby and Eslöv. A list of the Exploration Permits and excerpts from the register regarding the Exploration Permits, certain statements and appeals in relation to the Exploration Permits, contacts with the Mining Inspectorate; and
- Certificate of Incorporation and Memorandum of Association of Scandivanadium

This Report is based upon the information given to Kaiding being correct. Kaiding takes no responsibility for any incorrect facts therein. Kaiding has not been aware of any information provided to us being incorrect or inaccurate in any way. Information provided by the Company has been verified with public information where possible. Kaiding has made assumptions that all documents includes, if applicable, genuine signatures, and that all documents are authentic and complete in relation to the original document.

## 2. PERMITS

### 2.1 Introduction Swedish mining rights

#### *Overview of permits to carry out exploration and production*

Mining (on land) as an industry is regulated in the Swedish Minerals' Act (1991:45) (*Sw. minerallagen*) and environmental issues are mainly regulated in the Swedish Environmental Code (1998:808) (*Sw. miljöbalken*). The two acts are partly overlapping.

To be able to conduct exploration to find a concession mineral an *exploration permit* under the Minerals Act is required. In order to exploit such concession mineral an *exploitation concession* under the Minerals Act and *access to land* in the form of a special land allocation deed from the Mining Inspectorate is needed.

Furthermore a *permit under the Environmental Code* to conduct environmentally hazardous activity and water related work is necessary. A *Planning permission* under the Planning and Building Act for the erection of building and other infrastructure necessary for the mining operation is also required. *Other permits* could also be necessary depending on how and where the mining operations will be carried out.

#### *Concession Minerals*

The following mineral substances are concession minerals for which an exploration permit and an exploitation concession may be granted:<sup>1</sup>

1. antimony, arsenic, beryllium, lead, caesium, gold, iridium, iron occurring in the bedrock, cobalt, copper, chromium, mercury, lanthanum and lanthanides, lithium, manganese, molybdenum, nickel, niobium, osmium, palladium, platinum, rhodium, rubidium, ruthenium, silver, scandium, strontium, tantalum, tin, titanium, thorium, , vanadium, bismuth, tungsten, yttrium, zinc and zirconium,
2. alum shale, andalusite, apatite, brucite, fluorspar, graphite, kyanite, refractory clay or clinkering clay, magnesite, pyrrhotite, nepheline syenite, sillimanite, coal, rock salt or other salt occurring in a similar manner, pyrite, baryte and wollastonite, and

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<sup>1</sup> Uranium was removed as a concession mineral from the Minerals Act on the 1 August 2018.

3. oil, gaseous hydrocarbons and diamonds.

#### *Exploration permit*

An exploration permit gives the holder a right to explore a specific area to investigate if there is reason to assume that exploration in the area can lead to the discovery of a concession mineral.<sup>2</sup>

There are formal requirements regarding the content of the applications that must be met. These requirements will not be described in detail in this Report. In general, it is required that the application contain enough information for the Mining Inspectorate to be able to assess within which area the concession mineral will be explored, what type of exploration work that will be conducted and where it will be carried out, the probability that exploration will lead to the discovery of a concession mineral and the effects that the exploration activity will have on public and private interests and the measures that will be taken to hinder negative effects on such interests. If the exploration work will be carried out within certain protected areas the effects in those areas need to be described (as described below under "*Exploration work*").<sup>3</sup>

An exploration permit shall be granted for a specific area (which may not exceed such area as the permit holder may be assumed to be able to explore in an appropriate manner, and which shall in addition be of a suitable shape for the intended purpose) if there is reason to assume that exploration of the area could lead to the discovery of a concession mineral. An exploration permit may not, however, be granted to a person manifestly lacking the possibility or intention of bringing about appropriate exploration or a person who has previously proved to be unsuitable to carry out exploration work. A permit to undertake exploration with regard to oil, gaseous hydrocarbons or diamonds may only be granted to a person who can prove that he or she is suitable to carry out such exploration.

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<sup>2</sup> Foreign companies wishing to operate in Sweden without registering a subsidiary may open a branch. A branch is a foreign company's local office in Sweden with its own administration and corporate identity number. A branch is registered with the Companies Registration Office (*Sw. Bolagsverket*). It is recommended to set up a branch before starting the exploration activities.

<sup>3</sup> Please note that the Chief Mining Inspector shall order the applicant to remedy the matter within a certain period of time if the application does not meet the formal requirements, if it is incomplete in other respects, or if the applicant fails to pay the application fee provided or the advance payment. The order shall be served on the applicant. If the applicant fails to remedy the matter, the Chief Mining Inspector shall refuse the application, but only if the deficiency is of such significance that the application cannot form the basis for consideration of the matter or if the applicant has failed to pay the application fee or advance payment (based upon the area explored and the concession mineral).

An exploration permit is granted for three years from the date of issue. After that, on application, it may be extended by another period of up to a maximum of three years if, *inter alia*, suitable exploration has been carried out within the area. The period of validity of the exploration permit may be further extended for no more than a total of four years, if there are special reasons, and after that by a further maximum of five years if extraordinary reasons exist, for example if the permit holder can show that considerable work has been undertaken in the area, and that further exploration will probably result in a granting an exploitation concession. The decision whether or not to grant an extension is made by the Mining Inspectorate. This means that the longest possible valid period for any one exploration permit is 15 years.

The holder of an exploration permit shall carry out exploration work in accordance with the Minerals' Act, the Minerals' Ordinance, other relevant legislation and the conditions decided by the Mining Inspectorate when the exploration permit was granted. This means that before exploration work can begin the holder of an exploration permit, *inter alia*, must have a valid plan of operation and is obliged to provide a financial security to compensate the land-owners, right-holders etc. for the damages they could suffer due to the exploration work and to pay a fee in advance to the Mining Inspectorate based upon which mineral that is explored and the explored area per year.

There are no rules stating which type of financial security that shall be provided and which amount it shall contain. Thus, the holder of the exploration permit must make an assessment of the level of any damage or encroachment resulting from the exploration work. The holder of the exploration permit shall describe the type of financial security provided and the amount in the plan of operations (*Sw. arbetsplan*). Furthermore, it shall be described how a land owner or right holder can access the financial security to receive compensation for damages. If a land-owner and/or right holder consider the financial security insufficient they can request the County Administrative Board (*Sw Länsstyrelsen*) to decide which type of financial security and which amount that shall be provided. Also, the Mining Inspectorate can decide on the amount that shall be paid as compensation if a damage has been caused and the owner and/or right holder cannot agree with the holder of the exploration permit on which amount that shall be paid.

*Right to appeal against a granted or refusal to grant an exploration permit*

Certain environmental organisations, certain authorities and anyone affected (*Sw. sakägare*) by the decision to grant or refuse an exploration permit can appeal against the decision either within three weeks from the date of the decision or three weeks from the

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date when they were served the decision to grant or refuse an exploration permit (depending on what the Mining Inspectorate states in the decision).

An appeal is made to the Mining Inspectorate and is tried by the Administrative Court of First Instance. The verdict of the Administrative Court of First Instance can be appealed against to the Administrative Court of Appeal. The Administrative Court of Appeal will first decide if a review permit (*Sw. prövningstillstånd*) shall be granted. If a review permit is denied the Administrative Court of Appeal will not try the case.<sup>4</sup> If a review permit is granted the Administrative Court of Appeal will try the case. The verdict of the Administrative Court of Appeal can be appealed against to the Supreme Administrative Court.

The appeal process is commonly utilized by affected parties following the grant of exploration permits. Appeals are not often upheld at this stage, however if successful a ruling of the court in favour of an appeal could include the imposition of further conditions to protect the interests of the affected party, the excise of a portion of the exploration permit area to remove areas impacting the aggrieved party or, in extreme circumstances, a reversal of the decision to grant and rescission of an exploration permit, though in our experience this is a very rare outcome.

The handling time at the courts depends on the work load at the court, which court it is, the amount of material in the appeal etc. and it is not possible to assess the time for the court process with certainty.

#### *Exploration work*

A person or company holding an exploration permit may undertake exploration work to show that a mineral covered by the permit is present within the permit area and to obtain more detailed information about the size, character and recoverability of the deposit. An exploration permit is deemed to be valid from the date when it was given and exploration work may commence even if an appeal has been made<sup>5</sup>, provided that a valid plan of operation is in place and other necessary permits and consents have been obtained (see below). The Mining Inspectorate will consider and approve plans of operation lodged in respect of exploration permits on which appeals have been made. The work shall be

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<sup>4</sup> The decision to deny a review permit can be appealed against to the Administrative High Court.

<sup>5</sup> This is the policy and practice of the Mining Inspectorate, based on their interpretation of the Minerals Act as regards the validity of an exploration permit and activities being conducted on the permit area where an appeal is pending. Though we note that the Minerals Act is silent on the matter as it does not expressly provide for, nor restrict, such activities and the matter has never been considered by the courts.

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carried out in such a way as to cause the least possible damage to and encroachment on any other person's property and the natural and cultural environment.

The permit holder may, to the extent that it is necessary, use a road to and within the area. With the permission of the Chief Mining Inspector, the permit holder may also utilize land or other space to construct any road that is necessary to and within the area.

Exploration work may only be carried out in accordance with a valid plan of operations. The plan of operations shall be drawn up by the permit holder and shall contain certain information, *inter alia*, (i) an account of the exploration work planned, (ii) a timetable for the work and (iii) an assessment of the extent to which the work may be expected to affect public interests and private rights.

The plan of operations shall be served on the owner of the land on which the work is to be undertaken and on the holder of any special right who is affected. A plan of operations becomes valid if no objections are raised within three weeks of the plan of operations being served. Exploration work may not be commenced until the plan of operations is valid.<sup>6</sup> If objections are raised the permit holder can reach an agreement on the contents of the plan with the party who raised the objections or request examination of the plan of operations by the Chief Mining Inspector. After such examination the Chief Mining Inspector shall decide if the plan of operation shall become valid or not and on which terms the plan of operations shall apply. In a decision to confirm a plan of operations, the Chief Mining Inspector shall set out the conditions needed to protect public interests and private rights and to prevent or limit inconvenience. The decision may be appealed against by affected parties to the Land and Environmental Court of First Instance within three weeks of them being served the decision. The verdict can be appealed against to the Land and Environmental Court of Appeal. The Land and Environmental Court of Appeal will first decide if a review permit shall be granted. If a review permit is denied the Land and Environmental Court of Appeal will not try the case.<sup>7</sup> If a review permit is granted the Land and Environmental Court of Appeal will try the case. The verdict of the Land and Environmental Court of Appeal can be appealed against to the Supreme Court, provided that the Land and Environmental Court of Appeal has made a decision to allow such appeal. The Supreme Court will first decide if a review permit shall be granted. If a review permit is denied the

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<sup>6</sup> A valid plan of operations shall be sent to the Chief Mining Inspector, the municipalities affected and the County Administrative Board.

<sup>7</sup> The decision to deny a review permit can be appealed against to the Supreme Court.

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Supreme Court will not try the case. If a review permit is granted the Supreme Court will try the case.

The handling time at the courts and the Mining Inspectorate depends on the work load at the court, which court it is, the amount of material in the appeal etc. and it is not possible to assess the handling time with certainty.

Exploration activity may commence even though an appeal has been made against the plan of operations (if the Chief Mining Inspector has so decided). Such decision can, in many cases, be made upon request by the applicant but it is not always granted. When deciding if such request shall be granted the Mining Inspectorate will, *inter alia*, make an assessment if the objections raised against the plan are unfounded and if it is possible that the decision of the Mining Inspectorate could be changed by the courts. Where a party has appealed against a plan of operations it is also possible for that party to appeal against the decision that exploration work may commence prior to the appeal being considered. Accordingly, the decision of the Mining Inspectorate to allow commencement of operations under the plan of operations could be altered by the courts and thus mean that exploration work may not commence until a final decision from the courts has been made. Thus, an appeal may result in a significant delay in the commencement of exploration activities, make the exploration activities significantly more expensive or make the exploration activity impossible. There are not many cases from the courts regarding appeals against decisions on plan of operations. However, the likelihood of a plan of operation decided by the Chief Mining Inspector to be altered or revoked by the court is in our experience low.

#### Permits for exploration activities

In many cases it is only necessary to have an exploration permit and a valid plan of operations to start exploration activities. However, when conducting exploration activities it is always necessary to comply with the rules of the Environmental Code and other relevant legislation. Thus, *inter alia*, the general rules of consideration and rules on protected areas and species etc. (described in section "*Permit to conduct environmentally hazardous activity and water related work*" and below in this section) in the Environmental Code need to be observed at all times, even if it is not necessary to apply for further permits. However, there are certain areas where further permits will be necessary and where exploration work may not be undertaken or will be difficult to conduct.

Exploration work may not be undertaken within a national park or an area which a central government authority has requested the Government to designate as a national park, or contrary to regulations issued for a nature or cultural heritage reserve under Chapter 7 of the Environmental Code or other protected areas by the rules in that chapter (such as, *inter alia*, Natura 2000-areas<sup>8</sup>, nature and culture reserves, biotope protection areas).

Exploration within such areas often require permits and additional protective measures to be taken. Furthermore, it could be necessary to set up an Environmental Impact Assessment Report ("EIA") (*Sw. miljökonsekvensbeskrivning*) to describe the effects of the exploration in those areas. The rules applicable to nature and culture reserves, Natura 2000 areas, Biotope protection areas and water protection areas in chapter 7 of the Environmental Code will be summarized below.

Within nature and culture reserves it is in general prohibited to affect the land or the nature and wildlife. Each reserve has a set of regulations on conduct in the reserve and also rules that could prohibit or limit the right to use land and water. Thus, it could be necessary to receive a dispensation or a permit to conduct certain activities. It is possible to receive dispensation from the rules under special circumstances provided that it does not violate the purpose of the protection of the area. A special circumstance could be a public interest (such as exploitation of minerals). It is possible to receive a permit if the applicant can show that it will observe the rules of the Environmental Code and take measures to ensure that the purpose of the protection of the area is not violated. When applying for a dispensation or a permit it could be necessary to set up an EIA Report to describe the effects of the exploration in those areas.

When carrying out an activity (such as exploration) located near or within a Natura 2000 area the operator must prove that the activity will not affect the environment in the area in a significant way. In our experience in most cases drilling and exploration activities does not affect the environment in a significant way. However, the Environmental Court tends to rule on matters affecting Natura 2000 areas strictly and it is necessary to assess the full scope and effects of the exploration activity to determine the effects. In certain

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<sup>8</sup> Natura 2000 is a network of core breeding and resting sites for rare and threatened species and some rare natural habitat types which are protected in their own right. It stretches across all 28 EU countries, both on land and at sea. The aim of the network is to ensure the long-term survival of Europe's most valuable and threatened species and habitats, listed under both the Birds Directive and the Habitats Directive.

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sensitive areas drilling and exploration activities could affect the environment in a significant way and thus require a permit.

Biotope protection areas are smaller areas of land or water that contain biotopes that are worth protecting. Certain areas, *inter alia*, within farm land are protected by legislation. It is also possible for certain authorities to decide that other areas shall be protected. Within such areas it is not allowed to carry out operations that may harm the natural environment. It is possible to grant a dispensation from the rules in some, but not in all, cases.

A land or water area may be designated a water protection area by a County Administrative Board or a municipality for the purpose of protecting surface water or groundwater supplies that are, or are likely to be, used for water abstraction. Rules for water protection areas shall be set up. Those rules shall impose the restrictions on the right to dispose of properties in the area that may be necessary in order to fulfil the purpose of the area. A water protection regulation only formally applies within the water protection area itself. An operator outside the protection area is, however, also obliged to take the area into consideration when performing his activity. This applies if the activity in question may have harmful effects on the groundwater or surface water in the area. A dispensation from the applicable rules in the water protection area may be given County Administrative Board or a municipality in certain cases.

In addition, without the permission of the County Administrative Board, exploration work may not be undertaken within certain areas:

1. two hundred meters of a protected object under the Installations Protection Act (2010:305)<sup>9</sup> and such area outside the same as is determined by the Government,
2. a churchyard or other burial ground, or
3. certain undisturbed areas in the Swedish mountain range.

Without the permission of the Chief Mining Inspector<sup>10</sup>, exploration work may not be undertaken within the following areas:

1. an area within thirty meters of a public highway or the course of such a highway, a railway, airport, or canal open for public use,
2. an area within two hundred meters of a residential building,

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<sup>9</sup> These are buildings, areas etc. of importance for the Swedish military.

<sup>10</sup> The Chief Mining Inspector may make the permission subject to conditions.

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3. an area within two hundred meters of a church, other assembly building, educational establishment, hotel or boarding house, or an area within two hundred meters of a care institution, student hall of residence or similar establishment, if intended for more than fifty persons.
4. an area within two hundred meters of an electric power station or industrial facility, or
5. an area covered by a detailed development plan or area regulations under the Planning and Building Act (2010:900).

In cases referred to in the preceding paragraph, item 5, permission may not be granted if this is contrary to the plan or the area regulations. If the purpose of the plan or the regulations is not thwarted, however, minor deviations may be made. Notwithstanding the provisions of the preceding paragraph, item 2--4, exploration may be undertaken if consent has been given by the person affected by the work. Such consent shall be given by the owner of the building or the property, and the person with the right of use of it.

Depending on the where in the area of the exploration permit that exploration work is planned such work could also require other permits, *inter alia*, a special permit to drive motor vehicles in the area under the Off-road Driving Act<sup>11</sup>, permit under the Cultural Heritage Act<sup>12</sup> or that a certain notice of consultations is sent to the County Administrative Board under the Environmental Code if the exploration work will significantly impact the natural environment and does not require another permit under the Environmental Code. If water related work will be carried out, *inter alia*, removal of water from a water area or digging in a water area a permit or a notification to the County Administrative Board may be necessary. However if "*public or private interests are manifestly not harmed by the impact of water operations on water conditions*" no permit or notification is required.

As described in section 2.2 below such areas that are described in this section and other protected areas could be affected by the exploration work that will be conducted within the areas of the exploration permits. Thus, when it has been decided in the plan of operations how and where the exploration work will be conducted it could be necessary to apply for additional permits, set up an EIA and take additional protective measures

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<sup>11</sup> Off road driving is prohibited in Sweden in general and thus a permit is required to carry out such activity in most cases.

<sup>12</sup> To move, remove, dig out, or in other ways alter or damage ancient monuments requires from the County Administrative Board. If an ancient monument is found during digging or other activities, the work that has an impact on the ancient monument should immediately be stopped and the County Administrative Board should be notified

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before the exploration activity can commence. This could delay or hinder the exploration activity fully or partly if a necessary permit or consent is not received.

#### *Exploitation concession*

An exploitation concession gives the holder a right to exploit the concession minerals within a definite area, which is decided on the basis of the extent of the deposit, the purpose of the concession and other circumstances. An exploitation concession shall be granted if (i) a mineral deposit has been found which can probably be exploited economically, (ii) the location and nature of the deposit does not make it inappropriate that the applicant is granted the concession requested, (iii) the exploitation does not violate legally binding planning according to the Planning and Building Act and (iv) the exploitation is in accordance with Chapters 3 and 4 of the Environmental Code.

The applicant must provide substantive material to show that a mineral deposit has been found which can probably be exploited economically. The material must be reviewed by an expert following certain international standards. The rules are complex and technical and will not be described further in this Report.

The purpose of the rule "*that an exploitation concession may only be granted if the location and nature of the deposit does not make it inappropriate that the applicant is granted the concession requested*" is to avoid that several exploitation concessions are granted close to each other and prevent exploitation. If this is the case, the application for an exploitation concession could be denied. Furthermore, if a mineral is of national interest (for example for the military) an exploitation concession could be denied.

Exploitation cannot violate a detailed development plan or area regulations under the Planning and Building Act (2010:900). If this is the case, the application for an exploitation concession could be denied. However, if the purpose of the plan or the regulations is not thwarted, however, minor deviations may be made.

The Environmental Code shall be applicable in matters concerning the granting of an exploitation concession, which means, *inter alia*, that an EIA shall be contained in an application for a concession. The purpose of an EIA is to establish and describe the direct and indirect impacts of the planned activity, so that an adequate assessment can be made.<sup>13</sup>

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<sup>13</sup> The required content of a EIA and the scope of the matters that should be addressed when applying for an exploitation concession is somewhat unclear after a fairly recent verdict (HFD 2016 ref. 21) from the Supreme Administrative Court. In that case it ruled that all parts of the mining operations should be described in the EIA

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The EIA is, *inter alia*, used when determining if exploitation is in accordance with Chapters 3 and 4 of the Environmental Code. The purpose of these rules is to prioritize and preserve the use of certain areas for specific interests and protect those areas from activities that are harmful to those interests. Areas of great natural value and/or of recreational value, as well as areas of value for agriculture, forestry, reindeer breeding, industrial production and mining etc. are among the interests listed in these chapters. Some geographical areas are designated areas of specific national interest. These interests enjoy a higher level of protection and include unexploited coastlines and mountain areas. When Chapters 3 and 4 of the Environmental Code are to be applied in the consideration of a case or matter (for example, in the case of an application for a permit for an environmentally hazardous activity under the Environmental Code or an application for an exploitation concession under the Minerals Act), the County Administrative Board shall promote the satisfaction of national interests. If an area is of national interest for various purposes which are incompatible, the interests must be compared giving priority to the interest or interests that are most likely to promote sustainable management of land, water and the physical environment in general.<sup>14</sup>

If the rules described above in this section are not met, an exploitation concession can not be granted.

To initiate the application process to receive an exploitation concession it is necessary to pay an application fee of 80 000 SEK for each area. Decision to grant an exploitation concession is made by the Mining Inspectorate or, in certain cases, the Government of Sweden. The decision of the Mining Inspectorate can be appealed against to the Government of Sweden. The decision of the Government of Sweden can be appealed against to the Supreme Administrative Court, which could conduct a judicial review of the case. There is a risk that a granted exploitation concession could be denied after appeals have been made.

The holder of an exploitation concession shall be required to furnish security for the fulfilment of his obligations to rehabilitate the mining site etc. once operations has ceased, unless there are special reasons to the contrary. Furthermore, the holder of an exploitation concession must pay an annual minerals fee to the landowners of the concession area and the state. The fee is 0.2 percent of the average value of the

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when applying for an exploitation concession and also that the potential effect on a nearby Natura 2000 area should have been described.

<sup>14</sup> However, if the area, or part of the area, is needed for a military installation, priority shall be given to the defence interest.

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concession minerals mined, 0.15 percent of which is paid to the landowners to be distributed among them in proportion to their share of the concession area. The remaining 0.05 percent is paid to the state to be used for research and development in the field of sustainable development of mineral resources.

An exploitation concession is granted for a period of 25 years unless the applicant requests a shorter period of time. A decision to grant or refuse to grant an exploitation concession can be appealed against. The concession period is extended by ten years at a time without application if regular exploitation is in progress when the period of validity expires. A shorter period may be decided at the request of the concession-holder.

*Exploration Permit and exploitation concessions in the same area*

Under the Minerals' Act an exploitation concession may not be granted for the same mineral over the top of a valid and existing exploration permit or exploitation concession. If several persons have applied for an exploitation concession for the same area, and more than one person fulfils the legal requirements to be granted the exploitation concession, the applicant holding an exploration permit within the area for any mineral covered by his application for a concession shall have precedence.

Thus, as long as one is the holder of an exploration permit and fulfils the obligations under the Minerals' Act, *inter alia* pays the fees to the Mining Inspectorate, one has precedence to receive an exploitation concession to earn exclusive rights to the minerals covered by the exploration permit.

If a person or company holds an exploration permit or an exploitation concession for a given area under the Minerals Act, no one else may be granted an exploration permit for the same mineral within the area. However, if special reasons exist, another person or company may be granted an exploration permit within the area for minerals which are not covered by the permit or concession.<sup>15</sup>

When an exploration permit or exploitation concession has ceased to be valid, an application for an exploration permit regarding land in the same area may not be

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<sup>15</sup> The granted Exploration Permits Killeröd no 1 and Virrestad no 1 cover all of the concession minerals listed in the minerals act except oil, gaseous hydrocarbons and diamonds (for which special requirements regarding the exploration apply). Thus, the likelihood of someone else applying for and being granted an exploration permit within the areas is very low.

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considered until at least one year has elapsed since the permit or concession ceased to be valid unless the Chief Mining Inspector grants an exemption.

In general an exploration permit may not be granted for land within a protected zone surrounding an area covered by an exploitation concession.

*The right to surrender, revoke or transfer an exploration permit or exploitation concession*

The holder of an exploration permit may wholly or partially surrender his right under the exploration permit. Then the permit shall cease to be valid to a corresponding degree one month from the date on which his notification was received.

The holder of an exploitation concession may wholly surrender his right under the exploitation concession. Then the exploitation concession shall cease to be valid six months from the date on which the notification was received. It is also possible under certain conditions to partially surrender the rights under an exploitation concession.

An exploration permit or exploitation concession may be revoked if the permit or concession holder (i) fails to fulfil the obligations under the Minerals' Act or as set out in conditions attached to the exploration permit or exploitation concession, or (ii) if the permit holder violates conditions attached to permission for exploration work, or (iii) if other exceptional reasons exist.

An exploration permit or exploitation concession may be transferred with the permission of the Mining Inspectorate. With regard to an exploration permit, permission may be granted provided that the transferee is not manifestly lacking the possibility or intention of bringing about appropriate exploration or a person who has previously proved to be unsuitable to carry out exploration work. A permit to undertake exploration with regard to oil, gaseous hydrocarbons or diamonds may only be granted to a person who can prove that he or she is suitable to carry out such- exploration. With regard to an exploitation concession, transfer may be granted provided that the location and nature of the deposit do not make it inappropriate to grant the transferee the concession and the transferee can prove that he or she is suitable to undertake exploitation of the deposit.

*Permit to conduct environmentally hazardous activity and water related work*

To run a mining operation the holder of an exploitation concession does also require a permit under the Environmental Code to conduct environmentally hazardous activity and

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water related work. The main issue in the permitting process under the Environmental Code is typically to determine permit conditions related to e.g. discharges and other emissions, managing waste materials, measures to prevent and manage contamination of land and water and to prevent negative effects on ground water levels and water quality and to furnish a security corresponding to the cost of rehabilitation of the site. It should be noted that it is possible that a permit under the Environmental Code is not given even though an exploitation concession has been granted. In summary the following rules are applied when deciding on permits for operations.<sup>16</sup>

#### General rules of consideration

The "*General rules of consideration*" are the fundamental principles of the Environmental Code and apply to all activities that have an impact on the environment, even if a permit under the Environmental Code is not required. These principles must, for example, be applied when deciding if a permit shall be given and when setting conditions for permits.

Firstly, the "*Burden of proof principle*" states that it is the party who pursues an activity that must prove that the obligations arising out of the Environmental Code are complied with.

The "*Precautionary principle*" requires anyone that pursues an activity to take all necessary environmental precautions in order to limit the impact on human health and the environment. It is sufficient that there is a risk of damage or detriment for this obligation to arise. Such precautions may, for example, involve restricting the discharges and emissions or setting emission levels. It also means an obligation to apply the best possible technique, which means (according to the "*Best Possible Techniques Principle*") a requirement of applying Best Available Techniques, BAT when carrying out professional activities. A mining operation could also have to observe and fulfil the requirements set out by the Industrial Emissions Directive<sup>17</sup> which, *inter alia*, could mean that certain emission levels cannot be exceeded and that certain techniques are described as BAT, and thus must be used in the operation.

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<sup>16</sup> The purpose of the Environmental Code is to promote sustainable development which will ensure a healthy and sound environment for present and future generations. The Environmental Code shall be applied to achieve this.

<sup>17</sup> Directive 2010/75/EU of the European Parliament and the Council

Furthermore the "*Knowledge Principle*" stipulates that everyone who pursues an activity must acquire the knowledge necessary to protect human health and the environment against damage or detriment.

The "*Appropriate location principle*" demands that the site for an activity must be suitable with respect to the purpose of the activity being achieved with a minimum of damage, detriment or nuisance to human health and the environment. When deciding if the location is appropriate it will be considered if the rules of chapter 3 and 4 of the Environmental Code (described above in section "*Exploitation concession*") are met.<sup>18</sup> Furthermore, permits, approvals and exemptions cannot be granted, other than in rare cases, if an activity is likely to lead to an environmental quality standard (EQS) not being met. EQS are regulations concerning the quality of land, water, air and the environment in general and may stipulate levels of pollution or other impacts that humans or the environment may be exposed to without risk of significant nuisance or detriment.<sup>19</sup>

The "*Product choice principle*" requires operators to refrain from the use or sale of chemical products that could involve hazards to human health or the environment if other less dangerous products can be used instead.

The "*Resource management and eco-cycle principle*" stipulates that an activity must be carried out in such a way so as to ensure the efficient use of raw materials and energy and to minimize waste generation. The ultimate objective of this principle is to maintain closed material cycles.

All of the principles above shall be applied together with the "*Proportionality principle*", which states that the general rules of consideration apply as long as they are not unreasonable. This means, in general, that application of the rules should be environmentally justifiable and financially reasonable in each case.

Further to the principles described above, the "*Polluter pays principle*" requires anyone who takes a measure that could have an impact on human health or the environment to

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<sup>18</sup> If an exploitation concession has been granted it has already been decided if exploitation in the area in accordance with Chapters 3 and 4 of the Environmental Code. That decision is binding upon the court trying the application for a permit under the Environmental Code to conduct a mining operation. However, if alterations are made (for example larger land and water areas need to be used than stated in the application for the exploitation concession) it needs to be decided again if the rules of chapter 3 and 4 of the Environmental Code are met.

<sup>19</sup> Furthermore, the permit authority may revise a permit for an activity with respect to the permissible volume of production or the scope of the activity, alter or cancel conditions or other provisions, or issue new provisions where the activity is to a significant extent responsible for an infringement of an EQS.

be responsible for complying with the provisions concerning remediation set out in the Environmental Code and to pay any resulting expenses.

#### Area protection rules

Furthermore, the regulations concerning different types of area protection in chapter 7 of the Environmental Code such as national parks, nature reserves, habitat protection (describe above in "*Permits for exploration activities*"), must also be considered. Apart from the rules described above it could be necessary to consider the following rules.

In Shore protection areas (the shores of seas, lakes and watercourses are protected in buffer zones extending 100 to 300 meters from the shore) actions such as construction of buildings, digging for the purpose of constructing new buildings or other measures that may significantly change the living conditions for animal and plant species are not allowed. However, a permit can be given in special circumstances. The purpose of this protection is to safeguard public access to shore areas and maintain habitats for flora and fauna on land and in water.

Areas of land or water can be designated an environmental protection area by the Government due to the fact that the area is polluted or an EQS has not been complied with. The Government or the County Administrative Board shall issue provisions concerning protective measures, restrictions and other precautions with respect to activities in the area which mean that certain activities may not be undertaken.

#### Plant and animal protection

In Sweden there are a large number of plants and animals that are protected through species protection. Chapter 8 of the Environmental Code contains provisions concerning the protection of flora and fauna. The provisions are supplemented by a governmental ordinance with detailed provisions. Application of the provisions on species protection can be of significance when assessing whether an activity has a location that is acceptable according to the "*Appropriate location principle*". In order for a planned activity to be carried out, protective measures or adjustments to the activity may sometimes be required so that it does not conflict with the prohibitions. However, if it is necessary exemption from the prohibitions can be granted in individual cases and in certain circumstances.

### Other rules

Furthermore, other rules are applicable and will be considered in the permitting procedure, for example specific rules regarding waste management, industrial emissions, financial security for rehabilitation costs, dam security, Seveso-rules (regarding the handling of dangerous substances in the industry), permit under the Radiation Protection Act and the Radiation Protection Ordinance for the handling of radioactive material etc. These will not be further detailed in this Report.

### Appeals

A permit for a mining operation<sup>20</sup> is given in a verdict from the Land and Environment Court, which can be appealed to the Land and Environment Court of Appeal. The Land and Environment Court of Appeal will first decide if a review permit shall be granted. If a review permit is denied the Land and Environment Court of Appeal will not try the case.<sup>21</sup> If a review permit is granted the Land and Environment Court of Appeal will try the case. The verdict of the Land and Environment Court of Appeal (or their decision to deny a review permit) can be appealed against to the Supreme Court. The applicant and the other parties in the procedure, as well as certain other stakeholders, can appeal against a permit decision. The right to appeal also applies to governmental authorities and non-profit organisations or other legal persons with the primary purpose of promoting nature conservation and environmental protection interests, who also meet certain other specified requirements.

The permit is not valid and may not be used until the verdict has gained legal force and is final unless it has been decided that the permit may be used even if an appeal is made against the verdict. Such decision can be made upon request by the applicant but it is in our experience difficult to receive when applying for a permit for a new mining operation. When appealing against the verdict regarding the mining operation it is also possible to appeal against the decision that the permit may be used even though the verdict has not gained legal force. That decision could be altered by the courts and thus mean that the permit cannot be used until a final decision from the courts has been made.

There is a risk that the rules described above are not met and that a permit cannot be given or that it is given on conditions that will make the mining operation impossible or significantly more expensive. Furthermore, any failure to comply with applicable laws and

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<sup>20</sup> A permit for environmentally hazardous activities and water related work.

<sup>21</sup> The decision to deny a review permit can be appealed against to the Supreme Court.

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regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or withdrawal of one or more of the permits.

#### *Access to land and other permits*

Access to land is also required to carry out exploitation and this is obtained from the Mining Inspectorate in the form of a special land allocation deed. Planning permission for the erection of building and other infrastructure necessary for the mining operation is also required under the Planning and Building Act. Further permits could also be required depending on how and where the mining operations will be carried out.

## **2.2 Explorations permits**

As at the date hereof, Scandivanadium has been granted the exploration permits set out in the table contained in [Appendix 1](#) and otherwise has applied for exploration permits set out in the table contained in [Appendix 2](#).

#### *Concession Minerals in the applications for Explorations Permits and the granted Exploration Permits*

The Exploration Permits granted for Killeröd no 1 and Virrestad no 1, and the application Fågeltofta no 1, are for the concession minerals vanadium, iron, lead, zinc, copper, gold and silver. They also included uranium but that has been excluded from the applications according to the information in Appendix 1.<sup>22</sup>

All other applications are for the concession minerals vanadium, lead, zinc, copper, gold and silver.

#### **The granted exploration permits**

##### ***Killeröd no 1***

The application for Killeröd no 1 was made on the 29<sup>th</sup> March 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, landowners, other known right holders, the

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<sup>22</sup> From the 1<sup>st</sup> August 2018 Uranium was removed as a concession mineral from the Minerals Act and it will be prohibited to grant a permit under the Environmental Code to carry out mining operations regarding Uranium.

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municipalities of Tomellila and Simrishamn and the County Administrative Board of Skåne.

The following statements were given to the Mining Inspectorate regarding the application for the Exploration Permit.

The power company Eon sent a statement saying that there is a low and medium voltage power line in the area of the exploration permit. Eon request notification regarding the progress of the application process and the plan of operations if the exploration permit is granted.

Ystad and the Österlenregion environmental coalition (*Sw. Ystad och Österlenregionens miljöförbund*)<sup>23</sup> provided some information about the area but not stated if they oppose or consent to the application. In summary, the information provided is that there is a restricted access coastal area in the northern and eastern parts of the area, that there is a closed landfill site close to the area, another closed landfill site within the area and that there could be further polluted areas within the exploration area. Furthermore there are private ground water sources present within the area.

The Swedish Transport Administration (*Sw. Trafikverket*) also provided information that a permit is required for measures that will be taken in road areas.

Simrishamn municipality handed in a statement and, in summary, opposed the granting of the exploration permit for, *inter alia*, the following reasons. The application covers a very large area and does not list the affected real properties and owners and there is no map material present to assess which areas that are affected. Furthermore the description of the effects of the drilling is not satisfactorily described. The drilling could have material affect on the public interests in the area. The Areas contain high natural and cultural values with a number of areas listed to be of national interest areas under the Environmental Code, areas with restricted coastal access, protected species and protected areas. The application also does not describe the effect on the natural reserves and Natura 2000-area. Furthermore the ground water is sensitive in the area and there are private ground water sources present within the area which risk to be affected by the exploration work.<sup>24</sup> To be able to assess the effects of the exploration it is requested that maps with all measures that will be taken are specified with time, place, technical nature and that each drilling place is specified. Furthermore the effects on

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<sup>23</sup> Which is a part of the environmental monitoring in Simrishamn municipality and Tomellila municipality

<sup>24</sup> An additional statement regarding water sources in the municipality has been handed in which will not be described further in this Report.

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natural environment, ground, water and the final processing and storage of the drill cores with water proof concrete should be described. Once that information has been provided the municipality of Simrishamn request to be able to hand in an additional statement regarding the additional information.

The County Administrative Board of Skåne submitted a statement and supplementary statement and, in summary, stated that it would be inadvisable to grant the exploration permit since the area is not suitable for exploitation and concentration of concession minerals. Among other, the following reasons are given for this opinion. Even though the Mining Inspectorate at this point only shall assess if exploration can lead to the discovery of concession minerals and if the application is suitable to carry out such exploration the County Administrative Board want to point out the risks of conflict between exploitation of the concessions mineral(s) and the high water, nature and cultural values present within the area. The County Administrative Board point out that they will be very restrictive towards granting a permit for exploitation and concentration of concession minerals within the area. Exploitation cannot take place in areas important for the municipal water supply or within areas where ground water flows towards such supplies. There is no information on where drilling, off-road driving and deforestation will take place. Thus, the risks of the exploration work cannot be assessed. Furthermore the application does not satisfactory describe water related matters. Two ground water supplies and two municipal water source with a protection zone is present in the area. The geology is very complicated in the area and it is hard to find good water sources. Thus, exploration can only be conducted if no drilling is carried out within the protection zone of the ground water supplies. To affect the Alum Shale could greatly impact the quality of the ground water. Drilling in Alum Shale could require a permit under the Radiation Protection Act and the Radiation Protection Ordinance. Furthermore the area contain high values from a natural conservation perspective with protected areas and species. Within the area the nature reserve and Natura 2000-area "Listarumsåsen" is present where, *inter alia*, drilling, operation of motor vehicles and deforestation is prohibited. In the northeast and continuing south through the area a creek, "Tommarpsån", contain high natural values and that area should be exempted from exploration. Also two alkaline fens, "Norrevall and "Göransdal", in the western part contain high natural values and protected species and should be exempted from exploration. The area also contains high values from a cultural heritage perspective and 96 known ancient remains. It is likely that more ancient remains are present in the area and therefore an archeological survey must be conducted prior to the exploration work. Also information has been provided that other permits could be necessary and relevant legislation need to be observed when the exploration is carried out.

The federation of Swedish Farmers (LRF) in Skåne, Tomellia and Tommarsbygden has handed in a statement and, in summary, opposed the granting of the exploration permit for, *inter alia*, the following reasons. The area contain approximately 600 hectares of one of Swedens best arable land and pastures and activity on this land would lead to vast damages on the land, water and farming activity in the area.

#### Decision to grant the Exploration Permit

The Mining Inspectorate granted the exploration permit Killeröd no 1 on the 23<sup>rd</sup> July 2018 in the area set out in the enclosed map, Appendix 3, for exploration of the concession minerals listed under "concession minerals" section 1 and 2 above. The Exploration Permit is valid for three years from the day of the decision. The Mining Inspectorate have stated that the permit holder must provide a financial security for the damage or encroachment that could be caused by the exploration work.

Nineteen appeals against the decision have been made by, *inter alia*, the municipality of Simrishamn, the County Administrative Board of Skåne and private individuals. The final date to submit an appeal against the decision was the 27<sup>th</sup> August 2018. These appeals broadly cover the same objections as set out in the statements submitted as part of the application process.

Five appeals where submitted too late and have been dismissed by the Mining inspectorate. The decision to dismiss the appeals can be appealed against however the right to appeal can also in rare cases be restored through extraordinary remedies. Such requests are seldom granted by the courts but there is a limited risk that such request could be granted and the dismissed appeals heard by the court as well.

When the court will rule on the appeals is not known.

An exploration permit is deemed to be valid from the date when it was given and exploration work can commence even if an appeal is made, provided that a valid plan of operations is in place and other permits that could be necessary have been granted (see commentary in section 2.1 above). A plan of operations has not yet been submitted to the Mining Inspectorate. Exploration work may only be carried out in accordance with a valid plan of operations as described in section 2.1 above and provided that, *inter alia*, additional permits that could be necessary have been recieved and additional protective measures that could be necessary have been taken.

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It is unlikely that the appeals will be successful, though it is possible. If successful, the ruling of the court could include the imposition of further conditions to protect the interests of the affected party and/or the excise of a portion of the exploration permit area to remove areas impacting the aggrieved party. And, in extreme circumstances, there does remain the possibility of a reversal of the decision to grant the exploration permit, such that title to the permit is lost and exploration activities cannot be carried out, though in our experience this is a very rare outcome and there is nothing to suggest from the materials we have reviewed for these appeals that such an outcome is likely in this case.

#### **Virrestad no 1**

The application for Virrestad no 1 was made on the 29<sup>th</sup> March 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, landowners, other known right holders, the municipality of Simrishamn and the County Administrative Board of Skåne.

The following statements were given to the Mining Inspectorate regarding the application for the Exploration Permit.

The power company Eon sent a statement saying that there is a low and medium voltage power line in the area of the exploration permit. Eon request notification regarding the progress of the application process and the plan of operations if the exploration permit is granted.

Ystad and the Österlenregion environmental coalition (*Sw. Ystad och Österlenregionens miljöförbund*)<sup>25</sup> provided some information about the area but not stated if they oppose or consent to the application. In summary, the information provided is that there is a restricted access coastal area in the northern parts of the area, that there could be polluted areas within the exploration area and that there are private ground water sources present within the area.

Simrishamn municipality handed in a statement and, in summary, opposed the granting of the exploration permit for the same reasons as stated above regarding Killeröd no 1.

The County Administrative Board of Skåne handed in a statement and supplementary statement and, in summary, stated that it would be inadvisable to grant the exploration permit since the area is not suitable for exploitation and concentration of concession

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<sup>25</sup> Which is a part of the environmental monitoring in Simrishamn municipality and Tomelilla municipality

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minerals. Among other, the following reasons are given for this opinion. Even though the Mining Inspectorate at this point only shall assess if exploration can lead to the discovery of concession minerals and if the application is suitable to carry out such exploration the County Administrative Board want to point out the risks of conflict between exploitation of the concessions mineral(s) and the high water, nature and cultural values present within the area. The County Administrative Board point out that they will be very restrictive towards granting a permit for exploitation and concentration of concession minerals within the area. Exploitation cannot take place in areas important for the municipal water supply or within areas where ground water flows towards such supplies. There is no information on where drilling, off-road driving and deforestation will take place. Thus, the risks of the exploration work cannot be assessed. Furthermore the application does not satisfactory describe water related matters. One ground water supplies is present in the area and two municipal water source with a protection zone is border the area. The geology is very complicated in the area and it is hard to find good water sources. Thus, exploration can only be conducted if no drilling is carried out within the protection zone of the ground water supplies. To affect the Alum Shale could greatly impact the quality of the ground water. Drilling in Alum Shale could require a permit under the Radiation Protection Act and the Radiation Protection Ordinance. Furthermore the area contain high values from a natural conservation perspective, primarily as a core area for many species of frog. The area also contain high values from a cultural heritage perspective and contain a number of known ancient remains, such as burial mounds. Also information has been provided that other permits could be necessary and relevant legislation need to be observed when the exploration is carried out.

The federation of Swedish Farmers (LRF) in Skåne, Tomellia and Tommarsbygden has handed in a statement and, in summary, opposed the granting of the exploration permit the same reasons as stated above regarding Killeröd no 1.

#### Decision to grant the Exploration Permit

The Mining Inspectorate granted the exploration permit Virrestad no 1 on the 23<sup>rd</sup> July 2018 in the area set out in the enclosed map, Appendix 4, for exploration of the concession minerals listed under "concession minerals" section 1 and 2 above. The Exploration Permit is valid for three years from the day of the decision. The Mining Inspectorate have stated that the permit holder must provide a financial security for the damage or encroachment that could be caused by the exploration work.

Nine appeals were made against the decision by, *inter alia*, the municipality of Simrishamn, the County Administrative Board of Skåne, The federation of Swedish Farmers (LRF) in Skåne and Simrishamn and private individuals. The final date to submit an appeal against the decision was decided to be three weeks after the date when the party received the decision.

When the court will rule on the appeals is not known.

An exploration permit is deemed to be valid from the date when it was given and exploration work can commence even if an appeal is made, provided that a valid plan of operations is in place and other permits that could be necessary have been granted (see commentary in section 2.1 above). A plan of operations has not yet been submitted to the Mining Inspectorate. Exploration work may only be carried out in accordance with a valid plan of operations as described in section 2.1 above and provided that, *inter alia*, additional permits that could be necessary have been received and additional protective measures that could be necessary have been taken.

It is unlikely that the appeals will be successful, though it is possible. If successful, the ruling of the court could include the imposition of further conditions to protect the interests of the affected party and/or the excise of a portion of the exploration permit area to remove areas impacting the aggrieved party. And, in extreme circumstances, there does remain the possibility of a reversal of the decision to grant the exploration permit, such that title to the permit is lost and exploration activities cannot be carried out, though in our experience this is a very rare outcome and there is nothing to suggest from the materials we have reviewed for these appeals that such an outcome is likely in this case.

#### **Pending exploration permits**

##### ***Andrarum no 1***

An application was made on the 5 June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipalities of Hörby, Tomelilla and Sjöbo and the County Administrative Board of Skåne.

The County Administrative Board has handed in a statement on the 7<sup>th</sup> September 2018 which cover the applied exploration permits; Andrarum no 1, Flagabro no 1, Fågeltofta no 2, Gislövshammar no 1, Hammenhög no 1, Järrestad no 1, Hörby no 1 och Tosterup no 1 and, in summary, stated the following. The statement does not contain a detailed

commentary on all of the public interests in the areas. However, it is stated that the areas contain nature and culture values that should be protected and that there are problems with water supply in certain parts. To illustrate this two maps are included that show certain protected areas within Andrarum no 1 and Järrestad no 1.

The description and basis provided for the applications is insufficient and thus it is not possible to assess and to provide input on. It needs to be supplemented by the applicant before a decision can be made. If the Mining Inspectorate would grant a permit it is necessary to add a condition stating that the applicant must consult with the County Administrative Board in good time before commencing exploration work or initial work in the area such as felling of trees, digging, road construction and off road driving. The municipalities shall also be invited to such consultations.

There is no evidence in the material provided that the company has competence and economic capability to carry out the exploration. Thus, the County Administrative Board cannot assess if the company has the capability to conduct exploration activity. Since an exploration permit gives precedence to receive an exploitation concession for the area it is important that the applicant can prove that it has financial resources and competence to carry out exploration.

It is not stated how the company plans to carry out exploration of the eight applied exploration permits (and the three other exploration permits). The area is 21 800 hectares of land (17 000 hectares is the area covered by the eight exploration permits covered by the statement) that shall be explored by the same company during the same period. In the applications it is stated that approximately 4 000 meters of drilling shall be conducted in addition to the initial exploration. It is assumed that this is the total for all of the area but it is not clearly stated. Furthermore, the company has not stated an assessment of the costs for this and there is nothing in the application to prove that the company has the financial resources to carry out the planned exploration activity. Thus, it is not possible to assess if the company has the economics, personnel and equipment to carry out exploration on such large area during the time of validity of the exploration permit.

The Minerals Ordinance stipulates that an application shall contain the impact of the operations planned on public and private interests and the measures which, in the

applicant's opinion, are necessary for the protection of public interests or private rights.<sup>26</sup> The applicant has stated in a table which public interests that are present in the area and stated, very short, the impact on these interests. The impact is assessed to be minor and mainly consist of off road driving and drilling. Protective measures are described to be communication through plan of operations, meetings on the work place and follow up meetings with the affected parties. The assessment on impact is the same in the applications even though there are different public interests present within the different areas. For example, there is no description on the effects on nature reserves and Natura 2000 areas or any measures to protect those areas. There are water bodies in the areas with environmental quality standards. There is no information on the ground water situation in the area. The company has not suggested any protective measures to avoid contamination of the ground water when drilling in the Alum Shale. Nothing is described regarding measures if a protected species or ancient remains are found. The area contains important areas for recreation and outdoor life which needs to be considered when carrying out exploration activity. There is no information of exploration is contrary to the detailed development plans in the areas Järrestad no 1 and Hammenhög no 1 and what the comprehensive plans state. The County Administrative Board asks how the company can assess the effects of the exploration as small as it has stated in the application when it has not described what it will do or regarded all interests within the area.

The Minerals Act stipulates that a valid plan of operations shall contain information about the permits according to other legislation the permit holder already holds or is going to apply for, or notifications according to other legislation the permit holder has done or plan to do on account of the exploration work. Public interests worth protecting must be taken into consideration when a plan of operation is set up. If the County Administrative Board and the municipalities are not given the opportunity to submit their statements on the plan of operations there is a risk that important local information will be missed by the company.

If a permit is granted it should contain a condition stating that the company need to consult with the County Administrative Board and municipalities in good time before commencing exploration work. There are many areas with public interests worth protecting and thus the suggested condition should be added to the decision.

Consultations should also take place before work to clear the area from trees and bush

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<sup>26</sup> The County Administrative Board has made a reference to the wrong section of the Minerals Ordinance. However, it is assumed from the text in the appeal that the section they refer to is 1 § point 9 instead of 1 § point 8 as stated.

wood is carried out since this could affect nature values and the cultural environment in a negative way. For example, the bush wood could be important for the dormouse (*Sw. hasselmus*) in certain areas. Certain matters are also of interest for the County Administrative Board and municipalities, such as ground water and contaminated water from drilling. It is very important that the company can gain knowledge of the local situation to avoid harming the values in the area.

The municipality of Hörby handed in a statement regarding Andrarum no 1 and Hörby no 1 and, in summary, stated the following. The area consist mostly of arable land, small areas of wood and residential structures. The comprehensive plan appoints certain areas of Hörby no 1 as an area of national interest for development of wind power and presently there are three wind power plants erected. Within Hörby no 1 there are also valuable biotope areas and in the southern parts there is an area appointed to be of national interest for the Swedish military. The area also has a construction plan and in part a detailed development plan. There are many ancient remains and interesting nature in the area. Hörby municipality oppose exploitation of minerals in the comprehensive plan. The proposed exploration activities will affect a large number of property owners. If minerals are found a mining operation could destroy the landscape and affect the ground water negatively and hinder the present use of land for farming. It would also negatively impact the tourism industry in the area. A small part of the area in Andrarum no 1 is present in Hörby municipality. It consists of residential structures, farm land, water courses and woodland. Shore protection areas are present within the area.

Tomellilla Municipality has handed in a statement and, in summary, opposed the granting of the exploration permit for, in summary, the following reasons. The area is too large for Scandivanadium to be able to explore in an appropriate manner. The area contains high natural and cultural values, such as a number of natural reserves, Natura 2000-area and areas regarded to be of national interest for the cultural environment, national interest for recreation and natural preservation with farmland and forests and many different land owners. Furthermore, it contains a number of areas that have been appointed in the municipality's natural preservation program as an area that shall be protected from exploitation that can negatively impact the biological diversity. Scandivanadium has applied for six other exploration permits within the municipality with a total area of 15 000 hectares. When assessing if the area is too large for Scandivanadium to explore, the total area should be assessed. Since it is a vast area it is hard for the municipality to assess the effects of the exploration. Furthermore, the application lacks a map and information about which properties that will be affected. The area is characterized by woodlands with small scale farming. The area contains natural wetland which in general contain high natural values. The effects on groundwater, lakes,

water courses and land are not assessed and defined in the application. If the environmental quality standards for the water are affected negatively the work should not be permitted. The application also lacks information on the effects on the landscape, real properties and the environment. It is not described when, where and the technical aspects of the drilling and the other measures that will be taken. The municipality assesses that the exploration work could cause such significant environmental impact that an EIA should be made. In the comprehensive plan and previous political decisions the municipality has opposed all exploration, exploitation and mining of minerals. Mining has never been important for the area, instead beautiful nature, productive farm land, tourism and apple growing are important to the area.

A private individual has also opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

***Flagabo no 1***

An application was made on the 5<sup>th</sup> of June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipalities of Simrishamn and Tomelilla and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

Tomelilla Municipality has handed in a statement and opposed the granting of the exploration permit for mainly the same reasons as for the objection to the Andrarum no 1 application.

A private individual has also opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

***Fågeltofta no 1***

The application for Fågeltofta no 1 was made on the 29<sup>th</sup> March 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, landowners, other known right holders, the municipality of Tomelilla and the County Administrative Board of Skåne.

The following statements has been given to the Mining Inspectorate regarding the application for the Exploration Permit.

The power company E.On Energidistribution AB ("**Eon**") have sent a statement saying that there is a low and medium voltage power line in the area of the exploration permit. Eon request notification regarding the progress of the application process and the plan of operations if the exploration permit is granted.

Tomellilla Municipality has handed in a statement and opposed the granting of the exploration permit for mainly the same reasons as for the objection to the Andrarum no 1 application.

The County Administrative Board of Skåne has handed in a statement and supplementary statement and, in summary, stated that it would be inadvisable to grant the exploration permit since the area is not suitable for exploitation and concentration of concession minerals. Among other, the following reasons are given for this opinion. Even though the Mining Inspectorate at this point only shall assess if exploration can lead to the discovery of concession minerals and if the application is suitable to carry out such exploration the County Administrative Board want to point out the risks of conflict between exploitation of the concessions mineral(s) and the high water, nature and cultural values present within the area. The County Administrative Board point out that they will be very restrictive towards granting a permit<sup>27</sup> for exploitation and concentration of concession minerals within the area. Exploitation cannot take place in areas important for the municipal water supply or within areas where ground water flows towards such supplies. There is no information on where drilling, off-road driving and deforestation will take place. Thus, the risks of the exploration work cannot be assessed. Furthermore the application does not satisfactory describe water related matters. A municipal water source with a protection zone (Bondrum) is present in the area and exploration can only be conducted if no drilling is carried out within the protection zone. To affect the Alum Shale could greatly impact the quality of the ground water. Furthermore the area contain high values from a natural conservation perspective with protected areas and species. The area also contain high values from a cultural heritage perspective and contain 46 known ancient remains. It is likely that more ancient remains are present in the area and therefore an archeological survey must be conducted prior the the exploration work. There is a detailed development plan (Sw. *detaljplan*) which affect the northern parts of

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<sup>27</sup> The County Administrative Board is a both a supervisory authority and an authority that may grant certain permits. Furthermore, a department at the County Administrative Board may grant certain environmental permits, such as a permit for test mining operations. However, a permit for a permanent mining operation is given by the Land- and Environmental Courts.

the area and a comprehensive plan (*Sw. översiktsplan*) which point out certain areas as suitable areas for erection of wind power plant, which will conflict with a future mining operation. Drilling in Alum Shale could require a permit under the Radiation Protection Act and the Radiation Protection Ordinance. Also information has been provided that other permits could be necessary and relevant legislation need to be observed when the exploration is carried out.

The federation of Swedish Farmers (LRF) in Skåne, Eslöv, Hörby, Tomelilla and Ystad has handed in a statement and, in summary, opposed the granting of the exploration permit for, *inter alia*, the following reasons. The area is in the core of a cultural landscape that has been farmed for millenias. There are a lot of ancient remains present. There are also protected plants and many species present in the area. The landscape is also very sensitive for intrusions and a lot of houses would be affected greatly by exploration work. The area contains one of Sweden's best arable land and pastures and activity on this land would lead to vast damage on the land, water and farming activity in the area.

A private individual has opposed the granting of the exploration permit to Scandivanadium since the land is necessary for them to continue to operate a small scale farm.

Private individuals have opposed the granting of the exploration permit to Scandivanadium and stated the same reasons as LRF.

#### ***Fågeltofta no 2***

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipality of Tomelilla and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

Tomelilla Municipality has handed in a statement and opposed the granting of the exploration permit for mainly the same reasons as for the objection to to the Andrarum no 1 application.

A private individual has opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

**Gislövshammar no 1**

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipality of Simrishamn and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

The Municipality of Simrishamn was granted an extension of the time to submit a statement until the 10<sup>th</sup> September 2018. We are not aware of any statement having been lodged by that date.

A private individual has opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

**Hammenhög no 1**

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipalities of Simrishamn, Tomelilla and Ystad and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

The Municipality of Simrishamn was granted an extension of the time to submit a statement until the 10<sup>th</sup> September 2018. We are not aware of any statement having been lodged by that date

Tomelilla Municipality has handed in a statement and opposed the granting of the exploration permit for mainly the same reasons as for the objection to to the Andrarum no 1 application.

The municipality of Ystad has handed in statements<sup>28</sup> and, in summary, opposed the granting of the exploration permit for, in summary, the following reasons. Two thirds of the area is made up of farm land of high quality (assessed by the Swedish Board of Agriculture as 8 on a scale to 10, where 10 is the highest score). In the northern parts there are pastures with some floral values, however not high values. In the northern parts there is a stream and nearby land that is a shore protection area under the environmental code. There is also a drainage enterprise in the area. The municipality is made up of 70 percent farm land and the agribusiness is an important business for the municipality. Tourism is also an important business for the municipality. The County of Skåne shall be taken as an example of an area in ecological, social and economic sustainability. A mining operation does not fit into this plan.

A private individual has also opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

#### **Järrestad no 1**

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipality of Simrishamn and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

The Municipality of Simrishamn was granted an extension of the time to submit a statement until the 10<sup>th</sup> September 2018. We are not aware of any statement having been lodged by that date

A private individual has opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

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<sup>28</sup> Statements have been handed in both by the municipal executive board and the department for sustainable development at the municipality. A map describing the area in detail has been provided by the municipality. It has not been included or described in detail in this report.

**Hörby no 1**

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the Municipalities of Eslöv and Hörby and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

The municipality of Eslöv has handed in a statement and, in summary, stated the following reasons. The municipality of Eslöv oppose the granting of the exploration permit. A mining operation in the area is not compatible with the comprehensive plan. In the comprehensive plan it is stated that the municipality shall preserve and develop the nature areas and their recreational and biological values. Threatened and rare species and their habitats shall be protected. Large unaffected areas shall be exempted from exploration. The area consist of mostly productive farm land. Water areas that are described as valuable cultural environments are present. The valley is of interest for the outdoor life. The area is a quiet area and a future mining operation would risk to vastly negatively affect the area and the values identified in it. If an exploration permit is granted the municipality want to be given an opportunity to provide its thoughts and comments on the plan of operation before exploration activity starts.

The municipality of Hörby handed in a statement regarding Andrarum no 1 and Hörby no 1 and, in summary, stated the same reasons as described regarding Andrarum no 1.

The federation of Swedish Farmers (LRF) in Skåne, Eslöv, Hörby, Tomelilla and Ystad has handed in a statement and opposing the granting of the exploration permit for the same reasons as the Fågeltofta no 1 application.

A private individual has also opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

A private individual claiming to represent a large number of affected farmers has opposed the granting of the exploration permit to Scandivanadium on the basis that the land is necessary for them to continue to operate their farms with dairy and meat production.

Other private individuals have opposed the granting of the exploration permit to Scandivanadium and stated the same reasons as LRF.

#### ***Tosterup no 1***

An application was made on the 5<sup>th</sup> June 2018 and after that it has been supplemented by Scandivanadium on request from the Mining Inspectorate. After that it has been sent to, *inter alia*, the municipalities of Tomelilla and Ystad and the County Administrative Board of Skåne.

The County Administrative Board has submitted a statement which has been described under the Andrarum no 1 application.

The federation of Swedish Farmers (LRF) in Skåne, Eslöv, Hörby, Tomelilla and Ystad has handed in a statement and opposing the granting of the exploration permit for the same reasons as the Fågeltofta no 1 application.

Private individuals have also opposed the granting of the exploration permit to Scandivanadium and stated the same reasons as LRF.

Tomelilla Municipality has handed in a statement and opposed the granting of the exploration permit for mainly the same reasons as for the objection to to the Andrarum no 1 application.

The municipality of Ystad has handed in statements<sup>29</sup> opposing the granting of the exploration permit for mainly the same reasons as the Hammerhög no 1 application.

A private individual has also opposed the granting of any exploration permits to Scandivanadium without stating any further reasons.

*Time for a decision regarding Andrarum no 1, Flagabro no 1, Fågeltofta no 1, Fågeltofta no 2, Gislövshammar no 1, Hammenhög no 1, Järrestad no 1, Hörby no 1 och Tosterup no 1 from the Mining Inspectorate*

The Mining Inspectorate have not provided information as to when they will make a decision regarding the applications. The Mining Inspectorate has sent a written request to

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<sup>29</sup> Statements have been handed in both by the municipal executive board and the department for sustainable development at the municipality. A map describing the area in detail has been provided by the municipality. It has not been included or described in detail in this Report.

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Scandivanadium to issue an opinion on the statements made by the County Administrative Board and the municipalities. Furthermore, the Mining Inspectorate has asked Scandivanadium to describe its' ability to carry out exploration work within all of the areas where it has applied for exploration permits. The statement from Scandivanadium shall be handed in on the 25<sup>th</sup> September 2018 at the latest and before such statement has been submitted the Mining Inspectorate will not make a decision on the pending applications.

### **2.3 Exploitation Concessions**

Scandivanadium holds no Exploitation Concession. We have not made any investigations regarding surrendered Exploitation Concession(s).

### **2.4 Other permits related to mining operations**

Kaiding has not investigated if Scandivanadium holds any other permits related to mining operations than those set out above.

## **3 RESTRICTIONS**

This Report is confined to and is given on the basis of the laws of Sweden and practice as they exist at the date hereof.

Kaiding has made no investigations of the laws or practices of any jurisdiction other than Sweden as a basis for the opinions expressed above and nothing in this opinion should be construed as expressing an opinion based on the laws of another jurisdiction. This Report is strictly limited to the matters stated herein and is not to be read as extending by implication to any other matters.

This Report was prepared as at and reflects the position known to us up and until the date set out at the beginning of this Report subject to the searches in public registers being conducted on 10<sup>th</sup> July 2018, the 17<sup>th</sup> August 2018 and the 30<sup>th</sup> August 2018. Excerpt from Mining Inspectorate's exploration permits' registry dated 14<sup>th</sup> September 2018. Furthermore the Company has provided us with a communication from the Mining Inspectorate dated the 11<sup>th</sup> September 2018 with statements from the County Administrative Board and municipalities of Tomellilla, Ystad, Hörby and Eslöv. Any other statements that could have been submitted or permits that could have been granted after the 17<sup>th</sup> August 2018 in the matters regarding the applied but not granted

exploration permits: Andrarum no 1, Flagabro no 1, Fågeltofta no 1, Fågeltofta no 2, Gislövshammar no 1, Hammenhög no 1, Järrestad no 1, Hörby no 1 and Tosterup no 1, have not been reviewed and are not described in this Report. Any appeals made after the 30<sup>th</sup> August 2018 in respect of the granted exploration permits; Killeröd no 1 and Virrestad no 1 have not been reviewed and are not described in this Report, except for the additional statement to the appeal made by the County Administrative Board on the 7<sup>th</sup> September 2018. The Report does hence not cover any subsequent date as regards such searches and is given solely for the purpose set out above and Kaiding assume no obligation to advise the Company of any subsequent changes.

As regards the applications for exploration permits nothing in this Report should be construed as expressing an opinion on whether the statements given by, *inter alia*, landowners, other known right holders, the municipalities and the County Administrative Board of Skåne are true and correct nor whether the applications for exploration permits or an exploitation concession or other permits or consents can be granted.

The Report is provided to the Company solely for the purpose of inclusion in the Prospectus and is not to be used or relied upon by any third parties for any other purpose.

Yours faithfully,

Umeå, 14<sup>th</sup> September 2018

**Advokatbyrån Kaiding KB**

  
Jonas Holmqvist

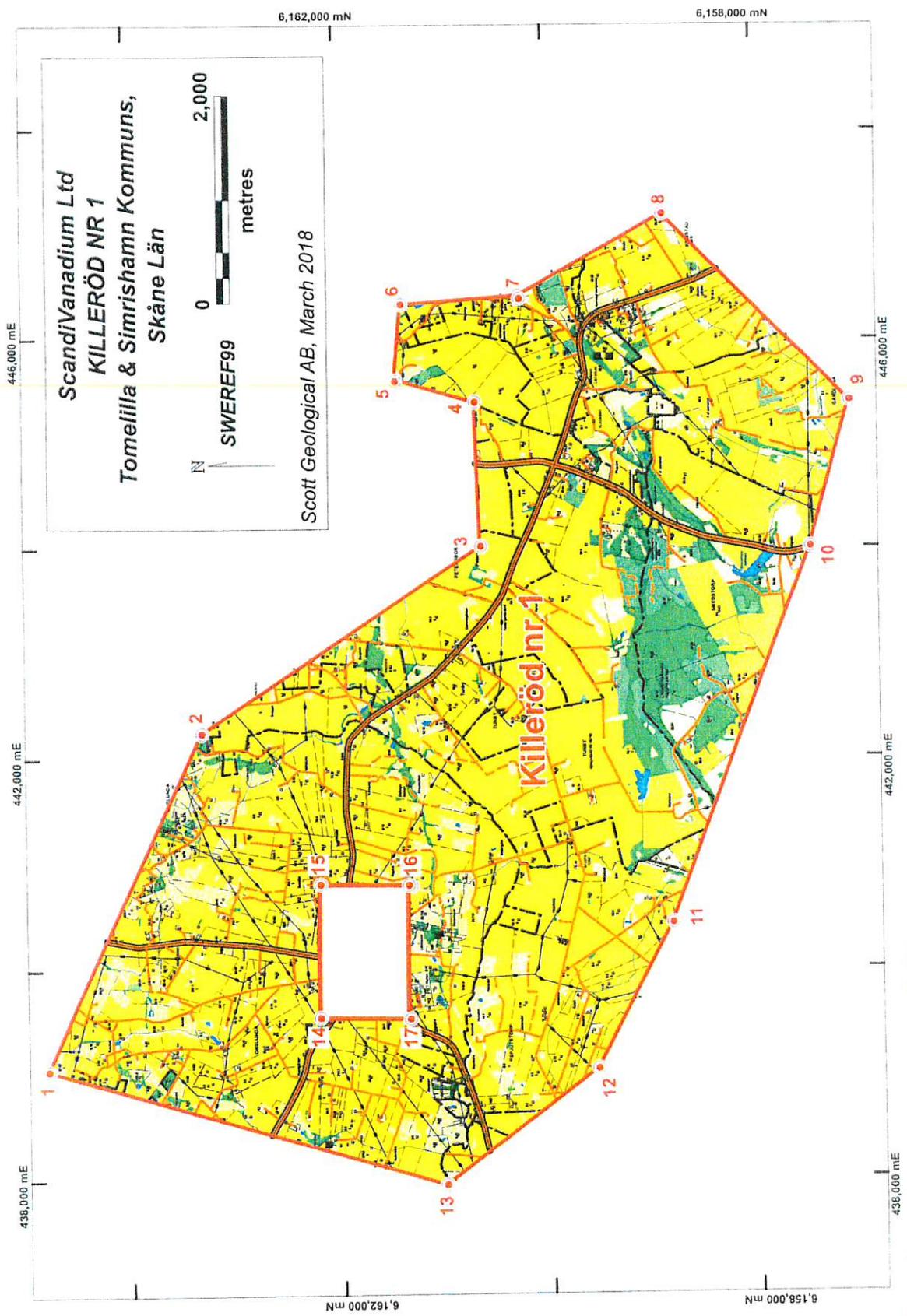
  
Mikael Lundberg



Name of the permit	Holder/applicant of the permit	Concession minerals for which the application has been made	Date of application	Municipalities	Status
Flagabro nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	SIMRISHAMN, TOMELILLA	Applied
Tosterup nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	TOMELILLA, YSTAD	Applied
Andrarum nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	HÖRBY, SJÖBO, TOMELILLA	Applied
Hammenhög nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	SIMRISHAMN, TOMELILLA, YSTAD	Applied
Fågeltofta nr 2	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	TOMELILLA	Applied
Gislövshammar nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	SIMRISHAMN	Applied
Fågeltofta nr 1	Scandivanadium Ltd	vanadium, iron, lead, zinc, copper, gold and silver	29 March 2018	TOMELILLA	Applied
Järrestad nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	SIMRISHAMN	Applied
Hörby nr 1	Scandivanadium Ltd	vanadium, lead, zinc, copper, gold and silver	5 June 2018	ESLÖV, HÖRBY	Applied

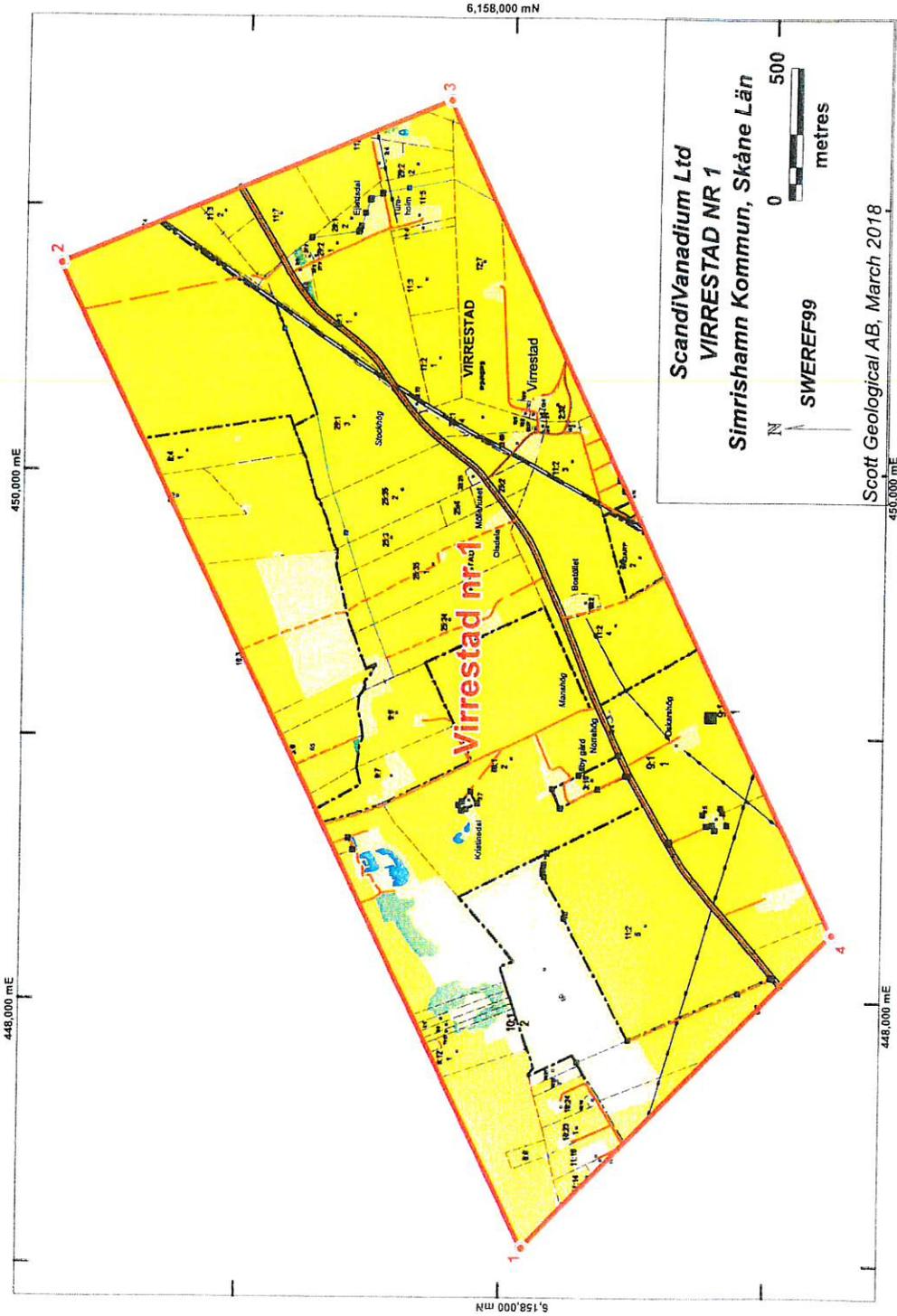
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APPENDIX 3



Tillhör bergmästarens beslut 2018-07-23

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Tillhör bergmästarens beslut 2018-07-23.

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## **11. Financial Information**

### **11.1 The Company**

William Buck Consulting (WA) Pty Ltd has prepared an Investigating Accountant's Report which incorporates abbreviated consolidated historical statements of profit or loss and other comprehensive income and historical consolidated statements of cash flows for the Company for the financial years ended 30 June 2016, 2017 and 2018 and the consolidated statement of financial position as at 30 June 2016, 2017 and 2018. Please refer to Appendices 1, 2, 3 and 5 of the Investigating Accountant's Report in Section 12 for further information.

The consolidated pro-forma statement of financial position referred to in Section 11.3 has been derived from the Company's consolidated historical statement of financial position as at 30 June 2018.

The audited financial statements (inclusive of significant accounting policies) of the Company for the financial years ended 30 June 2016, 2017 and 2018 are available (free of charge) on request to the Company on (08) 6555 2955 between 9.00am and 5.00pm (AWST) Monday to Friday.

### **11.2 ScandiVanadium**

William Buck Consulting (WA) Pty Ltd has prepared an Investigating Accountant's Report which incorporates:

- abbreviated historical statement of profit or loss and other comprehensive income and historical statement of cash flows for ScandiVanadium for the period from its incorporation to 31 July 2018; and
- abbreviated historical statement of financial position for ScandiVanadium as at 31 July 2018.

Please refer to Appendices 5, 6 and 7 of the Investigating Accountant's Report in Section 12 for further information.

The audited financial statements (inclusive of significant accounting policies) of ScandiVanadium for the period from its incorporation to 31 July 2018 are available (free of charge) on request to the Company on (08) 6555 2955 between 9.00am and 5.00pm (AWST) Monday to Friday.

### **11.3 Pro-forma statement of financial position**

A consolidated pro-forma statement of financial position is contained in Appendix 4 of the Investigating Accountant's Report.

The pro-forma historical information has been derived from the audited 30 June 2018 accounts for the Company and audited 31 July 2018 accounts for ScandiVanadium, after adjusting for the pro forma adjustments described in Appendix 9 of the Investigating Accountant's Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Appendix 9 of the Investigating Accountant's Report, 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.

Shareholders should read the Investigating Accountant's Report in full before making any investment decision.

## 12. Investigating Accountant's Report



17 September 2018

The Directors  
AssembleBay Limited  
68 Aberdeen Street  
Northbridge WA 6003

### Investigating Accountant's Report on AssembleBay Limited historical and pro forma historical financial information

#### Introduction

We have been engaged by AssembleBay Limited ("**AssembleBay**" or the "**Company**") to prepare this Investigating Accountant's Report (the "**Report**") on the historical financial information and pro forma historical financial information of the Company as at 30 June 2018 for inclusion in the Prospectus dated on or about 17 September 2018 and relating to the following offers of Securities:

- a) an offer of up to 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 before costs ("**Minimum Offer**") with the ability to accept oversubscriptions of an additional 18,518,518 Shares at an issue price of \$0.027 each to raise up to an aggregate \$3,000,000 before costs ("**Maximum Offer**");
  - b) an offer of 56,250,000 Shares and 112,500,000 Performance Shares to the Vendors (or their nominee/s) in consideration for the acquisition of all of the issued capital of ScandiVanadium ("**Vendor Offer**");
  - c) an offer of 6,018,519 Shares to the ScandiVanadium Noteholders (or their nominee/s) in satisfaction of the ScandiVanadium Note Debt ("**Convertible Noteholder Share Offer**");
  - d) an offer of 47,500,000 Management Options to Management (or their nominee/s) ("**Management Offer**"); and
  - e) an offer of 12,500,000 Options to the Advisers (or their nominees) for assisting the Company in raising capital under the Public Offer ("**Adviser Offer**").
- (together, the "**Offers**")

Expressions and terms defined in the Prospectus have the same meaning in this report.

#### CHARTERED ACCOUNTANTS & ADVISORS

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South Perth WA 6951  
Telephone: +61 8 6436 2888  
williambuck.com

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ASSOCIATE  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS

## Scope

### *Historical financial information*

You have requested William Buck Consulting (WA) Pty Ltd to review the following historical financial information of the Company and Scandivanadium Australia Pty Ltd ("Scandivanadium") included in Appendices 1, 2, 3, 5, 6 and 7 of the Report:

#### AssembleBay Limited

- the historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2016, 30 June 2017 and 30 June 2018;
- the historical Statement of Cash Flows for the years ended 30 June 2016, 30 June 2017 and 30 June 2018; and
- the historical Statement of Financial Position as at 30 June 2016, 30 June 2017 and 30 June 2018.

#### Scandivanadium Australia Pty Ltd\*

- the historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 July 2018;
- the historical Statement of Financial Position as at 31 July 2018; and
- the historical Statement of Cashflows for the period ended 31 July 2018.

\* the historical statement of profit or loss and other comprehensive income and historical statement of cashflow for the period ended 31 July 2018 and historical statement of financial position as at 31 July 2018 represent the entity which will be acquired by the Company pursuant to the Acquisition Agreement.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's and Scandivanadium's adopted accounting policies. The historical financial information has been extracted from the financial reports of Scandivanadium for the period ended 31 July 2018 and the Company for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 respectively. The financial report of Scandivanadium for the period ended 31 July 2018 and the financial reports of the Company for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 were audited by William Buck Audit (WA) Pty Ltd in accordance with Australian Auditing Standards. William Buck Audit (WA) Pty Ltd issued an unmodified audit opinion on the financial reports of Scandivanadium for the period ended 31 July 2018 and the financial reports of the Company for the years ended 30 June 2016, 30 June 2017 and 30 June 2018. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

*Pro Forma historical financial information*

You have requested William Buck Consulting (WA) Pty Ltd to review the pro forma historical Statement of Financial Position as at 30 June 2018 referred to as “the pro forma historical financial information” as included in Appendix 4 of the Report.

The pro forma historical financial information has been derived from the historical financial information of AssembleBay Limited, after adjusting for the effects of the pro forma transactions described in Appendix 9 of the Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma transactions relate, as described in Appendix 9 of the Report, 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.

The pro forma historical financial information as described in Appendix 4 of the Report has been prepared by adjusting the Statement of Financial Position of AssembleBay Limited as at 30 June 2018 to reflect the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- The Company will consolidate its share capital on the basis of three securities for every four securities on issue;
- The Company will acquire 100% of the issued capital of Scandivanadium. As consideration for the acquisition, the Company will issue an aggregate total of 56,250,000 shares and 112,500,000 Performance Shares. The acquisition details are noted in Appendix 9;
- ScandiVanadium has issued Convertible Notes with an aggregate face value of \$130,000 to Noteholders. These Convertible Notes will be assumed by the Company and satisfied in full through the issue of 6,018,519 shares at a deemed issue price of \$0.0216 per share;
- The Company will offer 47,500,000 Management Options to Directors and Management. 50% of these options will vest immediately and the remaining will vest after 12 months, subject to the recipient remaining in their role with the Company;
- The Company will also issue 12,500,000 Options to the advisers for assisting the Company in raising capital under the Public Offer at an issue price of \$0.0001 per option;
- Options were valued using the Black-Scholes valuation model using the following inputs:

Expected spot price	\$0.027
Option exercise price	\$0.040
Period to expiry	4 years
Median volatility	100%
Risk free rate	2.30%

- Minimum Subscription - The issue of 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 before costs of \$375,400, being the minimum subscription pursuant to the Public Offer under the Prospectus;
- Minimum Subscription - Costs of the Public Offer are estimated to be \$375,400 based on the minimum subscription;
- Maximum Subscription - The issue of 111,111,111 Shares at an issue price of \$0.027 each to raise \$3,000,000 before costs of \$408,400 being the maximum subscription pursuant to the Public Offer under the Prospectus;
- Maximum Subscription - Costs of the Public Offer are estimated to be \$408,400 based on the maximum subscription.

### Consideration for Acquisition of Scandivanadium

The Company has considered whether the transaction falls within the scope of AASB 3 Business Combinations and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more businesses by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors. The Company does not consider that the transaction meets the definition of a business combination in accordance with AASB 3 Business Combinations as Scandivanadium is not deemed to be a business for accounting purposes. Therefore, we have provisionally accounted for the transaction as an asset acquisition and under the guidance of Regulatory Guide 228 ('RG 228'), specifically RG 228.96 to RG 228.98, the transaction has been included in the pro forma historical Statement of Financial Position. A summary of the acquisition details with respect to the acquisition of Scandivanadium, as included in our Report, is set out below. These details have been determined for the purposes of the pro-forma adjustments, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Fair Value of assets for Scandivanadium transaction	\$
Cash and cash equivalents	528
<b>Total current assets</b>	<b>528</b>
<b>Non-current assets</b>	
Exploration and evaluation costs	1,670,824
<b>Total non-current assets</b>	<b>1,670,824</b>
<b>Total assets</b>	<b>1,671,352</b>
<b>Current liabilities</b>	
Trade and other payables	22,602
<b>Total current liabilities</b>	<b>22,602</b>
<b>Total liabilities</b>	<b>22,602</b>
<b>Net assets</b>	<b>1,648,750</b>

Consideration	
Assumed convertible notes	130,000
Shares	1,518,750
Performance shares	-
<b>Total consideration</b>	<b>1,648,750</b>

### **Directors' responsibility**

The directors of AssembleBay Limited are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical 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 financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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

### **Conclusions**

#### *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 financial information, as described in Appendices 1, 2 and 3, 5, 6, and 7 of the Report, and comprising:

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- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2016, 30 June 2017 and 30 June 2018; the historical Statements of Cash Flows for the years ended 30 June 2016, 30 June 2017 and 30 June 2018; and the historical Statements of Financial Position as at 30 June 2016, 30 June 2017 and 30 June 2018 of the Company; and
- the historical Statement of Profit or Loss and Other Comprehensive Income and historical Statement of Cash Flows for the period ended 31 July 2018; and historical Statement of Financial Position as at 31 July 2018 of Scandivanadium,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Appendix 8 (a) of the Report.

#### *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 pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2018 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Appendix 8 of the Report.

#### **Restriction on Use**

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial information to which this report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Prospectus.

#### **General Advice Limitation**

This report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

#### **Independence**

William Buck Consulting (WA) Pty Ltd does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

#### **Consent**

William Buck Consulting (WA) Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is so included. At the date of this

Report our consent has not been withdrawn. William Buck Consulting (WA) Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

William Buck Consulting (WA) Pty Ltd has not authorised the issue of the Prospectus and our Report should not be taken as an endorsement of the Company or a recommendation by William Buck Consulting (WA) Pty Ltd of any participation in the share issue by any intending investors.

Yours faithfully  
William Buck Consulting (WA) Pty Ltd  
ABN 74 125 178 734



Robin Judd  
Director  
Dated this 17<sup>th</sup> day of September 2018

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APPENDIX 1

ASSEMBLEBAY LIMITED

HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2018	30 June 2017	30 June 2016
	Audited Year Ended \$	Audited Year Ended \$	Audited Year Ended \$
Revenue	-	-	-
Administrative expenses	(134,776)	(214,629)	(178,068)
Employment benefits	(72,000)	(70,000)	(93,587)
Project Evaluation	(107,114)	-	-
Finance income - interest	50,043	45,722	21,438
Platform acquisition	-	-	(255,000)
Depreciation	-	-	(232)
Share based payment	-	-	(48,569)
Loss before tax from operations	(263,847)	(238,907)	(554,018)
Income tax expense	-	-	-
<b>Loss after tax from continuing operations</b>	<b>(263,847)</b>	<b>(238,907)</b>	<b>(554,018)</b>
<b>Loss after tax from discontinuing operations</b>	<b>(47,244)</b>	<b>(156,520)</b>	<b>(53,813)</b>
<b>Total comprehensive loss attributable to the members of AssembleBay Limited</b>	<b>(311,901)</b>	<b>(395,427)</b>	<b>(607,831)</b>

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APPENDIX 2  
ASSEMBLEBAY LIMITED

HISTORICAL STATEMENT OF CASH FLOWS

	30 June 2018	30 June 2017	30 June 2016
	Audited \$	Audited \$	Audited \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received	50,043	42,360	1,138
Payments to suppliers and fees paid	(216,881)	(419,829)	(345,810)
<b>Net Cash outflow from operating activities</b>	<b>(166,838)</b>	<b>(377,469)</b>	<b>(344,672)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares and options	-	-	3,374,100
Proceeds from borrowings – convertible note	-	-	200,000
Costs associated with capital raising	-	-	(201,312)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>3,372,788</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(166,838)</b>	<b>(377,469)</b>	<b>3,028,116</b>
Cash and cash equivalents at 1 July	2,660,676	3,038,145	10,029
<b>Cash and cash equivalents at 30 June</b>	<b>2,493,838</b>	<b>2,660,676</b>	<b>3,038,145</b>

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APPENDIX 3

ASSEMBLEBAY LIMITED

HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION

	30 June 2018	30 June 2017	30 June 2016
	Audited \$	Audited \$	Audited \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,493,838	2,660,676	3,038,145
Trade and other receivables	7,203	15,837	46,208
<b>Total current assets</b>	<b>2,501,041</b>	<b>2,676,513</b>	<b>3,084,353</b>
<b>Total assets</b>	<b>2,501,041</b>	<b>2,676,513</b>	<b>3,084,353</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	175,166	39,547	51,960
<b>Total current liabilities</b>	<b>175,166</b>	<b>39,547</b>	<b>51,960</b>
<b>Total liabilities</b>	<b>175,166</b>	<b>39,547</b>	<b>51,960</b>
<b>NET ASSETS</b>	<b>2,325,875</b>	<b>2,636,966</b>	<b>3,032,293</b>
<b>Equity</b>			
Contributed equity	7,757,302	7,757,302	7,757,302
Share-based payment reserve	458,222	458,222	458,222
Accumulated losses	(5,889,649)	(5,578,558)	(5,183,131)
<b>TOTAL EQUITY</b>	<b>2,325,875</b>	<b>2,636,966</b>	<b>3,032,393</b>

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APPENDIX 4

ASSEMBLEBAY LIMITED

HISTORICAL AND PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Audited 30 June 2018	Subsequent events	Pro forma adjustments minimum	Pro forma adjustments maximum	Pro forma after Public Offer Minimum	Pro forma after Public Offer Maximum
		\$	\$	\$	\$	\$	\$
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	2	2,493,838	-	2,126,378	2,593,378	4,620,216	5,087,216
Trade and other receivables		7,203	-	-	-	7,203	7,203
<b>Total current assets</b>		<b>2,501,041</b>	<b>-</b>	<b>2,126,378</b>	<b>2,593,378</b>	<b>4,627,419</b>	<b>5,094,419</b>
<b>Non-current assets</b>							
Tenements	3	-	-	1,670,824	1,670,824	1,670,824	1,670,824
<b>Total non current assets</b>		<b>-</b>	<b>-</b>	<b>1,670,824</b>	<b>1,670,824</b>	<b>1,670,824</b>	<b>1,670,824</b>
<b>Total assets</b>		<b>2,501,041</b>	<b>-</b>	<b>3,797,202</b>	<b>4,264,202</b>	<b>6,298,243</b>	<b>6,765,243</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	4	175,166	-	22,602	22,602	197,768	197,768
<b>Total current liabilities</b>		<b>175,166</b>	<b>-</b>	<b>22,602</b>	<b>22,602</b>	<b>197,768</b>	<b>197,768</b>
<b>Total liabilities</b>		<b>175,166</b>	<b>-</b>	<b>22,602</b>	<b>22,602</b>	<b>197,768</b>	<b>197,768</b>
<b>Net assets / (liabilities)</b>		<b>2,325,875</b>	<b>-</b>	<b>3,774,600</b>	<b>4,241,600</b>	<b>6,100,475</b>	<b>6,567,475</b>
<b>Equity</b>							
Share capital	5	7,757,302	-	3,562,100	4,029,100	11,319,402	11,786,402
Shared-based reserve	6	458,222	-	616,250	616,250	1,074,472	1,074,472
Current year loss	7	(5,889,649)	-	(403,750)	(403,750)	(6,293,399)	(6,293,399)
<b>Total equity</b>		<b>2,325,875</b>	<b>-</b>	<b>3,774,600</b>	<b>4,241,600</b>	<b>6,100,475</b>	<b>6,567,475</b>

The above pro forma statement of financial position after the Offers is as per the statement of financial position before the Offers, adjusted for any subsequent events and the transactions relating to the issue of Shares pursuant to this Prospectus. The pro forma statement of financial position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 8.

APPENDIX 5

SCANDIVANADIUM AUSTRALIA PTY LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Period ended 31 July 2018
	\$
<b>Expenses</b>	
Administration expense	(22,289)
Tenement application and evaluation expenses	(17,553)
Other expenses	(534)
<b>(Loss) before income tax expense</b>	<b>(40,376)</b>
Income tax expense	-
<b>Loss after income tax expense</b>	<b>(40,376)</b>
Other comprehensive income for the period, net of income tax	387
<b>Total Comprehensive loss attributable to Owners of the entity</b>	<b>(39,989)</b>

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## APPENDIX 6

## SCANDIVANADIUM AUSTRALIA PTY LTD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 July 2018
	\$
<b>Current assets</b>	
Cash and cash equivalents	528
<b>Total current assets</b>	<b>528</b>
<b>Non-current assets</b>	
Mineral exploration & evaluation costs	68,921
<b>Total non-current assets</b>	<b>68,921</b>
<b>Total assets</b>	<b>69,449</b>
<b>Current liabilities</b>	
Trade and other payables	22,603
Borrowings	33,563
<b>Total current liabilities</b>	<b>56,166</b>
<b>Total liabilities</b>	<b>56,166</b>
<b>Net assets</b>	<b>13,283</b>
<b>Equity</b>	
Issued capital	53,272
Foreign exchange translation reserve	387
Accumulated losses	(40,376)
<b>Total equity</b>	<b>13,283</b>

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APPENDIX 7

SCANDIVANADIUM AUSTRALIA PTY LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

	Period ended 31 July 2018
	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to suppliers and employees	(17,188)
<b>Net Cash used in by Operating Activities</b>	<b>(17,188)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Tenement application costs	(68,920)
<b>Net Cash used in Investing Activities</b>	<b>(68,920)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of shares	53,073
Proceeds from borrowings	50,521
Repayments of borrowings	(16,958)
<b>Net Cash from Financing Activities</b>	<b>86,636</b>
Net increase in cash and cash equivalents	528
Cash and cash equivalents at the beginning of the reporting period	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR</b>	<b>528</b>

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## APPENDIX 8

### ASSEMBLEBAY LIMITED

#### NOTES TO AND FORMING PART OF THE HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

##### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and pro forma financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

###### (a) Reporting framework

The historical and pro forma financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements specified by all the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The historical and pro forma financial information has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities based on directors' estimates of Net Realisable Value. The historical and pro forma financial information is presented in Australian dollars.

###### (b) Discontinued Operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income. Following a review by the board it was concluded that the company had continued not to be successful in attracting significant traffic to its platform, or in adequately reducing costs of user acquisition to create a viable marketplace for the AssembleBay business. The results of the review indicated clearly that in order to create a viable marketplace the Company must significantly increase its capital outlay. Given this outcome and coupled with the competitive nature of the assembly services market, the Board formed the view that the AssembleBay business model was no longer viable and, consequently, decided to cease operating the AssembleBay business and discontinue the platform and its website.

###### (c) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by AssembleBay Limited at the end of or at any time during the reporting period. A controlled entity is any entity over which AssembleBay Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

###### (d) Cash and Cash Equivalents

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Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

**(e) Trade and Other Receivables**

Collectability of other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses.

**(f) Exploration and Evaluation Expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

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

Exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(g) Trade and other payables**

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Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

**(h) Share based payment reserve**

The Company may provide benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of these payments is determined using a Black-Scholes option pricing model.

Rights over shares (options) using a Black-Scholes option pricing model takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share based payment reserve.

*Critical Accounting estimates, judgements and assumptions*

*Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes valuation model.

**(i) Financial liabilities and equity instruments**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

*Compound instruments*

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange the Company's own equity instruments is an equity instrument.

**(j) Income Tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The group continues to comply with conditions for deductibility. Deferred tax assets will be obtained when the group derives assessable income of a nature and of an amount sufficient to enable benefits to be utilised.

**(k) Goods and Services Tax**

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

**(l) Use and Revision of Accounting Estimates**

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

**Significant judgements and key assumptions**

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

The Company capitalises expenditure incurred in the acquisition of rights to explore and records this as an asset where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. There are areas of interest from which no reserves have been extracted, but the directors are of the continued belief that such expenditure should not be written off since the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Such capitalised expenditure is carried at reporting date.

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<b>NOTE 2. CASH AND CASH EQUIVALENTS</b>	<b>Audited as at 30 June 2018</b>	<b>Pro forma after Offers Minimum</b>	<b>Pro forma after Offers Maximum</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	2,493,838	4,620,216	5,087,216
Audited balance of AssembleBay Limited at 30 June 2018		2,493,838	2,493,838
<i>Pro forma adjustments:</i>			
Acquisition of Scandivanadium Cash and Cash Equivalents		528	528
Proceeds from Adviser Options		1,250	1,250
Proceeds from shares issued under the Public Offer		2,500,000	3,000,000
Costs of the Public Offer & Transaction costs		(375,400)	(408,400)
Pro forma balance		4,620,216	5,087,216

<b>NOTE 3. MINERAL EXPLORATION &amp; EVALUATION EXPENDITURE</b>	<b>Audited as at 30 June 2018</b>	<b>Pro forma after Offers Minimum &amp; Maximum</b>
	<b>\$</b>	<b>\$</b>
Mineral Exploration & Evaluation Expenditure	-	1,670,824
Audited balance of AssembleBay Limited at 30 June 2018		-
<i>Pro forma adjustments:</i>		
Acquisition of Scandivanadium projects subject to successful IPO		1,670,824
Pro forma balance		1,670,824

	Audited as at 30 June 2018	Pro forma after Offers Minimum & Maximum
<b>NOTE 4. TRADE AND OTHER PAYABLES</b>	<b>\$</b>	<b>\$</b>
Trade & Other Payables	175,166	197,768
Audited balance of AssembleBay Limited at 30 June 2018	175,166	175,166
<i>Pro forma adjustments:</i>		
Acquisition of Scandivanadium Trade Payables		22,602
Pro forma balance		197,768

	Audited as at 30 June 2018	Pro forma after Offers Minimum	Pro forma after Offers Maximum
<b>NOTE 5. CONTRIBUTED EQUITY</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Contributed equity – fully paid ordinary shares	7,757,302	11,319,402	11,786,402
Contributed equity	7,757,302	11,694,802	12,195,202
Costs		(375,400)	(408,400)
Contributed equity	7,757,302	11,319,402	11,786,402
Audited balance of AssembleBay Limited at 30 June 2018	7,757,302	7,757,302	7,757,302
<i>Pro forma adjustments:</i>			
Consideration for the acquisition of Scandivanadium Shares offered to the Scandivanadium Noteholders (or their nominee/s)		1,518,750	1,518,750
Options offered as consideration for cost of Public Offer		130,000	130,000
Proceeds from shares issued under this Prospectus - minimum		(211,250)	(211,250)
Costs of the Public Offer - minimum		2,500,000	
Proceeds from shares issued under this Prospectus - maximum		(375,400)	3,000,000
Costs of the Public Offer - maximum			(408,400)
		3,562,100	4,029,100
Pro forma balance		11,319,402	11,786,402

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	Audited as at 30 June 2018	Pro forma after Offers Minimum	Pro forma after Offers Maximum
	Number	Number	Number
Audited balance of AssembleBay Limited at 30 June 2018 – Fully paid ordinary shares	237,982,218	237,982,218	237,982,218
<i>Pro forma adjustments:</i>			
Effect of consolidating shares (3 for every 4 on issue)		(59,495,555)	(59,495,555)
Consideration for the acquisition of Scandivanadium		56,250,000	56,250,000
Shares issued to Scandivanadium Noteholders		6,018,519	6,018,519
Shares issued under this Prospectus - minimum		92,592,593	
Shares issued under this Prospectus - maximum			111,111,111
Pro forma balance		333,347,775	351,866,293

NOTE 6. RESERVES	Audited as at 30 June 2018	Pro forma after Offers Maximum and Minimum
	\$	\$
Option Reserve	458,222	1,074,072
Audited balance of AssembleBay Limited at 30 June 2018		458,222
<i>Pro forma adjustments:</i>		
Share based payment reserve		212,500
Share based payment reserve		403,750
Pro forma balance		1,074,472

	Audited as at 30 June 2018	Pro forma after Offers Minimum and Maximum
	Number	Number
Audited balance of AssembleBay Limited at 30 June 2018 – Fully paid ordinary shares	25,000,000	25,000,000
<i>Pro forma adjustments</i>		
Effect of consolidating shares (3 for every 4 on issue)		(6,250,000)
Options offered to directors and management		47,500,000

Options issued as consideration or Advisers	12,500,000
Pro forma balance	<u>78,750,000</u>

Following completion of the capital raising AssembleBay Limited will offer 47,500,000 options to directors and 12,500,000 options to advisers assisting in raising capital under the Public Offer with an exercise price of \$0.040. Using the Black & Scholes option model the unlisted options were ascribed a value of \$0.017.

Following completion of the Offers AssembleBay Limited will also offer 112,500,000 performance shares to the vendors as part of the consideration for the purchase of Scandivanadium. The Performance shares will convert into an AssembleBay Limited share on a one for one basis on satisfaction of the performance milestones prior to the expiry date set out in the Prospectus. The Directors have assessed the fair value of the performance shares to be nil.

	Audited as at 30 June 2018	Pro forma after Offers Maximum and Minimum
<b>NOTE 7. ACCUMULATED LOSS</b>	<b>\$</b>	<b>\$</b>
Reserves	5,889,649	6,293,399
Audited balance of AssembleBay Limited at 30 June 2018		5,889,649
Share base payment (vested options)		403,750
Pro forma balance		<u>6,293,399</u>

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

At the date of the pro forma financial information no material commitments or contingent liabilities exist that we are aware of.

## APPENDIX 9

### ASSEMBLEBAY LIMITED

#### ASSUMPTIONS ADOPTED IN COMPILING THE PRO FORMA STATEMENT OF FINANCIAL POSITION

##### Pro Forma Transactions

- The Company will consolidate its share capital on the basis of three securities for every four securities on issue;
- The Company will acquire 100% of the issued capital of Scandivanadium. As consideration for the acquisition, the Company will issue an aggregate total of 56,250,000 shares and 112,500,000 Performance Shares. The acquisition details are noted below;
- ScandiVanadium has issued Convertible Notes with an aggregate face value of \$130,000 to Noteholders. These Convertible Notes will be assumed by the Company and satisfied in full through the issue of 6,018,519 shares at a deemed issue price of \$0.0216 per share;
- The Company will offer 47,500,000 Management Options to Directors and Management. 50% of these options will vest immediately and the remaining will vest after 12 months, subject to the recipient remaining in their role with the Company;
- The Company will also issue 12,500,000 Options to advisers for assisting the Company in raising capital under the Public Offer at an issue price of \$0.0001 per option;
- Options were valued using the Black-Scholes valuation model using the following inputs:

Expected spot price	\$0.027
Option exercise price	\$0.040
Period to expiry	4 years
Median volatility	100%
Risk free rate	2.30%

- Minimum Subscription - The issue of 92,592,593 Shares at an issue price of \$0.027 each to raise \$2,500,000 before costs of \$375,400, being the minimum subscription pursuant to the Public Offer under the Prospectus;
- Minimum Subscription - Costs of the Public Offer are estimated to be \$375,400 based on the minimum subscription;
- Maximum Subscription - The issue of 111,111,111 Shares at an issue price of \$0.027 each to raise \$3,000,000 before costs of \$408,400 being the maximum subscription pursuant to the Public Offer under the Prospectus;  
Maximum Subscription - Costs of the Public Offer are estimated to be \$408,400 based on the maximum subscription.

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### Consideration for Acquisition of Scandivanadium

The Company has considered whether the transaction falls within the scope of AASB 3 Business Combinations and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more businesses by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors. The Company does not consider that the transaction meets the definition of a business combination in accordance with AASB 3 Business Combinations as Scandivanadium is not deemed to be a business for accounting purposes. Therefore, we have provisionally accounted for the transaction as an asset acquisition and under the guidance of Regulatory Guide 228 ('RG 228'), specifically RG 228.96 to RG 228.98, the transaction has been included in the pro forma historical Statement of Financial Position. A summary of the acquisition details with respect to the acquisition of Scandivanadium, as included in our Report, is set out below. These details have been determined for the purposes of the pro-forma adjustments, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Fair Value of assets for Scandivanadium transaction	\$
Cash and cash equivalents	528
<b>Total current assets</b>	<b>528</b>
<b>Non-current assets</b>	
Exploration and evaluation costs	1,670,824
<b>Total non-current assets</b>	<b>1,670,824</b>
<b>Total assets</b>	<b>1,671,352</b>
<b>Current liabilities</b>	
Trade and other payables	22,602
<b>Total current liabilities</b>	<b>22,602</b>
<b>Total liabilities</b>	<b>22,602</b>
<b>Net assets</b>	<b>1,648,750</b>
Consideration	
Assumed convertible notes	130,000
Shares	1,518,750
Performance share	-
<b>Total consideration</b>	<b>1,648,750</b>

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## 13. Risk factors

An investment in the Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and holders of its Securities are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statement will eventuate.

The selection of risks contained in this Section has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Notice, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge. Additional risks not presently known to the Company, or if known, not considered material, may also have an adverse impact.

Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

### 13.1 Risks specific to the Company

#### (a) Conditional Acquisition and Public Offer

The Acquisition Agreement is conditional on the Company re-complying with Chapters 1 and 2 of the Listing Rules (see Section 13.1(b) below). Pursuant to the Acquisition Agreement (the key terms of which are summarised in Section 14.2) the Company has agreed to acquire 100% of ScandiVanadium. Completion is subject to the satisfaction of certain conditions. There is a risk that these conditions cannot be satisfied and completion under the Acquisition Agreement will not occur. If the Acquisition does not proceed, the Company will incur costs relating to advisers and other costs, with no material benefit being achieved.

Completion of the Public Offer remains subject to completion of the Acquisition. If this condition, or the other Conditions of the Public Offer set out in Section 6.6 are not satisfied or the Company does not receive conditional approval for re-quotations on ASX, the Company will not proceed with the Public Offer and will repay all Application Monies received. In the event that the Public Offer does not proceed, none of the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer or the Adviser Offer will proceed.

ASX has an absolute discretion to re-admit the Company to the ASX Official List, and that the Acquisition may not proceed if it does not meet ASX's requirements, even where it has been approved by Shareholders.

#### (b) Re-compliance with Chapters 1 and 2 of the Listing Rules

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus has been issued to assist the Company to re-comply with these requirements. The Shares will be suspended from trading on ASX from the date of the General Meeting. It is anticipated that the Shares will remain

suspended until completion of the Acquisition, the Offers, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation. ASX has an absolute discretion to re-admit the Company to the ASX Official List, and that the Acquisition may not proceed if it does not meet ASX's requirements, even though it has been approved by Shareholders.

(c) **Extraterritorial risk**

The company being acquired has interests in assets overseas, namely Sweden, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the tenements, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Sweden. Fluctuations in the currency of Sweden may also affect the dealings and operations of the Company.

Whilst Sweden's risk profile is similar to that of Western Australia, the Company remains subject to the risks associated with operating in a foreign jurisdiction. Such risks could potentially include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

Changes to Sweden's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of mining companies in Sweden, there can be no assurance that the requirements of the various governments in respect of foreign ownership and control of mining companies will not change. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments may have a material adverse effect on the Company's operations.

(d) **Limited history**

ScandiVanadium and ScandiUK were only recently incorporated and have limited operating history and limited historical financial performance. Exploration has previously been conducted on the area of land the subject of the Skåne Project area, however, the Company has only recently commenced its own review and assessment of the exploration activities at the Skåne Project. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Skåne Project. Until the Company is able to realise value from the Skåne Project, it is likely to incur ongoing operating losses.

(e) **Capital requirements and impact on operations**

The Company's operations, including the development of the Skåne Project, will require substantial expenditure.

The funds raised through the Public Offer, even if fully subscribed, together with cash reserves may not be sufficient to successfully achieve all the objectives of the Company's overall business strategy. Successful development of the Skåne Project will require significant additional amounts of capital in due course.

There is no assurance that the Company will be successful in raising additional capital under the Public Offer or in the future as and when it is required in order to fully finance and develop the Skåne Project. Failure to obtain additional funding may cause the Company to postpone any development plans, forfeit rights to some or all of the Skåne Project or reduce its operating structures, including staff and overhead levels, which may delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

Any additional equity financing may be dilutive to the Company's shareholders and any debt financing, if available, may involve restrictive covenants which limit the Company's operations and business strategy.

(f) **Reliance on key personnel**

The Company is reliant on its management and consultants. The loss of one or more of these individuals could adversely affect the Company.

In addition, the Company's ability to achieve its business goals effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although the Company expects to be able to do so in the future, there can be no assurance that the Company will be able to attract and retain skilled and experienced personnel and consultants.

(g) **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company may be or become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(h) **Exploration, development, mining and processing risks**

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining exploration permits;
- (vi) obtaining exploitation concessions, access to land, consents, permits and approvals necessary for the conduct of exploration, exploitation and mining;

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- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
  - (viii) adverse weather conditions which, over a prolonged period can adversely affect exploration and mining operations and the timing of revenues; and
  - (ix) operational and technical risks arising once production commences.

Whether or not income will result from development of the Skåne Project depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(i) **Approvals and process for exploration permits and activities**

Upon the grant of an exploration permit and prior to exploration work commencing at the Skåne Project, the Company must put in place a proposed plan of operations for undertaking that work and, in some areas, apply for additional permits and consents to carry out exploration work. Exploration work must not commence until the plan of operations is deemed valid. The proposed plan must be served on the owner of the land on which the work is to be undertaken and on the holder of any special right who is affected, and such parties may object to the plan and the matter is either resolved by reaching agreement with the Company or by referral to the Chief Mining Inspector for examination. After such examination, the Chief Mining Inspector will decide whether or not the plan shall become valid and, if so, on what terms. Such decision may be appealed against and if so will be referred to the Swedish courts. Exploration activity may commence even if an appeal is in process where the Chief Mining Inspector so decides, however this decision may be appealed against so that exploration work may not commence until a final decision on the plan of operations from the courts has been given. Further, the Chief Mining Inspector or the courts may in any event refuse permission for exploration work to commence where the grant of an exploration permit remains the subject of an appeal (see Section 13.1(o) for further information).

There is a risk that an affected person may object to a plan submitted for the Granted Exploration Permits and other permits that may be granted for the Skåne Project, which may result in a significant delay in the commencement of exploration activities, make the exploration activities significantly more expensive or make the exploration activity impossible.

For further information on the approvals and appeals for the Skåne Project and associated risks, see the Title Report in Section 10.

(j) **Regulatory risks**

The Company's exploration, exploitation and mining activities are subject to extensive laws and regulations relating to numerous matters including obtaining permits for the activities, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of land and endangered and protected species and other matters. The Company will require various permits and consents to conduct its operations relating to, among other things, exploration, exploitation, mining, construction and rehabilitation activities.

Obtaining necessary permits and consents can be a time consuming process and the grant of permits and consents may be appealed against (see above). There is a risk that the Company will not obtain permits and consents on acceptable terms, in a timely manner or at all. Costs and

delays associated with obtaining necessary permits and complying with their terms of grant and applicable laws and regulations could materially delay or restrict the Company from proceeding with the exploration, exploitation and/or the development of a mine. A failure to comply with the terms of permits and consent, and applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of its exploration permits or future permits/concessions that could be granted to the Company.

(k) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning minerals and the environment. As with most exploration projects, exploitation and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration, exploitation or mine development proceeds.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable effects on people's health and the environment in the area may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Among other things, the disposal of mining and process waste, mine water discharge, quality and status of ground water and surface water and rehabilitation of sites for mining operations are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more burdensome making the Company's operations more expensive or impossible to commence or continue.

(l) **Local community and stakeholders**

The Skåne Project covers a large area of land with a significant population. The Company will continue to engage with the local communities and stakeholders through the life of the project.

Timely and appropriate community and stakeholder engagement will assist the Company in negotiating with local landowners and other stakeholders to ensure that they are dealt with fairly and are understanding and supportive of the project. Such engagement may require negotiation of compensation. Failure to have appropriate engagement procedures in place and/or agree suitable access and compensation arrangements may adversely impact upon the Company's ability to undertake the Skåne Project and this could result in additional expense, restrictions and delays in the development of the project and/or result in a failure to develop the project.

(m) **Metallurgy**

The Company is developing a black shale hosted vanadium deposit which is atypical compared to most vanadium deposits currently in production. Whereas a number of known technologies exist for extracting vanadium from black shale, the Company's ability to achieve its business goals effectively will require it to identify, develop and implement a flow sheet that is suitable for the specific ore type present within the Skåne Project. A series of testwork will be required to determine mechanical, mineralogical, and chemical properties of the ore and there can be no assurance that the Company will be able to develop a metallurgical flow-sheet that provides

sufficient economics to incentivise the development of a new mine. Specific factors that can affect the economics of mineral processing are:

- (i) mechanical properties of the ore and behaviour under crushing and grinding;
- (ii) mineralogical host of vanadium within the ore;
- (iii) bulk chemistry of the ore rock;
- (iv) presence or absence of deleterious elements that may affect the chemical extraction of vanadium concentrate;
- (v) presence or absence of deleterious elements that may affect the sale price of vanadium concentrate;
- (vi) presence or absence of deleterious elements that may affect the disposal waste streams under environmental management constraints;
- (vii) land requirements of the proposed process plant including any tailings or waste disposal facilities;
- (viii) capital expenditure requirements of constructing the process plant; and
- (ix) operational expenditure requirements of running the process plant.

Should the proposed process route for extraction of vanadium require the development of new technologies or the interconnection of known technologies in new and innovative ways then it may be necessary for the Company to construct a pilot processing plant to test mine ore material from the Skåne Project. This itself may require additional approvals, permits and local community and stakeholder consent, which may not be forthcoming and could as a consequence hinder the development of the Skåne Project. Further, the requirements of additional testwork could cause additional expense, capital expenditures, and delays in the development of the Skåne Project, the extent of which cannot be predicted.

(n) **Vanadium Price Volatility**

The financial performance of the Company is sensitive to the vanadium price. Vanadium prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity, costs of production by other vanadium producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If vanadium prices should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down its vanadium reserves and may have a material adverse effect on the Company's production, earnings and financial position.

A significant driver of expectations of future vanadium prices is the extent to which VRFB batteries will be adopted and resultant grid storage facilities constructed. Whilst the VRFB technology is commercially proven and a number of large scale VRFB storage facilities exist, there are a number of factors that may disrupt further adoption of this technology, including competing storage

technologies, shifts in political incentives for intermittent renewable energy or changes in the patterns of electricity consumption that increase the ability of intermittent energy to be consumed.

(o) **Title**

The ability of the Company to carry out successful exploration and mining activities at the Skåne Project will depend on it obtaining and maintaining the appropriate approvals and permits to operate, including exploration permits, valid plans of operations for exploration activities, exploitation concessions, environmental permits, access to land and other approvals and permits necessary to carry out these activities.

The grant maintenance and renewal of such permits and approvals is regulated by the applicable mining and environmental legislation of Sweden, such as the Minerals Act and the Environmental Code. Applications must be made to the Mining Inspectorate of Sweden. No guarantee can be given that any such permit or approval will be granted and/or maintained or, if granted, any attaching conditions are acceptable to the Company or their grant is not overturned or restricted on appeal (see below). There is also no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation or granted without new conditions, including relinquishment of ground.

An exploration permit is valid for three years from the date of grant. Certain environmental organisations and authorities and anyone affected by the decision may appeal against the decision either within three weeks from the date of the grant or from the date on which the decision was served on them, as may be stipulated by the Mining Inspectorate of Sweden. Appeals are made directly to the Mining Inspectorate and are heard by the Swedish courts.

The appeal process is commonly utilised by affected parties following the grant of exploration permits and appeals are not often upheld. However, if successful, a ruling of the court in favour of an appeal could include the imposition of further conditions to protect the interests of the affected party, the excise of a portion of the exploration permit area to remove areas impacting the aggrieved party or, in extreme circumstances, a reversal of the decision to grant the exploration permit, though this is a very rare outcome.

The Granted Exploration Permits are the subject of appeals made by various stakeholders in those tenement areas. The Company does not anticipate the appeals process will hinder its proposed exploration and budgeted expenditure program or impact the grant of those permits. However, there is a risk that the Courts could rule in favour of one or more appeals, and this could make the exploration activities significantly more expensive or make the exploration activity impossible. For further information on title to the Skåne Project and associated risks, see the Title Report in Section 10.

(p) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and this may affect the viability of future operations.

(q) **Restricted securities reducing liquidity**

Subject to the Company being re-admitted to the Official List, certain Securities on issue will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a security holder to dispose of their securities in a timely manner.

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

## 13.2 **General Risks**

(a) **Share market**

Share market conditions may affect the price at which the Company's securities trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) movements in, or outlook in, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Security holders should recognise that the price of the Company's securities may fall as well as rise. Many factors will affect the price of the Company's securities including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of the Company's securities.

(b) **Commodity prices and currency exchange rates**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence and have an effect on the economic viability of the Skåne Project and any other tenements in which the Company may have an interest in the future. Further, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars and other currencies. Consequently changes in currency exchange rates will impact on the earnings of the Company.

(c) **Economic factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and securities prices can be affected by these factors, which are beyond the control of the Company and its directors.

(d) **Taxation**

There is the potential for changes to tax laws and changes in the way tax laws are interpreted. Any change to the current rates of taxes imposed on the Company and its subsidiaries is likely to affect returns to shareholders.

The Company obtains external expert advice on the application of the tax laws to its operations. An interpretation of tax laws by a revenue authority that is contrary to the Company's interpretation of those laws may increase the amount of tax to be paid.

In addition, an investment in the Securities involves tax considerations which may differ for each shareholder and the Company encourages that professional tax advice in connection with any investment in the Company is sought.

(e) **Government policy**

Industry profitability can be affected by changes in government, both within Sweden and externally, which are not within the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of local landowners. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Skåne Project, the extent of which cannot be predicted.

## 14. Material contracts

### 14.1 Introduction

Set out below are summaries of the key provisions of contracts to which the Company is a party which are, or may be, material in terms of the Offers or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offers. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

### 14.2 Acquisition Agreement

Under the Acquisition Agreement:

- (a) The Company will acquire 100% of ScandiVanadium from the Vendors.
- (b) The acquisition is subject to a number of conditions precedent for satisfaction or waiver by 30 November 2018, which have either been satisfied or substantially satisfied with the exception of the following conditions which remain outstanding at the date of this Prospectus:
  - (i) the Company achieving the Minimum Subscription under the Public Offer; and
  - (ii) the Company obtaining all necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules and receiving conditional approval for re-quotations from ASX subject only to the usual terms and conditions on which such conditional approval is given by ASX.
- (c) The consideration for the Acquisition is as follows:
  - (i) 56,250,000 Shares;
  - (ii) 112,500,000 Performance Shares (comprising, 56,250,000 Class A Performance Shares and 56,250,000 Class B Performance Shares),

collectively referred to as the **Consideration Securities**.

The Performance Shares will convert into a Share on a one for one basis on satisfaction of the relevant performance milestone prior to the relevant expiry date set out in the table below:

Class	Performance Milestone	Expiry Date
Class A	Delineation of an inferred mineral resource of 50,000,000 tonnes at a minimum average grade of 0.5% V <sub>2</sub> O <sub>5</sub>	Within 24 months of relisting
Class B	Publication of a pre-feasibility study demonstrating the viability of a proposed mine at the Skåne Project	Within 42 months of relisting.

The Performance Shares will convert on a Change of Control Event prior to the relevant expiry date (subject to a cap of 10% of Shares on issue). The terms of the Performance Shares are set out in Section 15.2.

- (d) ScandiVanadium has issued the convertible notes (**Convertible Notes**) with an aggregate face value of \$130,000 to the ScandiVanadium Noteholders. On Completion, the Convertible Notes will be assigned to, and assumed by, the Company and satisfied in full through the issue of 6,018,519 Shares (at a deemed issue price of \$0.0216 per Share).
- (e) The Board will be reconstituted with effect from completion of the Acquisition so that Brandon Munro, David Minchin and Ian Burvill will be appointed to the Board, and Davide Defendi and John Gilfillan will resign from the Board.
- (f) The Vendors have given warranties and representations in favour of the Company that are customary for a transaction of this nature.

The Acquisition Agreement is otherwise on customary terms for a transaction of this nature.

### **14.3 Lead Manager Mandate**

The Company has executed a mandate for PAC Partners to act as lead manager to the Company in relation to the Public Offer.

The Company has agreed to:

- (a) pay PAC Partners a capital raising fee in cash of 5% of the gross proceeds limited to those raised by PAC Partners under the Public Offer (excluding GST)
- (b) pay PAC Partners a management fee in cash of 1% of the gross cash proceeds raised under the Public Offer (plus GST); and
- (c) issue to PAC Partners and/or nominees 4,000,000 Adviser Options (each exercisable at \$0.04 and expiring four years after issue) as part of the Adviser Offer.

The lead manager mandate contains covenants, warranties, representations and indemnities that are customary for an agreement of this nature.

### **14.4 Agreements with Directors, Related Parties and key management personnel**

A summary of the agreements with Directors, key management personnel and related parties of the Company is set out in Sections 8.6 and 8.7.

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## **15. Additional information**

### **15.1 Rights attaching to Shares**

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares under the Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders:

#### **(a) General meeting and notices**

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

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company, every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

#### **(c) Issues of further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

#### **(d) Variation of Rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

#### **(e) Transfer of Shares**

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares

introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) **Winding up**

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three and the maximum number is 10.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

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(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) **Proportional Takeover Provisions**

The Constitution contains provisions in relation to proportional takeover approval, the effect of which is to prohibit the transfer of Shares as a result of acceptance of an offer made under a proportional takeover bid unless and until a resolution is passed by the Company approving the proportional takeover bid.

(o) **Capitalisation of profits**

The Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(p) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(q) **Preference Shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's members.

## 15.2 **Terms and conditions of Performance Shares**

(a) **Definitions**

For the purpose of these terms and conditions:

**ASX** means ASX Limited (ACN 008 624 691) or, as the context permits, the securities exchange operated by that entity.

**Change of Control Event** means:

- (i) the occurrence of:
  - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
  - (B) that takeover bid has become unconditional; or

- (ii) the announcement by the Company that:
- (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
    - (1) cancelled; or
    - (2) transferred to a third party; and
  - (B) the Court, by order, approves the proposed scheme of arrangement.

**Company** means AssembleBay Limited (ACN 061 375 442) (to be renamed ScandiVanadium Ltd).

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

**Expiry Date** means the A Expiry Date and the B Expiry Date (as relevant).

**Holder** means a holder of a Performance Share.

**Listing Rules** means the Listing Rules of the ASX.

**Performance Shares** means a Class A Performance Share and Class B Performance Share (as applicable).

**Project** means the Skåne Vanadium Project in southern Sweden comprising the exploration permit and permit applications over the project area held and/or made by ScandiVanadium Limited (a company registered in England Wales with company number 11237139) as at the date of issue of the Performance Shares.

**Share** means a fully paid ordinary share in the Company.

(b) **Conversion and Expiry of Performance Shares**

- (i) **(Conversion on achievement of Milestone A)** On achievement of the Company delineating an Inferred Mineral Resource in accordance with the 2012 Edition of the JORC Code for the Project of 50,000,000 tonnes at a minimum average grade of 0.5% V<sub>2</sub>O<sub>5</sub> (**Milestone A**) on or before that date that is 24 months after the date of the readmission of the Company to the Official List of ASX (**A Expiry Date**) each Class A Performance Share will convert on a one for one basis into a Share.
- (ii) **(Conversion on achievement of Milestone B)** On achievement of the Company publishing a preliminary feasibility study (as described in paragraph 39 of the JORC Code) demonstrating (to that preliminary feasibility study level) the viability of a proposed mine at the Project (**Milestone B**) on or before that date that is 42 months after the date of the readmission of the Company to the Official List of ASX (**B Expiry Date**) each Class B Performance Share will convert on a one for one basis into a Share.
- (iii) **(No conversion)** To the extent that:
  - (A) Class A Performance Shares have not converted into Shares on or before the A Expiry Date, then all such unconverted Class A Performance Shares held by each holder will automatically consolidate into one Class A Performance Share and will then convert into one Share; and

- (B) Class B Performance Shares have not converted into Shares on or before the B Expiry Date, then all such unconverted Class B Performance Shares held by each holder will automatically consolidate into one Class B Performance Share and will then convert into one Share.
  - (iv) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Share.
  - (v) **(Ranking of shares)** Each Share into which the Performance Shares will convert will upon issue:
    - (A) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
    - (B) be issued credited as fully paid;
    - (C) be duly authorised and issued by all necessary corporate action; and
    - (D) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emption rights and any transfer restrictions.
- (c) **Conversion on Change of Control**
- If there is a Change of Control Event in relation to the Company prior to the conversion of all of the Performance Shares, then Milestone A and Milestone B (to the extent that they have not already been achieved) will be deemed to have been achieved by the A Expiry Date and B Expiry Date respectively and each unconverted Performance Share will automatically and immediately convert into Shares, however, if the number of Shares to be issued as a result of the conversion of all Class A Performance Shares, together with the number of Shares to be issued as a result of the conversion of all Class B Performance Shares and all other performance shares on issue in the Company, due to a Change of Control Event in relation to the Company is in excess of 10% of the total issued share capital of the Company at the time of the conversion, then the number of Class A Performance Shares and Class B Performance Shares to be converted will be prorated so that the aggregate number of Shares issued upon conversion of the Class A Performance Shares and Class B Performance Shares and all other performance shares on issue in the Company is equal to 10% of the total issued share capital of the Company.
- (d) **Takeover Provisions**
- (i) If the conversion of Performance Shares (or part thereof) under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Share that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act. Following a deferment under this paragraph, the Company will at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1) of the Corporations Act.
  - (ii) The Holders will give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will assume that the conversion of Performance Shares (or part thereof)

under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.

- (iii) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Shares (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act. If the Holders do not give notification to the Company within seven days that they consider the conversion of Performance Shares (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act then the Company will assume that the conversion of Performance Shares (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.

(e) **Rights attaching to Performance Shares**

- (i) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (ii) **(General meetings)** Each Performance Share confers on a Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of shareholders of the Company.
- (iii) **(No voting rights)** A Performance Share does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (iv) **(No dividend rights)** A Performance Share does not entitle a Holder to any dividends.
- (v) **(No right to surplus profits or assets)** A Performance Share does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (vi) **(No right to a return of capital)** A Performance Share does not entitle a Holder to a return of capital, whether upon winding up of the Company, upon a reduction of capital or otherwise.
- (vii) **(Not transferable)** A Performance Share is not transferable.
- (viii) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (ix) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Share within the time period required by the Listing Rules.
- (x) **(Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

- (xi) **(No other rights)** A Performance Share does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### 15.3 Terms and conditions of New Options

The rights and liabilities attaching to the New Options, which comprise the Management Options (see Section 6.4) and the Adviser Options (see Section 6.5) are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (AWST) on the date that is four years from the date of grant (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of exercise of that Option as at the date of receipt.

(f) **Shares Issued on Exercise**

Shares issued on exercise of the Options will rank equally in all respects with the then issued Shares of the Company.

(g) **Options not quoted**

The Company will not apply to ASX for quotation of the Options.

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(i) **Timing of Issue of Shares and Quotation**

After an Option is validly exercised, the Company must as soon as practicable:

- (i) issue the Shares pursuant to the exercise of the Options; and

- (ii) do all such acts, matters and things to obtain:
- (A) the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Option; and
  - (B) receipt of cleared funds equal to the sum payable on the exercise of the Option.

(j) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options and prior to the exercise of the Options.

(k) **Adjustment for Bonus Issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if they had exercised the Option before the record date for the bonus issue; and
- (ii) no further consideration will be payable by the holder.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

(m) **Adjustment for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Options not transferable**

The Options are not transferable unless with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.

(o) **Lodgement instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

## 15.4 Summary of Employee Securities Incentive Plan

The following is a summary of the New Employee Securities Incentive Plan (**Plan**), and the terms on which offers of Securities may be made under the Plan:

### (a) Eligible Participant

Eligible Participant means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time (**Eligible Participant**).

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

### (b) Purpose

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

### (c) Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

### (d) Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

### (e) Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(f) **Terms of Convertible Securities**

Each convertible security (**Convertible Security**) represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(g) **Vesting of Convertible Securities**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(h) **Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(i) **Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(j) **Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(k) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(l) **Rights attaching to Plan Shares**

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(m) **Disposal restrictions on Plan Shares**

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(n) **Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) **Participation in new issues**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(p) **Compliance with applicable law**

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient

investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or

(v) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

(q) **Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, among other things, or is agreed to in writing by all Participants.

(r) **Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

(s) **Income Tax Assessment Act**

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

## 15.5 Substantial Shareholders

At the date of this Prospectus (on a pre-Consolidation basis), the following Shareholders have a voting power of 5% or more of the Shares on issue.

Shareholder	Number of Shares Held (Pre-Consolidation)	Voting power %
Brown Bricks Pty Ltd <HM A/C>*	18,590,000	7.81%
Mosch Pty Ltd*	18,410,000	7.74%

\* Shares held by company and related entities.

On Completion of the Offers (assuming no new investors become substantial holders) the only substantial Shareholders will be as set out below:

Shareholder	Number of Shares Held (Post-Consolidation)	Voting power % (assuming Maximum Subscription)
David Minchin	24,462,857	7.01%
Pinnacle Trustees Limited as trustee for the RALEX Trust	22,232,143	6.37%
Note: The above assumes that the maximum amount of \$3,000,000 is raised under the Public Offer, no Options are exercised and none of the Performance Shares have converted into Shares.		

Assuming all the convertible securities to be issued under the Offers and otherwise on issue convert into Shares, the following people will have a voting power of 5% or more of the Shares on issue:

Shareholder	Number of Shares Held (Post-Consolidation)	Voting power % (assuming Maximum Subscription)
David Minchin	92,678,575	17.94%
Pinnacle Trustees Limited as trustee for the RALEX Trust	66,696,431	12.91%
Note: The above assumes that the maximum amount of \$3,000,000 is raised under the Public Offer.		

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

## 15.6 Fees and benefits

Other than as set out below or elsewhere in this Prospectus, no promoter of the Company or 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 has, or had within two years before lodgement of this Prospectus with 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 its formation or promotion or in connection with the Offers under this Prospectus; or
- (c) the Offers under this Prospectus,

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 those persons for services rendered in connection with the formation or promotion of the Company or the Offers under this Prospectus.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of

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Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

PAC Partners will act as lead manager to the Company in relation to the Public Offer. As detailed in Section 14.3, the Company will: pay PAC Partners a capital raising fee in cash of 5% of the gross proceeds limited to those raised by PAC Partners under the Public Offer (excluding GST); pay PAC Partners a management fee in cash of 1% of all gross proceeds raised under the Public Offer (excluding GST); and issue to PAC Partners (and/or its nominees) 4,000,000 Adviser Options. During the 24 months preceding lodgement of this Prospectus with ASIC, PAC Partners has not received any fees from the Company.

William Buck Consulting (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which has been included in Section 12. The Company estimates it will pay William Buck Consulting (WA) Pty Ltd a total of \$10,000 (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 ASIC, William Buck Consulting (WA) Pty Ltd has not received any fees from the Company.

William Buck Audit (WA) Pty Ltd is the auditor to the Company and to ScandiVanadium. Fees for these audit services are charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, William Buck Audit (WA) Pty Ltd has received \$31,397.45 (including GST) in fees from the Company and \$4,000 (excluding GST) in fees from ScandiVanadium.

Auralia Mining Consulting Pty Ltd has prepared the Independent Geologist's Report which has been included in Section 9. The Company estimates it will pay Auralia Mining Consulting Pty Ltd a total of \$15,400 (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 ASIC, Auralia Mining Consulting Pty Ltd has received or invoiced a total of \$12,600 (excluding GST) in fees from the Company.

Advokatbyrå Kaiding has prepared the Title Report which has been included in Section 10. The Company estimates it will pay Advokatbyrå Kaiding a total of \$53,664 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 ASIC, Advokatbyrå Kaiding has received or invoiced a total of \$11,973 (excluding GST) in fees from the Company.

Milcor Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Milcor Legal approximately \$50,000 (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 ASIC, Milcor Legal has received or invoiced a total of \$164,350 (excluding GST) in fees from the Company.

## 15.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offers; and

- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

PAC Partners has given its written consent to being named as lead manager of the Public Offer in this Prospectus. PAC Partners has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry of the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Auralia Mining Consulting Pty Ltd has given its written consent to being named in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 9 of this Prospectus. Auralia Mining Consulting Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Advokatbyrån Kaiding has given its written consent to being named as the lawyers of the Company reporting in this Prospectus on the title to the Project Skåne granted tenements and tenement applications, and to the inclusion of the Title Report in Section 10 of this Prospectus. Advokatbyrån Kaiding has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

William Buck Consulting (WA) Pty Ltd 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 12 in the form and context in which the report is included. William Buck Consulting (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

William Buck Audit (WA) Pty Ltd has given its written consent to being named as auditor to the Company and auditor to ScandiVanadium in this Prospectus. William Buck Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Milcor Legal has given its written consent to being named as the lawyer to the Company in this Prospectus. Milcor Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

## **15.8 Litigation**

To the knowledge of the Existing Directors and the Proposed Directors, as at the date of this Prospectus, neither the Company, ScandiVanadium nor ScandiUK is involved in any legal proceedings and the Existing Directors and the Proposed Directors are not aware of any legal proceedings pending or threatened against the Company, ScandiVanadium or ScandiUK.

## **15.9 ASX Waivers**

The Acquisition will require the Company to meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company were applying for admission to the official list of ASX. These requirements include that:

- (a) the main class of a company's securities for which a company seeks quotation must have an issue price of at least 20 cents in cash (pursuant to Listing Rule 2.1 Condition 2); and
- (b) the exercise price for any options on issue must be at least 20 cents in cash (pursuant to Listing Rule 1.1 Condition 12).

The terms of the proposed capital raising will not meet the requirements set out in Listing Rule 2.1 Condition 2 as the Public Offer is proposed to be completed at an issue price of 2.7 cents per Share, being an issue price of less than 20 cents. In addition, the Convertible Noteholder Share Offer is proposed to be completed at an issue price of 2.16 cents per Share.

Following completion of the Offers, the Company will also have Options on issue with exercise prices of 2.7 cents and 4 cents respectively, which have less than the 20 cent exercise price required by Listing Rule 1.1 Condition 11.

The Company has obtained a waiver of ASX Listing Rule 2.1 Condition 2, together with a waiver of ASX Listing Rule 1.1 Condition 12, to allow the Company to issue:

- (a) the Shares under the Public Offer and the Convertible Noteholder Share Offer at not less than 2 cents per Share; and
- (b) the Management Options and Adviser Options with an exercise price of not less than 2 cents.

#### 15.10 Expenses of the Offers

The estimated expenses of the Offers are as follows:

Item of expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASX & ASIC fees	71,527	74,527
Legal fees <sup>1</sup>	50,000	50,000
Investigating Accountant's Report <sup>1</sup>	10,000	10,000
Independent Geologist's Report <sup>1</sup>	15,400	15,400
Title Report <sup>1</sup>	53,664	53,664
Capital Raising Fees <sup>2</sup>	150,000	180,000
Share registry	4,500	4,500
Administration, printing, marketing and other expenses	20,309	20,309
<b>Total</b>	<b>\$375,400</b>	<b>\$408,400</b>
Notes:		
1. Refer Section 15.6 for further details.		
2. Refer to Section 6.13 and 6.20 for further details.		

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## 16. Directors' authorisation

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

In accordance with Section 720 of the Corporations Act, each Existing Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



Simon Robertson  
**Chairman**

For and on behalf of AssembleBay Limited (to be renamed ScandiVanadium Ltd)

17 September 2018

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## 17. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

**\$** means Australian dollar.

**£** means Great Britain pound sterling.

**Adviser** means a licensed securities dealer identified by the Board that assists the Company in raising capital under the Public Offer, including PAC Partners.

**Adviser Offer** has the meaning given in Section 6.5.

**Adviser Offer Application Form** means the application form as provided with a copy of this Prospectus relating to the Adviser Offer.

**Adviser Options** means has the meaning given in Section 6.5.

**Acquisition** has the meaning in Section 7.1.

**Acquisition Agreement** has the meaning given in Section 7.1.

**Acquisition Resolutions** has the meaning given in Section 6.7.

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

**Application** means a valid application for Securities pursuant to an Application Form.

**Application Form** means a Public Offer Application Form, a Vendor Offer Application Form, a Convertible Noteholder Share Offer Application Form, a Management Offer Application Form or an Adviser Offer Application Form (as applicable).

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

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

**Associates** has the meaning given in the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires).

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**Board** means the board of Directors as constituted from time to time.

**Business Day** means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

**Change of Control Event** has the meaning in Section 15.2.

**Class A Performance Share** and **Class B Performance Share** have the meaning in Section 15.2.

**Closing Date** means the closing date of the Offers as set out in the indicative timetable in Section 3.

**Company** means AssembleBay Limited (ACN 061 375 442) (to be renamed "ScandiVanadium Ltd").

**Completion** means the completion of the Acquisition.

**Conditions of the Public Offer** means the conditions of the Public Offer outlined in Section 6.6.

**Consideration Securities** has the meaning given in Section 14.2 (being the Shares and Performance Shares the subject of the Vendor Offer).

**Consolidation** means the consolidation of the Company's issued capital on a ratio of 3:4.

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

**Convertible Notes** has the meaning in Section 14.2.

**Convertible Noteholder Share Offer** has the meaning given in Section 6.3.

**Convertible Noteholder Share Offer Application Form** means the application form as provided with a copy of this Prospectus relating to the Convertible Noteholder Share Offer.

**Convertible Noteholder Shares** means 6,018,519 Shares to be issued to the ScandiVanadium Noteholders (or their nominee/s) in full and final satisfaction of the ScandiVanadium Note Debt (which will be assigned to and assumed by the Company on Completion) (being the Shares the subject of the Convertible Noteholder Share Offer).

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

**Directors** mean the directors of the Company at the date of this Prospectus and the Proposed Directors.

**Existing Directors** means the persons identified as existing directors in the Corporate Directory.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**General Meeting** means the general meeting of Shareholders held on 12 September 2018.

**Granted Exploration Permits** has the meaning in Section 7.2.

**Group** means the Company and its 'related bodies corporate' (as that term is defined in the Corporations Act).

**Investigating Accountant's Report** means the investigating accountant's report in Section 12.

**Lead Manager Mandate** means the agreement between the Company and PAC Partners summarised in Section 14.3.

**Listing Rules** means the official listing rules of ASX.

**Management** means Existing Director Simon Robertson, the Proposed Directors and proposed specialist metallurgical consultant, John Turney.

**Management Option** has the meaning given in Section 6.4.

**Management Offer** has the meaning given in Section 6.4.

**Management Offer Application Form** means the application form as provided with a copy of this Prospectus relating to the Management Offer.

**Minimum Subscription** means 92,592,593 Shares are \$0.027 each to raise \$2,500,000 (before costs).

**New Option** means either or both a Management Option and/or an Adviser Option (as the case may be).

**Offers** means the Public Offer, the Vendor Offer, the Convertible Noteholder Share Offer, the Management Offer and the Adviser Offer.

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

**Official Quotation** means official quotation of the Company's Shares by ASX in accordance with the Listing Rules.

**Option** means an option to subscribe for a Share.

**PAC Partners** means PAC Partners Securities Pty Ltd (ACN 623 653 912).

**Performance Share** means a Class A Performance Share and/or a Class B Performance Share (as applicable).

**Plan** means the AssembleBay Limited (to be renamed "ScandiVanadium Ltd") Employee Securities Incentive Plan.

**Proposed Directors** means the persons identified as proposed directors in the Corporate Directory, the details of whom are set out in Section 8.1.

**Prospectus** means this prospectus.

**Public Offer** has the meaning given in Section 6.1.

**Public Offer Application Form** means the application form as provided with a copy of this Prospectus relating to the Public Offer

**ScandiUK** means ScandiVanadium Limited (Co. No. 11237139), a company incorporated in England and Wales.

**ScandiVanadium** means ScandiVanadium Australia Pty Ltd ACN 626 278 153.

**ScandiVanadium Note Debt** has the meaning in Section 14.2.

**ScandiVanadium Noteholders** means the holders of the ScandiVanadium Note Debt, none of whom are related parties of the Company.

**Securities** means Shares, Performance Shares, Options and any other securities of the Company, or any combination of these as the context provides.

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

**Share Registry** means Computershare Investor Services Pty Limited.

**Shareholder** means a holder of Shares.

**V<sub>2</sub>O<sub>5</sub>** means a vanadium pentoxide.

**Vendor Offer** has the meaning given in Section 6.2.

**Vendor Offer Application Form** means the application form as provided with a copy of this Prospectus relating to the Vendor Offer.

**Vendors** means the shareholders of ScandiVanadium, none of whom is currently a related party of the Company.

**VRFB** means vanadium redox flow battery.



# How to complete this Application Form

**A Number of Shares applied for**  
Enter the number of Shares you wish to apply for. The Application must be for a minimum 74,075 Shares (A\$ 2,000.03).

**B Application Monies**  
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of A\$0.027.

**C Applicant Name(s)**  
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

**D Postal Address**  
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

**E Contact Details**  
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

**F CHES**  
The Company will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

**G Payment**  
Make your cheque, bank draft or money order payable in Australian dollars to **'AssembleBay Limited - Share Offer Account'** and cross it **'Not Negotiable'**. Cheques must be drawn from an Australian bank. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded. Funds cannot be directly debited from your bank account.

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

## Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5:00pm (AEDT) on 15 October 2018. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

**Computershare Investor Services Pty Limited**  
GPO Box 52  
MELBOURNE VIC 3001

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

## Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

## Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund