



## Notice of Extraordinary General Meeting

Factor Therapeutics Limited ACN 101 955 088

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<b>Time</b>	1:00pm (AEST)
<b>Date</b>	Thursday, 9 September 2021
<b>Virtual Meeting</b>	<a href="https://agmlive.link/FTTEGM21">https://agmlive.link/FTTEGM21</a>

Notice is given that Factor Therapeutics Limited ACN 101 955 088 (**Company**) will hold an Extraordinary General Meeting (**EGM**) on 9 September 2021 commencing at 1:00pm (AEST).

Due to the continuing developments in relation to the COVID-19 situation, including travel and border restrictions and public health concerns, the EGM will be held as a virtual meeting. Shareholders and proxyholders are advised that attendance in person at the EGM is not possible as there will not be a physical meeting.

Shareholders and proxyholders will be able to participate in the EGM by accessing the above link.

To log in to the virtual meeting platform, you will need your full name, email address and company name (if applicable). To obtain a voting card or lodge a question, Shareholders will need their Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**). Proxyholders will need their proxy code, which Link Market Services will provide via email on the day prior to the EGM. Further details of how to attend the virtual EGM can be accessed at <https://factor-therapeutics.com/investors/egm>.

## Special Business

### Approval of items related to the acquisition of PowerLime, Inc.

#### 1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to and conditional on the passing of Resolutions 2, 3 and 6, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities resulting from the proposed acquisition of PowerLime, Inc. as described in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

#### 2. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES / OPTIONS

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to and conditional on the passing of Resolutions 1 and 3, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of:*

- (a) 187,500,000 Shares (on a pre-Consolidation basis) at a deemed issue price of A \$0.004 each; and*
- (b) 62,500,000 Options (on a pre-Consolidation basis),*

*to the owners of PowerLime, Inc., as consideration for the acquisition by the Company of PowerLime, Inc, details of which are set out in the Explanatory Memorandum, is approved.’*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

### 3. RESOLUTION 3 – ISSUE OF MANAGEMENT OPTIONS TO POWERLIME SENIOR MANAGEMENT

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to and conditional on the passing of Resolutions 1 and 2, for the purposes of Listing Rule 7.1, and for all other purposes, the issue of 46,875,000 Options (on a pre-Consolidation basis), to members of the PowerLime, Inc. Senior Management Team (as determined by the Board, in its absolute discretion) in accordance with the Share Purchase Agreement entered into for the acquisition by the Company of PowerLime, Inc., is approved.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

### 4. RESOLUTION 4 – ISSUE OF CONSIDERATION SHARES AND MANAGEMENT OPTIONS – DOMINIC ALLEN

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to and conditional on the passing of Resolutions 1, 2, 3 and 5 for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, the issue of:*

- (a) 9,106,243 Shares and 3,035,414 Options as consideration for the acquisition by the Company of PowerLime, Inc. (on a pre-Consolidation basis); and
- (b) 10,000,000 Options (on a pre-Consolidation basis),

*to Dominic Allen (or his nominee), being a PowerLime Shareholder, and a member of the PowerLime Senior Management Team nominated by the Board in accordance with the Share Purchase Agreement entered into for the acquisition by the Company of PowerLime, Inc., is approved.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

### 5. RESOLUTION 5 – ISSUE OF CONSIDERATION SHARES AND MANAGEMENT OPTIONS - ANASTASIOS ARIMA

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to and conditional on the passing of Resolutions 1, 2, 3 and 4 for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, the issue of:*

- (c) 9,106,243 Shares and 3,035,414 Options as consideration for the acquisition by the Company of PowerLime, Inc. (on a pre-Consolidation basis); and
- (d) 10,000,000 Options (on a pre-Consolidation basis),

*to Mr Anastasios Arima (or his nominee), being a PowerLime Shareholder, and a member of the PowerLime Senior Management Team nominated by the Board in accordance with the Share Purchase Agreement entered into for the acquisition by the Company of PowerLime, Inc. is approved.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

## Issue of Shares under the Offer

### 6. RESOLUTION 6 – ISSUE OF SHARES UNDER THE OFFER

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3, 15 and 16, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Directors to allot and issue up to 1,000,000,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share to investors (including related parties) under the Offer on the terms and conditions set out in the Explanatory Memorandum.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

**7. RESOLUTION 7 – ISSUE OF SHARES UNDER THE OFFER TO RELATED PARTY – DAVID BROOKES**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to the passing of Resolutions 1, 2, 3, 15 and 16, for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share to David Brookes (or his nominee) under the Offer on the terms and conditions set out in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors, with Mr Brookes abstaining, recommend that you vote in favour of this resolution.

**8. RESOLUTION 8 – ISSUE OF SHARES UNDER THE OFFER TO RELATED PARTY – DOMINIC ALLEN**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to the passing of Resolutions 1, 2, 3, 15 and 16, for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share to Dominic Allen (or his nominee) under the Offer on the terms and conditions set out in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

**9. RESOLUTION 9 – ISSUE OF SHARES UNDER THE OFFER TO RELATED PARTY - ANASTASIOS ARIMA**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to the passing of Resolutions 1, 2, 3, 15 and 16, for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share to Anastasios Arima (or his nominee) under the Offer on the terms and conditions set out in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

**Approval of issue of Shares to Directors in lieu of cash remuneration**

**10. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – DAVID BROOKES**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*‘That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given to issue David Brookes, (or nominee), a director of the Company, 11,212,500 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share, to satisfy Director’s Fees owing to Dr Brookes, on the terms outlined in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors, with David Brookes abstaining, unanimously recommend that you vote in favour of this resolution.

**11. RESOLUTION 11 – ISSUE OF SHARES TO RELATED PARTY – JOHN MICHAILIDIS**

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*‘That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given to issue John Michailidis, (or nominee), a director of the Company, 8,093,990 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share, to satisfy Director’s Fees owing to Mr Michailidis, on the terms outlined in the Explanatory Memorandum.’*

Note: A voting exclusion applies to this resolution.

The Directors, with John Michailidis abstaining, unanimously recommend that you vote in favour of this resolution.

#### **12. RESOLUTION 12 – ISSUE OF SHARES TO RELATED PARTY – MELANIE FARRIS**

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given to issue Melanie Farris, (or nominee), a director of the Company, 2,045,250 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share, to satisfy Director's Fees owing to Ms Farris, on the terms outlined in the Explanatory Memorandum.'*

Note: A voting exclusion applies to this resolution.

The Directors, with Melanie Farris abstaining, unanimously recommend that you vote in favour of this resolution.

#### **13. RESOLUTION 13 – ISSUE OF SHARES TO RELATED PARTY – CHRISTIAN BEHRENBRUCH**

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given to issue Christian Behrenbruch, (or nominee), a director of the Company until his retirement from the Board on 28 May 2021, 6,817,625 Shares (on a pre-Consolidation basis) at an issue price of \$0.004 per Share, to satisfy Director's Fees owing to Dr Behrenbruch, on the terms outlined in the Explanatory Memorandum.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

### **Approval of Issue of Options to Director**

#### **14. RESOLUTION 14 – ISSUE OF OPTIONS TO RELATED PARTY – DAVID BROOKES**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given to issue David Brookes, (or nominee), a director of the Company 5,000,000 Options (on a pre-Consolidation basis), details of which are set out in the Explanatory Memorandum.'*

Note: A voting exclusion applies to this resolution.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### **Approval of Issue of Advisor Securities**

#### **15. RESOLUTION 15 – ISSUE OF ADVISOR OPTIONS**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3, 6 and 16, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given to issue Taylor Collison, (or nominee), 50,000,000 Options (on a pre-Consolidation basis), details of which are set out in the Explanatory Memorandum.'*

Note: A voting exclusion applies to this resolution.

The Directors unanimously recommend that you vote in favour of this resolution.

### **Approval of consolidation of equity securities on issue**

#### **16. RESOLUTION 16 – CONSOLIDATION OF CAPITAL**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolutions 1, 2, 3 and 6, for the purposes of section 254H of the Corporations Act, Listing Rules 7.20 and 7.22, and for all other purposes, on and from the close of this EGM, the Company will, under section 254H of the Corporations Act:*

- (a) *consolidate its 1,042,835,633 Ordinary Shares (which comprise all of its issued share capital) into 104,283,563 Ordinary Shares (on a 10 Shares for 1 basis);*
- (b) *consolidate its 2,250,000 unlisted Share Options (which comprise all options on issue) into 225,000 unlisted Share Options (on a 10 Options for 1 basis); and*
- (c) *where the number of Securities held as a result of the Consolidation includes any fraction of a Security, round that fraction up to the nearest whole number of Shares or Options,*

*on the terms outlined in the Explanatory Memorandum.'*

The Directors unanimously recommend that you vote in favour of this resolution.

## **Approval of change of company name**

### **17. RESOLUTION 17 – CHANGE OF NAME**

To consider and, if in favour, pass the following resolution as a special resolution:

*'That, subject to the passing of Resolutions 1, 2, 3 and 6, for the purposes of sections 157(1) and 136(2) of the Corporations Act, and for all other purposes, and subject to completion of the transaction detailed in Resolution 1, the name of the Company be changed to 'Dominion Minerals Limited'.'*

The Directors unanimously recommend that you vote in favour of this resolution.

## **Approval of appointment of Directors**

### **18. RESOLUTION 18 – APPOINTMENT OF DIRECTOR – DOMINIC ALLEN**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That subject to the passing of Resolutions 1, 2, 3, 6 and 16, and subject to reinstatement to official quotation of the Company's Shares on ASX, Dominic Allen be appointed as a director of the Company on and from the date trading of the Company's Shares re-commences pursuant to clause 19.3(h)(ii) of the Company's Constitution.'*

The Directors unanimously recommend that you vote in favour of this resolution.

### **19. RESOLUTION 19 – APPOINTMENT OF DIRECTOR – ANASTASIOS ARIMA**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*'That subject to the passing of Resolutions 1, 2, 3, 6 and 16, and subject to reinstatement to official quotation of the Company's Shares on ASX, Anastasios Arima be appointed as a director of the Company on and from the date trading of the Company's Shares re-commences pursuant to clause 19.3(h)(ii) of the Company's Constitution.'*

The Directors unanimously recommend that you vote in favour of this resolution.

Dated: 10 August 2021

By order of the Board



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**Melanie Farris**

Company Secretary

## Voting Exclusion Statement

### Corporations Act

<b>Resolutions 4, 5, 10, 11, 12, 13 and 14</b>	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 4, 5, 10, 11, 12, 13 and 14 if the proxy is either a member of the Key Management Personnel of the Company or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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### Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard votes cast in favour of the following resolutions by or on behalf of:

<b>Resolution 1</b>	a counterparty to the transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary shares in the Company) or an associate of that person or those persons.
<b>Resolution 2</b>	a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 3</b>	for the purpose of Listing Rule 7.1, a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 4</b>	for the purpose of Listing Rule 10.11, the persons who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 5</b>	for the purpose of Listing Rule 10.11, the persons who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 6</b>	for the purpose of Listing Rule 7.1 a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 7</b>	for the purpose of Listing Rule 10.11, the persons who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 8</b>	for the purpose of Listing Rule 10.11, the persons who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 9</b>	for the purpose of Listing Rule 10.11, the persons who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 10</b>	David Brookes and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

<b>Resolution 11</b>	John Michailidis and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 12</b>	Melanie Farris and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 13</b>	Christian Behrenbruch and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 14</b>	David Brookes and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
<b>Resolution 15</b>	a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, for the purposes of Listing Rule 14.11, the Company will not disregard a vote cast in favour of the resolution if it is cast by:

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

## Notes

- i. Terms used in this Notice of Meeting which are defined in the Explanatory Memorandum have the meaning given to them in the Explanatory Memorandum.
- ii. Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- iii. The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- iv. If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form to the Company's Share Registry. Link Market Services Limited:
  - ONLINE            [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
  - BY MAIL            Factor Therapeutics Limited  
C/- Link Market Services Limited  
Locked Bag A14, Sydney South NSW 1235 Australia
  - BY FAX             +61 2 9287 0309
  - BY HAND          Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138
- v. To be effective, the proxy must be received at the Company's Share Registry no later than 1:00pm (AEST) on Tuesday, 7 September 2021 (48 hours before the commencement of the EGM).
- vi. A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the EGM.



- vii. The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the EGM or, if the EGM is adjourned, the adjourned EGM, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7:00pm (AEST) on Wednesday, 8 September 2021.
- viii. If you have any queries, please contact the Company Secretary at [m.farris@factor-therapeutics.com](mailto:m.farris@factor-therapeutics.com).

# Explanatory Memorandum

Factor Therapeutics Limited ACN 101 955 088 (**Factor** or the **Company**)

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This Explanatory Memorandum has been prepared to help Shareholders understand the items of business at the forthcoming EGM.

## Special Business

### 1. Introduction

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#### 1.1 General Background

Factor has been listed on the Official List of ASX since 19 March 2004, and has historically operated as a clinical-stage life sciences company. Following the receipt of negative phase II clinical trial results for Factor's previous lead asset (VF001) in wound care in November 2018, Factor has been focused on seeking new opportunities to appropriately direct the Company's resources.

On 17 July 2020, Factor's Shares were suspended from quotation under Listing Rule 17.2.

In March 2021, Factor commenced negotiations with PowerLime, Inc. (**PowerLime**), a company associated with the Apollo Group. PowerLime holds an option dated 26 October 2019 to acquire a land parcel located in Early County, South Georgia, USA to explore and develop an advanced high calcium limestone project.

In line with the entry of the Company into a non-binding term sheet with PowerLime and the PowerLime Shareholders, as announced to the market on 20 April 2021, Factor has entered into a conditional Share Purchase Agreement (**SPA**) with PowerLime and each of the Powerlime Shareholders, to acquire all issued shares in PowerLime (**Proposed Transaction**). Further details of the SPA are summarised in Part 1.3 below. The Proposed Transaction is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Proposed Transaction.

Following financial close of the Proposed Transaction, the Company will seek reinstatement to official quotation of the Company's Shares on ASX (**Official Quotation**), and will undertake a proposed \$4 million capital raising at an offer price of A\$0.004 (on a pre-Consolidation basis) from existing Shareholders and new Shareholders, under a Prospectus (**Capital Raise** or **Offer**).

The Notice of Extraordinary General Meeting and Explanatory Memorandum sets out the Resolutions necessary to complete the Proposed Transaction, seek Official Quotation and undertake the Capital Raise.

#### 1.2 Background on PowerLime

PowerLime was incorporated in 2019 as a foreign profit corporation in the United States, in the state of North Carolina. PowerLime was established for the purpose of acquiring potential industrial mineral projects in the United States. On 26 October 2019, PowerLime entered into a memorandum of option (**Option Agreement**) to purchase certain real property located in Early County, South Georgia (**Property**). The Property is considered prospective for the development of an advanced high calcium limestone project (**Project**).

The option, which expires on 26 January 2022, grants PowerLime the right to acquire the Property for the sum of US\$1,500,000. The option additionally grants the existing landowner a production royalty on the mineral rights to the Property, which is payable on the basis of tonnes of mineral product sold from the Property. This royalty is calculated at the rate of 3.00% on the sale price of the ore at the Free On-Board price at the gate of the Property.

PowerLime has undertaken significant field work on the Project, including the drilling of eight sonic holes and the digging of eight test pits. The core collected from these activities resulted in the submission of 27 samples for chemical and physical analysis of limestone and other calcium-oxide materials. Two samples were also tested for density. PowerLime has collected and sent three ledge rock samples to test the abrasion and degradation. Almost all samples taken from the sonic drill holes and/or test pits tested greater than 95% calcium carbonate. Initial geochemical analysis results suggest that the limestone contained on the Property may have the potential to be processed into Ag-Lime, quicklime and hydrated lime.

### 1.3 Summary of the Proposed Transaction

The key terms of the Proposed Transaction are set out in the SPA, as summarised below:

- (a) **Consideration:** in consideration for the acquisition of the PowerLime Shares, Factor proposes to issue:
- (i) 187,500,000 Shares to PowerLime Shareholders at A\$0.004 per Share (on a pre-Consolidation basis) (representing an acquisition value of A\$750,000);
  - (ii) 62,500,000 Options to PowerLime Shareholders; and
  - (iii) 46,875,000 Options to the PowerLime Senior Management Team (as nominated by the Board, in its discretion),
- and the PowerLime Shareholders or their nominees will have the right to subscribe for a minimum of 40% of the Capital Raise;
- (b) **Closing Date:** financial close of the Proposed Transaction will occur 5 Business Days after the date Resolutions 1 and 2 are passed by the Shareholders, being Thursday 16 September 2021 if all such approvals are obtained;
- (c) **Second Option Payment:** PowerLime has entered into the Option Agreement, under which a second option payment was payable by PowerLime on or before 31 July 2021. In accordance with the SPA, the Company has paid to PowerLime an amount equal to US\$150,000 on 27 July 2021, to enable PowerLime to pay the second option fee under the Option Agreement. This interim payment was evidenced by a promissory note issued by PowerLime to Factor.
- (d) **Security for Promissory Note:** PowerLime's obligation to repay the amount advanced in accordance with the promissory note issued by PowerLime to the Company, is secured by a stock pledge over the PowerLime Shares, granted by the PowerLime Shareholders to the Company;
- (e) **Repayment of the Second Option Payment:** in the event the SPA is terminated prior to financial close, and such termination is not a result of Factor failing to obtain Shareholder approval to effect the Proposed Transaction, PowerLime must repay the second option payment amount to Factor, or the PowerLime Shareholders will otherwise be required to transfer their PowerLime Shares to Factor;
- (f) **Conditions:** financial close of the Proposed Transaction is conditional upon various conditions precedent being satisfied or waived, including but not limited to:
- (i) PowerLime paying the second option payment under the Option Agreement to the current landholder, and negotiating the terms of purchase for the land;
  - (ii) Factor having obtained all required Shareholder approvals to the Proposed Transaction;
  - (iii) Factor and PowerLime completing satisfactory due diligence investigations; and
  - (iv) Factor granting the PowerLime Shareholders the right to nominate two representative directors to Factor, upon Official Quotation.
- If any of the conditions precedent set out in the SPA are not satisfied or waived by the parties the Proposed Transactions will not proceed. The Company is not currently aware of any information which may cause the conditions precedent to be breached or unfulfilled. However, there is a risk that these conditions precedent will be unfulfilled due to circumstances outside of its control; and
- (g) **Warranties and Indemnities:** usual warranties and indemnities for a transaction of this nature are given by PowerLime and Factor.

### 1.4 Capital Raise

Following close of the Proposed Transaction, the Company is seeking to raise A\$4 million by issuing up to 1,000,000,000 shares at an offer price of A\$0.004 (on a pre-Consolidation basis) from existing Shareholders and new shareholders. The Capital Raise will be conducted under a Prospectus to be prepared by the Company.

Taylor Collison Limited (ACN 008 172 450) has been appointed as Lead Manager for the Capital Raise. Factor and Taylor Collison have entered into a Lead Manager Mandate dated 26 July 2021 setting out the terms of engagement as Lead Manager.

The Company has agreed to pay Taylor Collison:

- a. a management fee of 2% of the total amount raised under the Capital Raise; and
- b. a capital raising fee of 4% of the total amount raised under the Capital Raise less the \$1,600,000 subscribed for by the PowerLime shareholders.

Taylor Collison will be entitled to raise up to A\$2.4 million in the Capital Raise. The Company's existing Shareholders will have a priority allocation of up to A\$800,000 (i.e. up to 200,000,000 Shares on a pre-Consolidation basis). Existing PowerLime Shareholders (or their nominees) will be entitled to subscribe for up to A\$1,600,000 (i.e. up to 400,000,000 shares on a pre-Consolidation basis)

The Capital Raise will not be underwritten.

Further, the Company has agreed to issue Taylor Collison (or its nominee(s)) Options to purchase 50,000,000 Shares in the Company (on a pre-Consolidation basis). The Options will be exercisable at \$0.012 per Option and expire three years from the date of Official Quotation.

The Lead Manager Mandate contains other standard terms customary to lead management mandates.

The purpose of the Capital Raise is to raise working capital and to satisfy ASX re-compliance requirements. Capital raised will be applied towards the ongoing exploration and development of the high calcium limestone Project and to working capital needs of the Company.

The Company intends to utilise existing cash at hand and apply funds raised pursuant to the Capital Raise, as follows over the two years following re-admission to the official list:

Item	A\$M*
Costs of the Offer	0.30
Working capital, compliance, overheads and contingency	1.60
Purchase agreement (land asset)	2.00
Drilling - JORC resource	0.27
Drilling - JORC resource upgrade / reserve	0.27
Metallurgy	0.40
Scoping Study	0.27
Pre feasibility study	0.40
Permitting	0.33
<b>Total</b>	<b>5.84</b>

\*As the Company's operations will predominantly be conducted in the United States of America following completion of the acquisition, the majority of the costs displayed above will be incurred in US dollars. For the purposes of the above, the Company has assumed a USD\$0.75:AUD\$1.00 exchange rate

## 1.5 Re-Compliance with Chapters 1 and 2 of the Listing Rules

The Company is proposing to make a change to the nature and scale of its activities, as a result of the acquisition of PowerLime. Accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules. Trading in the Company's Shares is currently suspended, and will remain suspended until the Company re-complies with Chapters 1 and 2, following completion of the Proposed Transaction.

Listing Rule 2.1, Condition 2 provides that the issue price or sale price for all of the Securities for which the Company seeks quotation must be at least 20 cents in cash. The Company's Shares last traded at A\$0.005 on 15 July 2020. In addition, Listing Rule 1.1, Condition 11 provides that for an entity to be admitted to the Official List, the exercise price for any Options on issue must be at least 20 cents in cash.

On 9 June 2021, ASX granted the Company a waiver from Listing Rule 2.1, Condition 2 to the extent necessary to permit the Company to issue up to 960,577,500 fully paid Ordinary Shares (on a pre-Consolidation basis) at an issue price of less than \$0.20 per Share, subject to the following conditions:

- (a) the issue price for the Shares is not less than \$0.02 per Share;
- (b) the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Shares, are clearly disclosed in the Notice of Meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the acquisition of PowerLime and for the Prospectus to be issued in respect of the Capital Raise; and
- (c) the Company completes a Consolidation of its capital structure in conjunction with the acquisition of PowerLime such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the Company's securities from Official Quotation, to achieve a market value for its Securities of not less than two cents per Security.

Additionally, on 9 June 2021, ASX granted the Company a waiver from Listing Rule 1.1, Condition 12 to the extent necessary to permit the Company to issue up to 166,625,000 Options (on a pre-Consolidation basis) with an exercise price of less than \$0.20 per Option, subject to the following conditions:

- (a) the exercise price of the Options is not less than \$0.02 per Option;
- (b) the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Options, are clearly disclosed in the Notice of Meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the acquisition of PowerLime; and
- (c) the Company's Shareholders approve the exercise price of the Options in conjunction with the approval obtained under Listing Rule 11.1.2 for the acquisition of PowerLime.

## 1.6 Impact on the Company's Capital Structure

If Resolutions 1 to 5 are passed at the EGM and the Company successfully issues Shares to the PowerLime Shareholders under the SPA, the overall ownership structure of the Company will be as follows (assuming that the Offer has not completed):

Shareholder	Number of Shares	Percentage Interest
All existing Shareholders of Factor	1,042,835,633	85%
Shareholders of PowerLime	187,500,000	15%
Total	1,230,335,633	100%

Notes to the Table:

- i. Shares are shown in this table on a pre-Consolidation basis.

If Resolutions 1 to 8, 15 and 16 are passed at the EGM and the Company successfully issues Shares to PowerLime Shareholders under the SPA and completes the Offer, the overall ownership structure of the Company will be as follows:

Shareholder	Number of Shares	Percentage Interest
All existing Shareholders of Factor	1,042,835,633	47%
Shareholders of PowerLime	187,500,000	8%
Shareholders of PowerLime participating under the Offer	400,000,000	18%

Other Participants under the Offer	600,000,000	27%
Total	2,230,335,633	100%

Notes to the Table:

- i. Shares are shown in this table on a pre-Consolidation basis.
- ii. Shares under the Offer will be issued after the Consolidation occurs (assuming resolutions 1, 2, 3, 4, 10 and 11 are all passed), which equates to 100,000,000 Shares on a post-Consolidation basis. Consolidation will not affect the percentage interest of Shareholders

### 1.7 Option Terms

All Options issued in connection with the Proposed Transaction will be issued on the terms set out in Schedule B.

### 1.8 Changes to the Company's Business Model

The proposed changes to the activities and business model of the Company will enable Factor to:

- (a) undertake a staged exploration and development program on the Project over two years, primarily focussed on resource drilling and the assaying of drilling results;
- (b) undertake work, following drilling and subject to the adequate completion of the program, with the objective of delineating a JORC compliant resource;
- (c) develop metallurgical test work and process flowsheets based on bulk samples with sourcing of processing equipment to be evaluated;
- (d) commence, subject to the outcome of the drilling and metallurgical test work, scoping study activities focussing on geology, engineering, environmental impact, project economics and marketing;
- (e) undertake early permitting works (should the Company seek to obtain a permit to mine limestone on the Property); and
- (f) continue to assess other opportunities in the resources sector.

### 1.9 Key Advantages of the Proposed Transaction

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

- (a) the acquisition of PowerLime will result in the Company owning an option to acquire land, as well as surface and sub-surface mineral rights, in south Georgia, USA, that is considered prospective for the development of the advance high calcium limestone Project;
- (b) the Project is in the heart of the Georgia agricultural belt with close proximity to local end markets, access to infrastructure including rail, road and power in a low-cost operating jurisdiction, potential downstream value through production of quick or hydrated lime and the potential for very low capital and operating costs due to the simple nature of the project;
- (c) PowerLime has a management team highly experienced in the resources sector and with a strong track record of adding value for Shareholders, who will continue with the Company after completion of the Proposed Transaction; and
- (d) the PowerLime assets open a new business opportunity for the Company with high potential to bring value to the Company and to Shareholders.

### 1.10 Key Disadvantages of the Proposed Transaction

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

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders; and
- (b) the Proposed Transaction and associated Capital Raise the subject of this Notice will result in the issue of a significant number of Shares and new investors which will dilute the holdings of existing Shareholders.

### 1.11 Key Risks of the Proposed Transaction

#### (a) Dilution Risk

The Company currently has 1,042,835,633 Shares on issue and 2,250,000 unlisted Options on issue. If the Proposed Transaction is approved by Shareholders:

- i. the Company will issue a further 187,500,000 Shares and 109,375,000 Options (on a pre-Consolidation basis) to PowerLime Shareholders and various members of the PowerLime Senior Management Team, in accordance with the terms and conditions of the SPA; and
- ii. the Company will issue a further 1,000,000,000 Shares (on a pre-Consolidation basis) under the Offer.

The issue of these Shares will dilute the existing Shares from 100% to approximately 47% ownership (assuming no existing Shareholders participate in the Offer).

There is also a risk that the interests of Shareholders may be further diluted if future capital raisings are required in order to fund the Company's activities.

Accordingly, the issue of the Shares and Options under the Proposed Transaction will have a dilutionary effect on the Company's existing Shareholders. Refer to paragraph 1.6 of this Explanatory Memorandum for further details on the impact of the Proposed Transaction on the Company's capital structure.

#### (b) Completion Risk

The Offer is currently planned to occur in the third quarter of 2021. It is possible that, due to the period of time between the EGM and the Offer, certain events may occur that will materially adversely affect the Company, the industry or the economy in general and give rise to a termination event.

#### (c) Industry Risk

Exploration activities for industrial minerals such as those proposed to be undertaken are inherently risky, with a high chance of failure. There can be no guarantee that the Company will identify any resource capable of producing lime at commercial rates, if at all.

The future exploration activities of the Company may be affected by a range of factors including limitations on activities due to geological conditions, technical difficulties, changes in cost structures in the industry, geopolitical factors, seasonal weather patterns, delays in timing of operations, industrial accidents, environmental difficulties, changing regulatory conditions, and many other factors beyond the control of the Board or the Company.

The costs associated with exploration and development of the project is based on assumptions relating to the methods and timing of exploration. By their nature, these assumptions are subject to significant uncertainties and the actual costs may differ materially from these assumptions. No assurance can be given that any cost estimates or other assumptions regarding costs will reflect actual costs.

If the exploration of the Project is unsuccessful the value of the Project will diminish.

**(d) Risks in respect of PowerLime's Operations**

The operations of the Company may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- failure to achieve product quality;
- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions;
- industrial disputes and unexpected shortages;
- delays or unavailability of third-party service providers;
- delays in procuring, or increases in the costs of consumables, spare parts, and plant and equipment; and
- other incidents beyond the control of the Company

**1.12 Consolidation**

The Company proposes to undertake a Consolidation of its Shares and options, on a 10:1 basis, as set out in further detail in section 11 of this Explanatory Memorandum below.

**1.13 Financial information relating to the Company and PowerLime**

Set out in Schedule A is a reviewed pro-forma Statement of Financial Position of the Company assuming that all Resolutions the subject of the Notice of Meeting have been passed, the Proposed Transaction has closed and the Capital Raise has completed.

The pro forma Statement of Financial Position as at 30 June 2021 as set out in Schedule A is derived from the Historical Statement of Financial Position of Factor as at 30 June 2021, adjusted to reflect the acquisition of PowerLime and the impact of the Offer.

**1.14 Company's intentions if Proposed Transaction and Offer are completed**

If Resolutions 1 to 8, and 16 are passed at the EGM and the Proposed Transaction and the Offer are completed, the Company will endeavour to do the following:

- a. undertake a staged exploration and development program on the project over two years, primarily focussed on resource drilling and the assaying of drilling results;
- b. following drilling and subject to the adequate completion of the program, undertake work with the objective of delineating a JORC compliant resource;
- c. metallurgical test work and process flowsheets may be developed based on bulk samples with sourcing of processing equipment to be evaluated;
- d. subject to the outcome of the drilling and metallurgical test work, the Company may look to commence scoping study activities focussing on geology, engineering, environmental impact, project economics and marketing; and
- e. early permitting works (should the Company seek to obtain a permit to mine limestone on the Property).



### 1.15 Change to Company name

As a result of the Proposed Transaction, the Company proposes to change its name to 'Dominion Minerals Limited' and its ASX code to 'DLM'.

### 1.16 Changes to the Board

As at the date of this Notice of Meeting, the Board comprises: Dr David Brookes, Mr John Michailidis, and Ms Melanie Farris.

It is intended that the Board will be reorganised following completion of the Proposed Transaction, completion of the Offer and the re-admission of the Company to the official list of ASX.

As soon as practicable after the Company's readmission to ASX, and subject to approval of Resolutions 13 and 14, the Board intends to appoint Mr Dominic Allen as an Executive Director, and Mr Anastasios Arima as a Non-Executive Director, of the Company. Mr John Michailidis and Ms Melanie Farris intend to retire after the Company's readmission to ASX.

#### ***Profile of Dominic Allen***

Mr. Allen is a finance professional with over 15 years' experience in the management and operations of natural resources organisations. Mr. Allen is currently Head of Corporate Development for Hyperion Metals (ASX:HYM), focused on the development of the Titan heavy mineral sand project and associated titanium metal technologies in Tennessee, USA, having previously held senior roles with major resource organisations Rio Tinto Limited and Oyu Tolgoi LLC. Mr. Allen commenced his career in the corporate finance team of international accounting firm Ernst & Young, holds a Bachelor of Commerce and a Bachelor of Science (Hons) from the University of Western Australia and is a qualified Chartered Accountant (CA ANZ).

#### ***Profile of Anastasios Arima***

Mr. Arima is a resource company executive with a strong history of identifying company-making resource projects. He was the founder of Piedmont Lithium (Nasdaq:PLL) and was instrumental in identifying and securing the Piedmont Lithium Project in North Carolina, USA. Mr. Arima is the founder and Managing Director of Hyperion Metals (ASX:HYM), focused on the development of the Titan heavy mineral sand project and associated titanium metal technologies in Tennessee, USA. He has extensive experience in the formation and development of energy and resource projects in North America and Europe. He attended the University of Western Australia where he earned a Bachelor of Commerce whilst studying for a Bachelor of Engineering.

### 1.17 Important dates

An indicative timetable for completion of the Proposed Transactions is outlined below:

Events	Date
Notice of Meeting lodged with ASX and despatched to Shareholders	Tuesday, 10 August 2021
Extraordinary General Meeting	Thursday, 9 September 2021
Consolidation to take effect	Tuesday, 14 September 2021
Issue of Shares under Share Purchase Agreement	Thursday, 16 September 2021
Offer open	Friday, 10 September 2021
Offer close	Friday, 1 October 2020
Allotment of shares under Offer	Friday, 8 October 2021
Despatch of holding statements	Monday, 11 October 2021

Trade commences *	Monday, 11 October 2021
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Dates are indicative only. Factor reserves the right to vary these dates in consultation with ASX and subject to the requirements of the Listing Rules. Commencement of trading is subject to Factor meeting all of the requirements for re-admission and re-quotation set out in Chapters 1 and 2 of the Listing Rules to ASX's satisfaction and ASX, at its absolute discretion, granting approval to readmit Factor to the official list.

#### **1.18 Restricted Securities**

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those securities or an interest in those securities, or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. In accordance with Listing Rule 10.7, the Shares and Options issued to the PowerLime Shareholders as consideration under the SPA, will be 'Restricted Securities' for the purpose of Chapter 9. In accordance with Appendix 9B, the restriction period for these Shares will be 24 months from the date on which Official Quotation commences.

If Shareholders approve Resolutions 1, 2 and 4 (and subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules), the Company will enter into a restriction deed with each of the PowerLime Shareholders in the required form, and will otherwise comply with the requirements set out in Listing Rule 9.1.

During the period which those Shares are prohibited from being transferred, trading in Shares may be less liquid which may affect a Shareholder's ability to dispose of their Shares in a timely manner.

#### **1.19 Directors' Recommendations in relation to Proposed Transaction**

The Directors do not have any material interest in the outcome of the voting on Resolutions 1 to 5 at the EGM other than as a result of their interest arising solely in their capacity of Shareholders of the Company.

The Directors have unanimously approved the proposal to put the resolutions to Shareholders.

Based on the information available (including as described in this Explanatory Memorandum) and in the absence of a superior proposal, each of the Directors considers that the Proposed Transaction is in the best interests of the Company and they unanimously recommend that Shareholders vote in favour of Resolutions 1 to 5 at the EGM.

#### **1.20 Directors' Fees**

On 1 August 2020 the Board resolved Non-executive director fees be reinstated to previously approved remuneration rates, being, specifically:

- (a) \$82,800 (plus super) for a total of \$90,666.00 per annum for the Chairman; and
- (b) \$59,771.00 (plus super) for a total of \$65,449.25 per annum for each Non-executive director,

on the proviso, however, that Directors would defer 50% of Director fees until such time as a transaction was completed and the Company had re-complied with Listing Rules 1 and 2 to the satisfaction of ASX. The Board agreed that at such time, it would consider making payment of the deferred fee in cash or equity, taking into consideration the financial position of the Company and other relevant matters.

The Board has agreed that deferred fees be settled in equity, as contemplated under Resolutions 10 to 13.

On 30 August 2021, deferred amounts owing to the Directors will be as follows:

- (a) David Brookes: \$44,850
- (b) John Michailidis: \$32,376
- (c) Melanie Farris: \$8,181
- (d) Christian Behrenbruch: \$27,270

## **1.21 ASX Acknowledgement**

The Company notes that ASX takes no responsibility for the contents of this Notice.

## **2. Resolution 1 – Change to Nature and Scale of Activities**

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### **2.1 Background**

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities, as a result of the Proposed Transaction. As outlined in section 1.3, the Company has entered into the SPA to acquire all of the issued capital in PowerLime.

Resolution 1 is subject to the passing of Resolutions 2, 3, 4, 5 and 6.

A voting exclusion statement is included in the Notice.

### **2.2 Listing Rule 11.1**

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

- 11.1.1 provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- 11.1.2 if ASX requires, obtain the approval of Shareholders and comply with any requirements of ASX in relation to the Notice of Meeting; and
- 11.1.3 if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that, given the change in the nature and scale of the Company's activities as a result of the Proposed Transaction, the Company is required to obtain Shareholder approval in accordance with Listing Rule 11.1.2. In this regard, the Company has agreed to undertake the Proposed Transaction, subject to the satisfaction of the conditions precedent (refer to section 1.3(f)) including but not limited to, obtaining of Shareholder approval.

Further, in accordance with Listing Rule 11.1.3, the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In this regard, the Company proposes to undertake the Capital Raise to satisfy ASX re-compliance requirements. Accordingly, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2. On the basis that Shareholders approve this Resolution 1, together with Resolutions 2 and 3, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In accordance with these requirements, the Company will issue a Prospectus.

Trading of Shares is currently suspended and will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

If Resolution 1 is passed, subject to passing of Resolutions 2 to 6 also, the Company will proceed with the Proposed Transaction, will comply with the requirements of Chapters 1 and 2 and seek readmission to the Official List.

If Resolution 1 is not passed the Company will not be able to proceed with the Proposed Transaction and will not proceed with the Capital Raise. As such, the Company will not undertake a change in the nature and scale of its activities, will not seek at this stage to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules, and will continue to seek new opportunities to appropriately direct the Company's resources.

### **2.3 Recommendation**

Based on the information available (including that contained in this Explanatory Memorandum) each of the Directors consider that Resolution 1 is in the best interests of the Company and unanimously recommend Shareholders to vote in favour of Resolution 1.

Each of the Directors who hold Shares in the Company intend to vote the Shares they control in favour of Resolution 1.

The Directors do not have any material personal interest in the outcome of Resolution 1, other than their interests arising solely in their capacity as Shareholders.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

### **3. Resolution 2 – Issue of Consideration Shares and Options to PowerLime Shareholders**

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Resolution 2 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of Shares and Options to PowerLime Shareholders.

#### **3.1 Background**

Subject to the conditions precedent in the Share Purchase Agreement being met, Factor has agreed to allot and issue 187,500,000 Shares and 62,500,000 Options (both on a pre-Consolidation basis) to the PowerLime Shareholders as consideration for the acquisition of all of the issued capital in PowerLime. The Shares and Options will be issued to the PowerLime Shareholders in proportion to their current shareholding in PowerLime.

Resolution 2 is subject to the passing of Resolutions 1, 3, 4 and 5.

A voting exclusion is included in the Notice.

#### **3.2 ASX Listing Rule 7.1**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of the shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting. The effect of Resolution 2 will be to allow Factor to issue Shares and Options to PowerLime Shareholders, in consideration of the transfer of all PowerLime issued shares to the Company, without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 2 is passed the Proposed Transaction will be completed 5 Business Days after the date of this EGM and PowerLime will become a wholly owned subsidiary of the Company.

If Resolution 2 is not passed, the Company will not issue the Shares and Options to the PowerLime Shareholders, and will not be in a position to complete the Proposed Transaction. The SPA would need to be terminated.

#### **3.3 Information Provided in Accordance with ASX Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares and Options the subject of Resolution 2:

- (c) the Shares and Options will be issued to each of the current PowerLime Shareholders;
- (d) the number of securities to be issued pursuant to Resolution 2 is 187,500,000 Shares and 62,500,000 Options (on a pre-Consolidation basis);
- (e) the Shares and Options will be issued in consideration of the acquisition of PowerLime pursuant to the SPA. The key terms of the SPA are summarised in section 1.3;
- (f) the Shares will be issued at \$0.004 per Share representing an acquisition value of \$750,000. Accordingly, no funds will be raised from the issue of Shares;
- (g) the Shares being issued are fully paid Ordinary Shares in the capital of the Company and will rank equally with the Company's current issued Shares;

- (h) as at the date of the Notice of EGM, the Company intends to allot and issue the Shares and Options five Business Days after satisfaction (or waiver) of all conditions precedent set out in the SPA, and in any event no longer than three months after the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) Options will be issued at an exercise price of \$0.012 per Option with an expiry date of four years after issue.

### **3.4 ASX Listing Rule 9.1 - Escrow of Shares**

The Company considers that the acquisition of PowerLime and its assets will be classed as a 'classified asset' for the purposes of the Listing Rules. Accordingly, if Resolution 2 is passed, the Shares and Options issued to the PowerLime Shareholders will be escrowed for 24 months under Listing Rules 9.1, Appendix 9B(3), and 10.7. The Company will enter into a restriction deed with each of the PowerLime Shareholders to apply the escrow restrictions in accordance with the Listing Rules.

### **3.5 ASX Listing Rule 2.1 - Relief from 20 Cent Rule**

Listing Rule 2.1, Condition 2 provides that the issue price or sale price for all of the securities for which the Company seeks quotation must be at least 20 cents in cash. The Company's Shares last traded at A\$0.005 on 15 July 2020. Additionally, Listing Rule 1.1, Condition 12 provides that for an entity to be admitted to the Official List, any options on issue must be exercisable for at least 20 cents in cash.

Guidance Note 12 provides that in some circumstances, ASX will consider a request from a company not to apply the 20 cent rule, provided that, among other items, the issue price for any security being issued or sold is not less than 2 cents each, and is specifically approved by the security holders.

On 9 June 2021, ASX granted the Company a waiver from Listing Rule 2.1, Condition 2 to the extent necessary to permit the Company to issue up to 960,577,500 fully paid Ordinary Shares (on a pre-Consolidation basis) at an issue price of less than \$0.20 per Share. Further information relating to this waiver is set out in section 1.5 above.

Additionally, on 9 June 2021, ASX granted the Company a waiver from Listing Rule 1.1, Condition 12 to the extent necessary to permit the Company to issue up to 166,625,000 Options (on a pre-Consolidation basis) with an exercise price of less than \$0.20 per Option. Further information relating to this waiver is set out in section 1.5 above.

For this reason, the Company is seeking Shareholder approval for the Company to issue the Shares at an issue price of \$0.004 per Share, and the Options with an exercise price of \$0.012 (both, on a pre-Consolidation basis) as part of the approvals sought under Listing Rule 11.1.2.

### **3.6 Conditionality of Resolutions**

The passing of Resolution 2 is subject to Resolutions 1, 3, 4 and 5 also being passed at the EGM.

### **3.7 Recommendation**

Based on the information available (including the information contained in this Explanatory Memorandum) each of the Directors consider that Resolution 2 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of Resolution 2.

Each of the Directors who hold Shares in the Company intend to vote the Shares they control in favour of Resolution 2.

The Directors do not have any material personal interest in the outcome of Resolution 2, other than their interests arising solely in their capacity as Shareholders.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

## **4. Resolution 3 – Issue of Management Options**

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Resolution 3 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of Options to various members of the PowerLime Senior Management Team, as determined by the Board.

#### 4.1 Background

Subject to the conditions precedent in the SPA being met, Factor has agreed to allot and issue 46,875,000 Options (on a pre-Consolidation basis) to members of the PowerLime Senior Management Team, as determined by the Board (in its discretion) (**Management Options**). The options are proposed to be allocated in the following proportions:

- (a) 26,875,000 Options (on a pre-Consolidation basis) to be issued to the PowerLime Senior Management Team;
- (b) 10,000,000 Options (on a pre-Consolidation basis) to be issued to Mr Dominic Allen; and
- (c) 10,000,000 Options (on a pre-Consolidation basis) to be issued to Mr Anastasios Arima.

The issue of options to Mr Dominic Allen and Mr Anastasios Arima is the subject of Resolutions 4 and 5.

Resolution 3 is subject to the passing of Resolutions 1, 2, 4 and 5.

A voting exclusion statement is included in the Notice.

#### 4.2 ASX Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of the shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

An issue is not taken into account in the calculation of the 15% threshold where the issue has the prior approval of shareholders in a general meeting. The effect of Resolution 3 will be to allow Factor to issue Options to members of PowerLime's Senior Management Team, in accordance with the SPA, without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 3 is passed, subject to the passing of Resolutions 1, 2, 4 and 5, the Management Options will be granted, the Proposed Transaction will be completed 5 Business Days after the date of this EGM and PowerLime will become a wholly owned subsidiary of the Company.

If Resolution 3 is not passed, the Company will not issue the Management Options, will not be in compliance with the SPA and will not be in a position to complete the Proposed Transaction. The SPA would need to be terminated.

#### 4.3 Information Provided in Accordance with ASX Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the matters the subject of Resolution 3:

- (a) the Management Options will be issued to members of the PowerLime Senior Management Team, as determined by the Board,;
- (b) the number of Options to be issued pursuant to Resolution 3 is 26,875,000 Options (on a pre-Consolidation basis);
- (c) as at the date of the Notice of EGM, the Company intends to allot and issue the Options five Business Days after satisfaction (or waiver) of all conditions precedent set out in the SPA, and in any event no longer than three months after the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and
- (d) the Options will be issued in accordance with the SPA and form part of the consideration payable for the PowerLime shares being acquired by the Company. Accordingly, no funds will be received for the Options by the Company. The key terms of the SPA are summarised in section 1.3; and
- (e) a voting exclusion for Resolution 3 is included in the Notice.

#### **4.4 ASX Listing Rule 9.1 - Escrow of Options**

The Company considers that the acquisition of PowerLime will be classed as a 'classified asset' for the purposes of the Listing Rules. Accordingly, if Resolution 3 is passed, the issued Management Options will be escrowed for 24 months under Listing Rules 9.1, Appendix 9B(3) and 10.7. The Company will enter into a restriction deed with each of the PowerLime Shareholders to apply the escrow restrictions in accordance with the Listing Rules.

#### **4.5 Conditionality of Resolutions**

The passing of Resolution 3 is subject to Resolutions 1 and 2 also being passed at the EGM.

#### **4.6 Recommendation**

Based on the information available (including that contained in this Explanatory Memorandum) each of the Directors considers that Resolution 3 is in the best interests of the Company and they unanimously recommend Shareholders vote in favour of Resolution 3.

Each of the Directors who hold Shares in the Company intend to vote the Shares they control in favour of Resolution 3.

The Directors do not have any material personal interest in the outcome of Resolution 3, other than their interests arising solely in their capacity as Shareholders.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

### **5. Resolutions 4 and 5 - Issue of Options and Shares to Related Parties**

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Resolutions 4 and 5 seek Shareholder approval for the issue and allotment of Shares and Options (as consideration for the Proposed Transaction), together with Management Options to Mr Dominic Allen and Mr Anastasios Arima, both related parties of the Company.

#### **5.1 Background**

As noted above, subject to the conditions precedent in the SPA being met, Factor has agreed to:

- (a) issue 187,500,000 Shares and 62,500,000 Options (both on a pre-Consolidation basis) to the PowerLime Shareholders as consideration for the acquisition of all of the issued capital in PowerLime; and
- (b) allot and issue 46,875,000 Options (on a pre-Consolidation basis) to members of the PowerLime Senior Management Team, as determined by the Board (in its discretion).

It is intended, subject to the passing of Resolutions 18 and 19, that Anastasios Arima and Dominic Allen be appointed as directors of the Company, on and from the date of Official Quotation. By virtue of the proposed appointment, Mr Arima and Mr Allen will constitute 'related parties' for the purposes of Listing Rule 10.11. Further, associated entities of Mr Arima and Mr Allen will constitute 'related parties'.

Mr Allen and Mr Arima (or their nominees) are currently PowerLime Shareholders, and are additionally members of the PowerLime Senior Management Team. Accordingly:

- (c) the Company intends, subject to the passing of Resolutions 4 and 5, to issue:
  - i. up to 9,106,243 Shares and 3,035,414 Options to Mr Arima as consideration for shares held in PowerLime by Mr Arima; and
  - ii. up to 9,106,243 Shares and 3,035,414 Options to Mr Allen as consideration for shares held in PowerLime by Mr Allen;
- (d) the Board intends, subject to Shareholder approval of Resolutions 4 and 5, that 20,000,000 Management Options will be issued to Mr Allen and Mr Arima in the following proportions:
  - i. 10,000,000 Management Options to be issued to Mr Allen; and

- ii. 10,000,000 Management Options to be issued to Mr Arima.

The Company is seeking Shareholder approval under Listing Rule 10.11 for the issue of Shares and Options to these related parties.

Resolutions 4 and 5 are subject to the passing of Resolutions 1, 2 and 3.

Voting exclusion statements for Resolutions 4 and 5 is included in the Notice.

## **5.2 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to (among other parties), a related party, unless it obtains the approval of its shareholders. The proposed issue of the Management Options to Mr Arima and Mr Allen falls within the ambit of Listing Rule 10.11.1. Any associated entities of Mr Arima and Mr Allen will fall within the ambit of Listing Rule 10.11.4. The proposed issues of Shares and Options do not fall within any of the exceptions in Listing Rule 10.12. Accordingly, approval of the Shareholders under Listing Rule 10.11 is required.

## **5.3 Information provided in accordance with ASX Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 4 and 5:

- (a) Mr Allen and Mr Arima are related parties for the purposes of Listing Rule 10.11.1, by virtue of being people who have reasonable grounds to believe they will be a director of the Company;
- (b) any associated entity of Mr Allen or Mr Arima will be related parties for the purposes of Listing Rule 10.11.4;
- (c) Each of Mr Allen and Mr Arima will be entitled to:
  - i. up to 9,106,243 Shares and 3,035,414 Options as consideration for the acquisition by the Company of PowerLime (on a pre-Consolidation basis); and
  - ii. 10,000,000 of Management Options (on a pre-Consolidation basis),if Resolutions 4 and 5 are passed;
- (d) the Shares and Options will be issued to Mr Allen and Mr Arima in accordance with the SPA as part of the consideration for the transfer of shares in PowerLime to the Company, and accordingly no funds will be raised from the issue of the Shares or Options. The key terms of the SPA are summarised in section 1.3;
- (e) as at the date of the Notice of EGM, the Company intends to allot and issue the Shares and Options five Business Days after satisfaction (or waiver) of all conditions precedent set out in the SPA, and in any event not later than one month after the date of the EGM (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and
- (a) voting exclusions for Resolutions 4 and 5 are included in the Notice.

## **5.4 Chapter 2E of the Corporations Act**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.



A “financial benefit” is defined in section 229 of the Corporations Act and includes issuing securities (such as shares) to a related party.

The issue pursuant to Resolutions 4 and 5 of the Shares or Options to Mr Allen and Mr Arima constitutes the giving of a financial benefit and each of Mr Allen and Mr Arima are related parties of the Company by virtue of the fact that they are proposed to be appointed as directors in accordance with Resolutions 18 and 19.

In any event, the current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Shares or Options to Mr Allen and Mr Arima, as these securities will be issued to Mr Allen and Mr Arima on the same, arms’ length terms as Shares and Options will be issued to the non-related parties.

#### **5.5 ASX Listing Rule 9.1 - Escrow of Shares**

The Company considers that the acquisition of PowerLime will be classed as a ‘classified asset’ for the purposes of the Listing Rules. Accordingly, if Resolutions 4 and 5 are passed, the issued Shares and Options will be escrowed for 24 months under Listing Rules 9.1 Appendix 9B(3) and 10.7. The Company will enter into a restriction deed with each of the Shareholders of PowerLime to apply the escrow restrictions in accordance with the Listing Rules.

#### **5.6 ASX Listing Rule 2.1 - Relief from 20 Cent Rule**

Listing Rule 1.1, Condition 12 provides that for an entity to be admitted to the Official List, any options on issue must be exercisable for at least 20 cents in cash. Guidance Note 12 provides that in some circumstances, ASX will consider a request from a Company not to apply the 20 cent rule, provided that, among other items, the issue price for any security being issued or sold is not less than \$0.02 each, and is specifically approved by the security holders.

On 9 June 2021, ASX granted the Company a waiver from Listing Rule 2.1, Condition 2 to the extent necessary to permit the Company to issue up to 960,577,500 fully paid Ordinary Shares (on a pre-Consolidation basis) at an issue price of less than \$0.20 per Share. Further information relating to this waiver is set out in section 1.5 above.

Additionally, on 9 June 2021, ASX granted the Company a waiver from Listing Rule 1.1, Condition 12 to the extent necessary to permit the Company to issue up to 166,625,000 Options (on a pre-Consolidation basis) with an exercise price of less than \$0.20 per Option. Further information relating to this waiver is set out in section 1.5 above.

For this reason, the Company is seeking Shareholder approval for the Company to issue the Shares for the issue price of \$0.004 (on a pre-Consolidation basis) and Options with an exercise price of \$0.012 (on a pre-Consolidation basis) as part of the approvals sought under Listing Rule 11.1.2.

#### **5.7 Conditionality of Resolutions**

The passing of Resolutions 4 and 5 is subject to Resolutions 1,2 and 3 also being passed at the EGM.

#### **5.8 Recommendation**

Based on the information available (including that contained in this Explanatory Memorandum) each of the Directors considers that Resolutions 4 and 5 are in the best interests of the Company and they unanimously recommend Shareholders vote in favour of Resolutions 4 and 5.

Each of the Directors who hold Shares in the Company intend to vote the Shares they control in favour of Resolutions 4 and 5.

The Directors do not have any material personal interest in the outcome of Resolutions 4 and 5, other than their interests arising solely in their capacity as Shareholders.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4 and 5.

## **6. Resolution 6 – Issue of Shares under the Offer**

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Resolution 6 seeks Shareholder approval for the issue and allotment of Shares to investors under the Offer pursuant to Listing Rule 7.1, including approval for specified related parties (or their nominees) to participate in the Capital Raise on the same terms as unrelated participants, pursuant to Listing Rule 10.11.

### **6.1 Background**

As set out in Section 1.4, the Company is proposing to complete a capital raising to raise A\$4 million. The purpose of the Capital Raise is to raise funds to be applied towards the exploration and development of the high calcium lime project and working capital.

The Capital Raise will be undertaken pursuant to the Prospectus, to assist the Company in complying with Chapters 1 and 2 of the ASX Listing Rules, as required to obtain reinstatement of its Shares to trading on the Official List. Accordingly, the Company is proposing to issue up to 1,000,000,000 Shares at an issue price of \$0.004 per Share (on a pre-Consolidation basis) to raise up to \$4 million, in accordance with the Prospectus (**Offer Shares**).

Of the Offer shares available, Taylor Collison will be entitled to raise up to \$2.4 million (for a total of 600,000,000 new shares on a pre-Consolidation basis) of which the Company's existing shareholders will have a priority allocation of up to \$800,000 (up to 200,000,000 shares on a pre-Consolidation basis).

Existing PowerLime Shareholders (or their nominees) will be entitled to subscribe for up to \$1,600,000 (up to 400,000,000 shares on a pre-Consolidation basis).

Resolution 4 is subject to the passing of Resolutions 1, 2, 3, 15 and 16.

A voting exclusion statement is included in the Notice.

### **6.2 Related parties**

It is intended that current Director, David Brookes (or his nominee) and Future Directors, Dominic Allen and Anastasios Arima (or their nominees), will participate in the Capital Raise. The issue of shares to these related parties is addressed in Resolutions 7,8 and 9.

### **6.3 ASX Listing Rule 7.1**

As noted above, Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of the shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in a general meeting. The effect of Resolution 4 will be to allow Factor to issue and allot Shares to investors under the Offer without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 6 is passed the Company will be able to proceed with the issue of the Offer Shares and raise capital for the ongoing operations of the Company. The issue of the Offer Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed the Company will not be able to proceed with the issue of the Offer Shares, and the Capital Raise will not proceed. Additionally, the Company will not meet the compliance requirements under Chapters 1 and 2 of the Listing Rules and will not be re-admitted to the Official List.

### **6.4 Information Provided in Accordance with ASX Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares the subject of Resolution 6:

- (a) the Capital Raise Shares will be issued to retail, professional and sophisticated investors, with a priority offer made available to the Company's existing shareholders, as set out above. The Lead Manager will

manage the Capital Raising and allocations will be determined in consultation with the Board taking into particular consideration the spread requirements imposed by the ASX.

- (b) the maximum number of Shares to be issued pursuant to resolution 6 is 1,000,000,000 Shares (on a pre-Consolidation basis);
- (c) the Shares will be issued at \$0.004 per Share to raise a maximum of \$4 million;
- (d) the purpose of the issue of the Capital Raise Shares is to raise capital for the Company, and the funds raised will be applied as set out in section 1.4;
- (e) the securities being issued are fully paid Ordinary Shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (f) as at the date of the Notice of EGM, the Company intends to allot and issue the Shares five Business Days after the close of the Offer, and in any event no later than one month after the date of the EGM; and
- (g) a voting exclusion for Resolution 6 is included in the Notice.

## **6.5 Conditionality of Resolutions**

The passing of Resolution 6 is subject to Resolutions 1, 2, 3, 15 and 16 also being passed at the EGM.

## **6.6 Recommendation**

Based on the information available (including that contained in this Explanatory Memorandum) each of the Directors considers that Resolution 6 is in the best interests of the Company and they unanimously recommend Shareholders vote in favour of Resolution 6.

Each of the Directors who hold Shares in the Company intend to vote the Shares they control in favour of Resolution 6.

The Directors do not have any material personal interest in the outcome of Resolution 6, other than their interests arising solely in their capacity as Shareholders.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 6.

## **7. Resolutions 7, 8 and 9 – Director and Proposed Director Participation in the Offer**

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### **7.1 Background**

As noted above, the Company is proposing to complete a capital raising to raise A\$4 million. The purpose of the Capital Raise is to raise funds to be applied towards the exploration and development of the high calcium lime project and working capital.

The Capital Raise will be undertaken pursuant to the Prospectus, to assist the Company in complying with Chapters 1 and 2 of the ASX Listing Rules, as required to obtain reinstatement of its Shares to trading on the Official List.

### **7.2 Related parties**

It is intended that current Director, David Brookes (or his nominee) and Future Directors, Dominic Allen and Anastasios Arima (or their nominees), will participate in the Capital Raise.

The Company is seeking Shareholder approval under Listing Rule 10.11 for these related parties to participate in the Capital Raise under Resolutions 7, 8 and 9.

### **7.3 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to (among other parties):

- (a) a related party;
- (b) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Shares to the above-named Directors and Future Directors (or their nominees), as participants in the Capital Raise, falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, approval of the Shareholders under Listing Rule 10.11 is required.

#### **7.4 Information Provided in Accordance with ASX Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 7,8 and 9:

- (a) David Brookes, Dominic Allen and Anastasios Arima will each be a related party, for the purposes of Listing Rule 10.11.1, by virtue of being a Director or Future Director of the Company. Any nominees of the above-named Director and Future Directors will be related parties by virtue of being associates of the Director and Future Directors, for the purposes of Listing Rule 10.11.4;
- (b) the above related parties will be entitled to Offer Shares on the terms set out in the Prospectus. The maximum number of Shares that will be available to the Directors and Future Directors (or their nominees) will be 75,000,000, with above named Director and Future Director eligible to take up a maximum of 25,000,000 each;
- (c) the shares issued to the above named Director and Future Directors (or their nominees) will be Ordinary Shares issued in the capital of the Company on the same terms and conditions as the Company's existing Shares;
- (d) the issue price for the Shares will be \$0.004 (on a pre-Consolidation basis) being the same issue price as all other Shares issued to other participants under the Capital Raise;
- (e) the purpose of the issue of the Shares to the above-named Directors and Future Directors (or their nominees) is to raise capital for the Company as part of the Capital Raise. The Company intends to use the proceeds in accordance with section 1.4 of this Explanatory Memorandum; and
- (f) as at the date of this Notice of Meeting, the Company intends to allot and issue the Shares five Business Days after the close of the Offer, and in any event no later than 1 month after the date of this meeting.

#### **7.5 Financial Benefit**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing securities (such as shares) to a related party.

The issue, pursuant to Resolutions 7 to 9, constitutes the giving of a financial benefit because each of David Brookes, Anastasios Arima and Dominic Allen are related parties of the Company by virtue of the fact that they are a director, or proposed to be appointed as director in accordance with Resolutions 18 and 19.

In any event, the current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Shares under Resolutions 7 to 9 as the Shares will be issued on the same, arms' length terms as Shares issued to the non-related parties.

#### **7.6 Conditionality of Resolutions**

The passing of Resolutions 7 to 9 is subject to Resolution 1, 2, 3, 15 and 16.

#### **7.7 Recommendation**

The Directors, with David Brookes abstaining, unanimously recommend that Shareholders vote in favour of Resolution 7.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8 and 9.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 7 to 9.

### **8. Resolutions 10, 11, 12 and 13 – Issue of Shares to Directors in Lieu of Cash Remuneration**

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Resolutions 10 to 13 seek Shareholder approval for the issue and allotment of Shares to:

- (a) David Brookes;
- (b) John Michailidis;
- (c) Melanie Farris; and
- (d) Christian Behrenbruch,

to satisfy Directors' Fees owing to each of the above parties.

#### **8.1 Background**

As noted above, each of David Brookes, John Michailidis and Melanie Farris, are current Directors of the Company. Christian Behrenbruch was a director who retired on 28 May 2021. Each Director and the former director is owed Director's Fees, which will, subject to Shareholder approval of Resolutions 10 to 13, be satisfied by the issue of Shares.

Resolutions 10 to 13 are subject to the passing of Resolutions 1, 2, 3, 6 and 16.

A voting exclusion statement is included in the Notice.

#### **8.2 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to (among other parties):

- (a) a related party;
- (b) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Shares to the above-named parties or their nominees in lieu of payment of the outstanding Directors' Fees owed by the Company falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, approval of Shareholders under Listing Rule 10.11 is required.

If Resolutions 10 to 13 are passed, the Company will be able to proceed with the issue of Shares to the above-named Directors or former director, to satisfy Directors' Fees which are outstanding.

If Resolutions 10 to 13 are not passed the Company will not be able to proceed with the issue of Shares to the above-named Directors or former director and the current outstanding Directors' Fees will remain payable by the Company.

### **8.3 Information Provided in Accordance with ASX Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 10 to 13 :

- (a) each of the above-named people will be a related party for the purposes of Listing Rule 10.11.1, by virtue of being a director, or in the case of Dr Behrenbruch, by virtue of having been a director in the past six months:
- (b) the number of Shares to be issued to each of the above-named people in satisfaction of the Directors' Fees will be:
  - i. David Brookes: 11,212,500 shares;
  - ii. John Michailidis: 8,093,990 shares;
  - iii. Melanie Farris: 2,045,250 shares; and
  - iv. Christian Behrenbruch: 6,817,625 shares;
- (c) the Shares issued to the above-named individuals will be Ordinary Shares issued in the capital of the Company on the same terms and conditions as the Company's existing Shares;
- (d) the issue price for the Shares will be \$0.004 per Share (on a pre-Consolidation basis) being the same issue price as all other Shares issued to other participants under the Capital Raise, however, this will be satisfied by way of offset against the Directors' Fees then currently payable by the Company to each Director or the former director;
- (e) as at the date of the Notice of EGM, the Company intends to allot and issue the Shares five Business Days after the close of the Offer, and in any event no later than one month after the date of the EGM;
- (f) the purpose of the issue of the Shares to the above-named parties is to satisfy the aggregate amount of \$112,677 of Directors' Fees owing to the above Directors or former director, and accordingly there will be no funds available for use by the Company;
- (g) details of each of the above-named Directors' current total remuneration package is set out in section 1.20 of this Explanatory Memorandum; and
- (h) voting exclusions for Resolutions 10 to 13 are included in the Notice.

### **8.4 Chapter 2E of the Corporations Act**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing securities (such as shares) to a related party.

The issue of Shares to Dr Brookes, Mr Michailidis, Ms Farris and Dr Behrenbruch under Resolutions 5 to 8 constitutes giving a financial benefit because Dr Brookes, Mr Michailidis, Ms Farris and Dr Behrenbruch are related parties of the Company by virtue of each being either a director or former director of the Company.

In any event, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Shares under Resolutions 10 to 13, because the proposed issue is reasonable remuneration and, as such, falls within the exception set out in section 211 of the Corporations Act.

## **8.5 Recommendation**

The Directors abstain from making a recommendation on Resolutions 10 to 13.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 10 to 13 .

## **9. Resolution 14 – Issue of Options to Related Party – David Brookes**

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Resolution 14 seeks Shareholder approval for the issue of Options to David Brookes.

### **9.1 Background**

Subject to the conditions precedent in the SPA being met and the Company's readmission to the official list of ASX, and as cost-effective consideration for agreeing to remain as Chairman of the Board of Directors through the transition phase to a resources company, David Brookes will be offered 5,000,000 Options (on a pre-Consolidation basis).

Resolution 9 is subject to the passing of Resolutions 1, 2, 3, 6, and 16.

A voting exclusion statement is included in the Notice.

### **9.2 Chapter 2E of the Corporations Act**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing securities (such as options) to a related party.

The issue of Options to Dr Brookes under Resolution 9 constitutes giving a financial benefit because Dr Brookes is a related party of the Company by virtue of being a Director of the Company.

In any event, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Options under Resolution 9, because the proposed issue is reasonable remuneration and, as such, falls within the exception set out in section 211 of the Corporations Act.

### **9.3 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to (among other parties):

- (a) a related party;
- (b) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Options to David Brookes or his nominee falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, approval of Shareholders under Listing Rule 10.11 is required.

If Resolution 14 is passed, the Company will be able to proceed with the issue of Options to David Brookes.

If Resolution 14 is not passed the Company will not be able to proceed with the issue of Options to David Brookes.

#### **9.4 Information Provided in Accordance with ASX Listing Rule 10.13**

For the purpose of Resolution 14, the following information is provided in relation to the proposed issue of the Incentive Options in accordance with Listing Rule 10.13:

- (a) the related party is David Brookes (or his nominee) and he is a related party by virtue of being a director;
- (b) the number of Options (being the nature of the financial benefit being provided) to be allocated to David Brookes (or his nominee) is 5,000,000 Options;
- (c) the Options will be issued for nil cash consideration and accordingly no funds will be raised by the issue of the Options. The exercise price of each of the Options is \$0.012;
- (d) David Brookes' remuneration for the financial year ending 31 December 2020 consisted of Chairman's fee received of \$56,940, inclusive of superannuation paid at government-determined levels. An additional amount of \$18,889 was deferred and remained unpaid at 31 December 2020.
- (e) David Brookes' remuneration for the financial year ending 31 December 2021 consists of Chairman's fee of \$90,660, inclusive of superannuation paid at government-determined levels;
- (f) David Brookes is not eligible to receive short-term incentives or long-term incentives;
- (g) a voting exclusion statement in relation to Resolution 14 is included in the Notice;
- (h) there is no loan associated with the grant of the Options;
- (i) the purpose of the issue of the Options is to remunerate David Brookes in his capacity as Chairman and accordingly, there will be no funds available for use by the Company;
- (j) as at the date of the Notice of EGM, the Company intends to allot and issue the Options five Business Days after the close of the Offer, and in any event no later than one month after the date of the EGM; and
- (k) Shares issued on exercise of the Options will rank equally with fully paid Ordinary Shares.

#### **Recommendation**

The Directors abstain, in the interests of corporate governance, from making a recommendation on Resolution 14.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 9.

## **10. Resolution 15 – Issue of Advisor Securities**

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Resolution 15 seeks Shareholder approval for the issue of 50,000,000 Options to Taylor Collison (or its nominees).

### **10.1 Background**

Factor has entered into a letter agreement dated 26 July 2021 (**Lead Manager Mandate**) setting out the terms of engagement of the Lead Manager in relation to the Capital Raise.

In accordance with the Lead Manager Mandate, at the time of settlement of the offer under the Prospectus, the Company has agreed to issue to the Lead Manager (or its nominee(s)) Options to purchase 50,000,000 Shares in the Company (on a pre-Consolidation basis) (**Taylor Collison Options**). The Taylor Collison Options will be exercisable at \$0.012 per Option and have an expiry period that is three years from the date of admission on ASX, following completion of the Offer.



Resolution 15 is subject to the passing of Resolutions 1, 2, 3, 6 and 16.

A voting exclusion statement is included in the Notice.

## 10.2 ASX Listing Rule 7.1

As noted above, Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of the shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting. The effect of Resolution 15 will be to allow Factor to issue and allot Shares and Options under the Capital Raise without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 15 is passed the Company will be able to proceed with the issue of the Taylor Collison Options to Taylor Collison. In addition, the issue of the Taylor Collison Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 15 is not passed the Company will not be able to proceed with the issue of the Taylor Collison Options, and will be in breach of its obligations under the Lead Manager Mandate.

## 10.3 Information Provided in Accordance with ASX Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Taylor Collison Options the subject of Resolution 15:

- (a) the Taylor Collison Options will be issued to Taylor Collison (or its nominees), in accordance with the Lead Manager Mandate;
- (b) the Taylor Collison Options will comprise of options to purchase 50,000,000 Shares in the Company, with an exercise price of \$0.12 per Option. Each Option will expire three years after the date of re-admission to the Official List;
- (c) as at the date of the Notice of EGM, the Company intends to allot and issue the Options within 5 Business Days of the date of Official Quotation but in any event no later than three months after the date of the EGM;
- (d) the Taylor Collison Options are to be granted as consideration for the services provided by Taylor Collison (as Lead Manager) and no funds will be received by the Company in respect of the issue;
- (e) the key terms of the Lead Manager Mandate are summarised below:
  - i. Taylor Collison agrees to act as the lead manager and bookrunner (**Lead Manager**) to raise capital for the Company via a re-compliance listing;
  - ii. the Company has agreed, under the Lead Manager Mandate, to pay the Lead Manager:
    - a management fee of 2.0% of the total amount raised under the Offer; and
    - a capital raising fee of 4.0% of the Offer Proceeds, other than the proceeds sourced from the PowerLime vendors noted below.

Taylor Collison will be entitled to arrange to raise up to \$2.4 million in the Offer (or up to 60%), with the PowerLime Shareholders to procure Offer subscriptions of up to \$1.6. For the avoidance of doubt, proceeds procured from the PowerLime Shareholders will not attract the Capital Raising Fee noted above.
  - iii. at the time of settlement of the Offer, the Company has agreed to issue to the Lead Manager (or its nominee(s)) the Taylor Collison Options;

- iv. the Lead Manager Mandate operates until terminated by the Company or the Lead Manager in accordance with the terms of the engagement; and
  - v. either the Company or the Lead Manager can terminate the engagement at any time by written notice to the other party; and
- (f) a voting exclusion for Resolution 15 is included in the Notice.

#### 10.4 Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 15.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 15.

### 11. Resolution 16 – Consolidation of Capital

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Resolution 16 seeks Shareholder approval of the Consolidation of the Company's Shares and Options (constituting all Shares and Options on issue) on a 10:1 basis (i.e. 10 Shares to 1 Share and 10 Options to 1 option) (**Consolidation**).

#### 11.1 Background

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company, and to ensure a more appropriate Share price and Option exercise price, for its investors. The Consolidation will occur immediately on the close of the EGM, prior to the Proposed Transaction completing and the proposed issue of Shares pursuant to the Capital Raise.

With the exception of this section 11 of the Explanatory Memorandum, all prices for any securities noted in the Notice of EGM are on a pre-Consolidation basis.

Resolution 16 is subject to the passing of Resolutions 1, 2, 3 and 6.

#### 11.2 Corporations Act – s 254H

Section 254H of the Corporations Act provides that a company may convert its shares into a larger or smaller number of shares, by resolution passed at a general meeting, with the conversion to take effect the day the resolution is passed, or on such later date specified in the resolution.

#### 11.3 Information Provided in Accordance with ASX Listing Rule 7.20

Pursuant to and in accordance with Listing Rule 7.20, the following information is provided in relation to the Consolidation contemplated by Resolution 16:

- (a) the Consolidation will have the following effect on the number of securities issued in the Company as at the date of the EGM:

Capital Structure	Shares	Options
Pre-Consolidation Securities	1,042,835,633	2,250,000
Post-Consolidation Securities	104,283,563	225,000

- (b) where the number of Shares or Options held as a result of the Consolidation includes any fraction of a security, that fraction will be rounded up to the nearest whole number of Shares or Options; and
- (c) as noted in the table above, as at the date of the EGM there will be 2,250,000 unlisted Options on issue. If the Consolidation is approved, the Options will be reorganised in accordance with Listing Rule 7.22.1 – the number of Options will be consolidated in the same ratio as the Shares and the exercise price will be amended in the inverse proportion to that ratio.

#### 11.4 Proposed timetable for Consolidation

Event	Date
Company announces Consolidation	Monday, 26 July 2021
Dispatch of notice of meeting	Tuesday, 10 August 2021
EGM and effective date of Consolidation	Thursday, 9 September 2021
Last day for trading in pre-Consolidation securities	Friday, 10 September 2021
Record date	Tuesday, 14 September 2021
First day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold	Wednesday, 15 September 2021
Last day for the Company to update its register and to send holding statements to security holders reflect the change in the number of securities they hold and to notify ASX that this has occurred	Tuesday, 21 September 2021

#### 11.5 Holding Statements

From the date of the Consolidation, all holding statements for securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. After the Consolidation, new holding statements for securities will be issued to holders of those securities. It is the responsibility of each Shareholder to check the number of securities held after the Consolidation.

#### 11.6 Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 16.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 16.

### 12. Resolution 17 – Change of Company Name

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Resolution 17 seeks Shareholder approval for the change of the Company's name from 'Factor Therapeutics Limited' to 'Dominion Minerals Limited'.

#### 12.1 Background

The Board proposes a change in the name of the Company to more accurately reflect the operations of the Company, following completion of the Proposed Transaction (**Completion**). If Resolution 12 is passed, the change of name will be conditional on Completion. The change of name will take effect when ASIC alters the details of the Company's registration.

Resolution 17 is a special resolution and will need to be passed by at least 75% of the votes cast by the Shareholders present and entitled to vote at the EGM.

Resolutions 17 is subject to the passing of Resolutions 1,2,3 and 6.

#### 12.2 Legal Requirements

Section 157 of the Corporations Act provides that for a company to change its name, it must pass a special resolution adopting a new name, and lodge an application in the prescribed form with ASIC. If Resolution 12 is passed, the Company will lodge the prescribed form with ASIC following Completion.

### **12.3 Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 17.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 17.

## **13. Resolutions 18 and 19 – Appointment of Directors**

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Resolutions 18 and 19 seek Shareholder approval of the appointment of PowerLime’s nominee directors, Mr Dominic Allen and Mr Anastasios Arima, on and from the date of Official Quotation.

### **13.1 Background**

In accordance with the SPA entered into with the PowerLime Shareholders (as detailed in section 1.3 of this Explanatory Memorandum) the PowerLime Shareholders are entitled to nominate two directors to the Board of the Company. Subject to Resolutions 1, 2, 3, 6 and 15 being passed, the proposed directors seek election from the Shareholders to be appointed to the Board on and from the date of Official Quotation.

The qualifications and experience of each of the potential new directors are set out in section 1.16 of this Explanatory Memorandum..

### **13.2 Legal Requirements**

Mr Allen and Mr Arima are eligible for election to the office of director having been nominated by the directors in accordance with clause 19.3(h)(ii) of the Company’s Constitution.

Based on his executive management role and shareholding in PowerLime and his proposed executive role within the Company, the Board does not currently consider that Mr Dominic Allen will be an independent director.

Based on his directorship and shareholding of PowerLime, the Board does not currently consider that Mr Anastasios Arima will be an independent director.

### **13.3 Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolutions 18 and 19.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 18 and 19.

# Glossary

Factor Therapeutics Limited ACN 101 955 088

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<b>Acquisition Resolutions</b>	Resolutions 1 to 3 set out in the Notice of EGM
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Business Days</b>	means Monday to Friday inclusive, except New Years' Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Capital Raise</b>	has the meaning given in section 1.1.
<b>Capital Raise Shares</b>	means the Shares that are proposed to be issued under Resolution 3.
<b>Closely Related Party</b>	has the meaning given in section 9 of the Corporations Act.
<b>Company</b>	means Factor Therapeutics Limited ACN 101 955 088.
<b>Completion</b>	means completion of the Proposed Transaction
<b>Consideration Shares</b>	means the Shares and Options that a proposed to be issued under Resolution 2.
<b>Consolidation</b>	has the meaning given in section 11.
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Director's Fees</b>	means fees payable to the Directors.
<b>Explanatory Memorandum</b>	means this explanatory memorandum attached to the Notice of Meeting.
<b>Extraordinary General Meeting, EGM or Meeting</b>	means the extraordinary general meeting of the Company the subject of this Notice of Meeting.
<b>Financial Report</b>	means the financial report of the Company for the year ended on 31 December 2020.
<b>Incentive Options</b>	means the incentive options that are proposed to be issued under Resolution 9.
<b>Key Management Personnel</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Management Options</b>	has the meaning given in section 4.
<b>Notice of Meeting or Notice</b>	means the notice of meeting and includes the Explanatory Memorandum.
<b>Offer</b>	has the meaning given in section 1.1.
<b>Official List</b>	means the Official List of the ASX.
<b>Official Quotation</b>	has the meaning given in section 1.1.
<b>Options</b>	means unlisted options to acquired Shares in the Company
<b>Option Holder</b>	means the holder of an Option.

<b>Option Agreement</b>	has the meaning given in section 1.2.
<b>Parties</b>	means Factor Therapeutics Limited ACN 101 955 088 and PowerLime
<b>PowerLime</b>	means Powerlime, Inc., a North Carolina corporation.
<b>Powerlime Senior Management Team</b>	means those members of PowerLime, Inc.'s senior management team that are proposed to received Management Options if Resolution 3 is passed.
<b>PowerLime Shareholders</b>	means the registered holders of shares of PowerLime, Inc.
<b>Powerlime Shares</b>	means the existing fully paid ordinary shares in Powerlime
<b>Proposed Transaction</b>	has the meaning given in section 1.1
<b>Property</b>	has the meaning given in section 1.2.
<b>Remuneration Report</b>	means the section of the Directors' report for the year ended on 31 December 2020, that is included under section 300A(1) of the Corporations Act.
<b>Restricted Securities</b>	has the meaning given in Listing Rule 10.7
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Share Registry</b>	means the Company's share registry, being Link Market Services Limited.
<b>Shareholder</b>	means a person who is the registered holder of Shares.
<b>SPA</b>	has the meaning given in section 1.1.

## SCHEDULE A – PRO FORMA STATEMENT OF FINANCIAL POSITION

Note: The Pro Forma Statement of Financial Position is provided for illustrative purposes and is not represented as being necessarily indicative of Factor Therapeutics Limited's view of its Statement of Financial Position upon Completion of the Offer or at a future date.

	Statutory 30-Jun-21	Payment of deferred director fees as at 30 August 2021	Acquisition of PowerLime	Offer	Proforma 30-Jun-21
<b>Current Assets</b>					
Cash and cash equivalents	3,077,210	-	(406,338)	4,000,000	6,670,872
Trade and other receivables	3,529	-	-	-	3,529
Other current assets	13,183	-	-	-	13,183
<b>Total Current Assets</b>	<b>3,093,922</b>	<b>-</b>	<b>(406,338)</b>	<b>4,000,000</b>	<b>6,687,584</b>
<b>Non-Current Assets</b>					
Trade and other receivables	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
Other non-current assets	49,793	-	1,324,794	-	1,374,587
<b>Total Non-Current Assets</b>	<b>49,793</b>	<b>-</b>	<b>1,324,794</b>	<b>-</b>	<b>1,374,587</b>
<b>Total Assets</b>	<b>3,143,715</b>	<b>-</b>	<b>918,456</b>	<b>4,000,000</b>	<b>8,062,171</b>
<b>Current Liabilities</b>					
Trade and other payables	155,938	(105,256)	-	410,550	461,232
Financial liabilities	-	-	-	-	-
Short-term provisions	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>155,938</b>	<b>(105,256)</b>	<b>-</b>	<b>410,550</b>	<b>461,232</b>
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	-	-	-	-	-
Long-term provisions	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>155,938</b>	<b>(105,256)</b>	<b>-</b>	<b>410,550</b>	<b>461,232</b>
<b>Net Assets</b>	<b>2,987,777</b>	<b>105,256</b>	<b>918,456</b>	<b>3,589,450</b>	<b>7,600,939</b>
<b>Equity</b>					
Issued Capital	84,213,601	112,677	750,000	3,677,627	88,753,906
Reserves	59,338	-	184,206	25,804	269,348
Accumulated Losses	(81,285,162)	(7,421)	-	(113,981)	(81,406,564)
<b>Total Equity</b>	<b>2,987,777</b>	<b>105,256</b>	<b>934,206</b>	<b>3,589,450</b>	<b>7,616,690</b>

## Schedule B – Terms of Options

Exercise Price	The Company will issue the Options with an exercise price of \$0.012 (on a pre-Consolidation basis).
Expiry Date	The Options will expire four years from the date of Official Quotation.
Exercise Period	Subject to the ASX Restriction Period and any restrictions imposed in the Restriction Deed, the Options are exercisable at any time on or prior to the Expiry Date.
ASX Restriction Period	<p>Management Options issued to Mr Arima and Mr Allen will be subject to a period of mandatory escrow for a period of 24 months.</p> <p>Consideration Options issued to Mr Arima and Mr Anastasios will be subject to a period of mandatory escrow for a period of 24 months.</p> <p>Directors Options issued to Mr Brookes will be subject to a period of mandatory escrow for a period of 24 months.</p>
Entitlement	Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
Method of	Options may be exercised by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date. Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Exercise Notice	Each Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency by electronic funds transfer or other means of payment acceptable to the Company) to the Company of an amount being the result of the Exercise Price multiplied by the number of Options being exercised.
Rank	Shares issued pursuant to an exercise of Options will rank, from the date of issue, pari passu with existing Shares in all respects.
Timing of issue	<p>Within 15 Business Days after the later of the following:</p> <ul style="list-style-type: none"> <li>• the Exercise Date; and</li> <li>• when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,</li> </ul> <p>but in any case no later than 20 Business Days after the Exercise Date, the Company will:</p> <ul style="list-style-type: none"> <li>• issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and</li> <li>• if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act.</li> </ul>
Participation in pro rata issues	Options carry no right to participate in pro rata issues of securities to Shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
Notification	Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to Shareholders a reasonable period prior to the record date set for that pro rata issue to give the Option Holder the opportunity to exercise the Options in sufficient time to receive, before that record date, Shares issued on the exercise of Options entitling participation in the pro rata issue.



Reorganisation of capital	In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of all the Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and the Listing Rules at the time of the reorganisation.
Change in Exercise Price	An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
Bonus issue	<p>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):</p> <ul style="list-style-type: none"> <li>• the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for the bonus issue; and</li> <li>• no change will be made to the Exercise Price.</li> </ul>