TITOMIC



PROSPECTUS
TITOMIC LIMITED

ACN 602 793 644

LEAD MANAGER AND UNDERWRITER

PAC PARTNERS

IMPORTANT NOTICES

OFFERS

The Public Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares in Titomic Limited (ACN 602 793 644) (Titomic or Company). This Prospectus is issued by the Company.

LODGEMENT AND LISTING

This Prospectus is dated 10 August 2017 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date. None of ASIC, the Australian Securities Exchange (ASX) or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company has applied to ASX for listing and quotation of the Shares on ASX.

This Prospectus expires on the date which is 13 months after the date of this Prospectus. No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

NOTE TO APPLICANTS

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in Titomic. You should carefully consider this Prospectus in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

Some of the risk factors that should be considered by prospective investors are set out in Section 8. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of Titomic, the repayment of capital by Titomic or the payment of a return on the Shares.

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

CSIRO has not caused or authorised the issue of this document. CSIRO does not make, or purport to make any statement included in this document, nor is any statement included in this document based on any statement made by CSIRO. To the maximum extent permitted by law, CSIRO expressly disclaims and takes no responsibility for any part of this document. CSIRO does not give any guarantee or assurance as to the performance of Titomic or the repayment of any capital invested. Titomic indemnifies CSIRO against all liability, costs, expenses, loss, damage suffered or incurred by it as a result of any claim arising out of or in connection with the Offers. Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature whatsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part

of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Shares acquired under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

EXPOSURE PERIOD

The Corporations Act 2001 (Cth) (Corporations Act) prohibits Titomic from processing applications in the seven day period after the date of lodgement of this Prospectus (Exposure Period). This period may be extended by ASIC by up to a further seven days. The Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

OBTAINING A COPY OF THIS PROSPECTUS

The Offers constituted by this Prospectus in electronic form at www.titomic.com is available only to persons within Australia or certain persons in jurisdictions authorised by Titomic.

Subject to the foregoing, it is not available to persons in other jurisdictions (including the United States). Persons having received a copy of this Prospectus in its electronic form may, before the Offers close, obtain a paper copy of this Prospectus (free of charge) by telephoning the Titomic Offer Information Line on 1300 103 209 within Australia. If you are eligible to participate in the Offers and are calling from outside Australia, you should call +61 3 9415 4310.

Applications for Shares may only be made on an application form attached to or accompanying this Prospectus, or via the relevant electronic application form attached to the electronic version of this Prospectus (Application Form) available at www.titomic.com. The Corporations Act prohibits any person from passing the Application Form onto another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. Refer to Section 4 for further information.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of Titomic. Investors should be aware that past performance is not indicative of future performance.

FINANCIAL PERFORMANCE

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 5.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards.

All financial amounts contained in this Prospectus are expressed in Australian currency, unless otherwise stated.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

FORWARD LOOKING STATEMENTS AND MARKETING AND INDUSTRY DATA

Certain statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus.

Some of the key risk factors that should be considered by prospective investors are set out in Section 8. There may be risk factors in addition to these that should be considered in light of your personal circumstances. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

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

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, Section 8 and other information in this Prospectus. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by any forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Applicants should carefully consider the risk factors that affect the Company specifically and the manufacturing industry in which it proposes to operate. Applicants should understand that an investment in the Company is both speculative and subject to a wide range of risks and that, even if the Company successfully demonstrates the feasibility of its manufacturing processes, Applicants may lose the entire value of their investment.

INDUSTRY AND MARKET DATA

Industry and market data used throughout this Prospectus is, in most cases, obtained from surveys and studies conducted by third parties and industry or general publications. The Company has used an independent industry report into the Additive Manufacturing industry, which forms the basis for the Industry Overview section in this Prospectus. The Company considers that this information provides an independent insight into the Additive Manufacturing market.

PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Titomic. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

COMPANY WEBSITE

Any references to documents included on Titomic's website at www.titomic.com are for convenience only, and none of the documents or other information available on Titomic's website is incorporated herein by reference.

DEFINED TERMS AND TIME

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary in Section 11.

Unless otherwise stated or implied, references to times in this Prospectus are to Melbourne time.

DISCLAIMER

Except as required by law, and only to the extent so required, neither Titomic nor any other person warrants or guarantees the future performance of Titomic, or any return on any investment made pursuant to this Prospectus.

To the maximum extent permitted by law, CSIRO expressly disclaims and takes no responsibility for any part of this document. Investments in Titomic Limited are not investments, deposits or other liabilities of CSIRO. CSIRO does not give any guarantee or assurance as to the performance of Titomic or any repayment of any capital invested.

As set out in Section 4.11.3 it is expected that the Shares will be quoted on the ASX initially on a conditional and deferred settlement basis. Titomic's service provider Computershare and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

SELLING RESTRICTIONS

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

This Prospectus may not be distributed to, or relied upon by, any person in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933, (US Securities Act) or the securities laws of any state of the United States and may not be offered or sold in the United States unless the Shares are registered under the US Securities Act, or are offered or sold in a transaction exempt from, or not subject to the registration requirements of the US Securities Act and applicable US state Securities laws is available.

PRIVACY

By filling out the Application Form to apply for Shares, you are providing personal information to Titomic through the Share Registry, which is contracted by Titomic to manage applications. Titomic and the Share Registry on their behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration. If you do not provide the information requested in the Application Form, Titomic and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by Titomic, which it considers may be of interest to you.

Your personal information may also be provided to Titomic's agents and service providers on the basis that they deal with such information in accordance with Titomic's privacy policy. The agents and service providers of Titomic may be located outside Australia where your personal information may not receive the same level of

protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires Titomic to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. The information contained in Titomic's register of members must remain there even if that person ceases to be a Shareholder. Information contained in Titomic's register of members is also used to facilitate dividend payments, corporate communications (including Titomic's financial results, annual reports and other information that Titomic may wish to communicate to its Shareholders) and compliance by Titomic with legal and regulatory requirements. An Applicant has a right to gain access to their personal information that Titomic and the Share Registry hold about that person, subject to certain exemptions under law.

A fee may be charged for access. Access requests must be made in writing or by a telephone call to Titomic's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. Applicants can obtain a copy of Titomic's privacy policy by visiting the Titomic website (www.titomic.com).

By submitting an Application, you agree that Titomic and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offers.

USE OF TRADEMARKS

This Prospectus includes Titomic's registered and unregistered trademarks. All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

CONT

KEY OFFER DETAILS 10

CHAIR'S LETTER 12

1. INVESTMENT OVERVIEW 13

2. INDUSTRY OVERVIEW 40

3. BUSINESS / COMPANY OVERVIEW 46

4. DETAILS OF THE OFFER 56

5. FINANCIAL INFORMATION 70

6. INVESTIGATING ACCOUNTANT'S REPORT 90

7. INTELLECTUAL PROPERTY REPORT 96

8. RISK FACTORS 109

9. KEY PEOPLE, INTERESTS AND BENEFITS 115

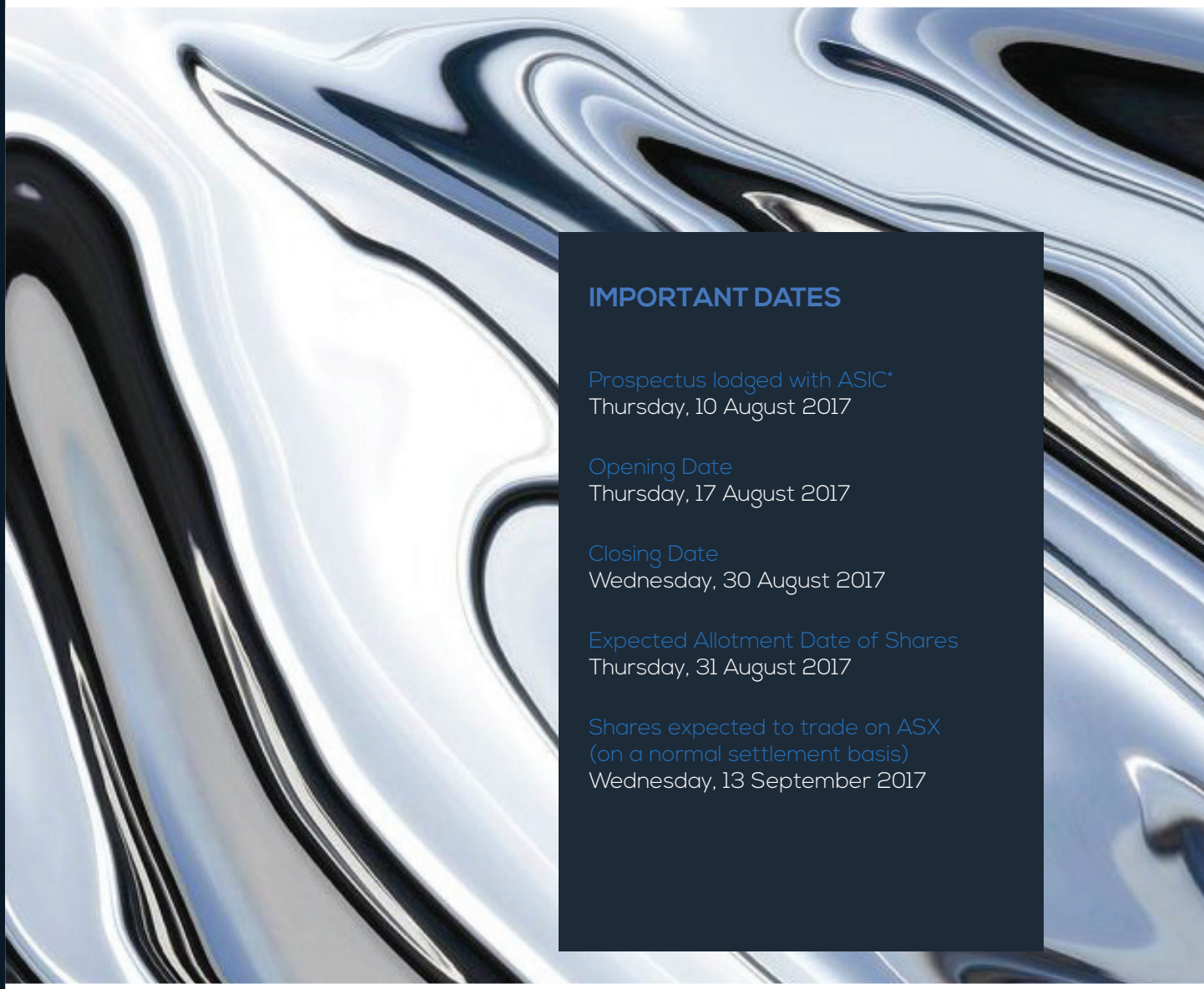
10. ADDITIONAL INFORMATION 136

11. GLOSSARY 148

CORPORATE DIRECTORY 154

TENTS

KEY OFFER DETAILS



IMPORTANT DATES

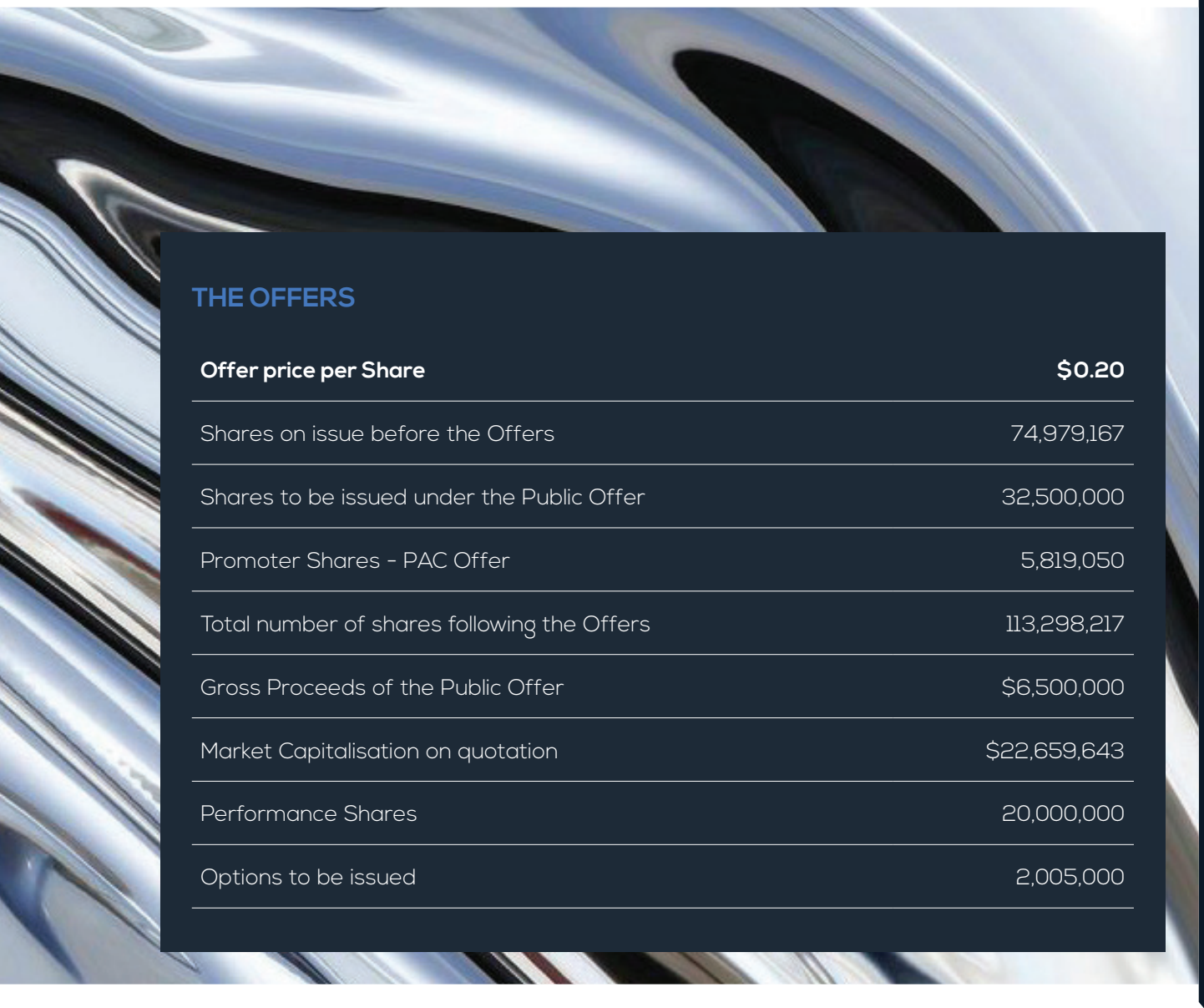
Prospectus lodged with ASIC*
Thursday, 10 August 2017

Opening Date
Thursday, 17 August 2017

Closing Date
Wednesday, 30 August 2017

Expected Allotment Date of Shares
Thursday, 31 August 2017

Shares expected to trade on ASX
(on a normal settlement basis)
Wednesday, 13 September 2017



THE OFFERS

Offer price per Share	**$0.20**
Shares on issue before the Offers	74,979,167
Shares to be issued under the Public Offer	32,500,000
Promoter Shares - PAC Offer	5,819,050
Total number of shares following the Offers	113,298,217
Gross Proceeds of the Public Offer	$6,500,000
Market Capitalisation on quotation	$22,659,643
Performance Shares	20,000,000
Options to be issued	2,005,000

Notes: *This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Public Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Public Offer before Completion of the Public Offer, in each case without notifying any recipient of this Prospectus or Applicants). If an offer is cancelled or withdrawn before Completion of the Public Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after an offer opens.*

CHAIR'S LETTER



Dear Investor,

On behalf of the Board of Titomic Limited, it is my pleasure to present this Prospectus for our initial public offer. Titomic Limited intends to raise $6.5 million under the Public Offer. The Public Offer is fully underwritten by PAC Partners.

Titomic has the exclusive rights to commercialise, a proprietary and patented process, for the application of cold-gas dynamic spraying of Titanium or Titanium alloy particles onto a scaffold to produce a load bearing structure. This technology was originally co-developed by the CSIRO and Force Industries, and forms part of what is being marketed by Titomic as Titomic Kinetic Fusion.

The Board of Titomic is excited by the Titomic Kinetic Fusion process and its unique features and properties, namely; the speed at which the manufacturing takes place, the ability to create large, light and strong componentry for industrial scale manufacture without welding, at a lower input and materials cost, with a wide range of applications.

The novel applications specified by the Licensed Patent are predominantly focused on the manufacture of parts or complete products by using Cold Spray to deposit metal powder onto a thin scaffold to form the basis and shape of the finished product.

The proceeds of the Public Offer are intended to be used to further develop the Titomic Kinetic Fusion technology and commence the Company's commercialisation strategy.

The Public Offer is subject to risks, and there can be no assurance that the Titomic Kinetic Fusion technology will meet all regulatory requirements and be successfully commercialised. Please refer to Section 8 (Risk Factors) for more information about the risks of the Public Offer.

On behalf of the Board of Directors, I present the Offers to you and recommend that you read this Prospectus in full. I look forward to welcoming you as a supportive shareholder of the Company.

Yours sincerely,

Philip Vafiadis
Chairman

INVESTMENT OVERVIEW

1.1. OVERVIEW OF TITOMIC AND KEY FEATURES OF ITS BUSINESS MODEL

TOPIC	SUMMARY	FURTHER INFORMATION
Who is Titomic?	Titomic is an unlisted Australian Public company.	Section 3
What is Titomic Kinetic Fusion	The Titomic Kinetic Fusion process, is based on a well-known and widely used technology called "cold spray" technology. Cold spray technology makes it possible to create a coating from Titanium metal powder (and other metal powders) by bombarding a solid phase material at supersonic speed, without melting or vaporising it, by using inert gases. When the material bombarding the substrate at supersonic speed reaches the critical speed, its particles undergo plastic deformation and the coating is created. Accordingly, unlike other spraying techniques, Cold Spray makes it possible to minimise any change in the properties of the material due to heat or oxidation in the coating. Cold Spray is broadly used for metal coatings or repairs and is a reliable technology used in industrial and military sectors. For example, Cold Spray is used to repair Blackhawk helicopters for the US military. Titomic has the exclusive rights to commercialise, a proprietary CSIRO patented process, for the application of cold-gas dynamic spraying of Titanium or Titanium alloy particles onto a scaffold to produce a load bearing structure. This technology was originally co-developed by the CSIRO and Force Industries, and forms part of what is being marketed by Titomic as Titomic Kinetic Fusion. The novel applications specified by the Licensed Patent are predominantly focused on the manufacture of parts or complete products by using Cold Spray to deposit Titanium onto a thin scaffold to form the basis and shape of the finished product.	Section 3.1

The Melbourne Facility, currently under construction, consists of three independent production areas including a Research & Development cell, Production cell and Finishing & Polishing cell.

Titomic Kinetic Fusion technology is not limited to the CSIRO licensed, patented process of building a Titanium part onto a scaffold. The Titomic Research & Development cell currently under construction will be one of the world's largest 3D metal printers with a build size of up to 40.5 cubic meters and is intended to use not only Titanium and Titanium alloys but many other metals as well as ceramic based materials.

To further compliment Titomic's manufacturing capabilities and showcase its equipment, a fully automated Titomic Kinetic Fusion Production cell is also being constructed for manufacturing of Titanium bicycle frames (as well as other metal products) suitable for mass production. This Production cell utilises digital robotics to fully automate the production of Titanium parts by Cold Spray. The parts are then automatically moved to a subsequent robotic Finishing & Polishing cell.

The advantages of the Titomic Kinetic Fusion process are the ability to manufacture industrial scale, large size Titanium parts, for various industries with speed and significant cost saving compared to traditional fabrication technologies for Titanium.

The Titomic Kinetic Fusion process can utilise cost effective Titanium powders which enables the use of Titanium's high performance mechanical and corrosion resistant properties to be utilised in Industries where the cost associated with traditional Titanium wrought fabrication methods is generally speaking prohibitive. This allows industries such as the automotive and marine industries to manufacture existing aluminum and steel components in Titanium in a cost effective manner. The added benefits of utilising Titanium compared to existing metal materials are the significant increase in performance properties of weight reduction, corrosion resistance as well as other complimentary mechanical properties.

TOPIC	SUMMARY	FURTHER INFORMATION
What is the CSIRO Patent Application?	The international patent application PCT/AU2013243224 was filed on 26 March 2013 (CSIRO Patent Application) and claims priority over the Australian provisional patent application AU 2012901345 which was filed on 4 April 2012. The CSIRO Patent Application relates to a proprietary and patented process, for the application of cold-gas dynamic spraying of Titanium or Titanium alloy particles onto a scaffold to produce a load bearing structure. As a result of the CSIRO Patent Application, patents have been granted in New Zealand, USA and Japan with applications pending in the following jurisdictions; Australia, China, Hong Kong, Europe (application before the European Patent Office), and the Republic of Korea.	Section 3.1.3 to Section 3.1.5 and Section 7
What is Titomic's history?	Titomic was incorporated in 2014 to research and develop a new solid-state additive manufacturing process using Cold Spray to produce bulk 3D forms and coatings from powder feed stock that is both metallic and non-metallic. This new metal additive manufacturing process, Titomic Kinetic Fusion, has a focus on industrial scale manufacturing of large size metal parts as well as high volume production of complex shaped parts. Titomic has the exclusive rights to commercialise, a proprietary and patented process, for the application of cold-gas dynamic spraying of Titanium or Titanium alloy particles onto a scaffold to produce a load bearing structure. This technology was originally co-developed by the CSIRO and Force Industries. These rights exist for the period and protection afforded pursuant to the underlying patents, typically 20 years. In 2009, Force Industries was asked to be part of the new CSIRO Direct Manufacturing Centre (DMC) for cold spray technology at the CSIRO Clayton, Victorian division. The DMC was set up to help industry partners to explore Cold Spray coating technology as a potential new additive manufacturing technology to commercially exploit Australia's vast reserves of Titanium within mineral sands.	Section 3.1.2

The commercial opportunities for this newly developed technology differed greatly from Force Industries' traditional business and Force Industries decided to novate the licensed CSIRO Patent Application to a new entity to exploit these commercial opportunities.

In addition to the CSIRO Patent Application, which forms part of the Titomic Kinetic Fusion process for complex shaped Titanium load bearing structures, considerable research & development has also been conducted to identify other commercial opportunities for this new technology. The manufacturing of near net shape Titanium parts, the repair of metal components and structures, ballistic protection coating for defence and space application and specialised coatings for marine application are just some of the future opportunities for Titomic.

TOPIC	SUMMARY	FURTHER INFORMATION
What is the relationship between Force Industries and Titomic?	Jeffrey Lang was the Managing Director of Force Industries and is a Director of Titomic. Richard Fox is the largest shareholder of Force Industries and is a Director of Titomic. Timothy Fox (previous Director of Titomic and son of Richard Fox) was a founding Director of Titomic and is still a shareholder, and is an Executive Director of Force Industries. Titomic has the right to commercialise and exploit the patent application (being International Patent Application PCT/AU2013/000318). Force Industries originally licensed the CSIRO Patent Application from the CSIRO. This licence has since been novated from Force Industries to Titomic in its entirety, with no remaining rights, royalties or warrants to the benefit of Force Industries.	Section 3.1.2
Provisional Patent	A provisional patent is a measure to afford protection to an invention before submitting a formal patent application. It provides the applicant with twelve months to consider whether they want to proceed with a patent application given it can be an expensive and lengthy process. A provisional patent establishes a priority date which is used to prove to a third party that the provisional applicant came up with the new invention first. Titomic is in the process of lodging additional provisional patents for new Titomic Kinetic Fusion additive manufacturing methods and processes. The Directors anticipate that these additional advanced manufacturing technologies can provide Titomic with a competitive edge in the additive manufacturing of metals and other specialised materials across multiple industry sectors. It is possible to file one or more provisional patent applications and associated provisional patent specifications within the twelve months following the priority date, to cover improvements and modifications to the aspects disclosed in an earlier specification. This lodgment process is not unusual, and may be undertaken as more is learnt about the processes involved in the manufacture of various items. This comment also applies to the provisional patent filings to be made by Titomic.	

TOPIC	SUMMARY	FURTHER INFORMATION
In what market does Titomic operate?	Titomic operates within the additive manufacturing sector and is focused on developing and commercialising metal additive manufacturing processes, which includes the Titomic Kinetic Fusion process. Titomic's differentiator in the metal additive manufacturing industry is the ability to manufacture industrial scale, large size parts currently not available with any other system or technology. Currently, Titomic is head quartered in Victoria, Australia and conducts business within this jurisdiction. Business development activities are focused on Australia, USA and Europe.	Section 2.1.1
How does Titomic generate its income?	Titomic was incorporated in 2014 and has not yet begun to commercialise the Titomic Kinetic Fusion process. As such, no income will be generated by Titomic until it can successfully commercialise the Titomic Kinetic Fusion technology. Titomic intends to derive income from the following: • **Research & development prototyping services bureau;** Provision of research and development services for bespoke prototyping requirements; • **Equipment sales;** Sale of Titomic Kinetic Fusion production systems / equipment; • **Powder and consumables supply;** Sale of metal powders and consumables to support the Titomic Kinetic Fusion systems; • **Service & maintenance;** Provision of services and maintenance of the Titomic Kinetic Fusion systems; and • **Manufacturing services;** Provision of contract manufacturing and demonstration production runs.	Section 3.2.1

TOPIC	SUMMARY	FURTHER INFORMATION
What is Titomic's business model?	Following completion of the Offers, the Company anticipates the completion and commissioning of one of the world's largest cold spray Research & Development cells. To further compliment Titomic's manufacturing capabilities, a Titomic Kinetic Fusion Production cell, and a Finishing & Polishing cell has been commissioned showcasing a full 3D additive manufacturing production system. This fully automated production line will be capable of manufacturing, and finishing/ polishing complex shaped Titanium products, such as bicycle and wheelchair frames. The Research & Development, Production and Finishing & Polishing cells are due for completion in the fourth quarter of 2017. Production trials are intended to commence in the first quarter of 2018 at the Melbourne Facility. The Melbourne Facility intends to service a number of industries including aerospace, automotive, building and construction, industrial equipment, marine, medical and patient equipment, military and sporting goods. Titomic intends to provide designers, engineers, researchers, brands and manufacturers, with advanced manufacturing Research & Development facilities and specialised expertise. Potential clients can produce prototypes and run small scale manufacturing trials of their own products to evaluate the Titomic Kinetic Fusion equipment and process. If a client wishes to manufacture parts using the Titomic Kinetic Fusion process, it is anticipated that: 1. Initially, the client is offered a product licence to use the Titomic Kinetic Fusion process to manufacture prototypes of a specific product part or design. It is currently expected that each product licence will include minimum performance requirements, including manufacturing quotas and licence fees; and	Section 3.2

	2. After the product has been fully tested and validated, the client will be offered a manufacturing licence, to allow them to use the Titomic Kinetic Fusion process to manufacture their product via the purchase of a turnkey Titomic Kinetic Fusion equipment / systems, or by licencing production of their product to a Titomic or another third party manufacturer approved by Titomic.	

TOPIC	SUMMARY	FURTHER INFORMATION
What are the key terms of the license with the CSIRO?	Titomic has licenced the CSIRO Patent Application from the CSIRO. The CSIRO License is an exclusive license. The CSIRO License continues until the CSIRO Patent Application (and any patent granted under it) expires, lapses or ceases, unless the license agreement is terminated earlier (generally, 20 years from the date on which the patent is granted). Under the CSIRO License, Titomic is entitled to commercially exploit the patent by manufacturing components of a monocoque design (that is, a design where the external surface of the structure provides load-bearing functionality), which are achieved by cold spraying Titanium or Titanium alloys on a base material scaffold to create a load bearing structure, without any requirement for welding or fasteners. The Company must pay research fees of $350,000 over five years for research work to be undertaken by CSIRO and pay royalties, including meet a minimum royalty payment threshold. There are no geographical restrictions on the rights granted under the CSIRO License. Under the terms of the CSIRO License, Titomic is not permitted to use the technology the subject of the CSIRO Patent Application to manufacture components for boats and or seamless Titanium and Titanium alloy pipes. For further details of the licence between Titomic and CSIRO, please refer to Section 10.	Section 10.4.5

TOPIC	SUMMARY	FURTHER INFORMATION
Why is the Public Offer being conducted?	The purpose of the Public Offer is to: • facilitate the Company's application for admission to the Official List of the ASX; • raise up to $6,500,000 pursuant to the Public Offer, which shall be used for purposes including: • the commissioning of the Melbourne Facility; • to co-develop parts production with national and international clients; and • build capacity for sales and service of Titomic Kinetic Fusion systems, powder and consumables.	
What is the market capitalisation of the Company be upon listing on ASX?	The market capitalisation of the Company will be $22,59,643 based on the number of shares anticipated to be on issue following the IPO and the Offer Price.	

1.2. KEY STRENGTHS

TOPIC	SUMMARY	FURTHER INFORMATION
Speed of Titomic Kinetic Fusion process	The Titomic Kinetic Fusion process is an automated additive manufacturing process which has superior advantages in speed of manufacture by utilising state of the art robotics combined with the fastest deposition rates available for metal particles via the Cold Spray process.	Section 3.1.1
Size and Strength of Titomic Kinetic Fusion products	The Titomic Kinetic Fusion process is not generally speaking, limited to build size as with other metal additive manufacturing processes. Other metal additive manufacturing processes melt the metal creating oxidation problems and thermal distortion in order to avoid these problems and require an inert environment chamber (which limits build size). The Titomic Kinetic Fusion process does not require an inert environment chamber (as the process does not melt the metal), therefore, build size is not limited. The Titomic Kinetic Fusion process will be able to create large industrial scale parts and structures. The Titomic Kinetic Fusion products create light weight, large scale, seameless monocoque load bearing structures which display improved performance characteristics, including better structural integrity when compared to traditional manufacturing methods. This is as a result of not using welding or fasteners to build a structure, as welds/fasterners are generally speaking considered as weak points in structures. Further, the Titomic Kinetic Fusion is capable of seamlessly joining dissimilar metals for enhanced mechanical performance properties in a structure or part.	Section 3.1

TOPIC	SUMMARY	FURTHER INFORMATION
Cost of Titomic Kinetic Fusion process	In many applications the Titomic Kinetic Fusion process can use cheaper grade Titanium powders of dissimilar particle sizes and irregular shape profiles. Other 3D metal printers require highly refined powders with uniform particle size distribution and/or expensive spherical powders. Irregular sized Titanium powders are significantly cheaper than refined spherical powders (approximately US$20-50 per kilogram versus US$300-800 per kilogram). This enables Titomic Kinetic Fusion Systems to build Titanium parts that are less expensive than other additive manufacturing processes and also in many cases less expensive than the fabrication and machining of larger Titanium parts.	Section 3.2
Potential applications	Titanium is used in a wide variety of product applications. Titomic has identified a wide range of sectors where the Titomic Kinetic Fusion process could be applied. Whilst the Titomic Kinetic Fusion process has not yet been applied commercially to any sectors, potential applications include: • sports equipment (bicycles and golf clubs); • aerospace components (structural spars, fuselage and wing surface skins for commercial aircraft); • medical applications (surgical implants, surgical instruments, medical devices, mobility devices and wheelchairs); • maintenance and repairs applications (mining, defence, marine, rail); • defence industry (components and structural parts for land based vehicles, naval vessels and drones); • ballistic coatings for defence building applications; and • industrial applications (corrosion protective coatings in the oil, gas, mining, energy and chemical sectors).	Sections 3.1.1 and 3.2

TOPIC	SUMMARY	FURTHER INFORMATION
Experienced Board	**Philip Vafiadis (Chair)** is an experienced chair and a recognised leader within Australia in the commercialisation of new technologies. **Jeffrey Lang (Chief Executive Officer and Chief Technology Officer)** - is an experienced professional in composite manufacturing and advanced materials technologies with 30 years' experience in manufacturing facilities in Australia, Europe and Asia. **Simon Marriott (Executive Director / Industry and Technical Adviser)** - is a highly experienced senior executive with more than 20 years' experience and is a recognised leader in the additive manufacturing sector. **Richard Willson (Non-Executive Director)** - is an experienced Chief Financial Officer, Company Secretary and Non-Executive Director with more than 20 years' experience in a range of finance, company secretarial and directorship roles for ASX listed, private and multinational companies. **Professor Richard Fox (Non-Executive Director)** - is an experienced Director and leader within the medical sector being the past Chair and Director of an ASX listed company. Richard was also the inaugural Chair of the Cancer Research Center for Cancer Therapeutics.	Section 9.1

1.3. KEY RISKS

TOPIC	SUMMARY	FURTHER INFORMATION
Reliance on key personnel	Titomic's operational success depends substantially on the continued employment of senior executives, consultants, technical staff and other key personnel. The loss of key personnel may have an adverse effect on Titomic's operations and financial performance.	Section 8.2.9
Product Risk	The Titomic Kinetic Fusion process is yet to reach full commercial production. The core technologies to be utilised in the Titomic Kinetic Fusion process have been utilised in other applications for many years. However, the application as an additive manufacturing process to produce a 3D part has not, and can therefore only be considered to be in a pre-commercialisation stage of development. The chosen applications of this technology incorporate innovative and not fully proven equipment, methods and processes. There is an inherent risk with new and untested technology applications that development may not progress as planned or may encounter delays. The performance of the Titomic Kinetic Fusion process is therefore uncertain. There is a risk that market uptake of the Titomic Kinetic Fusion technology may be slow or may not meet expectations, which would compromise Titomic's anticipated business model, financial condition and operational results. While Titomic has undertaken limited product trials of the Titomic Kinetic Fusion technology with CSIRO (Titanium bicycle frames), and with Cold Spray equipment suppliers, there is a risk that the Titomic Kinetic Fusion technology may not perform in exactly the same way outside Titomic's product trials, delaying development of Titomic's manufacturing and revenue earning capacity. Titomic may also be hindered from fully exploiting the potential of the Titomic Kinetic Fusion technology by adverse market conditions, inability to obtain or maintain sufficient funding, if required, technical difficulties or changes in legislation or government policy.	Section 8.2.2

TOPIC	SUMMARY	FURTHER INFORMATION
Technical Risk	Technical risks faced by Titomic include: • when layering metal via the Titomic Kinetic Fusion process beyond a certain thickness, residual stress can build up and create mechanical property issues that need to be stress relieved by heat treatment or other processes; • although various applications of the underlying technology are proven, further validation is required to ensure process control of potential variables so that client material requirements and part quality repeatability is achieved; • although the Cold Spray technology (which underlies the Titomic Kinetic Fusion process) has been used for some time, long term medical effect on operators of this equipment are unknown and airborne particles of metal powders could potentially pose a health risk; • inconsistent supply of electricity and gas to Titomic Kinetic Fusion equipment can cause problems and result in the material being manufactured at the time being wasted; and • powdered metals are subject to specific material handling processes and can be considered an explosive risk.	Sections 8.2.2 and 8.2.5
Commercialisation Risk	To the extent that the Titomic Kinetic Fusion technology is relatively untested, there is no certainty that the Titomic Kinetic Fusion process will be commercially viable, and therefore the profitability and sustainability of Titomic's business model is uncertain. There can be no assurance that Titomic can successfully commercialise the business model of offering and manufacturing licences to third parties. Additive manufacturing is a relatively new and developing industry, and there can be no assurance that existing product markets will continue to grow or that new markets may develop.	Section 8.2.3

TOPIC	SUMMARY	FURTHER INFORMATION
Intellectual property	Titomic holds the right to exploit the CSIRO Patent Application in the Licence Field. If the Patent Application is granted in various jurisdictions, the resultant patents would constitute Titomic's main asset. Titomic's ability to commercialise and license its products successfully is largely dependent upon the CSIRO Patent Application's success in obtaining the monopoly rights to exploit the underlying inventions. Titomic anticipates that the CSIRO Patent Application should be granted in most or all jurisdictions in which applications have been made. However, there cannot be any assurance of this. Third parties may object to the grant of the CSIRO Patent Application on grounds which may include alleged infringement of their patents. While Titomic is not aware of the Titomic Kinetic Fusion technology infringing any third party's patent, Titomic has not undertaken an exhaustive assessment of existing patents to determine any overlapping technology or potential infringement (as the costs of such assessment is prohibitive). Accordingly, there is a risk that a third party may claim that the Titomic Kinetic Fusion technology (including as set out in the CSIRO Patent Application) infringes that third party's rights. Any event that would jeopardise Titomic's rights or any claims of infringement by third parties could have an adverse effect on Titomic's ability to market the Titomic Kinetic Fusion technology or exploit it. There is also no guarantee that the grant of a patent under the CSIRO Patent Application will provide adequate protection over the relevant intellectual property. Titomic may have to enforce its intellectual property rights, including via litigation against other parties if Titomic's rights are infringed.	Section 8.2.4

TOPIC	SUMMARY	FURTHER INFORMATION
Patent Licence	The CSIRO is the owner of the CSIRO Patent Application and will be the owner of any patent granted under the CSIRO Patent Application. The CSIRO has licenced the use of the CSIRO Patent Application to Titomic. The licence has various performance measures and royalty obligations, as described in Section 10.4.4 of this Prospectus. If Titomic cannot or does not meet its performance measures or royalty obligations, then Titomic could be considered in breach of licence and the licence could potentially be revoked. Titomic may grant sub-licences of the Titomic Kinetic Fusion technology to third parties, provided that the sub-licences are approved by the CSIRO. There is a risk that CSIRO may withhold consent to sub-licences.	Section 8.2.4
Competition risk	The additive manufacturing sector for metal products is dominated by the 3D printer sector. The 3D metal printer industry is a competitive sector that is reliant upon continual technological advancement. There are several large competitors that operate in this industry. The development of new and superior 3D metal printers by a competitor could affect Titomic's ability to commercialise the Titomic Kinetic Fusion process. There is a risk that existing competitors or new entrants to the market may develop superior or more cost effective 3D additive manufacturing processes for metal powders, which could have an adverse effect on Titomic's business and financial position. Titomic may be unable to develop further products or keep pace with rapid technological developments in its market space, and may lose market share to its competitors.	Section 8.2.6

TOPIC	SUMMARY	FURTHER INFORMATION
Limited operating history and no profit to date	Due to only incurring losses since its inception, it is not possible to evaluate Titomic's profit prospects based on past performance. Since Titomic intends to invest in the commercial development of its additive manufacturing process and the supply of associated consumable materials, the Directors anticipate that Titomic will incur further losses until it is able to effectively commercialise and generate revenue from the Titomic Kinetic Fusion process and Titomic's branded products. While the Directors anticipate future revenue-earning potential in Titomic, there can be no certainty that Titomic will achieve or sustain profitability or achieve or sustain positive cash flow from its operations.	Section 8.2.1
Counterparty Risk	Titomic will engage with on a number of counterparties to successfully commercialise and exploit the Titomic Kinetic Fusion process. Such counterparties include the CSIRO, manufacturing equipment providers, robotics program contractors, sub-licencees of the Titomic Kinetic Fusion process and Titanium and alloy powder providers. If relationships with some or all of these parties break down, or these parties fail to perform their obligations, Titomic's operational performance may be adversely affected.	Section 8.2.7
Product Liability risk	Following the Offers, Titomic aims to sub-licence the Titomic Kinetic Fusion process to third party manufacturers for the development and manufacture of a broad range of products. Manufacturing sectors that Titomic intends to target include highly regulated sectors, such as the manufacture of vehicle components, medical devices and equipment and airplane parts and defence parts and structures. If components or equipment manufactured using the Titomic Kinetic Fusion process do not meet manufacturing standards or are found to be faulty, defective or unsafe, Titomic may face product liability claims from licencees, regulators or members of the public, which may affect Titomic's brand reputation, revenue-earning potential and operating results.	Section 8.2.5

TOPIC	SUMMARY	FURTHER INFORMATION
Future financing	Titomic may require further financing to fund the expansion of Titomic's business. There are no guarantees that Titomic will be able to raise any additional required funding on a timely basis, on favourable terms, or that such funding will be sufficient to enable Titomic to implement its planned commercial strategy. If Titomic is unable to obtain further funding as needed, it may be required to reduce its operational activities or research and development activities, which may adversely affect the financial condition of Titomic.	Section 8.2.8
Equity market conditions	Shares listed on the ASX may experience price and volume fluctuations that may be unrelated to the operating performance of the company. General factors that may affect the market price of the Shares offered under this Prospectus include domestic and international economic and security market conditions, investor sentiment, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, or changes to Australian and foreign taxation laws.	Section 8.3.1
Economic conditions	Domestic and global economic conditions may affect the performance of Titomic. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. Titomic's future potential revenues and the price of its Shares may be adversely affected by these factors.	Section 8.3.1
Government policies and legislative changes	Any material adverse change in relevant Australian or foreign government policies or legislation may affect the viability and profitability of Titomic.	Section 8.3.5

1.4. FINANCIALS AND DIVIDEND POLICY

TOPIC	SUMMARY	FURTHER INFORMATION
Dividend Policy	The initial objective of Titomic is to maintain sufficient working capital to enable it to fully develop its business. The ability of Titomic to pay any dividends in the future is dependent on many factors, including its future capital requirements and general financial position at the time. The Directors do not give any assurance regarding payment of any dividends in the future.	Section 5

1.5. DIRECTORS AND KEY MANAGEMENT

TOPIC	SUMMARY	FURTHER INFORMATION
Who are the Directors of the Company?	• **Philip Vafiadis** (Chair): Philip is Executive Chairman of Innovyz and the Innovyz Institute, two of Australia's leading technology commercialisation firms. He remains the founder and Chairman of VAF Research, a manufacturer of a world leading high fidelity speaker systems. Philip also co-founded ZEN Energy, which over his time there was recognised as one of Australia's fastest growing companies. Philip has helped many companies, from startups to some of the world's largest companies, advising founders, leaders and Boards on strategies for technology, innovation, transition, future markets and growth. Philip is also a founding member and a director of the recently formed Australian Transformation and Turnaround Association, Australia's peak industry body for transformation, turnaround and disruption professionals.	Section 9.1

- **Jeffrey Lang** (Chief Executive Officer and Chief Technology Officer): is an experienced professional in composite manufacturing and advanced materials technologies with 30 years' experience in manufacturing in Australia, Europe and Asia. Jeffrey is an experienced Managing Director and Chief Financial Officer for over 15 years and has worked on the joint venture between Force Industries and Heli Group China to set up Matrix Sports Co Ltd. As Vice President and Technical Director of Matrix Sports Co Ltd, Jeffrey lead the company to become a leading global manufacturer in composites sports goods manufacturing. Jeffrey has many years of business experience across multiple industries and working with international brands, manufacturers, research institutes and government agencies.

- **Simon Marriott** (Executive Director / Industry and Technical Adviser): is a highly experienced senior executive with more than 20 years' experience in advanced manufacturing. He is considered a pioneer in the additive manufacturing space, establishing Australia's first 3D printing service bureau in 1993. Recently he held the position of Vice President of 3D Systems - Asia Pacific, Managing Director of Amaero Engineering Pty Ltd, a world class additive manufacturing company and acted as Director of Cetus Energy Pty Ltd, a developer of renewable power products and most recently was the Managing Director of the Advanced Manufacturing Cooperative Research Centre.

- **Richard Willson** (Non-Executive Director): An experienced CFO, Company Secretary, and Non-Executive Director with more than 20 years' experience in a range of finance, company secretarial and directorship roles mainly within the resources and agricultural sectors for ASX listed, private and multinational companies.

- **Professor Richard Fox** (Non-Executive Director): is a co-founder of Force Industries a leading manufacturer of composite sports boards. Richard is the former Director of Research at St Vincents' Hospital, Melbourne, and a past Director of Clinical Haematology and Medical Oncology at Royal Melbourne Hospital. Richard was the inaugural Chair of the Cancer Research Centre for Cancer Therapeutics

TOPIC	SUMMARY	FURTHER INFORMATION
Who are the key members of Titomic's management?	• **Jeffrey Lang** (Chief Executive Officer and Chief Technology Officer): see previous section. • **Simon Marriott** (Executive Director / Industry and Technical Adviser): see previous section. • **Stuart Douglas** (Business Development Manager): Stuart is a founding team member of Titomic and is currently on consulting secondment from Innovyz Pty Ltd, to conduct and establish the business development activities and processes of Titomic. Stuart has extensive experience in establishing and promoting early stage technologies via his commercialisation consultation firm Innovyz Pty Ltd. Innovyz Pty Ltd has invested in more than 55 innovation companies and has assisted them to raise approximately $50m. These companies span many sectors including medical, agriculture, software, education, entertainment and most importantly for Titomic's purposes, advanced manufacturing in Titanium and exotic metals.	Sections 9.3.3 and 9.4.6

1.6. SIGNIFICANT INTERESTS OF KEY PEOPLE AND STAKEHOLDERS

TOPIC	SUMMARY	FURTHER INFORMATION
Who are the Existing Shareholders and what will be their interest in the Company at completion of the Offer	As at the date of this Prospectus, Titomic has 74,979,167 Shares on issue, held by the following Shareholders: • key employees and Board members of Titomic hold 51,750,000 Shares, which will constitute 45.68% of the Company's share capital following the successful completion of the Offers; and • seed shareholders hold 23,229,167 Shares, which will constitute 20.50% of the Company's share capital following the successful completion of the Offers.	Section 9.3

The Directors' current shareholding and expected shareholding following the IPO (direct and indirect) will be as follows:

DIRECTOR	SHAREHOLDING (PRIOR TO COMPLETION OF THE OFFERS)	SHARES EXPECTED TO BE ACQUIRED AS PART OF THE PUBLIC OFFER	UNLISTED OPTIONS	EXPECTED SHAREHOLDING (ON COMPLETION OF THE OFFERS)*	% SHAREHOLDING (ON COMPLETION OF THE OFFERS)
Philip Vafiadis	5,175,000	200,000	589,000	5,375,000	4.74%
Richard Fox	27,944,012	0	354,000	27,944,012	24.66%
Jeffrey Lang	10,004,342	0	354,000	10,004,342	8.83%
Simon Marriott	166,667	500,000	354,000	666,667	0.59%
Richard Willson	0	100,000	354,000	100,000	0.09%

**Excluding shares pursuant to the optons*

TOPIC	SUMMARY	FURTHER INFORMATION
What significant benefits and interests are payable to Directors and other stakeholders connected with the Company?	Significant benefits and interests are payable to Directors and other stakeholders connected with the Company are as follows:	Sections 9.3.3 and 9.4.6

Stakeholder	Relationship to Company	Benefit	Reason
Richard Fox	Non-Executive Director	10,083,492 Performance Shares[1]	Founders' Performance Shares
Jeffrey Lang	Executive Director	6,166,508 Performance Shares[2]	Founders' Performance Shares
Phillip Vafiadis	Non-Executive Chair	3,750,000 Performance Shares[3]	Founders' Performance Shares
Phillip Vafiadis	Non-Executive Chair	589,000 unlisted Options[4]	Part of remuneration
Richard Fox	Non-Executive Director	354,000 unlisted Options[1]	Part of remuneration
Jeffrey Lang	Executive Director	354,000 unlisted Options[2]	Part of remuneration
Richard Willson	Non-Executive Director	354,000 unlisted Options	Part of remuneration
Simon Marriott	Executive Director / Industry and Technical Adviser	354,000 unlisted Options[4]	Part of remuneration
PAC Partners Pty Ltd	Lead Manager	5,619,050 Ordinary Shares	Consideration for Lead Management services provided

[1] Holding via directorship and share ownership of Presco 2 Pty Ltd.
[2] Holding for Jeffrey Lang <Akasha Family A/C>.
[3] Holding via directorship and share ownership of SBPM Pty Ltd.
[4] Blue Heeler Investments Pty Ltd <Marriott Family Trust No. 2>

Are any Shares be subject to restrictions on disposals following Completion of the Offers?	No Shares issued under the Public Offer are subject to escrow. However, Shares to be issued under the PAC Offer, and certain Shares held by seed investors, related parties of Titomic and promoters, and shares to be issued to related parties of Titomic and promoters under the Public Offer, will be subject to ASX imposed escrow for a period of up to 24 months following quotation.	Sections 4.7 and 9.3.1.4

1.7. OVERVIEW OF THE OFFER

TOPIC	SUMMARY	FURTHER INFORMATION
What are Offers?	This Prospectus provides investors with the opportunity to participate in the initial public offering of 32,500,000 Shares in the Company at an issue price of $0.20 per Share to raise $6,500,000 Public Offer.	Section 4.1
Who is the issuer of the Prospectus?	Titomic Limited ABN 77 602 793 644.	Section 3.1
What is the purpose of the Public Offer?	The purpose of the Public Offer is to: • facilitate the Company's application for admission to the Official List of the ASX; and • to raise up to $6,500,000 pursuant to the Public Offer, which shall be used for purposes including: • the commissioning of the Melbourne Facility; • to co-develop parts production with national and international clients and • to build capacity for sales and service of Titomic Kinetic Fusion systems.	Section 4.1.2

TOPIC	SUMMARY	FURTHER INFORMATION
How are proceeds of the Public Offer to be used?	The proceeds of the Public Offer are to be used as follows: • $779,391 for transaction costs associated with the Offers; • $3,907,000 for equipment purchases; • $752,450 for research and development; and • $1,061,159 for other working capital.	Section 4.1.3
How is the Public Offer structured / who is eligible to participate?	The Offer comprises: • the Broker Firm Offer - an offer to Australian resident retail clients of Brokers who have received a firm allocation from their Broker; and • the Institutional Offer - an invitation to bid for Shares made to Institutional Investors in Australia and in certain other eligible jurisdictions.	Section 4.1
Is the Offer underwritten?	Yes. The Lead Manager has fully underwritten the Public Offer.	See 10.3
Are the Shares to be quoted?	The Company intends to apply to the ASX for quotation of all Shares issued under the Offers as required under the Corporations Act.	
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by agreement between the Company and the Lead Manager, having regard to the allocation policy outlined in Sections 4.3.7 and 4.4.7. With respect to the Broker Firm Offer, it is a matter for the Brokers (and not the Company) how they allocate Shares among eligible retail clients. For further information on the Broker Firm Offer, see Section 4.3. The allocation of Shares under the Institutional Offer was determined by agreement between the Company and the Lead Manager.	Section 4.3 Section 4.4

TOPIC	SUMMARY	FURTHER INFORMATION
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of the Shares under the Offers.	
What are the tax implications of investing in the Shares?	Section 10.6 provides a general summary of the potential Australian tax implications of participating in the Public Offer. However, the tax consequences of participation will depend on the individual investor's circumstances and, as such, Applicants should obtain their own tax advice before subscribing for Shares pursuant to the Public Offer.	Section 10.6
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements intends to be dispatched by standard post on or around 1 September 2017.	
What is the minimum Application size?	The minimum Application size for investors in the Broker Firm Offer is $2,000 worth of Shares then in multiples of $200. The Lead Manager and the Company reserve the right to reject any application made under the Broker Firm Offer or to allocate a lesser number of Shares than that applied for. In addition, the Company and the Lead Manager reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any Applications. Subject to maximum number of shares available under the Public Offer, there is no maximum value of Shares that may be applied for under the Broker Firm Offer.	Section 4.3.4
How can I apply?	You may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. Retail investors who receive an allocation of Shares under the Broker Firm Offer should follow the instructions provided by their Broker. To the extent permitted by law, an application by an Applicant under the Public Offer is irrevocable.	Section 4.3.2

TOPIC	SUMMARY	FURTHER INFORMATION
When are the Shares expected to commence trading?	Please refer to the indicative timetable in Section 1 for the key dates of the Offer.	Section 1
Can the Offers be withdrawn?	The Offers are conditional upon the Company being granted in principle approval for admission to quotation. If this condition is not met, the Offers will not proceed and investors' Application monies will be returned without any interest. The Company may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application monies without interest at the earliest practicable time.	
Where can I find out more information about this Prospectus or the Public Offer?	You can obtain further information from: • your accountant, solicitor, stockbroker or other independent professional financial adviser; • from the Company's share registry Computershare on 1300 103 209 (within Australia) or +61 3 9415 4310 (outside Australia); • from the Company by contacting the Company Secretary, on 03 9824 5254; or • from the Lead Manager on 03 8633 9831.	

2 INDUSTRY OVERVIEW

INTRODUCTION

Titomic's technology and product offering resides within the industry of 3D printing, and is more broadly described as additive manufacturing.

Additive manufacturing is described as the joining of materials to make parts or components from 3D model data, usually by layering powdered plastic or metals, layer upon layer, via a commercial printer (adapted specifically for this purpose), where a heat source, such as a laser, melts each individual layer in place to build up a required shape. The terminology 'Additive' is derived from the process, which adds material to build a part or component. Traditional manufacturing methods are often classified as 'Subtractive' manufacturing, which takes material away. For example, in subtractive manufacturing, components and parts start as a block (billet) of steel or other material, and the billet is machined to cut or grind the excess material away to form the required shape.

The additive manufacturing industry has undergone significant growth in less than a decade, both in the manufacturing of additive manufacturing systems themselves and the materials used in these systems. Major players in traditional manufacturing are investing in research and development in the additive manufacturing sector in order to capitalise on the upward trend of the industry.

The additive manufacturing industry is expected to grow from $6.1 billion in 2016 to approximately $26.2 billion by 2022 according to Wohlers Associates, Inc.

Additive manufacturing is having a significant impact on the way companies manufacture many products. Companies are successfully applying this technology for the production of finished goods, not only rapid prototyping as has been the predominant use in the infancy of the sector.

2.1 KEY SECTORS AND MARKETS

2.1.1. Where is Additive Manufacturing being used?

Additive manufacturing is used to build physical models, prototypes, patterns, tooling components, and production parts in plastics, metals, ceramics, glass, composites, and biomaterials. Design and manufacturing organisations use parts made through the additive manufacturing process for products in the consumer, industrial, medical, and military applications, amongst others. Common everyday products that broadly use additive manufacturing components include; mobile phones, cameras, engine parts, vehicle interiors, aircraft, power tools and medical implants and many more products that we rely on daily for critical and non-critical use.

2.1.2. Additive Manufacturing Materials (Feed Stock)

Additive manufacturing processes can utilise a large number of different materials to print or manufacture an end product. These materials are commonly referred to as 'feed stock' and include a growing number of metal materials as well as filaments, pastes, liquids, powders, pellets and sheets. Titomic's feed stock applications are predominantly powdered metals and metal composites.

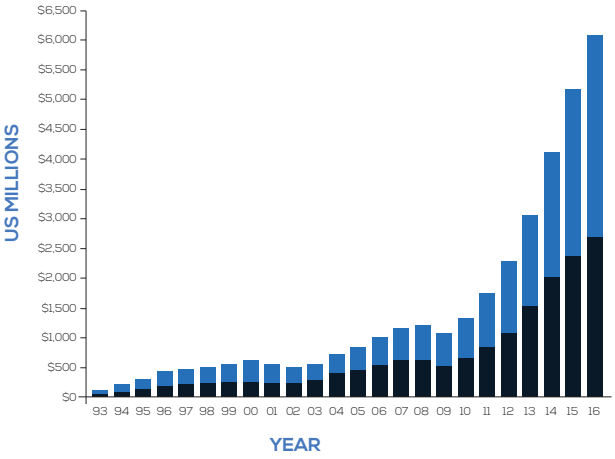
Designers and manufacturers of metal products choose from a wide range of materials, which includes but is not limited to the following:

METAL POWDERS	MAIN USES
Tool steels	Dies and tools for mass production of components
Stainless steels	Coatings and products for architectural and automotive applications
Commercially pure Titanium	Biomedical, aerospace, aviation and defence
Titanium alloys	Aerospace, sports products, pipes and tube
Aluminum alloys	Automotive components, industrial machines and sports equipment
Nickel-based alloys	Coatings, chemical and petroleum production
Cobalt–chromium alloys	Gas turbines, dental and orthopedic implants
Copper-based alloys	Electronic components and conductive parts
Gold	Medical and the jewelry industry
Silver	Coating, plating, electronics and jewelry
Platinum	Catalytic converters, jewelry, electronics and chemical manufacturing processes
Palladium	Dentistry, catalytic converters, hydrogen purification and fuel cells
Tantalum	Engine turbine blades, ballistics, surgical implants

2.2. HISTORICAL AND FORECASTED MARKET TRENDS

The chart below from Wohlers Report 2017 displays the growth in the additive manufacturing sector from research, development and commercialisation concept in the 1990s through to the 2000s.

Navy Blue represents products including system and material sales, black represents services.

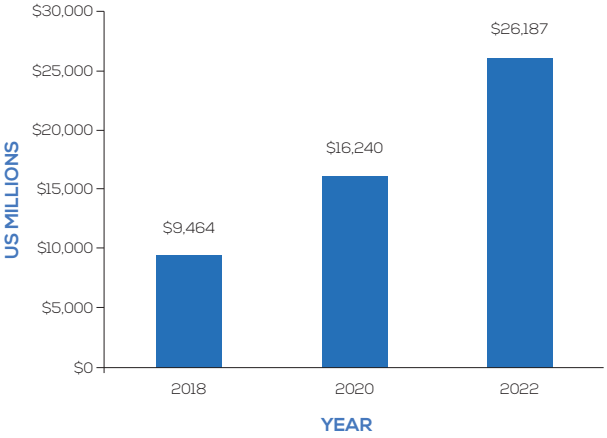


Source: Wohlers Report 2017

2.2.1. General market trends

In 2016, the additive manufacturing industry, consisting of all products and services worldwide, grew to nearly $6.1 billion according to Wohlers Report 2017. Products include additive manufacturing systems, materials, and aftermarket products. Services include revenues generated from parts produced on additive manufacturing systems by service providers and system manufacturers, system maintenance contracts, and other services.

The additive manufacturing industry is expected to continue strong growth over the next several years. By 2018 the industry is forecast to reach nearly $9.5 billion worldwide, as shown in the following chart from Wohlers Associates, Inc.



Source: Wohlers Report 2017

2.2.2. Metal Additive Manufacturing System Sales 2016

Titomic's particular application resides within the metals additive manufacturing sector. This represents a small portion of additive manufacturing revenues specified in the previous section. This sector is less mature than additive manufacturing of polymers; however it is one of the fastest growing additive manufacturing segments.

An estimated 957 metal additive manufacturing systems were sold in 2016, compared with 551 and 353 metal systems two and three years earlier. Wohlers Associates, Inc expects this segment to continue strong double digit annual growth over the next five years.

Metal Powder Sales for Additive Manufacturing Systems

Titanium powders represent the largest single segment of the metal powders in the 3D printing market. Additive manufacturing systems usually utilise Titanium powders used that are highly refined and that are manufactured via an extensive five-stage gas or plasma atomizing process. These powders are refined and sieved to produce spherical powder of a consistent size. The more spherical and the more consistent the size, the higher the price. Most aviation grade parts utilise powders costing a minimum of

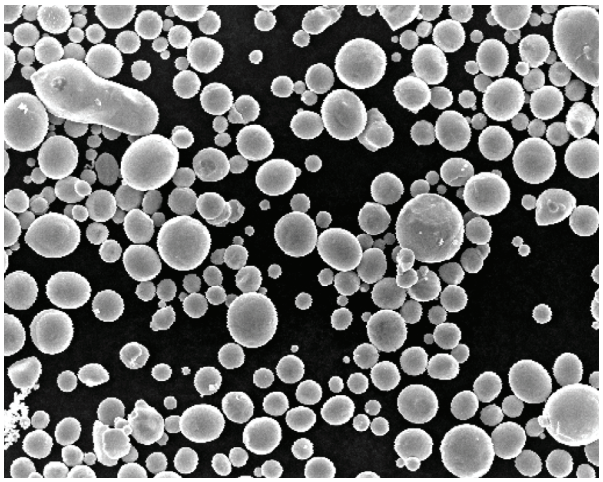
US$300 per kilogram and up to US$800 per kilogram for specialised purposes. Due to high powder costs, finished parts have been restricted to small complex parts, or parts for prototyping purposes. To date few larger parts (those larger than 2 kilograms) have been manufactured in large quantities or on an ongoing basis by additive manufacturing systems. This last factor has restricted the expansion of metal additive manufacturing into mainstream production lines and industrial scale manufacturing.

The Titomic Kinetic Fusion additive manufacturing process takes advantage of these industry limitations. Titomic has adapted their additive manufacturing system to utilise unrefined or inconsistent shaped Titanium powder particles, whilst producing similar results with regards to strength and performance of parts manufactured using retined powders. Unrefined Titanium powder costs less than refined powders at approximately US$20-50 per kilogram versus US$300-800 per kilogram. This price difference exists because unrefined powders are produced directly from Titanium ore and bypass a number of energy-intensive processing and refining stages. Existing additive manufacturing systems cannot currently utilise these unrefined powders.

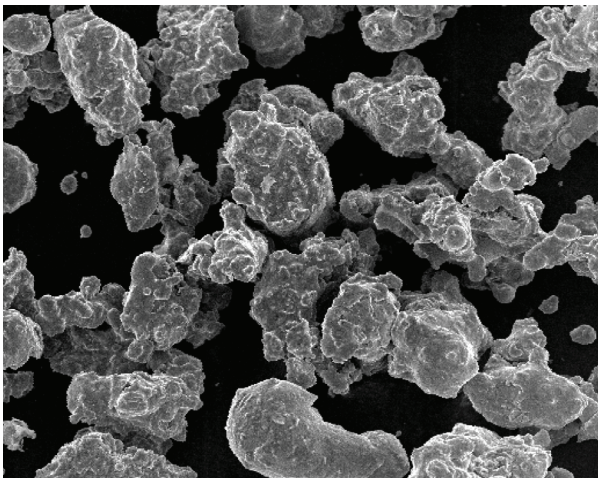
Titomic Kinetic Fusion systems have a faster depositic rate (kilograms per hour), when compared with other additive manufacturing processes. Titomic anticipates that this will lead to an industrial scale capacity to manufacture parts, faster.

Titomic also believe that the Titomic Kinetic Fusion process may disrupt current utilisation of Titanium powders and enable manufacturers to build large parts (greater than 100 kilograms) in a continuous and cost effective manufacturing process. Below is a graphic comparison between the unrefined powders utilised by Titomic compared with highly refined powders utilised by other additive manufacturing processes.

TITANIUM POWDERS



Traditionally utilised spherical round Ti6Av4 Power US $300-$800 per kilogram

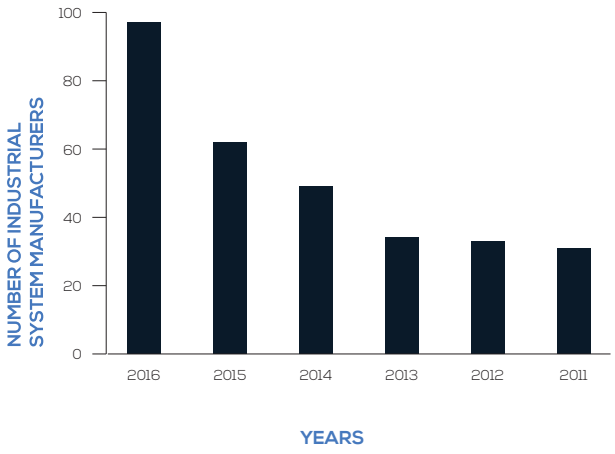


Titomic Sharp Powders Ti6Av4 Powder US $20-$50 per kilogram

2.3. KEY ADDITIVE MANUFACTURING COMPETITORS AND INVESTMENT LEVELS

2.3.1. Additive Manufacturing System Manufacturer

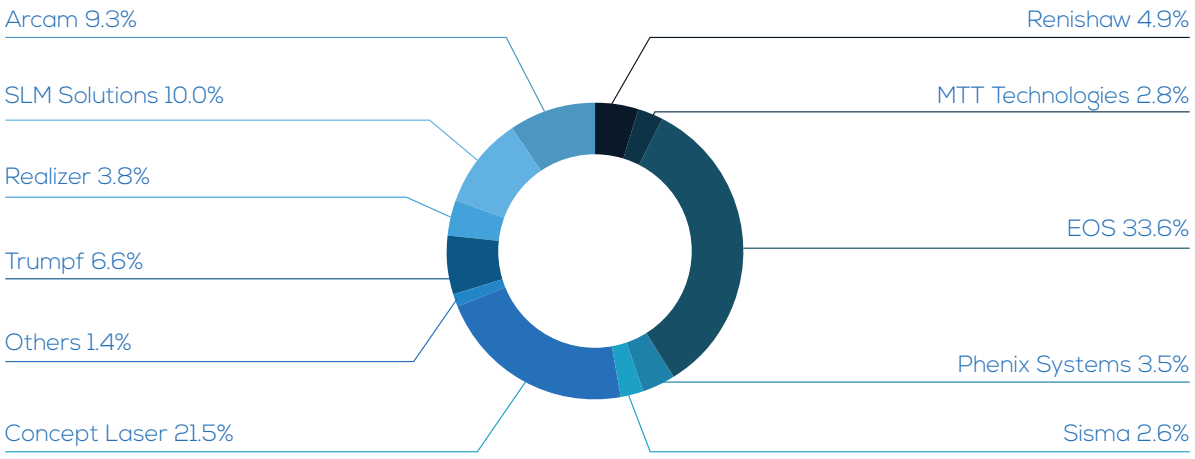
The number of companies that sell industrial additive manufacturing systems accelerated from 62 in 2015 to 97 in 2016, growth of nearly 58% according to Wohlers Associates Inc. The Board considers this as a lead indicator in market confidence in additive manufacturing processes. The following table compares the number of industrial system manufacturers over the 2011 to 2016 period:



Source: Wohlers Report 2017

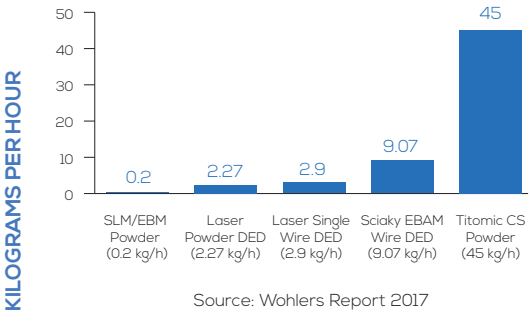
Twenty-eight system manufacturers in Europe sold industrial additive manufacturing systems in 2016 according to Wohlers Associates Inc. Manufacture of metal additive manufacturing systems was dominated by European companies with the largest being Arcam, Concept Laser, EOS, ReaLizer, Renishaw, Sisma, SLM Solutions, and Trumpf. The additive manufacturing systems produced by the above manufacturers are also the machines of choice for those manufacturers that dominate the finished goods market.

The following chart shows cumulative market shares of European additive manufacturing metal system manufacturers through the end of 2016 according to Wohlers Associates, Inc. The chart represents 4,000 metal-based machine installations worldwide. The majority of the systems use the powder bed fusion process, except for two operators who use the directed energy deposition process.



Source: Wohlers Report 2017

Below represents the speed of deposition (the rate at which metal powder is deposited) of the fastest metal additive manufacturing processes in the world. The Titomic Kinetic Fusion process does not manufacture 100% finished parts but rather near finished parts that still require final machining and or polishing. Other systems represented on the graph are slower than Titomic but can produce parts that require less finishing and are more intricate. It is therefore important to acknowledge these differences.



Source: Wohlers Report 2017

DEPOSITION SYSTEM / POWDER TYPE

The largest commercially available powder-bed metal additive system in the world (the X line 2000R by ConceptLaser) has a build area of 80x40x50 cm. This machine and all metals additive manufacturing systems operate within a gas shielded environment (an airtight booth filled with inert gases such as argon). The gas shields the melting Titanium from atmospheric conditions and oxidation which would occur and otherwise reduce the mechanical performances of the metals. The Titomic Kinetic Fusion process does not require a shielded environment. Titomic Kinetic Fusion does not melt metals. Titomic Kinetic Fusion utilises kinetic fusion and therefore oxidation does not occur. This advantage results in Titomic Kinetic Fusion being unrestricted by both size or build area.

Although Titomic's products require more extensive finishing, generally speaking the Titomic Kinetic Fusion Sytem products are manufactured faster than an equivilant product made by a competing system.

2.3.2. Additive Manufacturing Feed Stock competitors

Raw materials within the additive manufacturing supply chain have developed substantially in the past few years. A large number of companies have commercialised powders for this segment. Among them are Carpenter Technology Corp. (U.S.), Equispheres (Canada), FalconTech (China), H.C. Starck (Germany), and Höganäs AB (Sweden). Others include LPW Technology (UK), Osaka Titanium Technologies (Japan), Praxair Surface Technologies (USA), and Sandvik Materials Technology (Sweden). These companies are manufacturers of highly refined metal powders.

Titomic intends to initially collaborate with select powder manufacturers to assist them to better utilise their unrefined powder suppliers, for which they currently have little use.

2.5.4 Industry Data

The above industry overview is materially based on the Wohlers Report 2017. For access to the full report visit www.wohlersassociates.com.

3 BUSINESS / COMPANY OVERVIEW

3.1. INTRODUCTION

Titomic is an Australian public unlisted company that proposes to list on the ASX and to raise sufficient capital to commercialise their proprietary metals additive manufacturing system via this Prospectus.

Titomic has the exclusive rights to commercialise, a CSIRO patented process, for the application of cold-gas dynamic spraying of Titanium or Titanium alloy particles onto a scaffold to produce a load bearing structure. This technology was originally co-developed by the CSIRO and Force Industries, and forms part of what is being marketed as the Titomic Kinetic Fusion process and production system. This additive manufacturing process, utilises metal powders, such as Titanium and Titanium alloys, which are sprayed onto a scaffold surface or a build plate at supersonic

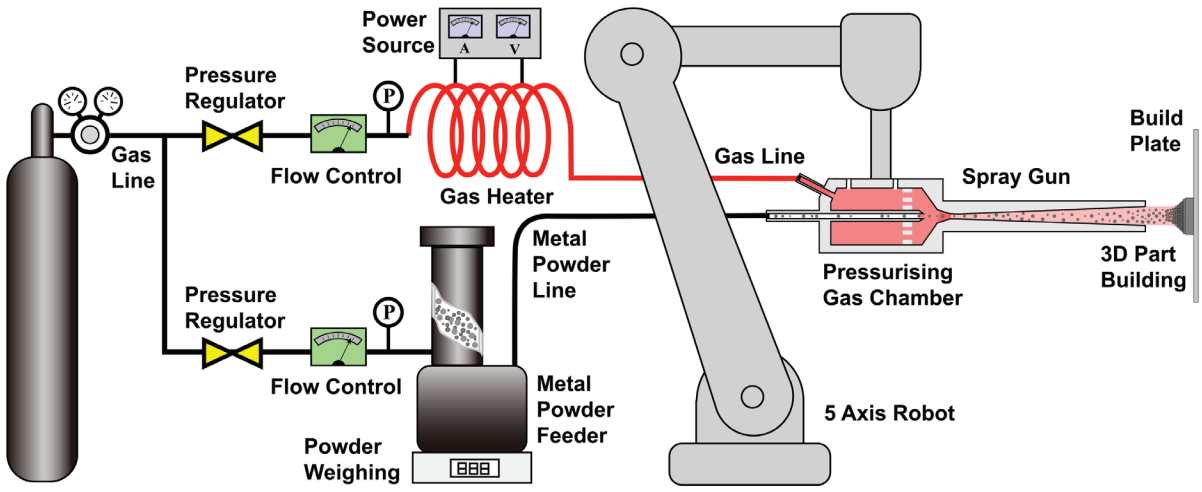


Diagram of the Titomic Kinetic Fusion application process

speeds (approximately 1.5 to 3 times the speed of sound) where the particles impact (and plastically deform) and subsequently bond the scaffold material or to themselves to create a 3D formed part.

The Titomic Kinetic Fusion process is an additive manufacturing process for metals, alloys, composites and ceramics, and can be applied to create shaped or tubular load bearing structures of nearly any size. The Titomic Kinetic Fusion process can remove the need for secondary manual processes, such as folding, bending and welding, and the process can be conducted in normal atmospheric conditions and at ambient temperatures, with no requirement for emersion in an inert gas environment. All other current additive manufacturing melting processes for Titanium and Titanium alloys must be conducted in an inert gas environment to mitigate oxidation which occurs when the Titanium or any other types of metals are melted. The Titomic Kinetic Fusion process is the first additive manufacturing process to utilise kinetic fusion, resulting in the Titanium powder plastically deforming (not melting) and therefore oxidation does not occur. Oxidation of a Titanium part or product results in the deterioration of its mechanical properties and can result in a part failing to meet intended performance requirements.

Titomic Kinetic Fusion is a low cost process for additive manufacturing of large structural or load bearing parts. Titomic intends to focus on clients with requirements for large parts, leveraging the Company's unique advantages, and not solely relying on direct competition with those additive manufacturing companies that focus on delivering systems targeted at small intricate metal parts.

3.1.1. Overview of the Business

Titomic's business model reflects an intent to sell Titomic Kinetic Fusion systems (machines) to clients that have a requirement to manufacture large Titanium and Titanium alloy parts. These clients are expected to predominantly reside within the aviation, aerospace, defence, and specialised transport sectors such as performance bicycles and vehicles. Titomic intends to supply and specify the use of their 'Titomic' branded Titanium and Titanium alloy powder for use in the Titomic Kinetic Fusion systems. The Titomic Kinetic Fusion systems can be built on a standard platform that is tailored to meet specific client production requirements. The systems are intended to be remotely monitored and serviced and maintained via Titomic's authorised service team inaccordance with Titomics operating specifications.

As a process of client engagement, Titomic intends to engage in research and development projects with prospective clients to re-produce their existing parts via the Titomic Kinetic Fusion process. Titomic intends to assist prospective clients to validate the mechanical properties of the Titomic Kinetic Fusion manufactured items and provide a report displaying the cost benefits of manufacturing via the Titomic Kinetic Fusion process.

Titomic has the commercial rights to exploit the licensed patent in the following industries:

1. Aerospace;
2. Automotive;
3. Building and Construction (including furniture);
4. Industrial Equipment and Manufacturing Machinery;
5. Marine (except for boat hulls);
6. Medical and Patient Equipment;

7. Military; and

8. Sporting goods.

Key competitive advantages of the Titomic Kinetic Fusion system include the following:

- It is faster than many comparable additive manufacturing processes;
- It is a lower cost option for the manufacture of large Titanium parts; and
- It has the potential to manufacture larger Titanium parts than comparable additive manufacturing systems.

The commercial opportunities for Titomic Kinetic Fusion are broad and provide manufacturers with a commercial alternative to replace or augment their traditional manufacturing processes. The Titomic Kinetic Fusion system can display advantages over traditional forms of manufacture (not only 3D printing) for large parts made of Titanium and Titanium alloys. To validate these claims Titomic conducted extensive research, a Titanium bicycle frame was selected as a practical example of the capability of the technology.

The Titomic process is fast - A Titomic Production cell can manufacture 2 bicycle frames per hour, with one non- skilled machine operator (typically @$25 p/hr). This is approximately four times faster than a highly qualified Titanium welder and finisher (typically @$40-60 p/hr) who currently are required to weld individual pipes together to form a bicycle frame.

The Titomic process is a low-cost option. The raw material that Titomic Kinetic Fusion utilises for this purpose is approximately 30% cheaper than roll formed or extruded Titanium tubing of the same thickness.

Titomic Kinetic Fusion technology can be utilised by most manufacturing sectors and can display a reduction in time, energy and cost of manufacture for large Titanium parts.

3.1.2. History of the Business

Titomic was incorporated in 2014 to research and develop a new solid-state additive manufacturing process using Cold Spray to produce bulk 3D forms and coatings from powder feed stock that is both metallic and non-metallic. This new metal additive manufacturing process was designated as the Titomic Kinetic Fusion process with a focus on industrial scale manufacturing of large size metal parts as well as high volume production of complex shaped parts.

Co-founder of Force Industries, Professor Richard Fox, identified an alternative approach for the utilisation of Cold Spray equipment. Drawing upon his extensive knowledge in the medical research, Richard understood the benefits of a scaffold process in tissue engineering. Force Industries explored areas of intellectual property incorporating Cold Spray onto a scaffold to build a 3D object and found that this was a patentable application. Force Industries as co-inventors requested the CSIRO to patent this technology and then licensed the technology exclusively to Force Industries.

To date CSIRO has invested significantly into Cold Spray processes and various licences have been granted. CSIRO agreed to provide the founders of Force Industries with the exclusive global rights to commercialise the intellectual property covered by the CSIRO Patent Application, in particular this intellectual property incorporates a cold spray onto a scaffold using Titanium and Titanium alloys to form a load bearing structure.

A new company, Titomic was established to commercialise this technology and to separate it from Force Industries' composite sporting goods manufacturing and sales activities.

3.1.3. Patents

A patent is a legally enforceable and exclusive right to commercially exploit an invention for a defined period of time in a particular territory. In general, the requirements of obtaining a patent include that the claimed invention is novel, involves an inventive step and meets subject matter eligibility requirements.

A granted patent can provide the owner of the patent long-term protection. In Australia, a standard patent provides up to 20 years protection and an innovation patent provides up to eight years protection.

The protection to the owner of the patent lies in the legal right to prevent third parties exploiting the invention. The right to commercially exploit any invention includes the right of the owner of a granted patent or the owner of a patent application to licence and sublicence their rights under each.

There is no uniform patent criteria or law globally and therefore patent applications are required in multiple jurisdictions in order to obtain international protection.

3.1.4. The International Patent Cooperation Treaty application process

The CSIRO Patent Application was made within the framework of the International Patent Cooperation Treaty (PCT). A PCT application gives the applicant an indication of whether the invention can be patented. It also allows the applicant to decide which countries in which to seek patent protection.

A PCT application will go through an examination process according to a set of standards accepted by all the signatories to the treaty. This makes the process easier if the applicant decides to pursue patent protection in those countries, as a lot of the groundwork has already been done.

The outcome of this process is not binding and subsequent assessment is typically performed by patent offices in each country, after individual national patent applications have been filed. Whilst most countries require a local patent application to be filed, in some cases regional patent applications can be filed covering a group of individual countries. For example, a European patent application can be filed, which can allow subsequent patents to be granted in up to 38 countries.

3.1.5. The status of the CSIRO Patent Application

The status of the CSIRO Patent Application and the progress of each application within each jurisdiction is set out in detail in section 7.

As a result of the CSIRO Patent Application, a patent has been granted in New Zealand, Japan and USA and applications are pending in the following jurisdictions, Australia, China, Hong Kong, Europe (application before the European Patent Office), and Republic of Korea.

3.1.6. The legal protection of the CSIRO Patent Application

A granted Australian patent application provides the owner with legally enforceable and exclusive commercial rights to their invention, including preventing all unauthorised use (in any manner) of that invention in Australia.

A PCT application is a single application through the World Intellectual Property Organization (WIPO), and facilitates the filing of a patent application in several countries simultaneously. Upon filing, the right to obtain patent protection in signatory countries is preserved during the examination and grant phases. After filing, the PCT application is examined against a set of standards accepted by the signatory countries. This provides an initial indication to the owner of the patentability of an invention, and assists the owner to decide in which countries protection intends to be sought. The Patent Offices of each country in which the owner wishes the seek protection must then determine whether they will grant the patent. The patent rights granted through a PCT (international) Application then become national patent rights.

3.2. KEY FEATURES OF THE BUSINESS MODEL AND STRATEGY

3.2.1. Exploiting the technology

The Melbourne Facility currently being commissioned is intended to provide clients with a facility to research, develop and manufacture prototypes and products utilising the Titomic Kinetic Fusion process.

The Titomic prototyping services provide clients with a product license based on the clients' part, component or product unique digital design file. A full evaluation report, demonstrating cost, weight and production benefits will be provided to clients on all parts, components or products that are prototyped. Upon the clients receiving this evaluation report, they will have the option to secure a Titomic manufacturing license and purchase a Titomic Kinetic Fusion production system.

Following commissioning of the Melbourne Facility, Titomic intends to exploit the Titomic Kinetic Fusion technology through a number of different models:

1. **R&D Prototyping Service Bureau**
 Titomic intends to establish a research and development service bureau for clients to prototype parts, components and products via the Titomic Kinetic Fusion process. Titomic will work with clients to design and engineer their custom manufacturing requirements around specific performance parameters such as specific mechanical properties, weight savings, load bearing capabilities fatigue and corrosion resistance. In the early stages of the implementation of the business model the Titomic service bureau intends to generate a significant portion of Titomic's sales revenue.

 A number of successful 3D printing equipment manufacturers have implemented a service bureau model to accelerate new technology adoption over the past ten years.

2. **Titomic Kinetic Fusion Equipment Sales**
 Titomic intends to sell a range of Titomic Kinetic Fusion equipment for metal parts manufacturing to various industries. Titomic also intends to sell custom designed, fully automated, Titomic Kinetic Fusion turnkey systems as complete production lines for industrial scale metal parts manufacturing.

 These equipment/systems will be built in Australia using componentry sourced globally. Titomic is partnering with several Cold Spray equipment manufacturers for supply of Titomic Kinetic Fusion equipment as well as with leading suppliers of robotic and automated digital manufacturing systems.

 Titomic equipment/system sales are intended to be a major revenue channel in the first 5 years of commercial operations.

3. **Titomic Branded Powder and Consumables**
 Titomic expects that it will use a large volume of Titanium and other metal alloy powders, and anticipates that this will provide it with a real opportunity to negotiate favorable pricing from powder manufacturers.

 Titomic intends to sell a comprehensive range of Titomic branded metal powders for various applications as well as other consumables to support the Titomic Kinetic Fusion production systems, which Titomic intends to source from some of the world's largest powder manufacturers.

 The Titomic Kinetic Fusion process can utilise both expensive grade spherical metal powders and the cheaper grade irregular morphology (sharp) metal powders. Titomic intends to supply a comprehensive range of metal powders, allowing clients to purchase powders to meet their requirements - from high performance Aerospace grade alloyed metal powders through to cost effective bulk supply of sharp grade powders used for industrial scale applications.

Titomic metal powder and consumable sales are intended to be a major long term, highly profitable, revenue stream that compliment the revenue from existing clients that have purchased Titomic Kinetic Fusion equipment/systems.

4. **Titomic Service & Maintenance Program** Provision of service and maintenance of Titomic Kinetic Fusion equipment/systems. Titomic's extensive research and development expertise enables ongoing software updates and sharing of digital machine intelligence to clients that have purchased Titomic Kinetic Fusion systems and equipment.

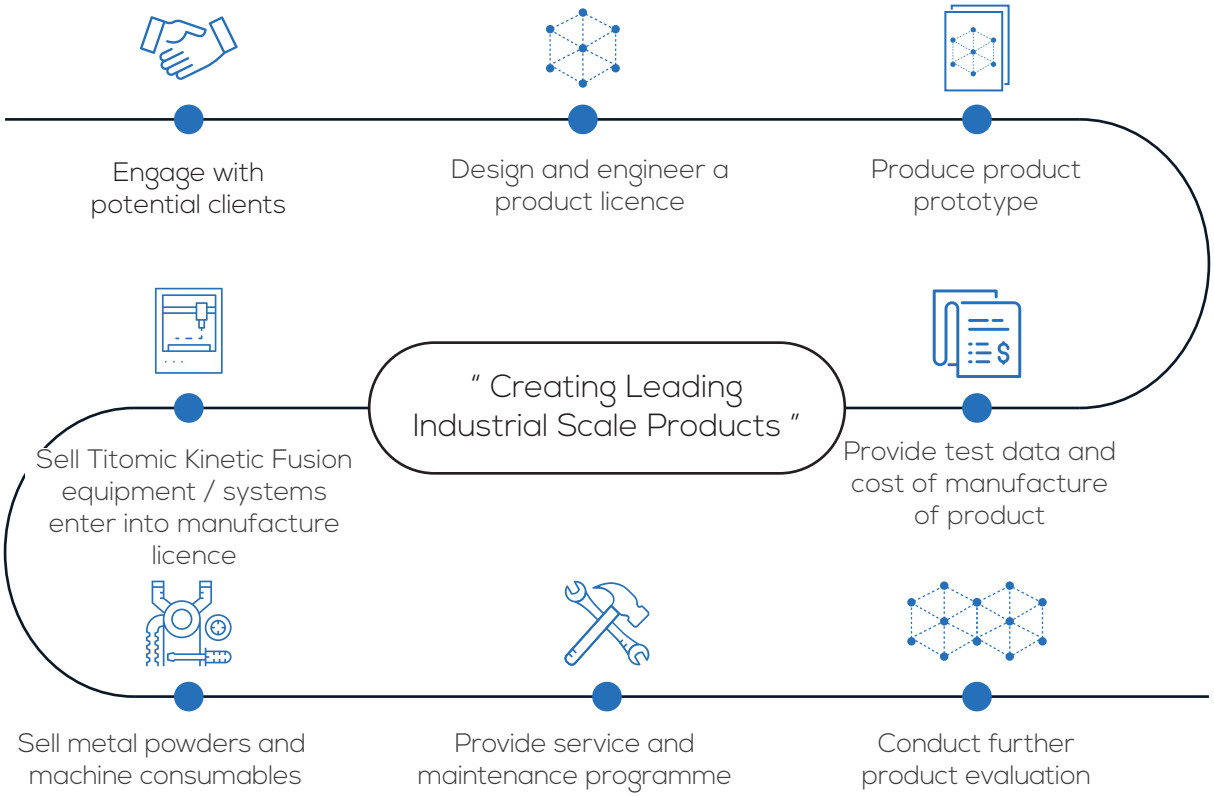
 This revenue channel is intended to initially focus on income from preventative maintenance, servicing and upgrades for Titomic Kinetic Fusion equipment/systems and later shift towards Titomic digital manufacturing software solutions.

5. **Titomic Manufacturing Services** Provision of contract manufacturing and demonstration production services for clients using the Titomic Kinetic Fusion production systems in the Melbourne Facility.

 Titomic may enter into manufacturing contracts or joint ventures with clients for the manufacture of high volume and high precision parts, components and products. Titomic anticipates that it will either derive a manufacturing fee with respect to manufacturing contracts, or profits from joint venture arrangements.

3.2.2. Titomic License Models

The following is a diagrammatic representation of Titomic's intended sales model.



3.2.2.1. Titomic Product Licence

It is anticipated that the product licence will be the first stage of an agreement with a potential client, defining the clients' intellectual property and the design that the client intends to manufacture using the Titomic Kinetic Fusion process. The product licence forms the initial contractual process for Titomic to undertake research and development for the clients' product, including but not limited to:

- digital product design;
- product design evaluation;
- material properties evaluation;
- robotic programs;
- product prototypes; and
- product testing and validation;

Titomic has not, as at the date of this Prospectus, prepared its pro-forma product licence terms and conditions. However, the Board envisages that Titomic's product licence terms and conditions will be prepared following the IPO. The Board intends for these terms and conditions to, broadly speaking, contain (in addition to the matters noted above), provisions dealing with:

(a) ordering procedures;
(b) ownership of existing and created intellectual property (in particular to ensure that Titomic's intellectual property is protected);
(c) warranties, indemnities and quality control;
(d) confidentiality;
(e) other commercial terms, including costing and payments terms; and
(f) other usual provisions for product manufacturing modeling, and ancillary technical support

3.2.2.2. Titomic Manufacturing Licence

The manufacturing licence is the second stage of a contractual agreement with a client and defines the parameters for manufacturing of a product using a Titomic Kinetic Fusion product licence. The manufacturing licence is intended to allow the client to manufacture their products following the purchase of turnkey Titomic Kinetic Fusion equipment or systems, or by sub-licensing the manufacturing process to Titomic or another Titomic approved manufacturer.

The manufacturing licence will permit clients to utilise the Titomic Kinetic Fusion process to commercially manufacture their products. The manufacturing licence will also incorporate provisions for the ongoing supply of Titomic Kinetic Fusion powders, equipment consumables and a service and maintenance programme.

Titomic has not, as at the date of this Prospectus, prepared its pro-forma manufacturing licence terms and conditions. However, the Board envisages that Titomic's manufacturing licence terms and conditions will be prepared following the IPO. The Board intends for these terms and conditions to, broadly speaking, contain (in addition to the matters noted above), provisions dealing with:

(a) ordering procedures;
(b) ownership of existing and created intellectual property (ensuring that Titomic's intellectual property is protected);
(c) ownership of any turnkey production line or production cell;
(d) ownership risk and title in any products produced by Titomic;
(e) warranties, indemnities and quality control;
(f) confidentiality;
(g) competition;
(h) other commercial terms, including costing and payments terms; and
(i) other usual provisions for manufacturing licences, and service programmes.

3.3. MANUFACTURING FACILITY

3.3.1. Summary

The Melbourne Facility will be situated at 1/371 Ferntree Gully Road, Mount Waverley, Victoria Australia.

The Melbourne Facility will be a mixed use factory, office, research and development and engineering centre which is currently being refitted to Titomic requirements and will consist of a total building area of around 2,100m^2 comprising:

- Manufacturing and research and development floor - 1,700m^2;
- Administration and Engineering – 352m^2; and
- ITAR (International Traffic in Arms Regulation) compliance area (subject to receipt of accreditation from the Australian Department of Defence) – 48m^2.

The Melbourne Facility will have one of the world's largest dedicated robotic Cold Spray research and development cells, which will involve initial prototyping of large scale components to demonstrate the capability of the system and promote Titomic's technical capabilities. As a number of Titomic's clients will be involved with the manufacture of defence related products, it is important that Titomic has a secure area where it can handle any sensitive military data. The establishment of an ITAR compliant area within Titomic's facility will allow it to prototype and produce military related products subject to the receipt of necessary accreditation.

The secondary automated Cold Spray robotic production cell is for complex products and will produce components for existing applications such as bicycle frames, wheelchairs and other similar components.

The Melbourne Facility will be operated by two technicians and two machine operators, one each per robot (not yet employed). It is expected that the facility commissioning will be complete by the first quarter of 2018.

3.3.2. Lease over Melbourne Facility

On 6 March 2017, the Company entered into a lease agreement to lease premises at 1/371 Ferntree Gully Road, Mount Waverley in Victoria. The area is approximately 2,127 square metres. The rent over the premises is $180,000 per annum plus outgoings and GST. The lease commenced on 1 April 2017 and rental obligations commences on 1 August 2017 for a period of five years, with an option for a further term of five years. Rent is fixed for years one and two and is then increased by 3% for the period of the term. The company has provided a bank guarantee equal to three month's rental. Use of the premises is for additive manufacturing. Approval was given for the works to install equipment.

3.3.3. Robotic Cold Spray Facility – R&D cell

On 25 January 2017, Advanced Robotics Australia Pty Ltd ABN 43 604 791 399 provided a quotation for the supply, installation and commissioning of a Robotic Research and Development Cold Spraying System which was updated on 30 May 2017 and accepted by the Company.

The system cost is $1,520,000 plus GST. Installation is intended to commence at the Melbourne Facility in October 2017. Payment terms are 30% from placement of order, 60% monthly progress payments and 10% on completion of installation. The system is subject to a defect warranty of 12 months. Other third party components are subject to the warranty passed on from the original supplier.

The system includes:

- supply of detailed design and engineering of the Titomic Kinetic Fusion Research & Development cell, being one of the world's largest 3D metal printing systems;

- installation and commissioning and conducting a factory acceptance test;
- all packaging and delivery services; and
- automated Cold Spray robotic production cell for complex products; and
- all technical documentation.

3.3.4. Robotic Cold Spray Facility – Production cell

On 25 January 2017, Advanced Robotics Australia Pty Ltd ABN 43 604 791 399 provided a quotation for the supply, installation and commissioning of a Robotic Production Cold Spraying System for the production of bicycles, wheelchairs and other components which was updated on 30 May 2017 and accepted by the Company.

The system cost is A$553,000 plus GST. Installation is expected to commence at the Melbourne Facility in October 2017. Payment terms are 30% from placement of order, 60% monthly progress payments and 10% on practical completion of installation. The system is subject to a defect warranty of 12 months. Other third party components are subject to the warranty passed on from the original supplier.

The system includes:

- supply of detailed design and engineering of the Titomic Kinetic Fusion Production cell, being a fully automated additive manufacturing production system
- installation and commissioning and conducting a factory acceptance test;
- all packaging and delivery services; and
- all technical documentation.

3.3.5. Finishing & Polishing cell

The third part of the Melbourne Facility and will finish and polish the manufactured components as they are produced. The Titomic Kinetic Fusion process produces parts that have a slightly rough surface finish. For some industries, this surface finish is ideal for painting or direct coating. Other industries such as the bicycle industry will require a highly polished finished product. Titomic's robotic surface finishing system has the capability to automatically finish and polish products manufactured by Titomic. Clients may, at their discretion, polish the product themselves or use third party service providers. The system cost is $724,000 plus GST.

The system includes:

- supply of detailed design and engineering of the Titomic Kinetic Fusion Finishing & Polishing cell for automated polishing of metal parts;
- installation and commissioning and conducting a factory acceptance test;
- all packaging and delivery services; and
- all technical documentation.

3.3.6. Plasma Giken

The Company has also ordered some key componentry being two cold spray systems from Plasma Giken Co., Ltd in Japan. Installation is expected to commence at the Melbourne Facility in October 2017.

This componentry includes:

- Two Cold Spray Systems; and
- Short term technical support.

The cost of this componentry is $608,551

3.3.7. Payment Terms

Payments terms to Advanced Robotics and Plasma Giken have been agreed to be made as follows:

MONTH	AMOUNT
January – April 2017	$840,038
May 2017	$152,000
July 2017	$439,000
August 2017	$534,400
September 2017	$504,100
October 2017	$647,158
November 2017	$152,000
December 2017	$136,855
TOTAL	**$3,405,551**

4 DETAILS OF THE OFFER

4.1. THE PUBLIC OFFER

This Prospectus relates to an initial public offering of new Shares by Titomic.

The Offers are made on the terms, and is subject to the conditions, set out in this Prospectus. All Shares will rank equally with each other.

4.1.1. Structure of the Public Offer

The Offer comprises the Retail Offer and the Institutional Offer, each described below:

- the Retail Offer, which consists of the Broker Firm Offer; and
- the Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus.

No general public offer of Shares will be made under the Public Offer.

The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Company and the Lead Manager, having regard to the allocation policies outlined in Sections 4.3

4.1.2. Purpose of the Public Offer

The purpose of the Public Offer is to:

- facilitate the Company's application for admission to the Official List of the ASX; and
- to raise up to $6,500,000 pursuant to the Public Offer, which shall be used for purposes including:
 - the commissioning of the Melbourne Facility;
 - to co-develop parts production with national and international clients; and
 - to build capacity for sales and service of Titomic Kinetic Fusion systems.

4.1.3. Use of Offer proceeds

The total gross proceeds of the Public Offer will be equal to the number of Shares issued under the Public Offer multiplied by the Offer Price.

The total sources of funds under the Public Offer are expected to be $6,500,000. The following table details the sources and proposed uses of the Public Offer proceeds:

The following table details the sources and uses of the Public Offer proceeds:

SOURCES	$	%	USES OF FUNDS	$	%
Gross proceeds from the Public Offer	$6,500,000	100%	Payment for transaction costs associated with the Offer	$779,391	12%
			Equipment purchases	$3,907,000	60.1%
			Research & Development	$752,450	11.6%
			Selling & Marketing	$57,981	0.9%
			Employment Costs	$893,470	13.7%
			Corporate Administration	$109,708	1.7%
Total	**$6,500,000**	**100%**	**Total**	**$6,500,000**	**100%**

Equipment Purchases includes:

- Research & Development cell, $1,520,000;
- Production cell, $553,000;
- Finishing & Polishing cell, $724,000;
- Plasma Giken Cold Spray, $608,101; and
- Office fitout and factory workshop of Melbourne Facility, $501,449.

Research & Development includes:

- Prototyping (bicycle and wheelchair frames), $357,450;
- CSIRO research, $70,000;
- Software development, $100,000;
- Intellectual Property, Patent and Legals, $225,000.

The information above is indicative only. Actual use of funds will depend on a variety of factors including market conditions and the Company's progress and success in the implementation of its strategy following completion of the IPO.

4.1.4. Existing Shareholders

The details of Shares owned by Existing Shareholders immediately prior to the Offer, and on Completion of the Offers, are set out below:

EXISTING SHAREHOLDER	SHARES HELD PRIOR TO THE OFFERS	SHARES HELD PRIOR TO THE OFFERS	SHARES HELD AT COMPLETION OF THE OFFERS	SHARES HELD AT COMPLETION OF THE OFFERS
Founding	69.02%	51,750,000	45.68%	51,750,000
Seed	30.98%	23,229,167	20.50%	23,229,167

4.1.6. PAC Offer

This Prospectus also includes an offer of up to 5,819,050 Shares to the Lead Manager.

The PAC Offer is a separate offer to the Lead Manager only. No funds will be raised from the issue of Shares under the PAC Offer.

4.1.6. Corporate structure of Titomic

Titomic is a single corporate entity, and it has no subsidiaries.

On 17 May 2017, Titomic transferred its interest in two subsidiaries, Ezilite Holdings Pty Ltd and Ezilite Trading Pty Ltd to JIRT Pty Ltd (a related party) for nominal value on the basis that the two companies did not hold any value and were superfluous to Titomic's activities.

4.1.7. Financial and other information about Titomic

The Company's Pro Forma Historical Statement of Financial Position following Completion of the Offers, including details of the pro forma adjustments, is set out in Section 5.

The Company's capitalisation and indebtedness as at 31 December 2016, before and following Completion of the Offers, are set out in Section 5.

The Directors believe that, on Completion of the Offer, the Company will have sufficient funds available to fulfil the purposes of the Offer and meet its stated business objectives.

4.2. TERMS AND CONDITIONS OF THE OFFER

TOPIC	SUMMARY
What is the type of security being offered?	Shares (being fully paid ordinary shares in Titomic).
What are the rights and liabilities attached to the Shares being offered?	A description of the Shares, including the rights and liabilities attaching to them is set out in Section 4.12.
What is the consideration payable for the Shares?	The Offer Price is $0.20 per Share.
What is the Offer period?	The key dates, including the details of the Public Offer period, are set out on page 10.
What are the cash proceeds to be raised?	$6,500,000 will be raised under the Offer based on the Offer Price.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Company and the Lead Manager, having regard to the allocation policy outlined in Sections 4.3 and 4.4. With respect to the Broker Firm Offer, it is a matter for the Brokers (and not the Company) how they allocate Shares among eligible retail clients. For further information on the Broker Firm Offer, see Section 4.3. The allocation of Shares under the Institutional Offer will be determined by agreement between the Company and the Lead Manager.
When will I receive confirmation whether my Application has been successful?	It is expected that initial holding statements will be mailed by standard post on or about 1 September 2017.

TOPIC	SUMMARY
Will the Shares be quoted?	The Company will apply for admission to the Official List of the ASX and quotation of Shares on ASX under the code "TTT". Completion of the Offers are conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by us from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit us to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on 13 September 2017 (on a normal settlement basis). It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Titomic Offer Information Line, by a Broker or otherwise.
Is the Public Offer underwritten?	Yes. The Lead Manager has fully underwritten the Public Offer. Details are provided in Section 10.3.
Are there any escrow arrangements?	Yes. Details are provided in Section 4.7.
Have any ASX confirmations or ASIC modifications been obtained or relied on?	No.

Are there any taxation considerations?	Yes. Please refer to Section 10.6 and note it is recommended that all potential investors consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offers. See Section 10.3.1 for details of various fees payable by the Company to the Lead Manager.
What should I do with any enquiries?	Enquiries in relation to this Prospectus may be directed to the Titomic Offer Information Line on 1300 103 209 (toll free within Australia) or +61 3 9415 4310 (outside Australia) from 9am until 5pm (Melbourne time) Monday to Friday. Enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

4.3. BROKER FIRM OFFER

4.3.1. Who May Apply

The Broker Form Offer constituted by this Prospectus in electronic form is available only to persons with a registered address within Australia and who have a firm allocation of Shares from their Broker. If you have been offered a firm allocation of Shares by a Broker, you will be treated as an Applicant under the Broker Firm Offer in relation to that allocation. You should contact your Broker to determine whether you may be allocated Shares under the Broker Firm Offer.

4.3.2. How to Apply

Applications for new Shares offered under the Broker Firm Offer may only be made on the Offer Application Form attached to and forming part of this Prospectus. Please read the instructions on the Application Form carefully before completing it.

Applications for Shares under the Broker Firm Offer must be made using the Application Form. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form and Application Monies with the Broker from whom you received your firm allocation of Shares. Applicants under the Broker Firm Offer must not be sent to the Share Registry.

Applications for Shares under the Broker Firm Offer must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share. The Company and Lead Manager reserve the right to aggregate any applications which they believe are multiple applications from the same person, or to reject or scale back any applications.

A completed Application Form is an offer by an Applicant to the Company to apply for the amount of Shares specified in

the Application Form on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

The Company reserves the right to decline any Application and all Applications in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded. Acceptance of an Application will give rise to a binding contract.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date and payment must be in accordance with the Lead Manger's direction. The Company and the Lead Manager may elect to extend the Public Offer or any part of it, or to accept late applications in particular cases or generally. The Public Offer, or any part of it, may be closed at an earlier date or time without notice, or your Broker may impose an earlier closing date. Applicants are therefore encouraged to submit their Application Forms as soon as possible. Please contact your Broker for instructions.

4.3.3. How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions received from their Broker.

4.3.4. Broker Firm allocation policy

The allocation of firm stock to Brokers has been determined by agreement between the Company and the Lead Manager. Shares which have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants who have received a valid allocation of Shares from those Brokers (subject to the right of the Company and the Lead Manager to reject or scale back Applications). It will be a matter for those Brokers how they allocate Shares among their retail clients and they (and not the Company) will be responsible for ensuring that retail clients, who have received an allocation of Shares from them, receive the relevant Shares.

4.3.5. Application Monies

Application Monies received under the Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

4.3.6. Announcement of final allocations in Broker Firm Offer

Applicants in the Broker Firm Offer will be able to confirm their allocation through the Broker from whom they received their allocation.

4.4. INSTITUTIONAL OFFER

4.4.1. Invitation to Bid

The Institutional Offer is an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in jurisdictions outside the United States to bid for Shares, made under this Prospectus. The Lead Manager separately advised Institutional Investors of the Application procedures for the Institutional Offer.

4.4.2. Institutional Offer allocation policy

The allocation of Shares between the Institutional Offer and the Broker Firm Offer was determined by agreement between the Company and the Lead Manager. The Lead Manager, in consultation with the Company, determined the basis of allocation of Shares among Institutional Investors. Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager.

The allocation policy was influenced by the following factors:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following Listing on ASX;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall levels of demand under the Broker Firm Offer and Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long term Shareholders; and
- any other factors that the Company and the Lead Manager considered appropriate.

4.5. ACKNOWLEDGEMENTS

Each Applicant under the Offers will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offers;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) accompanying the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that once the Company receives an Application Form it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends;
- acknowledged that any dividends paid by the Company may be unfranked or only partially franked and that the unfranked portion of any such dividends may not attach conduit foreign income;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not investment advice or taxation advice or a recommendation

that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs of the Applicant(s); and

- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer).

4.6. RESTRICTIONS ON DISTRIBUTION

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the US Securities Act or the Securities laws of any state of the United States and may not be offered or sold in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act laws and any other applicable Securities laws.

Each Applicant in the Broker Firm and Institutional Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the Securities laws of any state of the United States and may not be offered, sold or resold in the United States;
- it is not in the United States;
- it has not and will not send the Prospectus or any other material relating to the Public Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

4.7. VOLUNTARY ESCROW ARRANGEMENTS

No Shares issued under the Public Offer are subject to escrow.

However, Shares to be issued under the PAC Offer, and certain Shares held by seed investors, related parties of Titomic and promoters, and shares to be issued to related parties of Titomic and promoters under the Public Offer, will be subject to ASX imposed escrow for a period of up to 24 months following quotation.

4.8. DISCRETION REGARDING THE OFFER

The Company may withdraw the Offers at any time before the issue of Shares to successful Applicants or bidders. If the Offers, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

The Company and the Lead Manager also reserve the right to close the Public Offer or any part of it early, extend the Public Offer or any part of it, accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

4.9. SPECULATIVE NATURE OF OFFERS AND RISK FACTORS

As with any investment in listed securities, an investment in the Company is subject to a number of risks. Applicants should understand that an investment in the Company is speculative and subject to a wide range of risks and that Applicants may lose the entire value of their investment. Before deciding to invest in the Company, Applicants should read this document carefully and in its entirety, with a particular emphasis on the risk factors detailed in Section 8.

Applicants should consider these matters in light of their personal circumstances (including financial and taxation affairs), their own risk profiles and investment parameters and, where necessary, seek professional advice before deciding whether or not to apply for Shares.

4.10. REGULATORY RELIEF

No ASIC or ASX relief has been sought.

4.11. ASX LISTING, REGISTERS AND HOLDING STATEMENTS, SETTLEMENT TRADING

4.11.1. Application to ASX for listing and quotation of Shares

The Company will apply to the ASX for admission to the Official List and quotation of Shares on the ASX (which is expected to be under the code "TTT").

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Titomic or the Shares offered for subscription under this Prospectus.

If permission is not granted for the official quotation of the Shares on the ASX within three months after such application is made (or any later date permitted by law), all application monies received by the Company will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by us from time to time), the Company will be required to comply with the ASX Listing Rules.

4.11.2. CHESS and issuer sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Sub-register System (CHESS) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in Securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion of the Offers, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the

following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

4.11.3. Trading and selling Shares on market

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Titomic Offer Information Line or confirmed your firm allocation through a Broker.

Shares are expected to commence trading on the ASX on a normal settlement basis on or about 13 September 2017.

4.12. DESCRIPTION OF SHARES

4.12.1. Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution of the Company; and
- in certain circumstances, regulated by statute, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

4.12.2. Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid Share held.

4.12.3. Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to Shareholders.

4.12.4. Dividends

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the Constitution, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlements to the dividend and the time and the method of payment of the dividend.

4.12.5. Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

4.12.6. Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of, further shares on such terms and conditions as the Directors resolve.

4.12.7. Winding up

Subject to the Constitution, the Corporations Act and any special resolution or preferential rights or restrictions attached to any class or classes of shares, members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

4.12.8. Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

4.12.9. Share buy-backs

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.

4.12.10. Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed. These provisions will cease to apply unless renewed by special resolution of the Shareholders in a general meeting by the third anniversary of the date of the Constitution's adoption.

4.12.11. Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

4.12.12. Directors - appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum may not be more than 10. Directors are elected at general meetings of the Company.

The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any Managing Director) retires at each annual general meeting of the Company.



4.12.13. Directors - voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote.

4.12.14. Directors - remuneration

The Directors, other than the executive Directors, shall be paid by way of fees for services, with the maximum aggregate sum approved from time to time by the Company in a general meeting or, until so determined, as the Board determines. The current maximum aggregate sum approved by the Board is $400,000. Any change to that maximum aggregate sum needs to be approved by Shareholders. The Constitution also makes provision for the Company to pay all reasonable expenses incurred by Directors in attending meetings or otherwise in connection with the business of the Company. Subject to the Corporations Act and the Constitution, remuneration of

Executive Directors shall be the amount that the Board decides.

4.12.15. Directors - powers and duties

The Directors have the power to manage the business of the Company and may exercise all powers which are not expressly required by law, the ASX Listing Rules or the Constitution to be exercised by the Company in a general meeting.

4.12.16. Indemnities

The Company, to the extent permitted by law, indemnifies each of its Directors and Secretaries (past and present) against any liability incurred by that person as an officer of the Company or one of its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director or Secretary of the Company or its Subsidiaries against any liability incurred by such person as an officer of the Company or its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis).The Company, to the extent permitted by law, may enter into an agreement or deed with a Director or a person who is, or has been, an officer of the Company or its Subsidiaries, under which the Company must do all or any of the following:

- keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;
- indemnify that person against any liability and certain legal costs incurred by that person (on a solicitor-and-client basis);
- make a payment (whether by way of advance, loan or otherwise) to that person in respect of certain legal costs incurred by that person (on a solicitor-and-client basis); and
- keep that person insured in respect of any act or omission by that person while an officer of the Company or a Subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

4.12.17. Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

5 FINANCIAL INFORMATION

The financial information for Titomic Limited (formerly Titomic Pty Ltd) contained in this Section 5 comprises of the following:

(a) Historical financial information, being the:

(i) Historical Statement of Financial Performance

- For the years ended 30 June 2015 and 2016
- For the half years ended 31 December 2015 and 2016

(ii) Historical Statement of Cash Flows

- For the years ended 30 June 2015 and 2016
- For the half years ended 31 December 2015 and 2016

(iii) Historical Statement of Financial Position

- As at 30 June 2016 and 31 December 2016

(the Historical Financial Information).

(b) Pro forma historical financial information, being the:

(i) Historical Statement of Financial Position as at 31 December 2016

(ii) Adjusted for the Pro Forma and Subsequent Adjustments (as if they occurred as at that date) collectively forms the Pro Forma Historical Statement of Financial Position as at 31 December 2016

(the Pro Forma Historical Financial Information).

The Historical Financial Information and Pro Forma Historical Financial Information together comprise the Financial Information.

The Financial Information has been reviewed and reported upon by the Investigating Accountant, whose Investigating Accountant's Report is set out in Section 6. Investors should note the scope and limitations of that report.

Also summarised in this Section 5 are:

(a) the basis of preparation and presentation of the Financial Information (refer to Section 5.1);

(b) a summary of indebtedness before and after the Offer (refer to Section 5.4);

(c) a summary of the Company's dividend policy (refer to Section 5.6).

All amounts disclosed in this Section 5 are presented in Australian Dollars (A$).

5.1. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

(a) Preparation of the Historical Financial Information

The Historical Financial Information has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with IFRS
The financial statements of the Company also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Interim historical financial information
The Historical Financial Information as at and for the half years ended 31 December 2015 and 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The information in this Section 5 should be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

(b) Preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Prospectus. The Pro Forma Historical Financial Information has been extracted from the reviewed Historical Financial Information of the Company.

The Pro Forma Historical Financial Information has been prepared based upon the Company's interim financial position as at 31 December 2016.

The Pro Forma Historical Financial Information presented in the Prospectus has been reviewed by Pitcher Partners Corporate but has not been audited.

Investors should note that past results are not a guarantee of future performance. Investors should note the limitations of the Investigating Accountant's Report in Section 5.

5.2. HISTORICAL FINANCIAL INFORMATION

(a) Historical Statement of Financial Performance

Table 1: For the years ended 30 June 2015 and 2016

	NOTES	30 JUNE 2015* A$ AUDITED	30 JUNE 2016 A$ AUDITED
Revenue and other income			
Sales revenue		-	-
		-	-
Less: Expenses			
Consulting expenses		-	(37,941)
Loss before income tax		**-**	**(37,941)**
Income tax expense		-	-
Loss for the period		**-**	**(37,941)**
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		**-**	**(37,941)**

**Information related to the year ended 30 June 2015 comprises of the Company's financial performance for the period from 11 November 2014 (date of incorporation) to 30 June 2015*

Table 2: For the half years ended 31 December 2015 and 2016

	NOTES	31 DECEMBER 2015* A$ REVIEWED	31 DECEMBER 2016 A$ REVIEWED
Revenue and other income			
Sales revenue		-	-
Less: Expenses			
Consulting expenses		-	(82,214)
Corporate administration expenses	1	-	(105,564)
Employee benefits expense	2	-	(73,976)
Research and development expenses		-	(28,619)
Travel and entertainment expenses		-	(19,642)
Finance costs		-	(205)
Profit / (loss) before income tax		**-**	**(310,220)**
Income tax expense		-	-
Profit / (loss) for the period		**-**	**(310,220)**
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		**-**	**(310,220)**

(b) Historical Statement of Cash Flows

Table 3: For the years ended 30 June 2015 and 2016

	NOTES	30 JUNE 2015* A$ AUDITED	30 JUNE 2016 A$ AUDITED
Cash flow from operating activities			
Net cash from operating activities		**-**	**-**
Cash flow from investing activities			
Net cash from investing activities		**-**	**-**
Cash flow from financing activities			
Net cash provided by financing activities		**-**	**-**
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the start of the period		-	-
Cash and cash equivalents at the end of the period		**-**	**-**

**Information related to the year ended 30 June 2015 comprises of the Company's cash flows for the period from 11 November 2014 (date of incorporation) to 30 June 2015*

Table 4: For the half years ended 31 December 2015 and 2016

	NOTES	31 DEC 2015 A$ REVIEWED	31 DEC 2016 A$ REVIEWED
Cash flow used in operating activities			
Payments to suppliers and employees		-	(165,269)
Finance costs		-	(205)
Net cash used in operating activities		**-**	**(165,474)**
Cash flow used in investing activities			
Deposits paid		-	(45,455)
Net cash used in investing activities		**-**	**(45,455)**
Cash flow from financing activities			
Proceeds from share issue		-	2,600,000
Share issue transaction costs		-	(177,746)
Proceeds from related party borrowings		-	2,152
Net cash provided by financing activities		**-**	**2,424,406**
Net increase in cash and cash equivalents		-	2,213,477
Cash and cash equivalents at the start of the period		-	-
Cash and cash equivalents at the end of the period		**-**	**2,213,477**

(c) Historical Statement of Financial Position

Table 5: As at 30 June 2016 and 31 December 2016

	NOTES	30 JUNE 2016 A$ AUDITED	31 DECEMBER 2016 A$ REVIEWED
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	-	2,213,477
Trade and Other Receivables		1,048	1,048
Other Assets	4	-	85,266
Total Current Assets		**1,048**	**2,299,791**
Non-Current Assets			
Intangible Assets	5	283,212	283,212
Total Non-Current Assets		**283,212**	**283,212**
TOTAL ASSETS		**284,260**	**2,583,003**
LIABILITIES			
Current Liabilities			
Trade and other payables	6	37,941	217,882
Provision for employee benefits		-	4,616
Borrowings	7	-	2,152
Total Current Liabilities		**37,941**	**224,650**
Non-Current Liabilities			
Other payables	8	283,212	283,212
Total Non-Current Liabilities		**283,212**	**283,212**
TOTAL LIABILITIES		**321,153**	**507,862**
NET ASSETS		**(36,893)**	**2,075,141**
EQUITY			
Issued capital	9	1,048	2,423,302
Reserves		-	-
Accumulated Losses		(37,941)	(348,161)
TOTAL EQUITY		**(36,893)**	**2,075,141**

Notes

1. Corporate administration expenses primarily comprise of professional services rendered by external parties.

2. Employee benefits expense comprises of salaries, wages and other statutory employee entitlements.

3. Cash and cash equivalents reflects the total cash balances held at bank.

4. Other assets comprises of deposits paid and GST receivables.

5. Intellectual Property represents the fair value of the Novated licence agreement, with details as follows:

 Titomic's core technology is based on "Cold Spray Robotic Technology". Titanium powder is sprayed at supersonic speed (up to two times the speed of sound) onto a scaffold surface, resulting in the powder particles plastically deforming at the edges, on impact and then bonding at a particle level with the surrounding particles.

 In August 2013, Force Industries (a related party of Jeffrey Lang, Tim Fox and Richard Fox) exercised an option to acquire an exclusive royalty bearing licence to exploit intellectual property owned by the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The licence is in respect of Australian Patent Application No 2012901345 "Manufacturing Process", and any applicable Know-How and relevant subject matter. The term of the licence was to the expiration, lapsing or cessation of all licenced patents.

 Force Industries and CSIRO agreed in January 2016 to novate the licence to Titomic. All existing and accrued obligations of the Licence Agreement were novated to Titomic effective from this date. The novation was for nil consideration.

 The licence agreement provides for royalty payments payable to CSIRO on future sales. Under the agreement, Force Industries must pay CSIRO 1.5% of attributable gross sales revenue and 20% of non-sales revenue attributable to products within the licensed field.

 To remain exclusive, the licence agreement is further subject to the satisfaction of the following performance criteria:

 - Minimum $350,000 of Research Fees payable by Titomic to CSIRO over a five-year period from licence grant date; or

 - Minimum royalty payments structured as following:

PERIOD	MINIMUM ROYALTY
Year 1	$ -
Year 2	$25,000
Year 3	$50,000
Year 4 and every subsequent agreement year until the end of the licence term	$75,000

The value of the novated licence agreement acquired from Force Industries has been calculated with reference to the fair value of consideration given to acquire the licence at the time of novation. This comprises the present value of contracted future cash outflows to maintain the licence, which have been novated to Titomic. The minimum $350,000 has been spread evenly over a five-year licence term and discounted using an indicative discount rate of 7.50% pa, to determine the cost of the intangible asset acquired.

Significant accounting estimates and judgements

In January 2016, the Company and Force Industries, a related party of Titomic Directors Richard Fox and Timothy Fox (former) agreed to novate the licence on Kinetic Fusion (based on 'Cold Spray Robotic Technology') to Titomic. An external valuation of this technology was obtained effective as at the date of the novation. This valuation required a degree of estimation and judgement.

6. Trade and other payables includes outstanding payables owing to suppliers and employees, including accruals for unbilled services rendered.

7. Borrowings includes a loan from Mr. Richard Fox, one of the Company's directors and shareholders. The loan bears no interest and is repayable on demand.

8. Other payables includes the present value of the minimum $350,000 of Research Fees payable by Titomic to CSIRO over a five-year period from licence grant date under the Company's novated licence agreement with CSIRO.

9. Issued capital includes the value of fully paid ordinary shares, less transaction costs.

5.3. PRO FORMA HISTORICAL FINANCIAL INFORMATION

Set out below in Table 6 are the pro forma adjustments to the statutory statement of financial position as at 31 December 2016 to allow for the impact of subsequent events and the capital raising in place immediately following Completion of the Offer.

The pro forma adjustments made to the statutory statement of financial position of the Company as at 31 December 2016 reflect the impact of subsequent events and the capital raising noted in the table below that will be in place following Completion of the Offer as if they had occurred or were in place as at 31 December 2016.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Table 6: Pro Forma Statement of Financial Position as at 31 December 2016

	NOTES	31 DECEMBER 2016 A$ [REVIEWED]	CAPITAL RAISING IPO & OTHER SUBSEQUENT EVENTS A$ [REVIEWED]	PRO FORMA 31 DECEMBER 2016 A$ [REVIEWED]
ASSETS				
Current Assets				
Cash and Cash Equivalents	10	2,213,477	4,001,437	6,214,914
Trade and Other Receivables	11	1,048	157,123	158,171
Other Assets		85,266	-	85,266
Total Current Assets		**2,299,791**	**4,158,560**	**6,458,351**
Non-Current Assets				
Property, plant & equipment	12	-	1,085,017	1,085,017
Intangible Assets		283,212	-	283,212
Total Non-Current Assets		**283,212**	**1,085,017**	**1,368,229**
TOTAL ASSETS		**2,583,003**	**5,243,577**	**7,826,580**
LIABILITIES				
Current Liabilities				
Trade and other payables		217,882	-	217,882
Provision for employee benefits		4,616	-	4,616
Borrowings		2,152	-	2,152
Total Current Liabilities		**224,650**	**-**	**224,650**
Non-Current Liabilities				
Other payables		283,212	-	283,212
Total Non-Current Liabilities		**283,212**	**-**	**283,212**
TOTAL LIABILITIES		**507,862**	**-**	**507,862**
NET ASSETS		**2,075,141**	**5,243,577**	**7,318,718**
EQUITY				
Issued capital	13	2,423,302	6,089,914	8,513,216
Reserves		-	-	-
Accumulated Losses		(348,161)	(852,337)	(1,200,498)
TOTAL EQUITY		**2,075,141**	**5,243,577**	**7,318,718**

Notes

10. Pro Forma cash and cash equivalents reflects the net impact of the proceeds received from the Offer, less payment of transaction costs as follows:

	A$
Cash and cash equivalents as at 31 December 2016	**2,213,477**
Add: Net cash movements for the period from 1 January 2017 to 31 July 2017 (including the capital raising on 13 July 2017)	(1,410,753)
Add: Proceeds from the Offer	6,500,000
Less: Payment of transaction costs (including GST refundable)	(1,087,810)
Pro forma cash and cash equivalents as at 31 December 2016	**6,214,914**

11. Pro Forma trade and other receivables reflects the impact of GST refundable raising from transaction costs incurred in relation to the Offer:

	A$
Trade and Other receivables at 31 December 2016	**1,048**
GST movements from 1 January 2017 to 31 July 2017	43,399
GST refundable from transaction costs	113,723
Pro forma trade and other receivables as at 31 December 2016	**158,171**

12. Pro Forma property, plant & equipment reflects the net impact of subsequent capital expenditure, as follows:

	A$
Property, plant and equipment at 31 December 2016	
Add: Purchases of fixed assets for the period from 1 January 2017 to 31 July 2017	27,946
Add: Capital WIP for machinery and equipment	1,057,071
Pro Forma property, plant and equipment as at 31 December 2016	**1,085,017**

13. Pro Forma issued capital reflects the net impact of the capital raised from the Offer, net of transaction costs as follows:

	A$
Issued capital as at 31 December 2016	**2,423,302**
Add: Contribution from the capital raising on 13 July 2017	600,000
Less: Payment of transaction costs	(30,000)
Add: Contribution received from the Offer	6,500,000
Less: Transaction costs	(974,086)
Pro Forma issued capital as at 31 December 2016	**8,519,216**

5.4. CAPITALISATION

The table below sets out the capitalisation of the Company on a Pro Forma and Historical basis.

Table 7: Pro Forma Historical Capitalisation

	31 DECEMBER 2016	CAPITAL RAISING IPO & OTHER SUBSEQUENT EVENTS	PRO FORMA 31 DECEMBER 2016
	A$	A$	A$
	[REVIEWED]	[REVIEWED]	[REVIEWED]
CAPITALISATION			
Current debt			
Director's loan	2,152	-	2,152
Total debt	2,152	-	2,152
Equity and invested capital			
Issued capital	2,423,302	6,095,914	8,519,216
Reserves	-	-	-
Accumulated Losses	(348,161)	(852,337)	(1,200,498)
Total equity and invested capital	**2,075,141**	**5,243,577**	**7,318,718**
Total capitalisation	**2,077,293**	**5,243,577**	**7,320,870**

The Company has no banking facilities as of the date of this Prospectus.

(b) Capitalisation and Indebtedness

The table below sets out the capitalisation and indebtedness of the Company on a Pro Forma and Historical basis.

5.5. FORECAST FINANCIAL INFORMATION

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

5.6. DIVIDEND POLICY

The Company does not expect to declare any dividends after the completion of this Offer.

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

5.7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the Financial Information. This includes current accounting policies and significant accounting policies relevant to the Company for the near future. The accounting policies have been consistently applied, unless otherwise stated.

(a) Going Concern

The Directors have prepared the Financial Information on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

From 1 July 2016 the Company has commenced start-up operations with loans from related parties and a short-term loan from the Company's broking firm PAC Partners.

Following the receipt of $2,600,000 (before costs) from the November 2016 seed capital raisings, the Company began operations incurring expenses associated with research and commercialisation programs of the Company's technology.

The Company incurred a loss from ordinary activities of $310,220 during the half year ended 31 December 2016. The Company had a net assets position of $2,075,141 (June 2016 deficiency in net assets: $36,893), and current assets exceed current liabilities by $2,075,141 (June 2016: current liabilities exceeded current assets by $36,893).

The Directors have concluded that the going concern basis is appropriate, based on analysis of the company's internal cash flow forecasts and a planned Initial Public Offering (IPO).

As an early stage business, there are often significant risks associated with product development and regulatory approvals required by technology companies to advance their products and the timing of these approvals are difficult to predict.

The Company's ability to continue as a going concern and meet its liabilities and future commitments as and when they fall due is dependent on:

- The ability to commercialise the Cold-Spray technology and generate future sales to enable the Company to generate profit and positive cash flows from operating activities; and
- Obtaining additional funding as and when required via the planned IPO.

Following execution of a Mandate and Underwriting Agreement with PAC Partners on or around 9 August 2017, the Company is seeking to raise $6,500,000 (before costs) from an IPO anticipated to occur on or about 8 Septembe 2017. The underwriting agreement includes a number of potential termination events, including being subject to the Company receiving formal approval and admission to the ASX and other potential adverse market and economic related events.

For the 2018 financial year, the Company has budgeted for operation cash outflows to exceed operating cash inflows as it continues the commercialisation of its Cold-Spray technology together with further research programs. The Directors believe that the funds raised from the IPO will be sufficient to sustain the Company for more than twelve months beyond the IPO.

As at the date of this report, the Directors are unaware of any factors that may result in termination of the underwriter's agreement or the IPO being unsuccessful. The Directors therefore consider the going concern basis of accounting appropriate for the Company.

Should the IPO not proceed as planned, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern basis of accounting is found to no longer be appropriate, the recoverable amounts of assets shown in the Historical Statement of Financial Position and Pro Forma Statement of Financial Position are likely to be significantly less than the amounts disclosed and the extent of liabilities may differ significantly from those reflected in the Historical Statement of Financial Position and Pro Forma Statement of Financial Position.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of the revenue can be reliably measured, it is probable that the future economic benefits will flow to the Company and specific criteria have been met for each of the activities as described below. The amount of the revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

The following specific revenue criteria must be met before revenue is recognised:

(i) Sale of Goods

Significant risks and rewards of ownership of goods has passed to the buyer when an invoice for the goods is issued;

(ii) Interest

Interest revenue is recognised using the effective interest rate method;

All revenue is measured net of the amount of goods and services tax (GST).

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(d) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases.

Finance leases are capitalised, recording an asset and liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the statement of profit or loss. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Intangibles

Titomic's core technology is based on "Cold Spray Robotic Technology". Titanium powder is sprayed at supersonic speed (approximately 1.5 to 3 times the speed of sound) onto a scaffold surface, resulting in the powder particles plastically deforming at the edges, on impact and then bonding at a particle level with the surrounding particles.

The Titomic Kinetic Fusion process can produce complex shapes such as oval, tear-drop, conical tubes, allowing manufacturers to produce shapes and styles not possible with traditional Titanium manufacturing technology.

Trademarks and licences

Trademarks and licences are recognised at cost and are amortised over their estimated useful lives, which range from 5 to 20 years. Trademarks and licences are carried at cost less accumulated amortisation and any impairment losses.

Research and development

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the Company can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful life, which ranges from 2 to 10 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(f) Impairment of non-financial assets

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard.

(g) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Employee benefits

Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

Other long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

Retirement benefit obligations

Defined contribution superannuation plan

The consolidated entity makes superannuation contributions (currently 9.50% of the employee's average ordinary salary) to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year.

These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

(j) Financial instruments

Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation by key management personnel. Investments in listed securities are carried at fair value through profit or loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in profit or loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and the group intends to hold the investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale

Available-for-sale financial assets include any financial assets not included in the above categories or are designated as such on initial recognition. Available-for-sale financial assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The cumulative gain or loss is held in equity until the financial asset is de-recognised, at which time the cumulative gain or loss held in equity is recognised in profit or loss.

Non-listed investments for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to director-related entities.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment as a result of one or more events ('loss events') having occurred and which have an impact on the estimated future cash flows of the financial assets.

For loans and receivables and held-to-maturity investments carried at amortised cost, impairment losses are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss reduces the carrying amount of the asset and is recognised in profit or loss. The impairment loss is reversed through profit or loss if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised.

For available-for-sale financial assets carried at cost because a fair value cannot be reliably determined, impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

For available-for-sale financial assets carried at fair value, the impairment loss is measured as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in profit or loss. If the asset is impaired, the cumulative loss is reclassified from equity to the profit or loss. For equity investments, the impairment loss is not reversed through profit or loss. For debt investments, the impairment loss is reversed through profit or loss if the fair value increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(k) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

Joint ventures

The Company's interest in joint ventures are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the joint venture are recognised in the Company's profit or loss and its share of the joint venture's other comprehensive income is recognised in the Company's other comprehensive income.

(l) Foreign currency translations and balances

Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which that Company operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into functional currency at the rate of exchange ruling at the date of the transaction. Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

(m) Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparatives

Where necessary, the comparative information has been reclassified and repositioned for consistency with current year disclosures.

(o) Accounting standards issued but not yet effective

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for the future reporting periods. Some of which are relevant to the entity. The entity has decided not to early adopt any of these new and amended pronouncements.

The entity's assessment of the new and amended pronouncements that are relevant to the entity but applicable in future reporting periods is set out below:

STANDARD	MANDATORY DATE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	REPORTING PERIOD STANDARD ADOPTED BY THE COMPANY
AASB 9 Financial Instruments and related standards	1 January 2018	1 July 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian. Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2014-9 Equity method in separate financial statements	1 January 2016	1 July 2016
AASB 16 - Leases	1 January 2019	1 July 2019

Although the Directors anticipate that the adoption of the aforementioned standards may have an impact on the Group's accounting and disclosures, the potential impact has not currently been considered.

INVESTIGATING ACCOUNTANT'S REPORT

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Ref: BJB:jb

10 August 2017

The Directors
Titomic Limited
Level 3
62 Lygon Street
CARLTON VICTORIA 3053

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON TITOMIC HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

We have been engaged to report on the Historical Financial Information and Pro Forma Historical Financial Information (together, Financial Information) of Titomic Limited (the Company, or Titomic) for the period ended 31 December 2016. The Financial Information has been prepared for inclusion in the Prospectus dated on or about 10 August 2017 in connection with the proposed initial public offer (IPO) of 32,500,000 shares in Titomic at $0.20 per share to the value of $6.5m (the Prospectus).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) holds the appropriate AFSL under the *Corporations Act 2001*.

Background

Titomic was incorporated in 2014 to research and develop new additive manufacturing processes connected with the Titomic Kinetic Fusion (TKF) process. The TKF process is the subject of the international patent application PCT/AU2013243224 which was filed on 26 March 2013 (CSIRO Patent Application). The TKF process was co-developed by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and Force Industries Ltd and was originally licensed by Force Industries Ltd from the CSIRO (CSIRO License). In January 2016, by a deed of novation and variation, the CSIRO License (as varied) was novated from Force Industries Limited to Titomic. Under the terms of the CSIRO License, Titomic has the right to commercially exploit the patent by manufacturing components of a monocoque design.

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

an independent member of
BAKER TILLY
INTERNATIONAL

Titomic is seeking to raise $6.5m through the initial public offer of its shares and associated listing on the Australian Securities Exchange. The funds raised will be used for IPO costs and working capital purposes as it seeks to commercialise the technology.

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate to review the following Historical Financial Information of Titomic included in the Prospectus:

- the Statement of Financial Performance for the years ended 30 June 2015 and 2016;
- the Statement of Financial Performance for the half years ended 31 December 2015 and 2016;
- the Statement of Financial Position as at 31 December 2016;
- the Statement of Cash Flows for the years ended 30 June 2015 and 2016; and
- the Statement of Cash Flows for the half years 31 December 2015 and 2016.

(collectively, the "Historical Financial Information").

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Titomic for the years ended 30 June 2015 and 30 June 2016 which was audited by Pitcher Partners in accordance with the Australian Auditing Standards and the financial report of Titomic for the half years ended 31 December 2015 and 31 December 2016 which was reviewed by Pitcher Partners in accordance with Australian Auditing Standards applicable to review engagements. Pitcher Partners issued an audit opinion on the financial reports. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate to review the pro forma historical Statement of Financial Position as at 31 December 2016 (Pro Forma Historical Financial Information).

The Pro Forma Historical Financial Information has been derived from the Historical Statement of Financial Position of Titomic as at 31 December 2016, after adjusting for the effects of pro forma adjustments described in section 5 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 5 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Statement of Financial Position. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position.

PITCHER PARTNERS
CORPORATE PTY LTD

Directors' responsibility

The directors of Titomic are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Historical Financial Information

- analytical procedures on the audited financial performance of the Company for the periods ended 30 June 2015, 2016 and 31 December 2015, 2016;
- analytical procedures on the audited cash flows of the Company for the periods ended 30 June 2015, 2016 and 31 December 2015, 2016;
- analytical procedures on the audited statements of financial position of the Company as at 30 June 2015, 2016 and 31 December 2015, 2016;
- a comparison of consistency in application of recognition and measurement principles in Australian Accounting Standards, and the accounting policies adopted by the Company and disclosed in the proposed prospectus;
- a review of Company work papers, accounting records and other documents; and
- enquiry of directors, management and others in relation to the Historical Financial Information.

Pro Forma Historical Financial Information

- analytical procedures on the Pro Forma Historical Financial Information of the Company;

- a review of Company work papers, accounting records and other documents of the Company and its auditors or advisors;
- a review of the pro forma transactions and/or adjustments made to the Historical Financial Information;
- a review of accounting policies for consistency of application and identification of any adjustments to align the accounting policies to those of the Company; and
- enquiry of directors, management, personnel and advisors.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 5 of the Prospectus, and comprising:

- the Statement of Financial Performance of Titomic for the years ended 30 June 2015 and 2016;
- the Statement of Financial Performance of Titomic for the half-years ended 31 December 2015 and 2016;
- the Statement of Financial Position as at 31 December 2016;
- the Statement of Cash Flows for the years ended 30 June 2015 and 2016; and
- the Statement of Cash flows for the half-years ended 31 December 2015 and 2016;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Emphasis of Matter

Without modifying our conclusion expressed above, attention is drawn to the matters set out in paragraph (a) in Section 5.7 of the Prospectus titled, 'Going Concern'.

The conditions outlined in that Section indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the Statement of Financial Position as at 31 December 2016 is not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Emphasis of Matter

Without modifying our conclusion expressed above, attention is drawn to the matters set out in paragraph (a) in Section 5.7 of the Prospectus titled, 'Going Concern'.

The conditions outlined in that Section indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

Liability

Pitcher Partners Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Declaration of Interest

Pitcher Partners Corporate does not have any interest in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
PITCHER PARTNERS CORPORATE PTY LTD



B J BRITTEN
Executive Director and Representative

Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 19
15 William Street
MELBOURNE VIC 3000
Tel: +613 8610 5000

Financial Services Guide

Version dated: 10 August 2017

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by Titomic Limited to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.
We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: http://www.fos.org.au

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: http://www.asic.gov.au/asic/asic.nsf

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.

INTELLECTUAL PROPERTY REPORT

DAVIES COLLISON CAVE
INTELLECTUAL PROPERTY

Davies Collison Cave Pty Ltd

Patent and Trade Mark Attorneys
Australia and New Zealand

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Melbourne Victoria 3000
Australia

GPO Box 4387
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Australia

T +61 3 9254 2777
F +61 3 9254 2770
E mail@davies.com.au
W www.davies.com.au
ABN 13 613 954 368

Via E-mail Only

3 August 2017

Jeffrey Lang
Titomic Pty Ltd
Level 1
1284 South Road
Clovelly Park SA 5042
Australia

DCC Ref: 35264861/JCC

Re: IP Report

Dear Jeff,

As requested, please find attached an IP Report detailing the patents and patent applications in the name of Commonwealth Scientific and Industrial Research Organisation relating to a process for producing a Titanium loadbearing structure. The IP Report also provides some background about Davies Collison Cave and an overview of intellectual property.

The IP Report has been prepared by Davies Collision Cave for inclusion in a prospectus to be issued by Titomic. Davies Collison Cave provides permission for the report to be used in this regard.

Yours sincerely,
DAVIES COLLISON CAVE PTY LTD

JULIAN CURWEN
Principal
jcurwen@davies.com.au

Encl.



AUSTRALIA
NEW ZEALAND
SINGAPORE
ASIA PACIFIC

IP REPORT - PATENT AND PATENT APPLICATIONS IN THE NAME OF COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION RELATING TO PROCESS FOR PRODUCING A TITANIUM LOAD-BEARING STRUCTURE

About Davies Collison Cave

Davies Collison Cave is one of Australia's leading intellectual property firms. It specialises in providing advice relating to protecting and enforcing intellectual property rights. Davies Collison Cave has over 250 employees and can trace its history back more than 130 years, making it one of Australia's longest established IP firms.

The services provided by Davies Collison Cave relate to all aspects of IP including patents, registered designs, trade marks, copyright and plant breeders' rights, and is provided by attorneys possessing a diverse range of technical skills in areas including chemistry and materials, clean energy, engineering, physics and electronics, information technology, life sciences, pharmaceuticals, medical devices, nanotechnology and plant innovation.

Intellectual Property Overview

Intellectual property is a collective term used to refer to a number of different rights including patents, registered designs, trade marks, copyright and trade secrets. The only rights relevant to this IP Report are patent rights.

Patents

A patent is a legally enforceable and exclusive right to commercially exploit an invention for a defined period of time in a particular country.

In Australia, where the invention is a product, exploitation includes making, hiring, selling or otherwise disposing of the product, or offering to make, sell, hire or otherwise dispose of the product, using or importing the product, or keeping the product for the purpose of doing any of those things. For a method or process, exploitation includes using the method or process or exploiting a product resulting from performing the method or process. Other countries have their own laws regarding the rights afforded by a granted patent, and advice should be sought on a country by country basis if further information is required.

A patent is granted for inventions that meet defined criteria. Each country in the world has its own patent laws and different countries therefore generally have different criteria, and hence make their own assessment as to the patentability of an invention. In general, the requirements include that the claimed invention is novel, involves an inventive step and meets subject matter eligibility requirements.

Patent Application Process

In order to obtain patent protection, it is ultimately necessary for an application to be filed with a Patent Office in each country where protection is to be sought. However, International conventions exist that enable applications to be initially filed in a single country, with subsequent applications being filed individually in each country within a defined time limit.

For example, the Paris Convention provides a mechanism that allows patent applications to be filed to cover additional countries within 12 months of the date of lodging a first provisional patent application in Australia. Thus, one or more provisional patent applications can be filed in Australia, and then subsequent applications can be filed covering other countries within 12 months of the earliest provisional application, in a process known as claiming priority.

The subsequent applications can be separate applications in each country of interest.

Alternatively, a single International Patent Cooperation Treaty (PCT) application can be filed covering a number of contracting states. The PCT application does not ultimately get granted as a patent, but rather allows the filing of national patent applications in individual countries to be deferred up to a set date, typically 30 months from the filing date of the first patent application, such as the first provisional patent application.

Once filed, the International (PCT) application undergoes an assessment process, in which a designated patent office performs a search and issues an International Search Report and associated International Written Opinion, providing a preliminary view on whether the patent application meets novelty, inventive step and industrial applicability requirements. A response to the International Written Opinion can be optionally filed during a subsequent examination process, before an International Preliminary Report on Patentability issues, providing an opinion on patentability.

It should be noted however that the outcome of this process is not binding and subsequent assessment is typically performed by patent offices in each country, after individual national patent applications have been filed. In this regard, each country will typically perform an independent search, and then assess whether the patent application meets the patentability requirements, additionally taking into account their own local law.

Whilst most countries require a local patent application to be filed, in some cases regional patent applications can be filed covering a group of countries. For example, a European patent application can be filed, which can allow subsequent patents to be granted in up to 38 countries. Assuming any objections are overcome, the patent application can then be granted allowing this to be subsequently enforced to prevent third parties exploiting the invention.

Details of Patent Portfolio

Details of the patent portfolio owned by Commonwealth Scientific and Industrial Research Organisation (CSIRO) are provided in the patent schedule below.

The patent portfolio consists of a national patent that has been granted in New Zealand and pending national patent applications in Australia, China, Europe (application before the European Patent Office), Hong Kong, Japan, South Korea and USA. The patent application in the USA has just been allowed for grant of a patent. These cases are based on International patent application no. PCT/AU2013/000318 filed on 26 March 2013 and claiming priority from an Australian provisional patent application AU 2012901345 filed on 4 April 2012.

In general terms the invention that is the subject of the patent and patent applications relates to a process for producing a Titanium load-bearing structure, which comprises cold-gas dynamic spraying of Titanium particles on to a suitably shaped support member, and to a Titanium load bearing structure so-produced. The load-bearing structure may take the form of a frame, for example, a frame a bicycle.

PATENT SCHEDULE

JURISDICTION	APPLICATION NUMBER	FILING DATE	REGISTERED OWNER
Australia	2013243224	26 March 2013	CSIRO
China	201380029219.8	26 March 2013	CSIRO
China (divisional)	201710198014.2*	26 March 2013*	CSIRO
Europe	13772931.5	26 March 2013	CSIRO
Europe (divisional)	17163656.6**	26 March 2013	CSIRO
Hong Kong	15107195.1	26 March 2013	CSIRO
Japan*****	2015-503714	26 March 2013	CSIRO
Japan (divisional)	2017-106368***	26 March 2013	CSIRO
Republic of Korea	10-2014-7030349	26 March 2013	CSIRO
United States of America****	14/390545	26 March 2013	CSIRO

JURISDICTION	PATENT NUMBER	FILING DATE	REGISTERED OWNER
New Zealand	630819	26 March 2013	CSIRO

** Divisional application filed 29 March 2017; effective filing date 26 March 2013.*
*** Divisional application filed 29 March 2017; effective filing date 26 March 2013.*
**** Divisional application filed 30 May 2017; effective filing date 26 March 2013.*
***** Application has been allowed for grant of a patent.*
****** Application has been allowed for grant of a patent.*

LIMITATIONS TO NOTE

Patent Office Information

The patent schedule has been prepared based on information supplied by patent offices in relevant jurisdictions, either through official communications or through publication on official patent office databases. We cannot take responsibility for missing or erroneous data provided by patent office databases and as such Davies Collison Cave is not responsible for the accuracy of the information provided.

Scope of Patents

Davies Collison Cave can provide no assurance that any of the patent applications listed in the patent schedule will result in the grant of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the claims in an application as originally filed.

Validity of Patents

It is important to understand that granting of a patent is not a guarantee of validity and patents can be held subsequently unenforceable, for example during court proceedings or third party oppositions in some jurisdictions. Davies Collison Cave can provide no assurance as to the validity of the patent applications or any granted patent listed in the patent schedule.

Commercial Activities

We can provide no assurance that the patent or any patents granted from the patent applications listed in the patent schedule, even if valid, will cover commercial activities of interest. Further, we can provide no assurance that exploitation of any invention

described and claimed in the patent or in any patent application listed in the patent schedule, will not infringe any rights held by third parties.

It is important to understand that granting of a patent provides a monopoly right to prevent exploitation of the invention by third parties, but provides no guarantee that the invention can itself be commercialised without infringing third party rights. Davies Collison Cave can therefore provide no assurances as to the freedom to operate in respect of any proposed commercial activities.

Patent Searches

Searches may be conducted in respect of patent applications and patents in order to evaluate their validity or to identify third party patent rights that may be relevant. No search can provide completely comprehensive results and it is not possible to guarantee the accuracy of any such results, conducted by any parties, due to a range of limitations. Davies Collison Cave cannot therefore provide assurances as to the accuracy of any such searches.

Limitations of searches include:

1. It is possible that a relevant patent publication will not be located. One possible reason is that inaccuracies or omissions in patent office or commercial database records exist. The accuracy of the information contained in a database depends upon the integrity of the database and the data extraction service used. Whilst commercial databases generally have a reasonable standard of accuracy, they are nonetheless secondary sources of information and may contain errors which are impossible to identify without cross-checking against the records of the relevant national patent office. There can also be a significant delay before the information in a particular commercial database is updated following a change in the records of a national patent office database.

2. In conducting a patent publication search, often patent classification codes such as the International Patent Classification codes are searched. Although classification codes are highly useful in locating relevant publications, certain limitations do exist. Accurate classification searching relies heavily on both the selection of the codes to be searched and whether each patent document has been properly and consistently classified by the patent office. Also, classification of the technology in a patent document is open to interpretation and different codes can be applied to the same document by different patent offices. Sometimes, a patent document can be completely misclassified. A patent document can also be only assigned an incomplete class code or have no code at all. It is possible, therefore, that potentially relevant documents may not be located.

3. Patent publication searching can involve keyword searching and there are many limitations associated with keyword based searches. Keyword searching is possible by the conversion of text into a machine searchable form through the use of optical recognition software. Thus, relevant publications may not be located due to the errors and limitations arising from the conversion process. A keyword search may also not retrieve a relevant document if the keyword being searched is in a particular section of a patent specification (for example, the description), but that particular section of the document cannot be searched due to database limitations or for other reasons. Additionally, some commercial databases only enable full text Latin based searching of patent publications, including the claims, from a select

number of jurisdictions. Thus, a full text based search can only be conducted for these available patent publications. For patent publications from other countries, only the title or abstract will be searched if available.

Searching for patent publications containing phrases or keywords in the English language will not retrieve potentially relevant publications that are in a language other than English. Also, a keyword search may not find records within which the keyword sought is misspelled in the original document. Only documents that include the exact combination of keywords or truncations thereof will be retrieved using this approach. It is therefore quite possible for potentially relevant publications to be in existence that do not include the keywords searched.

4. Unpublished patent applications are unlikely to be located when searching either a patent office database or a commercial patent database. In most countries, a patent application is not published until 18 months has elapsed from its earliest priority date or filing date, depending upon the patent laws of the particular jurisdiction. In New Zealand, a patent application arising from a PCT application is not published until after 18 months has elapsed from the earliest priority date. New Zealand patent applications not arising from a PCT application and filed before 13 September 2014 are not published until grant. In contrast, Australian patent applications are normally published after 18 months has elapsed from the earliest priority date. Also, the publication of some patent applications relating to particular fields of technology may be the subject of an order prohibiting the publication of the invention. At the expiry of this period or order, the patent specifications are published and copies are placed in publicly accessible records. However, there is always a delay in including the information in the publicly accessible records and there can be a further delay before the commercial patent databases are updated to include the information.

5. A name search involves keyword searching and such searching is possible by the conversion of text into a machine searchable form through the use of optical recognition software. Thus, relevant publications may not be located due to the errors and limitations arising from the conversion process. Further, a name search may not find records within which the name sought is misspelled in the original document. The name search will also not find records for which no applicant/patentee information is available. Only documents that include the exact combination of keywords or truncations thereof will be retrieved using this approach. It is therefore quite possible for potentially relevant publications to be in existence that do not include the names searched.

6. Searching for, or according to, status information concerning patent applications is heavily reliant on the accuracy of the patent office records. We cannot take responsibility for missing or erroneous data that are provided by patent office databases.

Date of Report: 3 August 2017

Intellectual Property Report

Madderns Ref: 47861M

2 August 2017

IP Report for Directors of Titomic Pty Ltd ACN 77 602 793 644

Dear Directors

This report has been prepared for Titomic Pty Ltd (Titomic) for inclusion in a Prospectus (the Prospectus) that will be lodged at the Australian Securities and Investment Commission (ASIC).

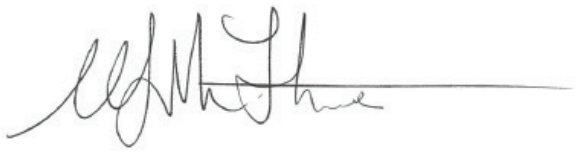
This report lists registered or registrable forms of Intellectual Property, such as trade marks and patents.

This report is largely based on information supplied to Titomic by the attorney firm Davies Collison Cave (DCC) who represent the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the owner of a patent and patent applications relating to a process for producing a titanium load-bearing structure.

It is my understanding that Titomic are licensees of a license of the relevant patent and patent applications owned by the CSIRO.

Madderns provides permission for this report to be included in the Prospectus.

Yours faithfully
MADDERNS



/BillMcFarlane/

W G (Bill) McFARLANE
Partner and Unit Holder
MADDERNS is the trading name of Maddern & Catt Unit Trust

Enc.

INTELLECTUAL PROPERTY REPORT

INTELLECTUAL PROPERTY

Intellectual property (IP) is a type of intangible asset. IP is the "product" of the mind and there are many forms of IP rights, including patents, trade marks, designs, copyrights, circuit layout rights, plant variety rights, trade secrets and confidential information. This report only covers patents and trade marks. Patents relate to functions and features of an invention, while trade marks relate to brands to indicate the origin of goods and services.

PATENT SYSTEM

A patent grants a limited term and an enforceable exclusive right to prevent others from exploiting an invention claimed by the granted patent. It is granted by a government of a country in exchange for public disclosure of the invention. The monopoly right can be used to prevent unauthorised copying of the invention by a competitor or a counterfeiter.

While the general principle of a patent is similar in most countries in the world, the laws and regulations governing a patent system differs from country to country. Specific advice in relation a matter in a certain country should be sought from a legal practitioner practicing in that certain country.

In Australia, the patent system evolved from the Statute of Monopolies from English law. It is currently governed by the *Patents Act 1990*. *Patents Act 1990* defines exclusive rights in a way that a patent gives the patentee the exclusive rights, during the term of the patent, to exploit the invention and to authorise another person to exploit the invention. The exclusive rights are personal property and are capable of assignment and of devolution by law. Further, a patent has effect throughout the patent area (the entire Australia). The term "exploit" is defined to include, in relation to an invention: (a) where the invention is a product–make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or (b) where the invention is a method or process–use the method or process or do any act mentioned in (a) in respect of a product resulting from such use.

As can be appreciated, the rights provided by a patent can potentially be broad depending on the scope of protection claimed by the patent. Accordingly, for a patent to be valid and enforceable in a country, the claimed invention must satisfy requirements set down by the law and regulations of a country. In general, the main requirements require the claimed invention to be new worldwide, not obvious to a skilled person in the relevant technological field, and meets requirements of patentable subject matter.

PATENT APPLICATION PROCESS

Patent rights are national rights in that to obtain patent protection in a country a patent application must be filed and granted in that country. There are international conventions to streamline and simplify the process:

(i) Paris Convention
This allows a convention patent application to be filed in a country within 12 months from the date the very first application has been filed in another country.

(ii) Patent Cooperation Treaty (PCT)

A PCT application allows a patent application to be filed within 30 or 31 months (depending on countries) from the date the very first application has been filed. Not all countries are signatory to the PCT.

(iii) Regional applications
This allows one single application to be filed, examined and granted with respect to a group of countries, for example, a European patent application.

For an Australian applicant, there are many different paths to obtain patents in Australia and overseas. Common paths are as follows:

(a) File a provisional patent application in Australia to set a first filing date;
(b) Within 12 months of (a), file convention applications in countries/regions of interest and/or file a PCT application;
(c) If a PCT application was filed, within 30 or 31 months from (a), depending on countries of interest, file national phase application based on the PCT application in countries/regions of interest.

Typically, a patent application would be subjected to substantive examination before grant to ensure that the invention as claimed by the patent application fulfills requirements of a patent as discussed previously. If the claimed invention is considered to be failing one or more requirements, an examination report is issued to provide an opportunity for the applicant to submit arguments and/or amendments to claims to overcome all issues raised in the examination report. Once all issues are overcome, the patent application can proceed to grant. Upon grant, the patent is enforceable.

For a PCT application, a designated office would issue an International Search Report (ISR) with a Written Opinion. This is report provides a preliminary assessment on the patentability of the invention as claimed. The ISR and the Written Opinion is not binding but can provide an early indication as to whether the patent application can achieve grant in countries of interest in the future.

BACKGROUND

Titomic are the licensees of the patent and patent applications listed in the Patent Schedule below. I understand that the License agreement (the Licence agreement) between Titomic and the CSIRO is summarized in the Prospectus.

Further details of the current status of those patents are provided below but the extent of the patent portfolio is briefly described as follows: patents have been granted in New Zealand and Japan; and there are pending patent applications in Australia, China, Europe (application before the European Patent Office), Hong Kong, Japan (a divisional of granted patent in Japan), South Korea and USA.

All of the patent/patent applications have a basis from an International patent application no. PCT/AU2013/000318 filed on 26 March, 2013 (the date from which a patent period is calculated from). The PCT patent application system is explained above. All the patent/patent applications have a source patent application being an Australian provisional patent application AU 2012901345 filed on 4 April 2012, and from which all of the patents claim priority from that date.

PATENT SCHEDULE

The following patent schedule is provided by attorney firm Davies Collison Cave (DCC) the firm which acts on behalf of the CSIRO and the listed patent portfolio:

Country	Official no.
Australia	AU2013243224
China	CN201380029219.8
China (divisional)	CN201710198014.2
Europe	EP13772931.5
Europe (divisional)	EP17163656.6
Japan	JP6153600
Japan (divisional)	TBA
New Zealand	NZ630819
Korea	KR10-2014-7030349
USA	US14/390545
Hong Kong	HK15107195.1

We provide the following information:

a) It is my understanding of the Licence agreement that the future prosecution of the patent applications is the responsibility of the licensor (the CSIRO), as is the maintenance of the patents while pending and after the grant of the various patents, for the maximum possible life of the granted patent in the relevant countries which is typically 20 years from the filing date 26 March, 2013 of the PCT application for each patent in a relevant country;

b) It is possible to file one or more provisional patent applications and associated provisional patent specifications within the 12 months following the priority date, to cover improvements and modifications to the aspects disclosed in an earlier specification. This process is not unusual as more is learnt about the processes involved in the manufacture of various items. This comment applies to the mentioned provisional filing to be made by Titomic and others that are under consideration.

c) It is important to maintain the confidentiality of information relating to possible production methods, possible apparatus settings and arrangements, and possible materials, so as to maintain the option of filing for patent protection at the appropriate commercial time.

CSIRO PATENT PORTFOLIO

Granted Patents

New Zealand NZ630819 owner CSIRO

This patent is granted and the next renewal date is 26 March 2018 and the expiry date, if all renewal fees are paid, will be 26 March 2033.

Japan JP6153600

This patent is granted. Additional information is available at the Japanese Patent Office web site (https://www.j-platpat.inpit.go.jp/web/all/top/BTmTopEnglishPage)

Patent Applications

Australia AU2013243224 owner CSIRO

This patent is pending and an examination report issued 15 November 2016. There is a period of 12 months within which to overcome any objection raised in the report. It is possible to divide out of this application one or more, further patent applications and those applications may be filed to effectively extend a non-identical but similar set of claims into a fresh application, and thus effectively provide a set of claims which then become pending, the further applications being examined in due course. The Examination report dated 15 November 2016 is publically available. It is noted that all the claims are considered novel and having inventive step and the only matter out-standing is an

administrative step of revoking a postponement of acceptance, which would trigger the acceptance of the application, and if there were no third party opposition to the grant, grant of the patent. The later steps could be settled within about 4 months. The latest filed and patent office generated documents are available at the Australian Patent Office site (http://pericles.ipaustralia.gov.au/ols/auspat/quickSearch.do).

China CN201380029219.8
This patent is pending and the most recent examination report issued 3 November 2016 and a response was filed 20 March 2017. Additional information is available at the Chinese Patent Office patent search site (http://211.157.104.77:8080/sipo_EN/search/tabSearch.do?method=init).

China CN 201710198014.2 (Divisional of CN201380029219.8)
This patent has been filed and is awaiting examination. Additional information is available at the Chinese Patent Office patent search site (http://211.157.104.77:8080/sipo_EN/search/tabSearch.do?method=init).

Hong Kong HK15107195.1
This patent is pending. No further relevant information is publically available. The grant of the corresponding European patent will trigger the next step of the Hong Kong patent, being acceptance and grant. The Hong Kong Patent Searching site (http://ipsearch.ipd.gov.hk/patent/main.jsp?LANG=en)

Europe EP13772931.5
This patent is pending and examination reports have issued the latest of which is dated 12 May 2017. There is a period of 4 months within which to overcome the objections raised in the report. It is possible to appeal the decision of the Examiner. All the documents associated with the prosecution of this application are available from the European Patent Register site (https://www.epo.org/searching-for-patents/legal/register.html#tab1).

Europe EP17163656.6 (Divisional of EP13772931.5)
This patent has been filed and is awaiting examination. All the documents associated with the prosecution of this application should shortly become available from the European Patent Register site (https://www.epo.org/searching-for-patents/legal/register.html#tab1).

Japan JP (divisional of granted JP patent)– application number not yet known
Application is in the process of being filed.
No further relevant information is publically available.at the Japanese Patent Office site (https://www.j-platpat.inpit.go.jp/web/all/top/BTmTopEnglishPage

Republic of Korea KR10-2014-7030349
This patent is pending and as of this date not yet examined. Deadline to request examination is December 2017. No further relevant information is publically available at the Korean Patent Office site (http://engpat.kipris.or.kr/engpat/searchLogina.do?next=MainSearch)

United States of America US14/390545
This patent has been allowed and a Notice of Allowance has issued on 25 May 2017. The issue fee must be paid by 25 August 2017 in order for the application to proceed to grant. All the documents associated with the prosecution of this application are available from the Image File Wrapper located at the USPTO Public PAIR web site (https://portal.uspto.gov/pair/PublicPair).

TITOMIC PATENT PORTFOLIO

Application Yet to be Filed

A provisional patent application is being prepared by Madderns as of the date of this report. The provisional patent application information that will be made public after it is filed comprises the name of the applicant, typically the entitled entity (Titomic Pty Ltd), the address of the entity, and the title of a provisional patent specification accompanying the application. The provisional patent specification is not made publically available. The date of receipt of the application and the provisional patent specification is recorded and associated with the application and is referred to as the priority date of the application and specification. Completion of the patent application is achieved within 12 months of the provisional filing date by filing a complete patent application in each of one or more countries and/or the filing of a Patent Cooperation Treaty patent application. This process is described above. As of the date of this report the title of the provisional patent application is likely to be "MANUFACTURED PARTS AND METHOD OF MANUFACTURE USING KINETIC FUSION".

This report is not to be construed to represent that this or other future patents are valid and enforceable.

TITOMIC TRADE MARK INTELLECTUAL PROPERTY

Trade Mark Application Processes

Various Australian trade mark applications have been filed by Titomic (listed in this report) on 12 May 2017. There is a period of 6 months within which one or more trade mark applications can be filed in other countries, claiming the Australian filing date as the effective filing date in those other countries, thus usurping any application made in that other country after the 12th of May 2017. If a trade mark application is made in another country after 12 May 2017 for one or more of those trade marks, then the trade mark application obtains a priority date in that country as of the date of the filling of that application.

Australian trade mark applications cannot be registered sooner than the six month period mentioned, and typically, assuming acceptance without the issue of an adverse examination report, the application will become registered within 8 to 10 months of the filing date. The typical period for obtaining an overseas registration, assuming no prosecution issues, based on a filing made just before the priority date process, will take between 12 and 15 months from the filing date to become registered, assuming acceptance without the issue of an adverse examination report. In the case of all the pending applications the examination report is expected about 11 August 2017.

Trade marks, once registered, will remain in force for a period of ten years beginning at the application date and are renewable each ten years thereafter.

All the trade mark details including the full listing of the goods and services are available from the Australian Trade Mark register web site (https://search.ipaustralia.gov.au/trademarks/search/quick).

TITOMIC AU1377857 Registered
Class 12
Filed 16 August 2010
Owner Force Industries Pty Ltd

Trade Mark registration to be assigned from Force Industries Pty Ltd to Titomic Pty Ltd

TITOMIC AU1844591
Application pending, Examination report issued 28 July 2017.
Classes 01, 06, 07, 09, 12, 14, 19, 22, 28, 37, 40, 42
Filed 12 May 2017



AU 1844596
Application pending, Examination report issued 28 July 2017.
Classes 01, 06, 07, 09, 12, 14, 19, 22, 28, 37, 40, 42
Filed 12 May 2017

TITOMIC KINETIC FUSION AU1844603
Application pending, Examination report issued 28 July 2017.
Classes 01, 06, 07, 09, 12, 14, 19, 22, 28, 37, 40, 42
Filed 12 May 2017

This report is not to be construed as a legal opinion as to the future registrability, or validity of one or more of the trade mark applications listed above.

INTELLECTUAL PROPERTY NOT DISCLOSED OR DISCUSSED IN THIS REPORT
Know-how relating to possible production methods, possible apparatus settings and arrangements, and possible materials, used or possibly used in one or more manufacturing processes are not disclosed or discussed, in this report, as they are not sufficiently developed or are not considered, at this time, to be registerable intellectual property. The confidentially of such information is important, as the non-disclosure of one or more aspects of this type of information, keeps open the possibility of applying for and obtaining valid intellectual property rights. This report is not to be construed as a legal opinion as to the future registrability, or validity of one or more possible production methods, possible apparatus settings and arrangements, and possible materials. Neither does the report provide an indication that the various possible methods, possible apparatus settings and arrangements, and possible materials are free to be used without infringement of the rights of other entities.

STATEMENT OF INDEPENDENCE
The Maddern Catt Unit Trust trading as Madderns (Madderns) Patent & Trade Mark Attorneys had its beginning in 1968. None of the trustees, employees has any entitlement to any securities in Titomic Pty Ltd (Titomic), or has any other interest in the promotion of Titomic. The payment of fees to Madderns for the preparation of this Report is not contingent upon Titomic raising funds as a result of the issue of the Prospectus. Madderns have no involvement in the preparation of the Prospectus, other that the preparation of this Report.

END OF REPORT

8 RISK FACTORS

8.1. INTRODUCTION

This Section describes some of the potential material risks associated with Titomic's business and the industry in which it operates and risks associated with an investment in Shares. Titomic is subject to a number of risks both specific to its business activities and of a general nature, which may either individually or in combination materially adversely impact the future operating and financial performance of Titomic, the investment returns and the value of Shares.

The occurrence or consequences of some of the risks described here are partially or completely outside of the control of Titomic, its Directors and management team. Investors should note that this Section 8 does not purport to list every risk that may be associated with Titomic's business or the industry in which it operates, or an investment in Shares, now or in the future. The selection of risks has been based on Titomic's assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the risks will not change or that other risks will not emerge. There can be no guarantee that Titomic will achieve its stated objectives, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance may not be a reliable indicator of future performance. Before applying for Shares, investors should satisfy themselves that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment for them, having regard to their investment objectives, financial circumstances and taxation position. Investors should seek advice from their stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Titomic.

8.2. RISKS SPECIFIC TO AN INVESTMENT IN TITOMIC

8.2.1. Limited Operating History

The Company was incorporated in 2014, and therefore has a limited operating history. Due to only incurring losses since its inception, it is not possible to evaluate Titomic's prospects based on past performance. As Titomic intends to invest in the commercial development of its additive manufacturing process and the supply of associated consumable materials, the Directors anticipate that Titomic will incur further losses until it is able to effectively commercialise and generate revenue from the Titomic Kinetic Fusion process and products. While the Directors have confidence in the future revenue-earning potential of Titomic, there can be no certainty that Titomic will achieve or sustain profitability or achieve or sustain positive cash flow from its operations.

8.2.2. Early Stage Technology

The Company's Titomic Kinetic Fusion technology is at a relatively early stage of development and has a limited track record. To the extent that the Titomic Kinetic Fusion technology is relatively untested, the profitability and sustainability of the

Company's business model is uncertain. There is no assurance that the Company will be able to fully develop the Titomic Kinetic Fusion technology to meet the Company's operational objectives, and failure to meet such objectives may adversely impact the financial position and operating results of the Company. While Titomic has undertaken product trials of the Titomic Kinetic Fusion technology, there is a risk that the Titomic Kinetic Fusion technology may not perform in exactly the same way outside Titomic's product trials, delaying development and maintenance of Titomic's manufacturing capacity.

8.2.3. Commercialisation Risk

To the extent that the Titomic Kinetic Fusion technology is relatively untested, there is no certainty that the Titomic Kinetic Fusion process will be commercially viable, and the profitability and sustainability of Titomic's business model is uncertain.

There can be no assurance that Titomic will successfully commercialise the business model of offering product and manufacturing licences to third parties. Additive manufacturing is a relatively new and developing industry, and there can be no assurance that existing product markets will continue to grow or that new markets will develop. If market uptake of the Titomic Kinetic Fusion technology is slow or does not meet expectations, Titomic's business, financial condition and operational results will be compromised.

If Titomic successfully develops and commercialises the Titomic Kinetic Fusion technology, it will manufacture third parties' products to order. If Titomic experiences problems at its production facilities or is unable to maintain adequate manufacturing capacity, it may be unable to ensure supply of such products in a timely manner, or deliver products that are of sufficient quality.

8.2.4. Intellectual Property

Titomic holds the right to exploit the CSIRO Patent Application in the Licenced Field and if the Patent Application is granted, the commercialisation rights to the resultant patents would constitute Titomic's main asset. Titomic's ability to commercialise and license its products successfully is largely dependent upon the Patent's Application's success in obtaining the monopoly rights to exploit the underlying inventions. Titomic anticipates that the Patent Application will be granted. However, there cannot be any assurance of this.

Third parties may also object to the grant of the CSIRO Patent Application on grounds which may include alleged infringement of their patents. While Titomic is not aware of the Titomic Kinetic Fusion technology infringing any third party's patent, Titomic has not undertaken an exhaustive assessment of existing patents to determine any potential infringement. Accordingly, there is a risk that a third party may claim that the Titomic Kinetic Fusion technology (including as set out in the CSIRO Patent Application) infringes that third party's patent.

The CSIRO is the owner of the CSIRO Patent Application and will be the owner of any patent granted under the CSIRO Patent Application. The CSIRO exclusively licenses commercialisation rights to Titomic subject to certain exclusions. This licence has various performance measures and royalty obligations, as described in Section 10.4.4 of this Prospectus. If Titomic cannot or does not meet these performance measures or royalty obligations, then Titomic could be considered in breach of licence conditions and the licence could potentially be revoked.

There is no guarantee that grant of a patent under the CSIRO Patent Application will provide adequate protection for the intellectual property, or that third parties will not infringe or misappropriate its patents or any other rights. In addition, there can be no assurance that Titomic will not have

to pursue litigation against other parties to assert its rights.

8.2.5. Product Liability Risk

Following the Offers, Titomic aims to sub-licence the Titomic Kinetic Fusion technology to third party manufacturers for the development and manufacture of a broad range of products, including products which are subject to stringent safety standards or which are otherwise highly regulated. If components or equipment manufactured using the Titomic Kinetic Fusion process do not meet manufacturing standards or are found to be faulty, defective or unsafe, Titomic may face product liability claims from licencees, regulators or members of the public, which may affect Titomic's brand reputation, revenue-earning potential and operating results. Titomic may not be able to successfully secure or renew product liability insurance, or defend itself against product liability claims. Any product liability claims may disrupt Titomic's business operations and financial performance.

8.2.6. Competition Risk

The additive manufacturing sector for metal products is a competitive sector that is reliant upon continual technological advancement. There are several large competitors that operate in this industry, which may be developing new technologies that can be applied to 3D metal printing. The development of a new and superior 3D metal printer by a competitor could affect Titomic's ability to commercialise the Titomic Kinetic Fusion process. There is a risk that existing competitors or new entrants to the market may develop superior or more cost effective 3D additive manufacturing processes for metal powders, which could have an adverse effect on Titomic's business and financial position. Titomic may be unable to develop further products or keep pace with rapid technological developments in its market space, and may lose market share to its competitors.

8.2.7. Counterparty risk

Titomic will depend on a number of counterparties to successfully commercialise and exploit the Titomic Kinetic Fusion process. Such counterparties include the CSIRO, manufacturing equipment providers, robotics program contractors, sub-licensees of the Titomic Kinetic Fusion process and Titanium and alloy powder providers. If relationships with some or all of these parties break down, or these parties fail to perform their obligations, Titomic's operational performance may be adversely affected.

8.2.8. Future financing

Further funding may be required by the Company to develop its commercial activities and business model. There is no assurance that the Company will be able to raise such funding on favourable terms or a timely basis, nor any guarantee that such funding will be sufficient to enable the Company to implement its planned commercial strategy. Any debt financing may involve restrictions on operating activities and financing, and any equity financing will dilute shareholdings. If the Company is unable to obtain additional funding as needed, it may be require to reduce the scope of its operations or scale back its research and development activities. Any such reduction may inhibit the development of the Company's business and adversely affect the financial performance of the Company.

8.2.9. Reliance on Key Personnel

Titomic's operational success will substantially depend on the continued employment of senior executives, technical staff and other key personnel, who have substantial technical expertise with the Titomic Kinetic Fusion technology and are familiar with the Company's business and structure. The loss of key personnel may therefore have an

adverse effect on Titomic's operations and financial performance.

8.2.10. Exchange Rate Risk

The Company will operate in Australia and intends to trade in a number of overseas markets. Accordingly, the Company will be exposed to fluctuations and volatility of the rates of exchange between the Australian dollar and the currencies of those international markets.

Titomic's financial reports will be prepared in Australian dollars. However, it is anticipated that a substantial proportion of their sales revenue, expenditures and cash flows may be generated in, other countries and therefore other currencies may be involved. Any adverse movements of international currencies against the Australian dollar as well as other adverse exchange rate fluctuations or volatility, particularly during the period between when an invoice is issued and when payment is made, could have an adverse effect on Titomic's future financial performance and position. Titomic does not currently intend to hedge against this currency risk. Movements in foreign exchange rates could also impact the cost competitiveness of both Titomic and its competitors. Any adverse movement in foreign exchange rates against Titomic but to the benefit of its competitors could affect its ability to obtain business which could adversely impact its future financial performance.

8.3. GENERAL RISKS OF AN INVESTMENT IN TITOMIC

8.3.1. Price of Shares

Once Titomic becomes a publicly listed company on the ASX, the Company will become subject to general market risk that is inherent in all Securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by Titomic's fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if Titomic's earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- fluctuations in the domestic and international market for listed securities;
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- changes in legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which Titomic operates; and
- general operational and business risks.

8.3.2. Trading and liquidity in Shares

Prior to the Offers, there has been no public market in the Shares. Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares under the Public Offer.

8.3.3. Shareholder dilution

In the future, the Company may elect to issue Shares or engage in capital raisings to facilitate employee share plans, fund acquisitions, or undertake other strategic initiatives. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a twelve month period (other than where exceptions apply), Shareholders at the time may be diluted as a result of such issues of Shares and capital raisings.

8.3.4. Inability to pay dividends or make other distributions

There is no guarantee that dividends will be paid on Shares in the future, as this is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of the Company, relative to its capital expenditure and other liabilities.

Moreover, to the extent that the Company pays any dividends, its ability to offer fully franked dividends is contingent on making taxable profits. The Company's taxable profits may be volatile, making the payment of dividends unpredictable. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances.

Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

8.3.5. Changes in Laws and Government Policy

A change in the policy of a government may affect the rights of the Company, including having material adverse effect on its operations.

At the date of this Prospectus, the Company is not aware of any proposed changes to any policy that may affect the Company.

8.3.6. Titomic may be subject to changes in tax law

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in Titomic.

8.3.7. Possible changes in Australian Accounting Standards

Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB). Accounting policies adopted by Titomic are disclosed in Note 1 to the historical financial statements. Titomic has prepared historical general purpose financial reports in accordance with the Australian Accounting Standards, Interpretations and other applicable pronouncements of AASB and The Corporation Act 2001. The AASB is due to introduce new or refined Australian Accounting Standards during the period from 2016 to 2018, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables financial instruments and leases. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially and adversely affect the financial performance and position reported in the consolidated financial statements of Titomic.

8.3.8. Possibility of force majeure events

Events may occur within or outside Australia that could impact upon the Australian economy, Titomic's operations and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Titomic's products and its ability to conduct business. While Titomic seeks to maintain insurance in in accordance with industry practice to insure against the risks it considers appropriate, no assurance can be given as to the Company's ability to obtain such insurance coverage in the future at reasonable rates or that any coverage arranged will be adequate and available to cover any and all potential claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Titomic.

8.3.9 Insurance

Titomic intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, Titomic's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or only partially covered by insurance could have a material adverse effect on the business, financial condition and results of Titomic.

8.3.10 Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Titomic. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. Accordingly, an investment in the Company should be regarded as highly speculative. This information does not purport to be a comprehensive statement of all risks; an investor should seek and obtain professional advice prior to deciding whether or not to invest in Titomic.

9 KEY PEOPLE, INTERESTS AND BENEFITS

9.1. BOARD OF DIRECTORS

The Directors of the Company bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.



Philip Vafiadis
Chair and Non-Executive Director

Philip is Executive Chairman of Innovyz and the Innovyz Institute, two of Australia's leading technology commercialisation firms. He remains the founder and Chairman of VAF Research, a manufacturer of a world leading high fidelity speaker systems. Philip also co-founded ZEN Energy, which over his time there was recognised as one of Australia's fastest growing companies. Philip has helped many companies, from startups to some of the world's largest companies, advising founders, leaders and Boards on strategies for technology, innovation, transition, future markets and growth. Philip is also a founding member and a director of the recently formed Australian Transformation and Turnaround Association, Australia's peak industry body for transformation, turnaround and disruption professionals.



Jeffrey Lang
Chief Executive Officer and Chief Technology Officer

Jeffrey is an experienced professional in composite manufacturing and advanced materials technologies with 30 years' experience in manufacturing in Australia, Europe and Asia. Jeffrey is an experienced Managing Director and Chief Financial Officer for over 15 years and has worked on the joint venture between Force Industries and Heli Group China to set up Matrix Sports Co Ltd. As Vice President and Technical Director of Matrix Sports Co Ltd, Jeffrey lead the company to become a leading global manufacturer in composites sports goods manufacturing. Jeffrey has many years of business experience across multiple industries and working with international brands, manufacturers, research institutes and government agencies.



Simon Marriott
Executive Director / Industry and Technical Adviser

Simon is a highly experienced senior executive with more than 20 years' experience in advanced manufacturing. He is considered a pioneer in the additive manufacturing space, establishing Australia's first 3D printing service bureau in 1993. Recently he held the position of Vice President of 3D Systems - Asia Pacific, Managing Director of Amaero Engineering Pty Ltd, a world class additive manufacturing company and acted as Director of Cetus Energy Pty Ltd, a developer of renewable power products and most recently was the Managing Director of the Advanced Manufacturing Cooperative Research Centre.



Richard Willson
Independent Non-Executive Director

Richard is an experienced Chief Financial Officer, Company Secretary, and Non-Executive Director with more than 20 years' experience in a range of finance, company secretarial and directorship roles mainly within the resources and agricultural sectors for ASX listed, private and multinational companies. Richard is currently the Company Secretary for Wilgena Resources Limited and Beston Global Food Company Limited (ASX:BFC), Non- Executive Director and Chair of Risk and Audit for Aus Tin Mining Ltd (ASX:ANW) and Company Secretary and Chair of Risk and Audit for Unity Housing Company Ltd. Richard is a current shareholder and director of Wendy's Supa Sundaes Pty Ltd, a company which is currently under administration.



Professor Richard Fox
Non-Executive Director

Richard is a co-founder of Force Industries, a leading designer and manufacturer of composite sports boards. Former Chair and Director of formerly listed Meditech Research Ltd, Former Director of Research at St Vincents Hospital, Melbourne. Past Director of Clinical Haematology and Medical Oncology, Royal Melbourne Hospital (1985 - 2006). Richard was the inaugural Chair of the Cancer Research Centre for Cancer Therapeutics and he was awarded the Order of Australia in 2007. He is a member of a number of Australian and international professional societies, committees and editorial boards.

9.1.1. Director disclosures

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Director without constraint from other commitments.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer, other than Simon Marriott and Richard Willson as detailed in this Section 9.1 above.

9.2. SENIOR MANAGEMENT

Jeffrey Lang
Chief Executive Officer and Chief Technology Officer

Jeffrey is an experienced professional in composite manufacturing and advanced materials technologies with 30 years' experience in manufacturing in Australia, Europe and Asia. Jeffrey is an experienced Managing Director and Chief Financial Officer for over 15 years and has worked on the joint venture between Force Industries and Heli Group China to set up Matrix Sports CoLtd. As Vice President and Technical Director of Matrix Sports Co Ltd, Jeffrey lead the company to become a leading global manufacturer in composites sports goods manufacturing. Jeffrey has many years of business experience across multiple industries and working with international brands, manufacturers, research institutes and government agencies

Simon Marriott
Executive Director / Industry and Technical Adviser

Simon is a highly experienced senior executive with more than 20 years' experience in advanced manufacturing. He is considered a pioneer in the additive manufacturing space, establishing Australia's first 3D printing service bureau in 1993. Recently he held the position of Vice President of 3D Systems - Asia Pacific, Managing Director of Amaero Engineering Pty Ltd, a world class additive manufacturing company and acted as Director of Cetus Energy Pty Ltd, a developer of renewable power products and most recently was the Managing Director of the Advanced Manufacturing Cooperative Research Centre.

Stuart Douglas
Business Development Manager

Stuart is a founding member of Titomic and is currently on consulting secondment to Titomic from Innovyz Pty Ltd, to conduct and establish the business development activities and processes of Titomic. Stuart has extensive experience in establishing and promoting early stage technologies via his commercialisation consultation firm Innovyz Pty Ltd. Innovyz Pty Ltd has assisted more than 55 innovation companies to raise approximately $50m. These companies span many sectors including medical, agriculture, software, education, entertainment and advanced manufacturing in Titanium and exotic metals.

Phillip Hains
Joint Chief Financial Officer and Company Secretary

Phillip is a Chartered Accountant and specialist in the public company environment. He has served the needs of a number of public company boards of directors and related committees and is Company Secretary and Chief Financial Officer for a number of listed and unlisted public companies. Phillip has over 20 years' experience in providing accounting, administration, compliance and general management services. He holds a Masters of Business Administration from RMIT and a Public Practice Certificate from the Institute of Chartered Accountants of Australia. The company secretarial and financial function are provided by The CFO Solution. For further information see Section 10.4.1.

Peter Vaughan
Joint Chief Financial Officer and Company Secretary

Peter is a Chartered Accountant who has worked in the listed company environment for approximately 14 years across several industries. He has served on, and provided accounting, administration, compliance and general management and corporate advisory services to several private, not-for-profit and public company boards of directors and related committees. Peter is Company Secretary and Chief Financial Officer of a number of listed and unlisted public companies. Peter is currently completing a Senior Executive Masters of Business Administration at Melbourne University. The company secretarial and financial function are provided by The CFO Solution. For further information see Section 10.4.1.

9.3. INTERESTS AND BENEFITS

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offers. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company,

holds at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers or to any Director or proposed Director to induce them to become, or qualify as, a Director.

9.3.1. Directors' interests and remuneration

9.3.1.1. Executive Directors

9.3.1.1.1. Jeffrey Lang

The key terms of Jeffrey Lang's employment with the Company are as follows:

- Role is both Chief Executive Officer (CEO) and Chief Technical Officer;
- Appointment as CEO will remain until a permanent CEO is appointed;
- Appointment as Chief Technical Officer is for a period of five years;
- Commencement date is 1 June 2017;
- Base salary is $215,000 per annum plus $20,425 in superannuation;
- Entitlement to 20 days paid annual leave per annum;
- Entitled to 10 days paid personal leave per annum;
- The Company may terminate the employment on 120 days written notice and Jeffrey Lang may terminate on 90 days written notice and termination without notice can occur if Jeffrey Lang:
 - commits a serious or persistent breach of the agreement;
 - is guilty of serious misconduct or wilful neglect in performing his duties;
 - fails to comply with reasonable direction;
 - becomes insolvent;
 - becomes of unsound mind;
 - is convicted of a criminal offence which in the Company's reasonable opinion affects his position as an employee; or
 - commits an act whichreflects unreasonably on the Company.
- A cash incentive program is available of an additional $21,500 as follows:
 - $5,750 for the first machine sale above the cost of manufacture within 12 months of the commencement date;
 - $5,750 for the delivery of a research and development or manufacturing agreement with a major international company within the agreed minimum target ranges of $250,000 to $500,000 per annum; and
 - $10,000 for completion of the manufacturing facility ready for operation by November 2017.

9.3.1.1.2.Simon Marriott

Simon Marriott is fulfilling an Executive role to support the CEO until the Senior Executive team roles are filled. His primary responsibilities are around operations, marketing and business development. He is currently working two days per week and this will scale back as the Titomic team expands.

9.3.1.2. Non-executive Director remuneration

Each of the Non-executive Directors has executed an appointment letter with the Company confirming the terms of their appointment, their roles and responsibilities, and Titomic's expectations of them as Directors.

Each non-executive Director has confirmed that he will comply with International Traffic in Arms Regulations (ITAR) and provide full disclosure of all information required by ITAR.

The Board of Directors decides the total amount paid to each Director as remuneration for their services as a Director to the Company. However, under the ASX Listing Rules, the total amount paid to all non-executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company at a general meeting. This amount has been fixed at $400,000 per annum and any change to the aggregate sum will need to be approved in a general meeting.

The Chair is to receive a total remuneration package of $100,000 (inclusive of superannuation if payable), which is made up of 50% in cash

and the remainder as at-risk remuneration in the form of options over ordinary shares in the Company exercisable at a 150% premium to the listing price, to be exercised within three years of listing. Non-Executive Directors and Simon Marriott are to receive a total remuneration package of $60,000 each (inclusive of superannuation if payable), which is also made up of 50% in cash and the remainder as at-risk remuneration in the form of options over ordinary shares in the Company exercisable at a 150% premium to the listing price to be exercised within three years of listing.

The Directors' fees do not include a commission on, or a percentage of, profits or income.

9.3.1.3. Deeds of access, insurance and indemnity

The Company has entered a deed of indemnity, insurance and access with each Director which confirms the Director's right of access to Board papers (for a period of seven years after the Director ceases to hold office, which can be extended where certain proceedings or investigations commence during that period) and requires the Company to indemnify the Director, on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a related body corporate.

Under the deeds of indemnity, insurance and access, the Company must maintain a Directors and officers liability insurance policy insuring each Director and officer against liability as a Director and officer of the Company and its related bodies corporate until seven years after each Director or officer ceases to hold office with the Company or a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved). The Company Directors and Officers have an Insurance policy in place.

9.3.1.4. Directors' shareholdings

The Directors are not required by the Constitution to hold any Shares. On Completion of the Offers, the Directors will hold the following Shares either personally, or through entities associated with the Director. These shares will be subject to voluntary escrow arrangements for a period of up to 24 months from the date on which quotation of these Shares commences.

The Directors are entitled to apply for Shares under the Offer.

The Directors' expected holdings immediately prior to and following the IPO is as follows:

DIRECTOR	SHAREHOLDING (PRIOR TO COMPLETION OF THE OFFERS)	SHARES EXPECTED TO BE ACQUIRED AS PART OF THE PUBLIC OFFER	UNLISTED OPTIONS TO BE ACQUIRED	EXPECTED SHAREHOLDING (ON COMPLETION OF THE OFFERS)	% SHAREHOLDING (ON COMPLETION OF THE OFFER)
Philip Vafiadis	5,175,000[1]	200,000	589,000	5,175,000	4.71%
Richard Fox	27,944,012	0	354,000	27,944,012	25.46%
Jeffrey Lang	10,004,342	0	354,000	10,004,342	9.11%
Simon Marriott	166,667[4]	500,000	354,000[4]	166,667	0.15%
Richard Willson	0	100,000[6]	354,000	0	0.00%

˙Excluding Shares pursuant to the options
[1] Holding via directorship and share ownership of SBPM Pty Ltd.
[2] Holding via directorship and share ownership of Presco 2 Pty Ltd.
[3] Holding for Jeffrey Lang <Akasha Family A/C>.
[4] Holding via Blue Heeler Investments Pty Ltd <Marriott Family Trust No. 2>
[5] Holding by Vafiadis Super Fund Pty Ltd <PV Super Fund>
[6] Holding via Red Dog #1 Pty Ltd <The Red Dog Trust> and R & L Willson <Red Dog Super Fund>.

9.3.1.5. Other information about Directors' interests and benefits

Directors may also be reimbursed for all reasonable out of pocket expenses incurred in carrying out their duties as a Director. Non-executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as Director of the Company.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

9.3.2. Performance Shares

The Company has issued 20,000,000 Performance Shares, being:

- 10,000,000 Performance Shares convertible into Shares on the achievement of Milestone 1; and
- 10,000,000 Performance Shares convertible into Shares on the achievement of Milestone 2.

The purpose of the issue of the Performance Shares is to provide a performance incentive for holders of the Performance Shares and to incentivise the holders to act in accordance with the business objectives and aims of the Company. The terms of the Preference Shares include a condition that if a milestone is not reached within the prescribed period, each Performance Share may be redeemed by the Company for $0.0000001.

The Performance Shares are held as follows:

DIRECTOR	PERFORMANCE SHARES	% SHAREHOLDING (ON COMPLETION OF THE OFFER AND ASSUMING MILESTONES 1 AND 2 ARE ACHIEVED)
Philip Vafiadis[1]	3,750,000	7.04%
Richard Fox[2]	10,083,492	29.35%
Jeffrey Lang[3]	6,166,508	12.48%

** Excluding shares pursuant to the options.*
[1] Holding via directorship and share ownership of SBPM Pty Ltd.
[2] Holding via directorship and share ownership of Presco 2 Pty Ltd.
[3] Holdings for Jeffrey Lang <Akasha Family A/C>

The following is a summary of the key terms and conditions of the Performance Shares:

(a) (Performance Shares): Each Performance Share is a share in the capital of the Company.

(b) (General Meetings): Each Performance Share confers upon the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (Members). Members have the right to attend general meetings of Members.

(c) (Dividend and Voting Rights): A Performance Share does not confer upon the Holder an entitlement to vote or receive dividends.

(d) (No rights to return of capital): A Performance Share does not entitle the Holder to a return of capital, or to participate in the surplus profits or assets of the Company, whether in a winding up, upon a reduction of capital or otherwise.

(e) (Share ranking): All Shares issued upon conversion of the Performance Shares will upon issue rank pari passu in all respects with all other Shares.

(f) (Listing of Shares on ASX): The Company will not apply for quotation of the Performance Shares on ASX. However, if the Company is listed on the ASX at the time of conversion of the Performance Shares into Shares, the Company will apply for quotation of all Shares issued pursuant to the conversion of Performance Shares on ASX within the period required by ASX.

(g) (Transfer of Performance Rights): A Performance Right is not transferable (including encumbering the Performance Rights).

(h) (Participation in new issues): There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Members during the currency of the Performance Shares.

(i) (Adjustment for reconstruction): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Share (including the conversion conditions) are to be changed in a manner consistent with the Corporations Act 2001 (Cth) and the ASX Listing Rules at the time of the reorganisation.

(j) (Conversion): subject to paragraph (l), each Performance Share in the relevant class will convert into one Share upon the receipt of a written notice from the relevant Holder requesting that the Performance Share is converted following the achievement of the following milestones (Milestones):

NUMBER OF PERFORMANCE SHARES	MILESTONE
10,000,000	**Milestone 1:** The Company's Share price must be equal to or more than 150% of listing price (based on the VWAP of the share price over 20 consecutive trading days on which the Company's securities have actually traded), and the quarterly revenues of the Company must be at least $1m for two consecutive quarters, within 3 years of IPO. After the expiry of the 3 year period following the date of the IPO, the provisions of paragraph (l) applies to these Performance Shares.
10,000,000	**Milestone 2:** The Market Capitalisation of the Company must be equal to or more than $100 million (calculated as the number of shares on issue multiplied by VWAP over 20 consecutive trading days on which the Company's securities have actually traded), and the quarterly revenue of the Company must be at least $2m for two consecutive quarters and the Company must have issued at least 30 product licences, within 3 years of IPO. After the expiry of the 3 year period following the date of the IPO, the provisions of paragraph (l) applies to these Performance Shares.

(k) (Deferral of Conversion if resulting in a prohibited acquisition of Shares): If the conversion of a Performance Share under paragraph (l) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Share shall be deferred until such later time or times (but no later than 5 years from the date of issue of such Performance Shares) that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

(i) Holders may give written notice to the Company if they consider that the conversion of a Performance Share may result in contravention of the General Prohibition. The absence of such written notice from the Holder will entitle the Company to assume that the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(ii) The Company may (but is not obliged to) by written notice to a Holder request that a Holder provides the written notice referred to in paragraph (k)(i) within 7 days if the Company considers that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notice from the Holder will entitle the Company to assume that the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(l) (Redemption if Milestone not Achieved): if the relevant Milestone is not achieved by the required date, then each Performance Share in that class will be automatically redeemed by the Company for the sum of $0.0000001 within 10 business days of non-satisfaction of the Milestone.

(m) (Conversion procedure): the Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 business days following the conversion.

(n) (Tranches): Performance Shares issued to a Holder may be converted in tranches at the request of the Holder subject to paragraph (j).

9.3.3. Senior Management's interests and remuneration

9.3.3.1. Chief Executive Officer

See Section 9.3.1.1 above.

9.3.3.2. Chief Financial Officer

The company secretarial and financial function are provided by The CFO Solution. For further information see Section 10.4.1.

9.3.3.3. Company Secretary

The company secretarial and financial function are provided by The CFO Solution. For further information see Section 10.4.1.

9.3.3.4. Senior management service agreements

The Company's management team will be employed under individual executive services agreement. These generally establish:

- total compensation, inclusive of base salary;
- superannuation contribution to a fund of the individual's election;
- eligibility to participate in the Company's bonus policy in place from time to time;
- notice and termination provisions

(for employees, notice provisions are determined in accordance with the National Employment Standards);

- restraint of trade provisions (generally for a 6 to 12 month period, subject to usual legal requirements) and confidentiality obligations; and
- for employees, leave entitlements as per the National Employment Standards and applicable legislation.

9.3.4. Directors' Unlisted Options

Each of the Company's Directors have been issued unlisted options on the following terms:

(a) Entitlement: The Company issues options to the Optionholder, which entitles the Optionholder to subscribe for one Share for each option at the exercise price specified in clause (c), during the option period specified in clause (d) (Options).

(b) Issue price: No amount is payable on issue of the Options.

(c) Exercise price: The exercise price of an Option is $0.30.

(d) Option period and vesting: The Options may be exercised in whole at any time after the issue of the Option which is deemed to be the date of this deed and if not exercised, the Options automatically expire on 31 May 2020.

(e) Participation rights, bonus issues, rights issues and reorganisations: The Optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless he has exercised his Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.

(f) Bonus issues: If the Company makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the option is exercisable is increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the option before the record date for determining entitlements to the issue.

(g) Pro rata issues: If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with the ASX Listing Rules.

(h) Reorganisation: If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(i) Calculations and adjustments: Any calculations or adjustments which are required to be made will be made by the Board of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

(j) Notice of change: The Company must within a reasonable period give to the Optionholder notice of any change to the exercise price of any options held by the Optionholder or the number of shares which the Optionholder is entitled to subscribe for on exercise of an option.

(k) Method of exercise of options: To exercise options, the Option holder must give the Company or its share registry, at the same time a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of options being exercised and shares to be issued.

(l) Payment of the exercise price for the Shares, the subject of the exercise notice, shall be by way of bank cheque or by other means of payment approved by the Company.

(m) Exercise all Options: The Optionholder may only exercise the Options in whole. Options will be deemed to have been exercised on the date the application is lodged with the directors of the Company.

(n) Issue of Shares: Within 10 days after receiving an application for exercise of options and payment by the Optionholder of the exercise price, the Company must issue the Optionholder the number of Shares specified in the application, subject to the terms of this deed.

(o) Ranking of Shares issued on exercise of options: Subject to the Company's constitution, all Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) pari passu with the existing Shares at the date of issue.

(p) Quotation: The Company will not apply to ASX Limited for official quotation of the Options. The Company will apply to ASX Limited for official quotation of the Shares issued on exercise of Options.

9.3.5. Employee incentive arrangements

9.3.5.1. Employee Incentive Option Plan Terms

A summary of the terms of the Company's Employee Incentive Option Plan is set out below.

(a) Eligibility and grant of Options: Options may be granted at the discretion of the Board to any director, contractor, full time, part time or casual employee of the Company or related body corporate (Eligible Participant).

(b) Invitation to apply for Options: The Board may provide a written invitation to the Eligible Participant to apply for Options upon the terms set out in the Incentive Option Plan and upon such additional terms and conditions as the Board determines (Offer). The invitation document must specify:

(i) the maximum number of Options that the Eligible Participant may apply for, or the formula for determining the maximum number of Options that may be applied for;

(ii) the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Option or the formula for determining the maximum number of Shares;

(iii) any applicable vesting conditions;

(iv) any restriction period applied by the Incentive Option Plan or that the Board has resolved to apply to Shares issued on exercise of the Options;

(v) the expiry date of the Options (Expiry Date);

(vi) the date by which an application for Options must be received by the Company; and

(vii) any other information required by law or the ASX Listing Rules.

(c) Number of Options Offered: The number of Options which an Eligible Participant is invited to apply for pursuant to an Offer is within the discretion of the Directors. Each Option will, upon exercise of a vested Option, entitle the holder to

receive, at the absolute discretion of the Board, either one (1) Share in the capital of the Company, or a cash payment of equivalent value.

(d) Cashless Exercise Facility: Subject to Board approval, a Participant may set-off the Option exercise price (if any) against the number of Shares which the Participant is potentially entitled to receive upon exercise of the Option. The Participant will then receive, at the absolute discretion of the Board, either Shares or a cash payment to the value of the surplus after the Option exercise price has been set-off.

(e) Vesting Conditions: An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

(f) Option Exercise Price: Subject to any minimum price required by the ASX Listing Rules, the Board may determine the exercise price (if any) for an Option the subject of an Offer in its absolute discretion.

(g) Consideration: Options issued under the Incentive Option Plan will be issued for no more than nominal cash consideration.

(h) Escrow: A Share issued on exercise of an Option may be subject to a restriction period.

(i) Quotation: Options will not be quoted on the ASX.

(j) Lapse of Offer: To the extent that an application for Options is not received by the Company by a specified date (Closing Date), the Offer will lapse on the date following the Closing Date.

(k) Shares Allotted Upon Exercise of Options: The Company will issue or transfer Shares, or make a cash payment, to the Participant, within ten (10) days of receipt of a valid notice of exercise of vested Options. The Shares allotted under the Incentive Option Plan will be of the same class and will rank equally with Shares in the Company at the date of issue. The Company will seek listing of the new Shares on ASX within the time required by ASX Listing Rules.

(l) Transfer of Options: An Option is non-transferable other than in special circumstances (if the holder suffers death or total and permanent disability, retirement, redundancy, severe financial hardship, or other circumstances determined in the Board's discretion or specified in the relevant Offer) with the consent of the Board. Options are otherwise transferable upon the holder's death to their legal personal representative or upon the holder's bankruptcy to their trustee in bankruptcy.

(m) Transfer of Shares: The Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued on exercise of Options, and Shares shall be subject to a restriction period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

(n) Lapse of Options: An Option shall lapse when:

(i) an unauthorised dealing in the Option occurs, or the holder engages in fraud, dishonesty or other improper behaviour;

(ii) a vesting condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction;

(iii) in respect of an unvested Option only, the relevant person ceases to be an Eligible Participant, subject to the Board's discretion to waive the lapsing of Options in special circumstances;

(iv) in respect of a vested Option only, a relevant person ceases to be an Eligible Participant and the Board resolves that the Options granted in respect of that relevant person must:

(A) be exercised within a specific period, and the Option is not exercised within that period; or

(B) be cancelled by the Company in consideration for a cash payment to the Participant, and a cash payment is made;

(v) the Company undergoes a change of control or a winding up resolution or order is made; or

(vi) the Option has not been exercised by the Expiry Date.

(o) Change of Control: If a company obtains control of the Company as a result of a change of control of the Company the vesting conditions are deemed to be automatically waived.

(p) Capital Reconstruction: In the event of a capital reconstruction, the exercise price and/or number of Options will change to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(q) Participation in New Issues: There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new shares of capital offered to Shareholders during the currency of the Options without exercising the Options. In addition holders of Options will not be entitled to vote or receive dividends as a result of their holding of Options.

9.3.6. Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- PAC Partners Pty Ltd have acted as Lead Manager and Underwriter to the Offer. The Company has paid, or agreed to pay, the Lead Manager the fees described in Section 10.3.1 for these services;
- Holding Redlich has acted as Australian legal adviser in relation to the Offer. The Company has paid, or agreed to pay, approximately $250,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Holding Redlich in accordance with its normal time-based charges;
- Pitcher Partners Corporate Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report and has performed work in relation to due diligence enquiries in connection with the Offer. The Company has paid, or agreed to pay, approximately $67,000 (excluding disbursements and GST) for the above services up until the Prospectus Date;
- Pitcher Partners Advisors Proprietary Limited has provided taxation advice to the Company. The Company has paid, or agreed to pay, approximately $10,000 (excluding disbursements and GST) in connection with the Offer;
- Pitcher Partners has acted as auditor of the Company. The Company has paid, or agreed to pay approximately $85,000 (excluding disbursements and GST) for the above services up until the Prospectus date.
- Davies Collison Cave has provided an Intellectual Property Report to the Company in connection with the Offer. The Company engaged Davies Collison Cave directly to issue the Intellectual Property Report. Further, Davies Collison Cave is retained by the CSIRO and under

the licence agreement the Company is required to reimburse the CSIRO for the cost of Davies Collison Cave relating to work undertaken with respect to the CSIRO Patent Application.

- Madderns Patent Attorneys has provided an Intellectual Property Report to the Company in connection with the Offer. The Company has paid, or agreed to pay, approximately $5,000 (excluding disbursements and GST) for the above services up until the Prospectus Date.

- Computershare has acted as the Share Registry to the Company. The Company has paid, or agreed to pay, normal commercial rates for the share registry services provided by Computershare.

The Lead Manager or their affiliates from time to time may in the future perform other investment banking and financial advisory services for the Company, Shareholders or their respective affiliates. Further, in the ordinary course of their trading, brokerage and financing activities, the Lead Manager and their affiliates may act as a market maker or buy or sell Securities issued by the Company or associated derivatives as principal or agent. Customary fees and commissions are expected to be paid for any such services in the future.

These amounts, and other expenses of the Offer, will be paid out of funds raised under the Offer or available cash (unless otherwise indicated). Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 4.1.3.

9.4. CORPORATE GOVERNANCE

9.4.1. Overview

This Section explains how the Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic goals of the Company and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released the ASX Recommendations for ASX-listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptive, but guidance. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period.

Except as set out below, the Board does not anticipate that it will depart from the ASX Recommendations; however, it may do so in the future if it considers that such a departure would be reasonable:

- (Diversity Policy) ASX Recommendation 1.5 requires that the Company has a diversity policy which includes

requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity, and to assess annually both the objectives and the Company's progress in achieving them, The workforce of the Company is made up of individuals with diverse skills, backgrounds, perspectives and experience and this diversity is recognised, valued and respected. While the Company is committed to gender diversity in its workplace, the Board believes that the Company is not yet at a size where it is appropriate to implement a Diversity Policy or to implement measurable objectives for achieving gender diversity.

- (Chair): ASX Recommendation 2.5 requires that the Chair of the Board should be an independent director. The Company's Chairman, Philip Vafiadis, is not an independent director, as defined in the ASX Recommendations. The Board believes that the Company is not yet at a size where it is appropriate to appoint an independent director as the Chair of the Board.

- (Independence): ASX Recommendation 2.1 requires that the majority of the Board consists of independent directors. The Company's Board current has only one independent Directors. While the Company is committed to maintaining independence on the Board, the Board believes that the Company is not yet at a size where it is appropriate for a majority of independent directors to be appointed the Board.

The main policies and practices adopted by the Company, which will take effect from ASX listing, are summarised below. In addition, many governance elements are contained in the Constitution. The Company's Code of Conduct outlines the standards of conduct expected of the Company's business and personnel in a range of circumstances. In particular, the Code of Conduct requires awareness of, and compliance with, relevant laws and regulations and other policies and procedures of the Company. Details of the Company's key policies and practices and the charters for the Board and each of its committees will be available from Listing at www.titomic.com.

9.4.2. Independence of Directors

In determining whether a Director is "independent", the Board has adopted the definition of this word in the ASX Recommendations. Consequently, a Director will be considered "independent" if that Director is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard. The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to the ASX, as required by the ASX Listing Rules.

The Board considers that Richard Willson is free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement and so Richard is considered an independent Director.

9.4.3. Board Charter

The Company has approved a Board Charter to apply following the IPO. The Board Charter sets out:

- the composition and operation of the Board;

- the roles and responsibilities of the Board, Chair, company secretary, committees and management; and

- the delegation of authority by the Board to management and Board committees.

The Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising Titomic's strategies, policies and performance;
- optimise Titomic's performance and build sustainable value for Shareholders;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure that Shareholders are kept informed of the Company's performance and major developments.

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

- appointment of a Chair;
- appointment and removal of the MChief Executive Officer and company secretary;
- ratifying the appointment and removal of senior executives;
- approving the remuneration policies and framework and determining whether the remuneration and conditions of service of senior executives are appropriate and consistent with the approved remuneration policies and framework;
- establishing and monitoring succession planning;
- setting the specific limits of authority for management;
- calling meetings of Shareholders; and
- approving criteria for assessing performance of senior executives and monitoring and evaluating their performance.

9.4.4. Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors.

Under the Board Charter, Board committee performance evaluations will occur annually.

9.4.4.1. Audit and Risk Management Committee

Under its charter, the Audit and Risk Management Committee must be of sufficient size, independence and technical expertise to discharge its mandate effectively. The Audit and Risk Management Committee must have at least three members, a majority of whom (including the chair) must, to the extent possible, be independent and Non-Executive Directors. A member of the Audit and Risk Management Committee, who does not chair the Board, shall be appointed the chair of the Committee.

Currently, the Committee comprises Richard Wilson and Phillip Vafiadis and Simon Marriott and Richard Willson, will act as chair. In accordance with its charter, it is intended that all members of the Committee should be financially literate and have familiarity with financial management, and at least one member should have relevant qualifications and experience.

The primary role of the Audit and Risk Management Committee includes:

- overseeing the Company's process of internal control structure, continuous disclosure, financial and non-financial risk management systems, and compliance and external audit;
- providing advice to the Board and reports on the status and management of the risks to the Company, to ensure the that risks are identified, assessed and appropriately managed;
- monitoring the Company's compliance with laws and regulations and the Company's codes of conduct and ethics; and
- encouraging effective relationships with, and communication between, the Board, management and the Company's external auditor.

The Board has adopted a policy regarding the services that the Company may obtain from its auditor. It is the policy of the Company that its external auditor:

- must be independent of the Company and the Directors and senior executives. To ensure this, the Company requires a formal confirmation of independence from its external auditor on an annual basis; and
- may not provide services to the Company that are, or are perceived to be, materially in conflict with the role of the external auditor. Non-audit or assurance services that may impair, or appear to impair, the external auditor's judgement or independence are not appropriate. However, the external auditor may be permitted to provide additional services which are, and are not perceived to be, materially in conflict with the role of the auditor, if the Board or Audit and Risk Management Committee has approved those additional services.

9.4.4.2. Remuneration and Nomination Committee

Under its charter, this Committee must have at least three members, a majority of whom (including the chair) must be independent Directors and to the extent possible, non-executive Directors. Currently, the Committee comprises Richard Willson, Phillip Vafiadis and Richard Fox, and Richard Willson, will act as chair. In accordance with its charter, it is intended that at least one member will have expertise in remuneration. The main functions of the Remuneration and Nomination Committee are to assist the Board with a view to establishing a Board of effective composition, size, diversity, experience and commitment to adequately discharge its responsibilities and duties, and assist the Board with a view to discharging its responsibilities to Shareholders and other stakeholders to seek to ensure that the Company:

- has coherent remuneration policies and practices which enable the Company to attract and retain executives and Directors who will create value for Shareholders, including succession planning for the Board and executives;
- fairly and responsibly remunerate Directors and executives, having regard to the performance of the Company, the performance of the executives and the general remuneration environment;
- has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Company's needs.

The Remuneration and Nomination Committee will meet as often as is required by its Charter or other policy approved by the Board to govern the operation of the Committee. Following each meeting,

the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval.

9.4.5. Corporate Governance Principles and Policies

9.4.5.1. Continuous disclosure policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately disclose to the ASX any information concerning the Company which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of the Company's Securities, once the Company is aware of such information. The Company is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a Continuous Disclosure Policy to take effect from ASX listing, which establishes procedures to ensure that Directors and senior management are aware of, and fulfil their obligations in relation to continuous disclosure, including the timely, full and accurate disclosure of material price-sensitive information when required. The Continuous Disclosure Policy also sets out procedures for communicating with Shareholders, the media and the market. Under the Continuous Disclosure Policy, the Company Secretary will be primarily responsible for managing the Company's compliance with its continuous disclosure obligations.

9.4.5.2. Securities trading policy

The Company has adopted a Securities Trading Policy which will apply to the Company and its Directors, officers, employees and senior management, including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly.

The Policy is intended to explain the types of conduct in relation to dealings in the Securities of the Company that is prohibited under the Corporations Act and establish procedures in relation to Directors, senior management or employees dealing in the Securities.

Subject to certain exceptions, including exceptional financial circumstances, the Securities Trading Policy defines certain "prohibited periods" during which trading in Securities of the Company by the Directors, officers and certain employees is prohibited. Those closed periods are currently defined as the following periods:

- the two weeks prior to the lodgement of the Company's half yearly results to ASX;
- the two weeks prior to the lodgement of the Company's annual results to ASX;
- the two weeks prior to the release of a notice of shareholder's meeting;
- the week prior to the Company's release of the quarterly announcement;
- the two weeks prior to the lodgement of a prospectus or similar disclosure document by the Company with ASX ; and
- any additional periods imposed by the Board from time to time (for example when the Company is considering matters which are subject to ASX Listing Rule 3.1A).

Outside of these periods, Directors, senior management and certain employees must receive clearance for any proposed dealing in Securities of the Company. In all instances, buying or selling Securities of the Company is not permitted at any time by any person who possesses price-sensitive information concerning the Company.

9.4.5.3. Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, to take effect from listing on the ASX, to be followed by all employees, contractors and officers. The key aspects to the code are to:

- act with, honesty, integrity and fairness, and in the best interests of the Company as a whole;
- act in strict compliance with all applicable laws, regulations, policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices;
- avoid conflicts of interest; and
- use the Company's resources and property properly.

The Code of Conduct outlines the Company's policies on various matters including protection of confidential information, avoiding conflicts of interest, ethical conduct, business and personal conduct, privacy and financial integrity.

9.4.5.4. Communications with Shareholders

The Board aims to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that Shareholders are properly informed of all major developments affecting the affairs of the Company. The Company is required by law to communicate to Shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on the Company's website, www.titomic.com.

The Company's website will also contain information about the Company, including media releases, key policies and the charters of Board committees.

9.4.5.5. Risk management policy

The identification and proper management of the Company's risks are an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business, which will ensure appropriate systems are implemented to identify material risks that may impact on the Company's business and delegate appropriate responsibilities to control any identified risk. The Policy will also ensure that any material changes to the Company's risk profile will be disclosed in accordance with the Company's Continuous Disclosure Policy.

The Board will be responsible for overseeing and approving the Company's risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major risks to the business are identified, assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Management Committee or a separate risk committee in the future.

The Board will regularly undertake review of its risk management procedures to ensure that it complies with its legal obligations.

9.4.6. Related party transactions

9.4.6.1. Force Industries Pty Ltd

Current Titomic Directors Richard Fox and Jeffrey Lang, and former Titomic Director Timothy Fox are Directors of Force Industries and have been throughout the reporting period.

Titomic's Cold Spray core technology was novated from Force Industries to Titomic in January 2016 for nil payment. The novated technology's value at the time of novation has been valued at $283,212.

During the period from 1 January 2016 to 30 June 2017:

- Force Industries provided professional consulting services to Titomic totalling $44,983;

- Force Industries paid third-party service providers for Titomic-related costs totalling $3,655; and
- Titomic paid third-party service providers for Force Industries-related costs totalling $11,402.

All of the above-mentioned transactions were undertaken on a commercial, arms-length basis.

At the end of the reporting date, the net result of all transactions between the two entities resulted in Titomic owing Force Industries $4,498 for professional services rendered and invoiced.

9.4.6.2. Professor Richard Fox

Professor Richard Fox is a Director of Titiomic. Prior to Titomic's seed capital raising in November 2016, Professor Fox provided funds to Titomic in the form of unsecured interest-free loans to enable Titomic to commence operations whilst meeting its associated debts as and when they fell due.

During the half-year ended 31 December 2016 Professor Fox loaned Titomic a total amount of $34,310. This amount was repaid from funds raised under the seed capital raisings however, an amount of $2,152 remained outstanding to Professor Fox as at 31 Dec 2016.

9.4.6.3. Innovyz Institute Pty Ltd

Philip Vafiadis is a Director and Chairman of Titomic. Mr Vafiadis is the founding owner, and Director of Innovyz Institute Pty Ltd Innovyz provided professional management and consulting advisory services to Titomic throughout the reporting period totalling $25,000.

Innovyz Institute Pty Ltd and Innovyz Pty Ltd have been providing services to the Company since November 2014. On 13 June 2017, Titomic restated and formalised its engagement with Inovyz Institute Pty Ltd for ongoing professional advisory services under a service agreement between the parties.

The terms of the agreement are:

- (Term) The commencement date of the agreement is stated as 1 November 2016. The agreement continues until 30 days after Titomic is admitted to quotation on ASX;
- (Services) Services to be provided include managing, overseeing, planning and co-ordinating supportive services to the Company, attending meetings and providing general commercial support.
- (Fees) Fees are $12,500 plus GST per month. Reasonable expenses are reimbursed.
- (Intellectual Property) All intellectual property in anything created by Innovyz Institute Pty Ltd is assigned to Titomic. Intellectual property created before the agreement remains the property of the relevant party.
- (Indemnity) Innovyz Institute Pty Ltd agrees to indemnify Titomic against any claim, liability or loss it incurs arising from actions of Innovyz.
- (Termination) Titomic may terminate on 30 days' notice if Innovyz Institute Pty Ltd fails to perform the services to a reasonable standard and it continues unremedied for seven days following written notice or Innovyz Institute Pty Ltd "fails" or refuses to comply with a lawful direction or commits a serious or persistent breach of the agreement which cannot be remedied. Immediate termination may occur if Innovyz Institute Pty Ltd fails to manage a serious conflict of interest. or persistent breach of the agreement which cannot be remedied. Immediate termination may occur if Innovyz fails to manage a serious conflict of interest.

9.4.6.4. Red Heeler Consulting Agreement

On 26 May 2017 the Company entered into a contract with Red Heeler Holdings Pty Ltd trading as Rapid Additive Manufacturing, a company associated with Director, Simon Marriot (Red Heeler) to provide consulting services for a period of 12 months. Consulting fees are $1,280 per day, and is intended to be a two day per week service.

Red Heeler agrees to procure the services of Simon Marriot who reports directly to the CEO. The services are to expand the Company's development opportunities, manufacturing opportunities, coordinate public relations and marketing strategies and coordinate the development of product services offerings and the establishment of manufacturing cell configuration. After 12 months the agreement can be terminated on 90 days' notice.

Further, either party may terminate immediately if the other party becomes insolvent, commits a breach that is incapable of being remedied or fails to remedy a breach within a reasonable period. Each party indemnifies the other in relation to negligence, wilful misconduct, breach of a party's obligations, violation of any applicable law and breach of warranty.

10 ADDITIONAL INFORMATION

10.1. REGISTRATION

Titomic Limited was registered in Victoria, Australia, on 11 November 2014 as a proprietory Limited Company and converted to a public company later.

10.2. COMPANY TAX STATUS AND FINANCIAL YEAR

The Company is and will be subject to tax at the Australian corporate tax rate. The Company's financial year ends on 30 June annually.

10.3. UNDERWRITING AGREEMENT

The Company and the Lead Manager signed an Underwriting Agreement on 10 August 2017. Under the Underwriting Agreement, the Company appointed PAC Partners to underwrite, arrange and manage the Offer. The following is a summary of the principal provisions of the Underwriting Agreement.

10.3.1. Commissions, fees and expenses

The Company has agreed to pay to PAC Partners, aggregate underwriting fee of 6.0% of the Offer proceeds. The Company has also agreed to pay a retainer fee of $12,500 per month for a period of 12 months as well as $30,000 plus GST as a capital raising fee for the pre-IPO raise of $600,000 which took palce in July 2017. PAC Partners is also entitled to 5,819,050 fully paid ordinary shares in the Company on quotation of the Company's shares on ASX.

The Company has agreed to reimburse PAC Partners for reasonable costs and expenses incurred in relation to the Offer. PAC Partners will pay any commission and fees due to any co-managers and brokers appointed to the Offer (and such fees will not be borne by the Company).

10.3.2. Termination Events

If any of the following events occur at any time from the date of execution or the Underwriting Agreement until 5.00pm on the date for Settlement of the Offer (or such earlier time as specified below), PAC Partners may, by notice given to the Company terminate its obligations under the Underwriting Agreement:

- (market fall) at any time the S&P/ASX All Ordinaries Index falls to a level that is 90% or less of the level as at the close of trading on the date of Underwriting Agreement and is at or below that level at the close of trading:
 - for 2 Business Days during any time after the date of the Underwriting Agreement; or
 - on the Business Day immediately prior to the date for Settlement of the Offer;
- (listing and quotation) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the official list of ASX on or before the date of quotation of the Shares on ASX; or
 - the quotation of the Shares on

ASX or for the Shares to be traded through CHESS on or before the quotation date,

or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

- (notifications) any of the following notifications are made:
 - ASIC issues an order (including an interim order, other than an interim order which does not become public) under section 739 of the Corporations Act (other than an order which does not become public and is dismissed or withdrawn in writing by ASIC within 5 Business Days of the date for Settlement of the Offer or, if it is made within 5 Business Days of the date for Settlement of the Offer, the day before the date for Settlement of the Offer);
 - ASIC holds a hearing under section 739(2) of the Corporations Act (other than a hearing which does not become public);
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 1989 (Cth) in relation to the Offer or the Prospectus (other than an application investigation or hearing which does not become public and is dismissed or withdrawn in writing by ASIC within 5 Business Days of the date for Settlement of the Offer or, if it is made within 5 Business Days of the date for Settlement of the Offer, the day before the date for Settlement of the Offer);
 - any person (other than PAC Partners) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent; or
 - any person (other than PAC Partners) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- (certificate) the Company does not provide a closing certificate as and when required by the Underwriting Agreement;
- (withdrawal) the Company withdraws the Prospectus or the Offer; or
- (insolvency events) Titomic becomes insolvent.

10.3.3. Termination subject to materiality

PAC Partners may terminate the Underwriting Agreement, by notice to the Company, at any time after the date of the Underwriting Agreement until 5.00pm on the date for Settlement of the Offer (or such earlier time as specified below) if any of the following events occur and PAC Partners has reasonable and bona fide grounds to believe (and does believe) that the event: (i) has or is likely to have a materially adverse effect on the success or settlement of the Offer, on the ability of PAC Partners to make the Offer; (ii) would give or would be likely to give rise to a material liability for PAC Partners under common law or any applicable laws or regulations: or (iii) would give or would be likely to give rise to a material contravention by PAC Partners, or PAC Partners being involved in a material contravention, of any applicable law or Administrative Action:

- (disclosures) a material statement contained in the Prospectus is or becomes misleading or deceptive, or a matter required to be included by the Corporations Act is omitted from the Prospectus (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);

- (form of supplementary Prospectus) the Company lodges a supplementary Prospectus with ASIC in a form that has not been approved by PAC Partners in circumstances required by the Underwriting Agreement or otherwise fails to comply with its obligations in relation to the lodgement of a supplementary Prospectus under the Underwriting Agreement;
- (supplementary Prospectus) the Company issues or is required to issue a supplementary Prospectus to comply with section 719 of the Corporations Act;
- (disclosures in due diligence committee report) the due diligence committee report or verification material or any other information supplied by or on behalf of the Company to PAC Partners in relation to the Company or the Offer is or becomes false or misleading or deceptive, including by way of omission;
- (adverse change) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company from those respectively disclosed in the Prospectus;
- (hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, United States of America, a European Union member nation, Russia, United Kingdom, Japan, China, North Korea, South Korea or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- (change of law) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement), any of which does or is likely to prohibit, restrict or regulate the Offer, capital issues, the level or likely level of valid applications for Shares or stock markets;
- (change in management) a change in senior management or the Board of Directors of the Company occurs;
- (prosecution and/or investigation) any of the following occur:
 - a Director of the Company is charged with an indictable offence;
 - any government agency announces or commences any investigation or public action against the Company or any of its Directors in their capacity as a Director of the Company, or announces that it intends to take such action; or
 - any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (compliance with agreements and regulatory requirements) a contravention by the Company or any entity in the Group of the Corporations Act, the Company's constitution, or any of the ASX Listing Rules, or the Company commits a fraudulent act;
- (default) a default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs (including in respect of any of the conditions precedent to the Underwriting Agreement);
- (representations and warranties) a representation or warranty contained in this agreement on the part of the Company is breached or becomes not true or correct;

- (timetable) the Offer is not conducted in accordance with the timetable for the Offer or any event specified in the timetable is delayed for more than 10 Business Days without the prior written consent of PAC Partners (which must not be unreasonably withheld or delayed);
- (constitution) the Company varies any term of its constitution without the prior written consent of PAC Partners to the terms of the variation such consent not to be unreasonably withheld;
- (change to Company) the Company:
 - alters the issued capital of the Company; or
 - disposes or attempts to dispose of a substantial part of the business or property of the Company, without the prior written consent of PAC Partners (which must not be unreasonably withheld or delayed).
- (charges) the Company or any of its related bodies corporate charges, or agrees to charge, the whole or a substantial part of the business or property of the Company other than:
 - a charge over any fees or commissions to which the company is or will be entitled;
 - as disclosed in the Prospectus; or
 - as agreed with PAC Partners (acting reasonably);
- (disruption in financial markets) any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, United Kingdom or the U.S. is declared by the relevant central banking authority in in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries: or
 - trading in all securities quoted or listed on the ASX, London Stock Exchange or New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;
- (certificate) a closing certificate provided under the Underwriting Agreement is false, misleading or deceptive (including by way of omission); or
- (new circumstances) there occurs a new circumstance that arises after the Prospectus is lodged with ASIC that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged with ASIC.

10.3.4. Indemnity

The Company agrees to indemnify PAC Partners and their affiliates, directors, officers, employees, agents, advisers and related bodies corporate against all claims, demands, damages, losses, costs, expenses and liabilities incurred in respect of the Offer (subject to certain customary exclusions relating to, among other things, fraud, recklessness, wilful misconduct and negligence of an indemnified party).

10.3.5. Representations and warranties, undertakings and other terms

The Company gives certain standard representations, warranties and undertakings to PAC Partners.

The representations and warranties given by the Company include, but are not limited to, matters such as power and authorisations, compliance with applicable laws and ASX Listing Rules, documents issued or published by or on behalf of the Company in respect of the Offer, the conduct of the Offer and the due diligence process, litigation, material contracts, insolvency and working capital.

The Company provides undertakings under the Underwriting Agreement which include, but are not limited to, notifications of breach

of any warranty or undertaking given by them under the Underwriting Agreement, or the occurrence of a termination event, or the non-satisfaction of any condition.

With the exception of the Shares issued under the Offer and certain other limited exceptions, the Company also provides an undertaking that it will not, without PAC Partners' prior written consent (such consent not to be unreasonably withheld or delayed), allot or agree to allot any Shares (or other securities in the capital of the Company) at any time after the date of the Underwriting Agreement until 120 days after Completion of the Offer. The Company also provides undertakings that until Completion of the Offer, it will not materially alter the capital structure of the Company or amend its constitution.

10.4. MATERIAL CONTRACTS

The Directors consider that there are a number of contracts which are significant or material to Titomic or are of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. The main provisions of these contracts are summarised below, or elsewhere in this Prospectus. These summaries are included for the information of potential investors in the Offer but do not purport to be complete and are qualified by the text of the contracts themselves.

10.4.1. The CFO Solution HQ Pty Ltd

10.4.1.1. Material terms

On 13 January 2017 the Company entered into a contract with The CFO Solution HQ Pty Ltd (CFO) to provide finance, administrative and reporting services for a period of at least 12 months. This includes company secretarial support. Fees for accounting support are $4,500 per calendar month pre-IPO, and $10,000 per calendar month post IPO.

10.4.1.2. Termination events

After 12 months the agreement can be terminated on three months' notice. Further, either party terminate immediately if the other party becomes insolvent, commits a breach that is incapable of being remedied or fails to remedy a breach within 14 days.

10.4.1.3. Indemnity

The Company has agreed to indemnify CFO in relation to all losses, damages and costs arising out of this agreement. This includes the costs of all investigations, preparation for an actions, claims and proceedings and threatened litigation. The indemnity extends to employees, shareholders, officers, agents and employees.

10.4.2. Advanced Robotics Australia Pty Ltd

On 25 January 2017, Advanced Robotics Australia Pty Ltd ABN 43 604 791 399 provided a quotation for the supply, installation and commissioning of a Robotic Production Cold Spraying System which was updated on 30 May 2017 and accepted by the Company.

Cell One of the system cost is A$1,520,000 plus GST. Installation is commence 22 weeks from the date of order. Payment terms are 30% on the placement of order, 60% monthly progress payments and 10% on practical completion. The system is subject to a defect warranty of 12 months. Other third party components are subject to the warranty passed on from the original supplier.

On 25 January 2017, Advanced Robotics Australia Pty Ltd ABN 43 604 791 399 provided a quotation for the supply, installation and commissioning of a Robotic Production Cold Spraying System for the production of bicycles which was updated on 30 May 2017 and accepted by the Company.

Cell Two of the system cost is A$553,000 plus GST. Installation (to take four weeks) is to commence 22 weeks from the date of order. Payment terms are 30% on the placement of order, 60% monthly progress

payments and 10% on practical completion. The system is subject to a defect warranty of 12 months. Other third party components are subject to the warranty passed on from the original supplier.

Cell Three of the systems to cost A$724,000 will finish and polish the components as they are produced.

For further details see Section 3.3.

On 11 July 2017 Titomic executed a Contract of Supply with Advanced Robotics Australia Pty Ltd (later varied), to clarify the terms and conditions with respect to the cells noted above, being the equipment to be supplied by Advanced Robotics Australia Pty Ltd for the Melbourne Facility.

The contract clarifies that each party retains ownership of their intellectual property.

The Supply Contract is terminable by agreement of both parties, or it may be terminated by the non-defaulting party if the other is in breach of the agreement. Titomic also has the right to terminate the Supply Contract if Advanced Robotics Australia Pty Ltd fails to meet Titomic's specifications and does not rectify the failure within 60 days of notice from Titomic.

10.4.3. Plasma Giken

The Company is also ordering some key componentry being two Cold Spray systems from Plasma Giken Co.,Ltd in Japan. This componentry (which has a 20 week lead time) includes:

- A Cold Spray System PCS-80;
- Cold Spray System PCS-100; and
- Short term technical support.

Costing for this componentry is $608,101, which is paid as follows:

- Deposit - $152,025.25;
- Ex works - $395,265.65; and
- On commissioning - $60,810.10.

10.4.4. CSIRO Licence

On 19 August 2013, the CSIRO entered into a licence agreement with Force Industries Pty Ltd. By a deed of novation and variation dated 13 January 2016 the licence agreement (as varied) was novated from Force Industries to the Company.

10.4.4.1. Material terms

CSIRO agrees to exclusively licence to the Company to exploit each Licenced Patent where the Licensed Patent is in the Licensed Field. Where the Licensed Patent is the Australian Patent application No 2012901345, all patent applications, including foreign patent applications, made after the date of the licence which claim priority from this patent applications, and includes all Australian and foreign patents subsequently granted arising from this patent application, including divisionals, continuations, continuations in part and reissues and the Licensed Field means the manufacture of components of a monocoque design using cold spray technology, incorporating Titanium and or Titanium alloys to a suitable thickness on a base material scaffold to create a Load Bearing Structure fit for its specific purpose, always excluding manufacture of components for boats and or making seamless Titanium and Titanium alloy pipes using the encumbered patent rights. The encumbered patent rights are CSIRO's International Patent Application PCT/AU2009/000276 and any resulting patents, which are exclusively licensed to a third party in the field of making seamless Titanium and Titanium alloy pipes.

The agreement provides for royalties payable of 1.5% of gross sale revenue within 60 days of the end of each calendar 6 month period. Within sixty (60) days of the end of each calendar six month period ending at the end of June and December of each year, the Company must pay CSIRO twenty percent (20%) of Non Sales Revenue

attributable to Products. The Company must use its best endeavors to exploit the technology during the term in such way that will maximise the royalties payable to CSIRO and actively market and promote products incorporating the licenced technology. In determining whether the Company has used its best endeavors, regard will be given to the achievement or failure of the Company to meet the following performance criteria in any relevant year, being the actual sales revenue of Titomic, the payment at certain minimum royalties are payable to CSIRO as follows:

- $25,000 in the second year following the date of the agreement;
- $50,000 in the third year following the date of the agreement;
- $75,000 in the fourth year following the date of the agreement;
- $75,000 in each year thereafter until the end of the licence term,

(collectively referred to as Performance Criteria). Where in any agreement year, the Company does not achieve the applicable Performance Criteria, CSIRO may terminate the agreement.

The Company must also pay research fees of $350,000 over five years for research work to be undertaken by CSIRO. If the research fees have not been paid by the end of five years, there is a risk that some of the licences will be converted to non-exclusive licences or some of the Licenced Patents, Know-How or other rights may be removed from the Company. The licence is non-transferrable. CSIRO also grants an exclusive right to exploit the know how in the Licence Field. Sub-licensing may occur with the express permission of the CSIRO and on specific terms. Any improvements made by the Company will be the property of the Company and are licensed to CSIRO ona non-exclusive royalty free basis for the purposes of research and development in the Licensed Field and for any purpose outside the Licensed Field. CSIRO agrees to provide the Company with a first right of refusal to licence any improvements that CSIRO makes to the base improvements developed by Titomic in the Licence Field.

CSIRO agrees to use reasonable efforts to file, prosecute and maintain the Licenced Patents in consultation with the Company. CSIRO are required to notify the Company of any relevant matter that relates to a patent office. CSIRO agrees to consult with the Company prior to expending more than $5,000 in relation to a patent if the expenditure outweighs the commercial benefit. If CSIRO decides not to continue to enforce or prosecute a Licenced Patent, the Company will be given advance notice and may decide to continue at the Company's cost.

All patent costs incurred by CSIRO will be initially paid by CSIRO and then forwarded to the Company for reimbursement within 30 days.

10.4.4.2. Termination events

The agreement continues until the expiration, cessation or lapse of the last Licenced Patent. Where in any year, the Company does not achieve the applicable performance criteria, CSIRO may terminate the agreement or any licence under it. The Performance Criteria is the payment of a minimum royalty in year two of $25,000, year three of $50,000, year four and thereafter of $75,000.

CSIRO may terminate if the Company commits an event of insolvency, undergoes a change of control that is not consented to and if the Company fails to pay Royalties within 90 days.

CSIRO may also terminate in relation to the agreement or a Licenced Patent if the Company challenges the validity of a Licenced Patent. Either party may terminate if there is a breach that is incapable of being remedied or not remedied for 30 days after notice.

On termination all licences will cease and the Company's right to use and Exploit the

Technology will cease. As an alternative to termination, CSIRO may elect to convert some of the Licenced Patents, Know-How and other rights to non-exclusive and/or remove part of the licenced rights (for example in relation to a specific country).

10.4.4.3. Indemnity

The Company releases CSIRO from and indemnifies CSIRO against all losses, damages, costs and expenses (including legal costs on a solicitor and own client basis) that CSIRO may sustain or incur as a result of any claim, demand, action or proceeding by any third party arising out of the exercise by the Company of its rights under this Agreement.

10.4.4.4. Conditions, warranties, undertakings and other terms

The Company has made the following acknowledgements:

- CSIRO has not made any representation or warranty, express or implied, that the Technology does not infringe any third party's intellectual property rights;
- CSIRO does not make any representation or warranty in relation to whether any valid patent will be granted or granted with the claims sought;
- The Company Exploits the Technology at its own risk and will make its own inquiries to determine that its Exploitation of the Technology and any Product based on the Technology will not infringe any third party's intellectual property right;
- CSIRO has not made and excludes all warranties, terms, conditions or undertakings, whether express or implied, written or oral, statutory or otherwise (including any implied warranty of merchantability or of fitness for a particular purpose) for the Technology, Products or any other matter, including, without limitation, as to suitability or safety of the Technology or the Products for use by third parties;
- CSIRO will not be liable for any special, indirect or consequential damages, loss of anticipated profits or loss of revenue, arising under or pursuant to this Agreement however caused whether in tort (including negligence), contract, statute, equity or otherwise;
- CSIRO's cumulative liability in connection with this Agreement is limited to the Royalties actually received under this Agreement; and
- each party's liability under this Agreement is reduced to the extent that any damages, liability, loss or costs arises from, or is attributable to, any negligent or unlawful act or omission of the other party or its officers, employees, agents or contractors.

10.5. OWNERSHIP RESTRICTIONS

The sale and purchase of Shares in the Company is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section contains a general description of these laws.

10.5.1. Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

10.5.2. Foreign Acquisitions and Takeovers Act 1975 (Cth)

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) applies

to acquisition of shares and voting power in a company of 20% or more by a single foreign person and its associates, or 40% or more by two or more unassociated foreign persons and their associates, where the acquisition meets a threshold value (which varies by investor type and industry). In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A 'direct interest' is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor in in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without an objection notification or contravening a condition in a no objection notification.

10.6. AUSTRALIAN TAX CONSIDERATIONS

The comments in this Section provide a general outline of the Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes.

This summary does not constitute financial product advice in the ordinary sense or as defined in the Corporations Act. This summary is confined to Australian taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about an investment in the Shares.

Tax laws are subject to ongoing change, and this section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes (or anticipated changes) in law by judicial decision or legislation following the Prospectus Date. To the extent that there are any changes in law after the Prospectus Date, including those having retrospective effect, Shareholders should consider the tax implications, taking into account their own individual circumstances

The taxation implications of a subscription for Shares may be affected by the individual circumstances of each Shareholder, and it is recommended that Shareholders consult their own independent advisors regarding taxation consequences, including stamp duty, income tax and GST consequences of the acquisition, ownership and disposal of Shares. This summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Shareholder.

This section does not consider Shareholders that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, are foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the Income Tax Assessment Act 1997 (Cth).

10.6.1 Dividends - Australian tax residents

Dividends paid by the Company will

constitute assessable income of the Shareholder. In addition, to the extent that the Company "franks" the dividend, the franking credit attached to the dividend should generally also be included in the Shareholder's assessable income.

Where the franking credit is included in the Shareholder's assessable income, the Shareholder should generally be entitled to a corresponding tax offset against tax payable by the Shareholder. The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, the Shareholder may be entitled to a tax refund (for Shareholders that are individuals and complying Superannuation Funds) or the excess franking credits converted into a carry forward loss (for Shareholders that are companies)

To be eligible for tax offsets and franking credits, a Shareholder must satisfy the 'holding period' and 'related payment' rules. These rules require that the Shareholder hold the Shares in the Company 'at risk' for a continuous period of not less than 45 days (excluding the date of acquisition and date of disposal). Where these rules are not satisfied, the Shareholder cannot include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

This holding period rule is subject to exceptions. For example, an individual Shareholder whose total franking tax offsets from all sources for a year of income is less than $5,000. Special rules also apply to trusts and beneficiaries. Shareholders must seek their own professional tax advice to determine if these requirements have been satisfied.

Legislation has been enacted to deny franking tax offsets to certain "dividend washing" arrangements. Shareholders should consider the impact of these as well as other integrity measures which may apply to the claiming of tax offsets, having regard to their own facts and circumstances.

10.6.2 Australian Capital gains tax implications on a disposal of Shares

The disposal of a Share held by an Australian resident Shareholder on capital account will constitute a capital gains tax (CGT) event. A capital gain will arise where the cost base of the Share (being the amount paid to acquire the Share, plus specific costs that relate to the acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, the cash proceeds received on disposal). Similarly, the Shareholder will make a capital loss where the capital proceeds received for their Shares are less than the reduced cost base of their Shares.

Where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for at least 12 months prior to the CGT event, the Shareholder may be entitled to a CGT discount on the disposal of the shares.

If the CGT discount applies, a capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to certain beneficiaries. Shareholders that are trustees must seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

10.6.3 Tax File Numbers (TFN)

A Shareholder is not required to quote their TFN, or where relevant, Australian Business Number (ABN), to the Company. However, if a Shareholder's TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by the Company from distribution and/or unfranked dividends at the maximum marginal tax rate plus the Medicare levy. An exemption from the requirement to withhold applies in respect of a fully franked dividend paid by the Company.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN.

10.6.4 Australian goods and services tax

No GST should be payable by Shareholders on acquisition or disposal of Shares in the Company, and no GST should be payable by Shareholders on receiving dividends distributed by the Company.

However, Shareholders may not be entitled to claim full input tax credits in relation to any GST included in any costs incurred in connection with the acquisition and disposal of the Shares. In this regard, Shareholders should obtain their own independent tax advice.

10.6.5 Stamp duty

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

10.7. LEGAL PROCEEDINGS

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

10.8. CONSENTS

Each of the parties referred to below (each a Consenting Party), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in, or omissions from, this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement which is made in this Prospectus is based, other than as specified below:

- PAC Partners Pty Ltd;
- The CFO Solution;
- Innovyz Institute Pty Ltd
- Madderns;
- Davies Collison Cave;
- Holding Redlich;
- Pitcher Partners;
- Pitcher Partners Advisors Proprietary Limited;
- Pitcher Partners Corporate Pty Ltd;
- CSIRO;
- Computershare.

The CFO Solution has given, and has

not withdrawn before lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the outsourced financial and company secretarial function, including as chief financial officer of the Company's consolidated financial reports in the form and context in which it is so named.

Pitcher Partners Corporate Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements by it, including its Investigating Accountant's Report in Section 6 and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus.

Madderns has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements by it including its Intellectual Property Report in Section 7 and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus.

Davies Collison Cave has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements by it including its Intellectual Property Report in Section 7 and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus.

To the maximum extent permitted by law, CSIRO expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any part of, statements in, or omissions from, this Prospectus. CSIRO does not make, or purport to make any statement included in this document, not in any statement included in this document based on any statement made by CSIRO.

10.9. COST OF THE OFFER

The costs of the Offer are expected to be approximately $869,256 (excluding GST). These costs will be borne by the Company from the proceeds of the Offer.

10.10. GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the laws applicable in Victoria and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Victoria.

10.11 WORKING CAPITAL

The Directors are satisfied that on completion of the Offer, Titomic will have sufficient working capital to carry out its stated objectives.

10.12. STATEMENT OF DIRECTORS

The issue of this Prospectus is authorised by each Director.

Each Director has consented to the lodgement of the Prospectus with ASIC and the issue of the Prospectus and no Director has withdrawn that consent.

Signed on behalf of the Company.



Jeffrey Lang
Director

Dated 10 August 2017

11 GLOSSARY

TERM	MEANING
$, $A or AUD	Australian dollars
AAS or Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group interpretations
AASB or Australian Accounting Standards Board	Australian Accounting Standards Board, an Australian Government agency under the Australian Securities and Investments Commission Act 2001
Admission	The Company's admission to the official list of the ASX following its application for admission under Chapters 1 and 2 of the ASX Listing Rules
AEST	Australian Eastern Standard Time
Applicant	A person who submits an Application for Shares under this Prospectus
Application	Application made to subscribe for Shares under the Offer
Application Form	The relevant form attached to or accompanying this Prospectus pursuant to which Applicants apply for Shares
Application Monies	The amount accompanying an Application Form submitted by an Applicant, calculated as the Offer Price multiplied by the number of Shares applied for
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange, as operated by ASX Limited (ABN 98 008 624 691)
ASX Listing Rules	The official listing rules of ASX
ASX Recommendations	The Corporate Governance Principles and Recommendations issued by the ASX
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd
ATO	Australian Taxation Office

Board or Board of Directors	The Board of Directors of the Company
Broker	Any ASX participating organisation selected by the Lead Manager to act as a Broker to the Offer
Broker Firm Applicant	A person who applies to subscribe for Shares under the Broker Firm Offer
Broker Firm Offer	The offer of Shares under this Prospectus to Australian resident clients of Brokers who have received a firm allocation from their Broker
CFO	Chief Financial Officer
Chair	In relation to the Company, Phillip Vafiadis, or otherwise as the context requires
CHESS	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act
Closing Date	30 August 2017
Cold Spray	Any cold spray technology which makes it possible to create a coating of additively Manufacture a 3D product by bombarding a solid phase material or build plate at supasonic speed, without melting or vaporising it, with the substrate using inert gases. When the material bombarding the substrate or build plate at supersonic speed reaches the critical speed, its particles undergo plastic deformation and the coating is created. Accordingly, unlike other spraying techniques, cold spray technology makes it possible to minimise any change in the properties of the material due to heat or oxidation in the coating.
Completion of the Offer	Completion in respect of the allotment of Shares in accordance with this Prospectus
Company or Titomic	Titomic Limited ABN 77 602 793 644
Constitution	The constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSIRO Licence	CSIRO licence agreement entered into with Force Industries Pty Ltd on 19 August 2013. By a deed of novation and variation dated 13 January 2016 the licence agreement (as varied) was novated from Force Industries to the Company
CSIRO Patent Application	Australian Patent Application No 2012901345
Directors	Each of the Directors of the Company from time to time EBIT
EBIT	Earnings before interest and tax

EBITDA	Earnings before interest, tax, depreciation and amortisation
Existing Shares	Ordinary Shares in the Company that were on issue prior to the Offer
Existing Shareholders	Those persons holding Shares as at the Prospectus Date
Expiry Date	The date that is 13 months after the Prospectus Date
Exploitation	Where the Technology: (a) can be incorporated into a product– to make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or (b) is in the form of a method or process–to use that method or process or do any act mentioned in (a) in respect of a product resulting from such use; or (c) is in the form of a copyright work – to reproduce, adapt, modify and communicate the copyright work to the public and to license others to use that copyright work; and Exploit, Exploited and Exploiting are to be similarly construed
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum of seven days from the date of the Prospectus, during which an Application must not be accepted. ASIC may extend this period to no more than 14 days after the date of the Prospectus
Financial Information	Has the meaning given in Section 5
Force Industries	Force Industries Pty Ltd ACN 072 364 231
Gross Sales Revenue	In relation to the CSIRO Licence means gross monies or the monetary equivalent of consideration (whether or not invoiced) billed or received by the Company and Affiliates attributable to the Exploitation, supply, sale, lease or transfer of any Products
GST	Goods and services tax imposed in Australia
HIN	Holder Identification Number
Historical Financial Information	Has the meaning given in Section 5
IFRS	International Financial Reporting Standards
Institutional Investors	An investor: • in Australia who is either a "professional investor" or "sophisticated investor" under sections 708(11) and 708(8) of the Corporations Act; and • in certain other jurisdictions to whom offers or invitations of Shares can lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply)

Institutional Offer	The invitation to bid for Shares made to Institutional Investors under this Prospectus as described in Section 4.4
Investigating Accountant	Pitcher Partners Corporate Pty Ltd ACN 082 323 868
Investigating Accountant's Report	The Investigating Accountant's Report set out in Section 6
IPO	Initial public offering of Titomic under this Prospectus
Know-How	In relation to the CSIRO Licence means information in relation to the Cold Spray technology set out in the Direct Manufacturing of Titanium Bicycles Frames report dated 31 January 2013 by Dr Saden H Zahiri and Dr Mahnaz Jahedi
Lead Manager	PAC Partners Pty Ltd ACN 13 165 738 438
Licence Field	Manufacture of components of a monocoque design using Cold Spray technology, incorporating Titanium and or Titanium alloys, to a suitable thickness on a base material scaffold to create a Load Bearing Structure fit for its specific purpose, always excluding manufacture of components for boats and/or making seamless Titanium and Titanium alloy pipes using the encumbered patent rights defined below. The "encumbered patent rights" are CSIRO's International Patent Application PCT/AU2009/000276 and any resulting patents, which are exclusively licensed to a third party in the field of making seamless Titanium and Titanium alloy pipes ("encumbered field")
Licensed Patent	The Australian Patent Application No 2012901345 "Manufacturing Process", all patent applications, including foreign patent applications, made after the date of this Agreement which claim priority from this patent application, and includes all Australian and foreign patents subsequently granted arising from this patent application, including divisionals, continuations, continuations in part and reissues
Load Bearing Structure	Structural frame with the ability to support its own weight as well as much of the weight of overlying parts
Melbourne Facility	Mixed use factory, office and engineering facility to be situated at 1/371 Ferntree Gully Road, Mount Waverley, Victoria, Australia 3149
New Share/s	Shares issued under the Offer
Non-Sales Revenue	Any and all revenues and other pecuniary and non-pecuniary benefits, payments or credits of any kind received by the Company, distributors, agents and sublicensees from or in consideration for any assignment, licence, or other transfer of Products and (whether in the same or separate agreements) any sublicence or other grant, licence or transfer of rights, including for example licence fees, milestone fees, royalties and similar payments and any shares or units issued in consideration for such grant (excepting any shares or units of a related entity of the Company), licence or transfer, but expressly excluding any amounts received by the Company or any of its Affiliates, distributors, agents and sublicensees as Gross Sales Revenue

Offer	The Offer under this Prospectus of new Shares to be issued by the Company
Offer Price	$0.20 per Share
Officer	Has the meaning given in section 9 of the Corporations Act
Official List	The official list of entities that ASX has admitted and note removed
Opening Date	17 August 2017 or as varied by the Directors
Option	Means an option on the terms set out in section 9.3.4
Optionholder	Means the holder of an Option
Pro Forma Financial Information	Has the meaning given in Section 5
Pro Forma Historical Financial Information	Has the meaning given in Section 5
Product	(a) any product, apparatus or method which, or the manufacture, distribution, use or sale of which falls within a Claim or which is based on, arises from or incorporates any of the Technology; and (b) any service which uses the Technology and which is provided in relation to a product described in (a); and (c) any larger product, package of products, method, or service of which a product, apparatus, method or service described in (a) or (b) forms an integral part or component
Prospectus	This document (including the electronic form of this Prospectus) and any supplementary or replacement Prospectus in relation to this document
Prospectus Date	The date this Prospectus was lodged with the ASIC
Share	A fully paid ordinary share in the Company
Shareholder	The registered holder of a Share
Share Registry or Computershare	Computershare Investor Services Pty Limited ABN 48 078 279 277
Statutory Financial Information	Has the meaning given in Section 5
Statutory Historical Financial Information	Has the meaning given in Section 5
Wohlers Report 2017	The 2017 version of the 3D Printing and Additive Manufacturing State of the Industry - Annual Worldwide Progress Report issued by Wohlers Associates, Inc.
Subsidiary	Has the meaning given in section 9 of the Corporations Act
Tax Advisor	Pitcher Partners Advisors Pty Ltd ACN 052 920 206

Technology	Under the CSIRO Licence means the know-how and all subject matter described (other than as prior art) claim or otherwise disclosed in the Licenced Patent
TFN	Tax file number
US Securities Act	United States Securities Act of 1933

CORPORATE DIRECTORY

DIRECTORS OF THE COMPANY

Philip Vafiadis
(Chair and Non-Executive Director)

Jeffrey Lang
(Chief Executive Officer and Chief Technology Officer)

Simon Marriott
(Executive Director / Industry and Technical Adviser)

Richard Willson
(Independent Non-Executive Director)

Professor Richard Fox
(Non-Executive Director)

LEAD MANAGER AND UNDERWRITER

PAC Partners Pty Ltd
Level 10, 330 Collins Street
Melbourne VIC 3000

JOINT COMPANY SECRETARIES

Phillip Hain (The CFO Solution)
Peter Vaughan (The CFO Solution)

LEGAL ADVISOR

Holding Redlich
Level 8, 555 Bourke Street
Melbourne, Victoria 3000

REGISTERED OFFICE

Level 3, 62 Lygon Street
Carlton South, Victoria 3053

CSIRO INTELLECTUAL PROPERTY REPORT

Davies Collison Cave Pty Ltd
1 Nicholson Street
Melbourne Victoria 3000

TITOMIC INTELLECTUAL PROPERTY REPORT

Madderns Patent & Trade Mark Attorneys
19 Gouger Street
Adelaide, South Australia 5000

SHARE REGISTRY

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford Victoria 3067

INVESTIGATING ACCOUNTANT

Pitcher Partners Corporate Pty Ltd
Level 19, 15 William Street
Melbourne VIC 3000

AUDITORS

Pitcher Partners
Level 19, 15 William Street
Melbourne VIC 3000

TAXATION ADVISOR

Pitcher Partners Advisors Proprietary Limited
Level 19, 15 William Street
Melbourne VIC 3000

ASX CODE

ASX:TTT

TITOMIC LIMTED

ABN 77 602 793 644

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.
You should read the Titomic Limited Prospectus dated 10 August 2017 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form.
The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

Number of Shares in Titomic Limited at $0.20 per Share or such lesser number of Shares which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours

()

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

G **Payment details - Please note that funds are unable to be directly debited from your bank account**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques should be drawn up according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Titomic Limited.

See overleaf for completion guidelines ➔

How to complete this Broker Firm Offer Application Form

A **Number of Shares applied for**
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares ($2,000). Applications for greater than 10,000 Shares must be in multiples of 1,000 Shares ($200).

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of A$0.20.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applications may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
Titomic Limited participates in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Titomic Limited and allocated a Securityholder Reference Number (SRN).

G **Payment**
If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form, and who to make your cheque payable to. Generally, you will lodge this Application Form and cheque payment with your Broker in accordance with their instructions.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in Titomic Limited is upon and subject to the terms of the Prospectus and the Constitution of Titomic Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

The Broker Firm Offer opens on 17 August 2017 and is expected to close at 30 August 2017. Titomic Limited and the Lead Manager may elect to extend the Broker Firm Offer.

If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form, and who to make your cheque payable to. Generally, you will lodge this Application Form and cheque payment with your Broker in accordance with their instructions. Do NOT lodge this Application form with the Share Registry.

Your Broker must receive your completed Application Form and Application Monies (if applicable) in time to arrange settlement on your behalf by the relevant Closing Date for the Broker Firm Offer.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Titomic Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund


TITOMIC