



ASX ANNOUNCEMENT
14 April 2023

**General Meeting of 3D Metalforge Limited (Subject to Deed of Company Arrangement)
ACN: 644 780 281
to be held on 15 May 2023 at 11.00 a.m. (AEST)**

Dear Shareholder,

You are invited to attend the General Meeting of the shareholders of 3D Metalforge Limited (**Company**) (ASX: 3MF) to be held on Monday 15 May 2023 at 11.00 a.m. (AEST) at:

Level 2, 350 Kent Street, Sydney NSW 2000

In accordance with Section 110D(1) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice of meeting (**Notice**) to shareholders unless a shareholder has requested a hard copy. You will be able to access the Meeting Materials online at the Company's website www.3mf.com.au.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice.

Alternatively, a complete copy of the Meeting Materials has been posted on the Company's ASX market announcements page.

The online access is via this ASX announcement portal at:

<https://www.asx.com.au/asx/share-price-research/company/3MF>.

If any shareholder requires a copy to be mailed to them, please call Steve Nicols of Alt Finance Pty Ltd, being the proponent of the DOCA, on + 61 2 9299 2289.

Authorisation:

This announcement is authorised by David Levi as Deed Administrator.

**3D METALFORGE LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 644 780 281 ("Company")**

NOTICE OF GENERAL MEETING OF SHAREHOLDERS AND EXPLANATORY STATEMENT

**For a General Meeting of Shareholders to be held on Monday, 15th May 2023 at
11:00am(AEST)
at Nicols and Brien Chartered Accountants, Level 2, 350 Kent Street, Sydney, New South
Wales, Australia.**

TO SHAREHOLDERS

Dear Shareholder

5 April 2023

As you may be aware, on 1st September 2022 the Company's Shares were suspended from quotation on the official list of the Australian Securities Exchange ("**ASX**") due to non lodgement of periodic reports.

On 23 January 2023, Mr Robert Michael Kirman and Mr Robert Conry Brauer of McGrath Nicol, were appointed Voluntary Administrators of the Company.

A proposal by Alt Finance Pty Ltd, for the restructure and recapitalisation of the Company via a Deed of Company Arrangement and Creditors Trust, was submitted to the Voluntary Administrators ("**Recapitalisation Proposal**") on 17th February 2023. A creditors' meeting was convened by the Voluntary Administrators to consider the Recapitalisation Proposal. Creditors accepted the Recapitalisation Proposal on the 27th February 2023, and the Deed of Company Arrangement was signed on 27th February 2023. The Deed Administrator is David Levi, of Levi Consulting. The role of Mr Kirman and Mr Brauer has accordingly ended.

The Recapitalisation Proposal requires, and is subject to, various approvals being obtained from the Shareholders ("**Resolutions**"). Accordingly, the Deed Administrator has called a General Meeting of the Company to consider the Resolutions ("**Meeting**"). The Meeting will be held at 11.00am (Sydney Time) on Monday, 15th May 2023. A summary of the Resolutions being put forward at the Meeting are as follows:

- (1) The company to consolidate shares 1:20;
- (2) The company to allot and issue 187,958,027 shares to raise \$112,775.00; and
- (3) New Directors be appointed to the Company.

Enclosed with this letter are the Notice of General Meeting ("**Notice**"), the Explanatory Statement, a Proxy Form and Independent Expert's Report.

The Recapitalisation Proposal is also subject to the following conditions ("**Conditions**"), summarised as follows:

- (a) Payment to the Deed Administrator from the Recapitalisation Fund to extinguish creditor claims in full;
- (b) the Deed Administrator retiring from office upon collection and disbursement of the Recapitalisation Fund and all existing creditors' claims as at the date of voluntary administration extinguished;
- (c) the Shareholder Resolutions being approved without amendment; and
- (d) creditors with a security interest registered on the PPSR Register remove such interest from the personal property securities register established by the Personal Property Securities Act, 2009.

If the Conditions are not met or waived by 31st December 2023 or such other date as agreed by the Deed Administrators and Alt Finance Pty Ltd or if it appears the terms of the Deed of Company Arrangement cannot be fulfilled, then the Deed Administrator may take steps to place the Company into Liquidation.

Alt Finance Pty Ltd's role will cease when the Deed of Company Arrangement is effectuated.

In considering the Resolutions, Shareholders should bear in mind the Company's current financial circumstances. As mentioned above, the Company's Shares have been suspended from quotation on the ASX since 1 September 2022 and the Company requires recapitalisation in order to continue its operations and to seek reinstatement of its Shares to official quotation on the ASX. The Company will have to comply with Chapters 1 and 2 of the ASX Listing Rules. Re-compliance with Chapters 1 and 2 is warranted as it is contemplated that there will be a change to the Company's business after it comes out of external administration. Alt Finance Pty Ltd will not be lodging an In-Principle Advice as to suitability of the proposal to re-quote the shares. As stated above, Alt Finance Pty Ltd's role will cease upon effectuation of the Deed of Company Arrangement. Alt Finance Pty Ltd's role as Deed Proponent ceases upon effectuation of the DOCA. However, Alt Finance Pty Ltd may have a continuing interest in the restructured company, as a shareholder only, if shareholders approve Resolution 3. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Re-quotation is a difficult and complex exercise. Also, new shares that are issued under the Resolutions proposed in this notice of meeting may be subject to escrow.

Ultimately, if the Resolutions are approved and implemented, the Company will be debt free, and in a position to seek opportunities to create shareholder wealth.

If the Resolutions are not approved and the Conditions have not been met by the time stated in the Deed of Company Arrangement, the Deed of Company Arrangement may terminate in which case the Company may be placed into Liquidation. It is expected that there will be no return to Shareholders in a Liquidation.

Preparation of and responsibility for this document

The Deed Administrator has given his consent to convene the meeting and to despatch this Notice and the Explanatory Statement but expresses no opinion about any of the contents (including, but not limited to, any statements regarding the Recapitalisation Proposal).

The Deed Administrator has not independently verified any of the information contained in this Notice or Explanatory Statement. Neither the Deed Administrator nor any servants, representatives, agents or employees of the Deed Administrators' firm make any representations or warranties (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice or the Explanatory Statement.

To the fullest extent permitted by law, all such parties and entities expressly disclaim any and all liability for, based on or relating to, any such information contained in or omissions from this Notice and the Explanatory Statement.

The Deed Administrator makes no recommendation about how shareholders should vote on the resolutions contained in this Notice and has not undertaken any due diligence in relation to the Recapitalisation Proposal and has relied upon correspondence with Alt Finance Pty Ltd and its advisors.

The ASX does not take any responsibility for the contents of this Notice of Meeting, and the fact that the ASX may re-admit the Company's securities to quotation on its official list is not to be taken in any way as an indication of the merits of the Company.

Investment Decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any other person. Shareholders should seek professional advice from a licensed financial advisor, accountant, stockbroker, lawyer or other appropriate adviser.

Yours faithfully

Mr David Levi – Deed Administrator

A handwritten signature in black ink, appearing to read 'David Levi', is positioned below the typed name.

3D Metalforge Limited (ACN 644 780 281)
(Subject to Deed of Company Arrangement)

BUSINESS OF THE MEETING

Agenda

Resolution 1 – Consolidation of Existing Shares and Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 7 for the purposes of Section 254H of the Corporations Act, approval is given for the Company’s existing ordinary shares and options be consolidated on a 1:20 basis, (“Consolidation”), with any fractions rounded down.”

Resolution 2 – Allotment and Issue of Shares to Sparkling Rivage Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of Resolutions 1, and 3 to 7, for the purposes of Item 7 of Section 611 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 176,000,000 Shares (post consolidation), at \$0.0006 per Share to Sparkling Rivage Pty Ltd to raise \$105,600.00 on the terms and conditions set out in the Explanatory Statement”.

Note: The maximum level of voting power will be 88% (approx.) if this resolution is passed along with all other resolutions.

Voting exclusion statement: The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Sparkling Rivage Pty Ltd; or
- an associate of Sparkling Rivage Pty Ltd.

However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 3 – Allotment and Issue of Shares to Alt Finance Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of Resolutions 1, 2 and 4 to 7, for the purposes of ASX Listing Rule 7.1, approval is given for the Company to issue 7,958,027 Shares (post consolidation), at \$0.0006 per Share to Alt Finance Pty Ltd or its nominee, to raise \$4,775.00 on the terms and conditions set out in the Explanatory Statement”.

Note: The maximum level of voting power will be 3.97% (approx.) if this resolution is passed along with all other resolutions.

Voting exclusion statement: The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Alt Finance Pty Ltd; or
- an associate of Alt Finance Pty Ltd.

However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 4 – Allotment and Issue of Shares to Rodd Boland

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of Resolutions 1, 2, 3 and 5 to 7, for the purposes of ASX Listing Rule 7.1, approval is given for the Company to issue 4,000,000 Shares (post consolidation), at \$0.0006 per Share to Rodd Boland or his nominee, to raise \$2,400.00 on the terms and conditions set out in the Explanatory Statement”.

Note: The maximum level of voting power will be 2% (approx.) if this resolution is passed along with all other resolutions.

Voting exclusion statement: The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Rodd Boland; or
- an associate of Rodd Boland.

However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 5 – Appointment of Ms Ma Cristina Carillo as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 to 4 and 6 to 7, Ms Ma Cristina Carillo, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

Resolution 6 – Appointment of Mr Andrew John Spira as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolutions 1 to 5 and 7, Mr Andrew John Spira, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

Resolution 7 – Appointment of Mr Rodd Boland as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolutions 1 to 6, Mr Rodd Boland, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

DATED: 5 April 2023

By order of the Board



Mr David Levi
Deed Administrator

3D Metalforge Limited (Subject to Deed of Company Arrangement).
ACN 644 780 281

NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of Regulation 7.11.37 of the Corporations Act, the Deed Administrators have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7.00 p.m. (Sydney Time) on Saturday 13th May 2023 (the Entitlement Time). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.
4. In accordance with Section 250BA of the *Corporations Act 2001* the Company specifies the following information for the purposes of receipt of proxy appointments:

Mail and physical address

Level 2, 350 Kent Street,
Sydney NSW 2000
AUSTRALIA

Facsimile: +61 2 9299 2239
Email: steve@nicolsandbrien.com.au

The instrument appointing the proxy must be received by the Company at the address specified above at least forty eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile). Any proxy form received after that time will not be valid for the scheduled meeting.

For any questions, please call Steve Nicols on phone +61 2 9299 2289.

EXPLANATORY STATEMENT

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of 3D Metalforge Limited (Subject to Deed of Company Arrangement) (**Company**)(**3MF**) in connection with the Resolutions 1-7 (inclusive) to be considered at the General Meeting of the Company's Shareholders to be held at 11.00a.m (AEST) (Sydney Time) on Monday, 15th May 2023 ("**Meeting**").

The purpose of this Explanatory Statement is to provide information to Shareholders which is considered to be material to them in deciding whether or not to pass the Resolutions in the Notice of General Meeting of the Company ("**Notice**").

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. In addition, this Explanatory Statement should be read in conjunction with the accompanying Notice.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that reports have been made by the Company's appointed Voluntary Administrators in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations to be taken by the Administrators and the reasons for the current status of the Company. The Voluntary Administrators' reports are available by contacting Nicols + Brien Chartered Accountants on phone: (02) 9299 2289. They will arrange for copies to be sent. The Voluntary Administrators' reports are also available at <https://www.mcgrathnicol.com/creditors/3D-metalforge-limited/>.

If all of the Resolutions are passed and the Recapitalisation Proposal is completed, the Company will be debt free and solvent. Completion of the proposal will not be enough to meet the ASX Listing Rule requirements for re-quotations. Re-quotations is a difficult exercise (among other things, the company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules), and the completion of the Recapitalisation Proposal will not guarantee the reinstatement of the company to the official list of the ASX. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow. If Shareholders do not approve the Resolutions and as a consequence the Recapitalisation Proposal is rejected, the Company will likely go into liquidation and it is likely that there will be no return to Shareholders.

1.1 Background

A general background in respect of the appointment of the Voluntary Administrators is set out in the letter by the Deed Administrator to Shareholders accompanying the Notice ("**Letter**").

1.2 History of the Company

3D Metalforge was incorporated on 1 October 2020 as a holding company to complete the acquisition of 100% of the issued capital of 3D Infra Pte Ltd. 3D Infra developed technology and processes to integrate Additive Manufacturing (AM) printers, software and material to supply end user customers with a full range of 3D printing services. The acquisition was

completed on 17 February 2021 and 3D Metalforge commenced trading on the ASX on 2 March 2021.

The Group incurred a net loss after tax for the year ended 31 December 2021 of \$5.1 million. The Directors reported general administration and working capital had exceeded the budgetary use of the IPO funds estimated in the prospectus, caused by lower than expected cash flow from sales growth due to challenging market conditions.

On 23rd September 2022, 3D Metalforge announced a proposed funding restructure which included issuing new equity with a minimum raise of \$1.5 million. This restructure was postponed on 20 October 2022 when 3DMF Singapore applied to the High Court of the Republic of Singapore for a temporary moratorium to restrain the commencement of certain legal unsecured creditors of 3DMF Singapore taking enforcement.

Between October 2022 and January 2023, whilst under the temporary moratorium granted by the High Court of the Republic of Singapore, options to enter into a Scheme of Arrangement to effect a restructure of Group's liabilities were explored, but ultimately unsuccessful.

On 23 January 2023, following the insolvency of 3D Metalforge's downstream subsidiaries, the Directors of 3D Metalforge resolved to appoint Robert Kirman and Robert Brauer as Voluntary Administrators of the ASX listed 3D Metalforge.

The Voluntary Administrators called a meeting of creditors pursuant to Section 439A of the Corporations Act, recommending the proposal of Alt Finance Pty Ltd to re-capitalize the company. The creditors passed to requisite resolution, and a Deed of Company Arrangement was entered into on 27 February 2023. Mr David Levi of Levi Consulting, is the Deed Administrator. The Deed is conditional upon resolutions 1-7 listed herein being passed without alteration.

1.3 Summary of the terms of the Recapitalisation Proposal

Set out below is a detailed summary of the Recapitalisation Proposal.

The essential terms of the Recapitalisation Proposal are as follows:

- (a) Consolidation of shares and options on a 1:20 basis;
- (b) Placement to exempt, professional and sophisticated investors, whom will subscribe in aggregate for 187,958,027 shares to raise \$112,775.00;
- (c) The proposed New Directors for the Company will be appointed.
- (d) Alt Finance Pty Ltd will pay into a Deed of Company Arrangement Fund and to pay the Voluntary Administrator's costs. These monies will be reimbursed by the company to Alt Finance Pty Ltd from the capital raising of \$112,775.00, leaving the company with \$10,000 cash at bank, and no liabilities. These payments are to effectuate the Deed of Company Arrangement.

The Alt Finance Pty Ltd Recapitalisation Proposal was submitted to the Voluntary Administrators on 17th February 2023. It was accepted by the creditors of the company on 27th February 2023 and the Deed of Company Arrangement was signed on 27th February 2023. The recapitalisation proposal also needs shareholder approval. The Resolutions put forward in the Meeting are for the purposes of implementing the Recapitalisation Proposal. The key terms of the DOCA are that a Recapitalisation Fund will be created to pay unsecured creditors, and from which costs, charges and expenses of the Voluntary Administrators and the Deed Administrator will be paid. The Deed Administrator then retire; the conditions precedent require shareholders to pass all resolutions of the recapitalisation proposal.

The Recapitalisation Proposal involves the simultaneous completion or “effectuation” of the Deed of Company Arrangement via a Creditors Trust mechanism when the shareholders pass all the resolutions. The Company will also be released from all Creditors Claims estimated at \$429,000.00 and will have nil liabilities once Completion occurs. The costs, changes, and expenses of Alt Finance Pty Ltd and related parties will be paid by Sparkling Rivage Pty Ltd, i.e. not 3D Metalforge Limited (Subject to Deed of Company Arrangement).

1.4 New Directors

Proposed Director Ms Ma Cristina Carillo – Bachelor of Science (Accountancy)

Ms Ma Carillo has extensive experience in IT companies such as Dell Technologies and Google, and more recently banking and lending companies as director of operations for Manila based lenders.

Proposed Director Mr Andrew John Spira– Double Diploma in Finance and Mortgage Broking and Loan Management.

Andrew is an innovative, performance-driven entrepreneur with a passion for financial services and technology. Founded Pineapple Funding in 2018, a lender which empowers global SMEs via simple, flexible access to capital. Pineapple Funding has quickly grown into a high-volume lender to businesses of all kinds across Australia, New Zealand and the United Kingdom.

Proposed Director Mr Rodd Boland – B.Com (UNSW) MBA (Notre Dame USA)

Mr Rodd Boland started his career in the Chicago Mercantile Exchange, working in the Futures Industry. He then pursued a career in management for 15 years, working for multinationals. He then turned to corporate advisory, and since 2014 has been employed at KPMG. Rodd has also been a director of 3 ASX listed companies.

1.5 ASX Listing

The Company is admitted to the Official List of ASX. However trading in the Company's Shares was suspended on 1st September 2022. Trading in the Shares will not recommence until all Resolutions are passed and not until the Company complies with Chapters 1 and 2 of the Listing Rules, or until ASX advises otherwise.

The intention of the New Directors with regard to the business of the Company is to use the working capital to be injected into the Company via the Recapitalisation Proposal for the purposes described in Section 1.11 of this Statement. The New Directors' plan is to identify and assess potential acquisition opportunities of a material asset subject to approval by ASX, Shareholders and regulatory bodies, where relevant. There is no certain timeframe as to when this may occur, but it is anticipated to be in the third quarter of 2023. The Company is also mindful of the ASX's automatic removal policy, which deals with lodgement of all overdue statutory reports as well as a maximum 2 year suspension rule.

1.6 Advantages and Disadvantages of the Recapitalisation Proposal

Advantages

- 1.6.1 The passing and consummation of Resolutions 1 to 7 as part of the recapitalisation proposal would result in a net cash position of approximately \$10,000 (assuming the capital raising of the \$112,775.00 referred to above) and having a company with no

liabilities, compared with the current position whereby the Company has no assets, and significant debts of approximately \$429,000.00.

- 1.6.2 If the proposals per Resolutions 1 to 7 are consummated as part of the recapitalisation process, the net cash asset backing of a 3MF share rises from nil cents to approximately \$0.00005 per share.
- 1.6.3 If Resolutions 1 to 7 are passed together with the completion of the recapitalisation proposal, the Company's chances to continue to investigate opportunities are enhanced as, without the recapitalisation, it is likely that the Company may be wound up and deregistered. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.
- 1.6.4 The proposed Directors bring additional expertise to the Company in that such Directors have finance and corporate experience and/or experience as Directors or Managers of trading entities. Paragraph 1.4 above discloses the background of the proposed directors.

Disadvantages

- 1.6.5 A significant dilution of existing shareholders will occur. i.e. they will own approximately 6% as compared to 100% now of the expanded issued capital of the Company after the passing of Resolutions 1 to 7 (the passing of Resolutions 1 to 7 are dependent on all resolutions being passed). However, we note that 3MF will be partly recapitalised with approximately \$10,000 in net cash (assuming completion of the \$112,775.00 total capital raising), will have no debt and will have the opportunity to consider the acquisition of other assets or businesses. It is assumed that all investors will obtain a benefit particularly if the Company's shares can be re-quoted on ASX (the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules). Re-quotations on the ASX is a difficult and complex exercise. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, any new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow.
- 1.6.6 The Company would only have approximately net cash of \$10,000 after the issue of the 187,958,027 shares for a total capital raising of \$112,775.00 as per Resolutions 2, 3 and 4. The Company would still need to find a new business and raise additional funds so that it could meet the Listing Rules. In the absence of a superior offer (made before shareholders vote on Resolutions 1 to 7) the shell value does not exist and it is quite possible in the absence of any other recapitalisation proposal, the Company could be placed into Liquidation.
- 1.6.7 If the Company seeks new business opportunities, there is no guarantee that such businesses will be profitable.

1.7 Conclusion

The Resolutions 1 to 7 set out in the Notice are important and affect the future of the Company. All of the Resolutions 1 to 7 need to be approved in order to implement the Recapitalisation Proposal. Shareholders are therefore urged to give careful consideration to the Notice the contents of this Statement.

1.8 Capital Raising

The Company intends to raise \$112,775.00 by issuing 187,958,027 shares each to exempt, professional and sophisticated investors.

Funds raised under the Placement will be used in accordance with the table set out in Section 1.11 below.

1.9 Financial Effect of Placement

The completion of the Placement will increase the Company's cash balance by \$112,775.00 and also increase the Company's issued capital by the same amount.

The Company's only asset will be the cash raised under the Placement, less any amounts expended in accordance with the table set out in Section 1.11 below.

The Company has not presented pro forma financial information in relation to the transactions as recent historical audited financial information is not available owing to the Company being in Administration. In addition, the Deed Administrator is of the opinion that to present a financial position based on this historical information would not be representative of the Company's current financial position.

1.10 Control Implications

The Company is seeking shareholder approval under Corporations Act, Section 611 and Item 7 for the purposes of Resolution 2.

A table showing the impact of the various issues of securities pursuant to this Notice on the aggregated Shareholding interests of existing Shareholders is set out below (on a post Consolidation basis).

	Before		After	
	# Shares	% of Shares	# of Shares	% of Shares (Approx.)
Change as a result of Share issue only				
Existing Shareholders (Resolution 1)	240,839,445	100%	12,041,973	6.021%
Sparkling Rivage Pty Ltd (Resolution 2)	0	0%	176,000,000	88%
Alt Finance Pty Ltd (Resolution 3)	0	0%	7,958,027	3.979%
Rodd Boland (Resolution 4)	0	0%	4,000,000	2%
		TOTAL	200,000,000	100%

1.11 Purpose of funds to be raised under the Recapitalisation Proposal

The Recapitalisation Proposal seeks to raise the sum of \$112,775.00 through issues of Shares to sophisticated, professional or other exempt investors who do not require a disclosure document under section 708 of the Corporations Act. The purpose of these capital raisings are to:

- (a) pay for the Voluntary Administration, Deed of Company Arrangement (“**DOCA**”). The payments to creditors will remove the Company from Administration and to extinguish all liabilities; and
- (b) provide working capital to meet the administration costs of the Company.

An estimated budget is set out below.

Estimated Use of Funds – Expenditure Budget

Total funds raised \$112,775	\$
Voluntary Administration costs and Deed of Company Arrangement	77,500.00
Independent Experts Report, printing and mail out of this notice	25,275.00
Working Capital for the company	10,000.00
Total funds utilised (\$)	\$112,775

The Company’s arrangement with Alt Finance Pty Ltd is that the Company will effectuate its Deed of Company Arrangement when Alt Finance Pty Ltd pays the Deed of Company Arrangement amount and then it will reimburse Alt Finance Pty Ltd from the \$112,775.00 raised. Alt Finance Pty Ltd will incur costs and expenses to third parties to achieve the Recapitalisation Proposal. Therefore, Alt Finance Pty Ltd is taking a risk that it may not be reimbursed payments to third parties if the Recapitalisation Proposal fails. To date, Alt Finance Pty Ltd has paid \$40,000 to the Voluntary Administrators. Alt Finance Pty Ltd will also pay all costs associated with preparing, calling, holding the Shareholders meeting. The costs, charges, and expenses of Alt Finance Pty Ltd will be paid by Sparkling Rivage Pty Ltd, i.e. not 3D Metalforge Limited (Subject to Deed of Company Arrangement).

2. RESOLUTION 1 CONSOLIDATION OF CAPITAL

2.1 Background

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of shares and options on issue will be reduced from 240,839,445 to 12,041,972 (subject to rounding).

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all Security Holders will hold that number of Shares which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Security. This means some shareholders holding less than 20 shares will be rounded down to zero.

2.4 Taxation

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date of the Consolidation, all previous holding statements for Security will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a pre-consolidation basis.

After the consolidation become effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Proposed capital structure

Current Capital Structure shares

	Shares	Percentage %
Current Shares on Issue	240,839,445	100

Proposed Capital Structure

	Shares	Percentage % (Approx.)
Existing Shares Consolidated 1:20	12,041,973	6.021%
Resolution 2 Issue of Shares to Sparkling Rivage Pty Ltd	176,000,000	88%
Resolution 3 Issue of shares to Alt Finance Pty Ltd	7,958,027	3.979%
Resolution 4 Issue of Shares to Rodd Boland	4,000,000	2%
TOTALS	200,000,000	100%

2.7 Indicative timetable

If this Resolution is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the ASX Listing Rules):

Action	Date
Company announces Consolidation, lodges Appendix 3A.3 with ASX and sends out Notice of Meeting	14 April 2023
Company announces on ASX that Shareholders have approved the Consolidation and Effective Date of Consolidation	15 May 2023
Effective Date	16 May 2023
Last day for trading in pre-consolidated shares	17 May 2023
Record Date	18 May 2023
Last day for company to register transfers on a pre consolidation basis	18 May 2023
First day for the company to update its register and to send holding statements	19 May 2023
Last day for the company to update its register and to send holding statements	25 May 2023

3. Resolution 2 – Allotment and Issue of Placement of Shares

3.1 General

Resolution 2 seeks Shareholder approval for the issue 176 million Shares at an issue price of \$0.0006 per Shares to raise \$105,600.00 (**Placement**).

3.2 Technical information required for Shareholders

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. However, Exception 8 of Listing Rule 7.1 allows an exception if an issue of securities is approved for the purposes of Item 7 of Section 611 of the Corporations Act, as is the case now.

The following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 176 million;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.0006 per Share;
- (d) the Shares will be issued to Sparkling Rivage Pty Ltd

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards funding the recapitalisation of the Company (including payment under the DOCA) with remaining funds being used for working capital purposes.

3.3 Section 611 of the Corporations Act and Listing Rules

As stated above, Exception 8 of Listing Rule 7.1 is being relied upon.

Shareholder approval of Resolution 2 is required under Item 7 of Section 611 of the Corporations Act given Resolution 2 involves the issue of more than 20% of all Shares then on issue.

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases;

- (a) From 20% or below to more than 20%; or
- (b) From a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act,

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Chapter 2E of the Corporations Act

Section 208(1) of the Corporations Act requires that for a public company to give a financial benefit to a related party of the public company, it must either fall within certain exceptions or obtain shareholder approval. A related party includes a party that does or may control a public company. Accordingly, Sparkling Rivage Pty Ltd is a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

Pursuant to Resolution 2 the company is seeking shareholder approval for the issue of 176 million shares to raise \$105,600.00.

The following information is provided:

- (a) The related party is Sparkling Rivage Pty Ltd
- (b) The maximum number of shares, being the nature of the financial benefits being provided to be issued, will be 90 million shares;
- (c) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules state;
- (d) The issue price will be \$0.0006 per share;
- (e) The funds raised will be used for the same purposes as all other funds raised under the capital raising as set out in Section 1.11 this explanatory statement;
- (f) The shares issued under the capital raising will be fully paid ordinary shares in the capital of the company issued on the same terms and conditions as the company's existing shares;
- (g) The value of the financial benefit is calculated by the number of securities being issued multiplied by the issue price under General Placement and is set out below:

Securities	Value per Security	Financial Benefit	Amount Paid
176 million Shares	\$0.0006	\$105,600	\$105,600

The company's shares have been suspended from trading since 1st September 2022 with the last trading price of the company prior to going into administration being \$0.013.

The company will be issuing shares at \$0.0006 and the Directors therefore consider that \$0.0006 is a more appropriate valuation for the cost of the shares being issued, the subject of Resolution 2

- (h) The current relevant interests of Sparkling Rivage Pty Ltd in the securities of the company are nil.
- (i) The remuneration and emoluments from the company to Sparkling Rivage Pty Ltd for the previous financial year and the proposed remuneration and emoluments for the current financial year are also \$Nil.

Related Party	Financial Year ended 30 June 2021	Financial Year ended 30 June 2022
Sparkling Rivage Pty Ltd	\$Nil	\$Nil

- (j) The trading history of the shares on ASX in the 12 months before the date of this notice is set out below:

	Price	Date
Highest	3.5 cents	5 April 2022
Lowest	1.1 cents	27 June 2022
Last	1.3 cents	31 August 2022

Shareholders should note that the company's securities were suspended from quotation on 1st September 2022 and remain suspended.

- (k) The primary purpose of the issue of the shares is to raise fresh capital; and
- (l) none of the current Directors have an interest in the outcome of Resolution 2. The Directors make a positive recommendation because the company is subject to Deed of Company Arrangement and currently insolvent.
- (m) the Directors and the Deed Administrator is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the company to pass Resolution 2.

Information required by Item 7 of the Section 611 of the Corporations Act

Also set out below are the matters required to be disclosed in accordance with Item 7(b) of Section 611 of the Corporations Act.

- (a) *the identity of the person proposing to make the acquisition and their associates:*

It is proposed that 176 million Shares be issued to Sparkling Rivage Pty Ltd as per Resolution 2. Sparkling Rivage Pty Ltd, nor related parties, does not have relevant interests in any Shares existing as at the date of this notice.

- (b) *the maximum extent of the increase in that persons voting power in the company that would result from the acquisition:*

If Resolution 2 is passed, Sparkling Rivage Pty Ltd's voting power in the Company will increase from 0% to 88% (approx).

- (c) *the voting power that the relevant allottees would have as a result of the acquisition:*

If Resolution 2 is passed, Sparkling Rivage Pty Ltd's voting power in the Company will be 88% (approx).

- (d) *the maximum extent of the increase in the voting power of each of the allottee's associates that would result from the acquisition.*

As Sparkling Rivage Pty Ltd has no holding or any relevant interest in existing Shares there is no increase in its voting power in the Company as a result of the acquisition.

- (e) *the voting power that each of the allottee's associates would have as a result of the acquisition:*

As Sparkling Rivage Pty Ltd has no associates holding any relevant interest in existing shares, there is no increase in its voting power in the Company as a result of the acquisition.

Other Required Information – ASIC regulatory Guide 74

The following further information is disclosed:

- (a) The Company will review its current business activities. As part of the process, it is proposed that 3 New Directors will be elected to the Board. These elections form the subject of separate Resolutions. The current Directors and company secretary will be resigning;
- (b) In accordance with the Recapitalisation Proposal, the Company intends to raise capital to:
 - (i) pay for the DOCA and recapitalisation costs and expenses so as to remove the Company from Administration and to extinguish all debt of the Company; and
 - (ii) meet the administration and working capital costs of the Company.

The Company will have sufficient funds if all Resolutions are passed and share capital raised in order to meet the aims of the Recapitalisation Proposal;

- (c) There is no current intention to redeploy any other fixed assets of the Company or to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The dividend policy of the Company will be assessed in accordance with the future profitability of the Company's business; and
- (d) Proposed directors Ms Ma Cristina Carillo, Mr Andrew John Spira and Mr Rodd Boland do not intend to inject further capital into the company. However this will change if the company seeks re-quotation on ASX.
- (e) An Independent Expert's Report or IER is enclosed, and shareholders are urged to read it in full,

The Corporations Act provides that an independent expert's report of the transaction (as contemplated by Resolution 2 must be provided to Shareholders. The IER provides an opinion as to whether the acquisition of the voting power referred to in Resolution 2 and this section, is fair and reasonable to the non-associated Shareholders of the Company.

The IER is enclosed with the Notice and is attached to Annexure A.

Stantons International Audit and Consulting Pty Ltd has concluded that the acquisition of the voting power by Sparkling Rivage Pty Ltd as contemplated by Resolution 2 (**"Acquisition"**) **is fair and reasonable to the Shareholders of the Company.**

The advantages and disadvantages of the Recapitalisation Proposal are outlined in the IER and are provided to enable non-associated Shareholders of the Company to determine whether they are better off if the Acquisition proceeds than if not.

Shareholders are urged to carefully read the IER in deciding how to vote on the Resolutions, particularly Resolution 2

- (f) Sparkling Rivage Pty Ltd will only have a right to compulsorily acquire the shares of minority shareholders pursuant to Section 664C of the Corporations Act if they own more than 90%. However they have no intention whatsoever to compulsorily acquire the shares of minority shareholders.

Other required information – ASIC Regulatory Guide 76

The following further information is disclosed:

- (a) The related party is Sparkling Rivage Pty Ltd. Mr Andrew John Spira is a director and shareholder of Sparkling Rivage Pty Ltd.
- (b) The nature of the financial benefit is the issue of 176 million Ordinary Shares in the capital of the Company as set out in this Explanatory Memorandum;
- (c) The Directors of the Company are unable to make a recommendation in relation to whether Shareholders should or should not vote in favour of the Resolution as their powers are suspended whilst the company is under DOCA;
- (d) No Directors have an interest in the outcome of the Resolution

All other information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass a resolution and that is known to the Company, is set out in this Explanatory Memorandum and in the Independent Expert's Report.

Resolution 3 – Allotment and Issue of Shares to Alt Finance Pty Ltd

This Resolution is proposed to be approved by Shareholders in accordance with ASX Listing Rule 7.1 and Resolution 3, seeks approval for the issue of 7,958,027 (post consolidation) shares to Alt Finance Pty Ltd or its nominee at an issue price of \$0.006 to raise \$4,775.00.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issuer has the prior approval of Shareholders in general meeting.

3D Metalforge Limited is proposing to issue 7,958,027 shares under Resolution 3, ("the Issue").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Resolution 3 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, 3D Metalforge Limited will be able to proceed with the Issue and will receive \$4,775.00. In addition, the Issue will be excluded from the calculation of the number of equity securities that 3D Metalforge Limited can issue without shareholder approval under Listing Rule 7.1.

To this end, Resolution 3 seeks shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Issue can proceed without using up any of 3D Metalforge Limited's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1. If Resolution 3 is not passed, the Issue can still proceed but it will reduce, to that extent, 3D Metalforge Limited's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the Issue.

An approval of security holders is not effective under the Listing Rules unless the notice of meeting includes everything that the Listing Rules require it to include: Listing Rule 14.6.

Listing Rule 7.3.1. In the case of an issue under a reverse takeover, it is sufficient to describe the class or classes of security holders in the reverse takeover target who will be issued securities in the entity (see the note to Listing Rule 7.3.1.)

It is acceptable for an entity to name those investors whose identity is likely to be material to a decision by security holders to approve, the issue and to describe the basis on which other investors will be identified or selected to participate in the issue.

Noting that if the investor is a related party, any issue of, or agreement to issue, equity securities to them will require a separate security holder approval under Listing Rule 10.11 unless the issue or agreement falls within an exception in Listing Rule 10.12.

Information required by ASX Listing Rules

- (a) The following information is provided to Shareholders in accordance with Listing Rule 7.3 for the purpose of obtaining shareholder approval under Listing Rule 7.1 for Resolution 3;
- (b) The maximum number of shares to be issued by the Company to Alt Finance Pty Ltd or its nominee is 7,958,027 (post consolidation) shares at an issue price of \$0.0006 to raise \$4,775.00;
- (c) It is anticipated that the issue of the shares will occur on one date and will not be later than three months after the date of the meeting;
- (d) It is proposed that the 7,958,027 (post consolidation) shares be issued to Alt Finance Pty Ltd or its nominee;
- (e) The new shares will rank equally with the existing shares;
- (f) The funds raised from the issue of the shares will be used in accordance with the Recapitalisation Proposal and for the purposes set out in Section 1:11 of this Statement;
- (g) The date of allotment of the shares will be the same date on which they are issued;
- (h) The price, or other consideration that the company will receive for the issue of shares is \$0.0006 per share ie \$4,775.00; and
- (i) The shares are being issued under an agreement, ie the DOCA, referred to in section 1.3 above of the Explanatory Statement. One of the key terms of the DOCA is shareholder approval to issue fresh shares to raise funds for the DOCA fund, by Alt Finance Pty Ltd or its nominee.

Resolution 4 – Allotment and Issue of Shares to Rodd Boland

This Resolution is proposed to be approved by Shareholders in accordance with ASX Listing Rule 7.1 and Resolution 3, seeks approval for the issue of 4,000,000 (post consolidation) shares to Rodd Boland or his nominee at an issue price of \$0.0006 to raise \$2,400.00.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issuer has the prior approval of Shareholders in general meeting.

3D Metalforge Limited is proposing to issue 4,000,000 shares under Resolution 4, (“the Issue”).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Resolution 4 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, 3D Metalforge Limited will be able to proceed with the Issue and will receive \$2,400.00. In addition, the Issue will be excluded from the calculation of the number of equity securities that 3D Metalforge Limited can issue without shareholder approval under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Issue can proceed without using up any of 3D Metalforge Limited's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If Resolution 4 is not passed, the Issue can still proceed but it will reduce, to that extent, 3D Metalforge Limited's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the Issue.

An approval of security holders is not effective under the Listing Rules unless the notice of meeting includes everything that the Listing Rules require it to include: Listing Rule 14.6.

Listing Rule 7.3.1. In the case of an issue under a reverse takeover, it is sufficient to describe the class or classes of security holders in the reverse takeover target who will be issued securities in the entity (see the note to Listing Rule 7.3.1.)

It is acceptable for an entity to name those investors whose identity is likely to be material to a decision by security holders to approve, the issue and to describe the basis on which other investors will be identified or selected to participate in the issue.

Noting that if the investor is a related party, any issue of, or agreement to issue, equity securities to them will require a separate security holder approval under Listing Rule 10.11 unless the issue or agreement falls within an exception in Listing Rule 10.12.

Information required by ASX Listing Rules

- (a) The following information is provided to Shareholders in accordance with Listing Rule 7.3 for the purpose of obtaining shareholder approval under Listing Rule 7.1 for Resolution 4;
- (b) The maximum number of shares to be issued by the Company to Rodd Boland or his nominee is 4,000,000 (post consolidation) shares at an issue price of \$0.0006 to raise \$2,400.00.
- (c) It is anticipated that the issue of the shares will occur on one date and will not be later than three months after the date of the meeting;
- (d) It is proposed that the 4,000,000 (post consolidation) shares be issued to Rodd Boland or his nominee;
- (e) The new shares will rank equally with the existing shares;
- (f) The funds raised from the issue of the shares will be used in accordance with the Recapitalisation Proposal and for the purposes set out in Section 1:11 of this Statement;
- (g) The date of allotment of the shares will be the same date on which they are issued;
- (h) The price, or other consideration that the company will receive for the issue of shares is \$0.0006 per share ie \$2,400.00; and
- (i) The shares are being issued under an agreement, ie the DOCA, referred to in section 1.3 above of the Explanatory Statement. One of the key terms of the DOCA is shareholder approval to issue fresh shares to raise funds for the DOCA fund, by Rodd Boland or his nominee.

Chapter 2E of the Corporations Act

Section 208(1) of the Corporations Act requires that for a public company to give a financial benefit to a related party of the public company, it must either fall within certain exceptions or obtain shareholder approval. Rodd Boland will be a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

Pursuant to Resolution 4 the company is seeking shareholder approval for the issue of 4 million shares to raise \$2,400.00.

The following information is provided:

- (e) The related party is Rodd Boland
- (f) The maximum number of shares, being the nature of the financial benefits being provided to be issued, will be 4 million shares;
- (g) The shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules state;
- (h) The issue price will be \$0.0006 per share;

- (i) The funds raised will be used for the same purposes as all other funds raised under the capital raising as set out in Section 1.11 this explanatory statement;
- (j) The shares issued under the capital raising will be fully paid ordinary shares in the capital of the company issued on the same terms and conditions as the company's existing shares;
- (k) The value of the financial benefit is calculated by the number of securities being issued multiplied by the issue price under General Placement and is set out below:

Securities	Value per Security	Financial Benefit	Amount Paid
4 million Shares	\$0.0006	\$2,400	\$2,400

The company's shares have been suspended from trading since 1st September 2022 with the last trading price of the company prior to going into administration being \$0.013.

The company will be issuing shares at \$0.0006 and the Directors therefore consider that \$0.0006 is a more appropriate valuation for the cost of the shares being issued, the subject of Resolution 4

- (l) The current relevant interests of Rodd Boland in the securities of the company are nil.
- (m) The remuneration and emoluments from the company to Rodd Boland for the previous financial year and the proposed remuneration and emoluments for the current financial year are also \$Nil.

Related Party	Financial Year ended 30 June 2021	Financial Year ended 30 June 2022
Rodd Boland	\$Nil	\$Nil

- (n) The trading history of the shares on ASX in the 12 months before the date of this notice is set out below:

	Price	Date
Highest	3.5 cents	5 April 2022
Lowest	1.1 cents	27 June 2022
Last	1.3 cents	31 August 2022

Shareholders should note that the company's securities were suspended from quotation on 1st September 2022 and remain suspended.

- (o) The primary purpose of the issue of the shares is to raise fresh capital; and

- (p) none of the current Directors have an interest in the outcome of Resolution 4. The Directors make a positive recommendation because the company is subject to Deed of Company Arrangement and currently insolvent.

the Directors and the Deed Administrator is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the company to pass Resolution 4.

Other required information – ASIC Regulatory Guide 76

The following further information is disclosed:

- (a) The related party is Rodd Boland, proposed director.
- (b) The nature of the financial benefit is the issue of 4 million Ordinary Shares in the capital of the Company as set out in this Explanatory Memorandum;
- (c) The Directors of the Company are unable to make a recommendation in relation to whether Shareholders should or should not vote in favour of the Resolution as their powers are suspended whilst the company is under DOCA;
- (d) No Directors have an interest in the outcome of the Resolution

All other information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass a resolution and that is known to the Company, is set out in this Explanatory Memorandum and in the Independent Expert's Report.

4. Resolution 5 to 7 – Appointment of new Directors

4.1 General

The Corporations Act provides that:

- (a) the Company must have at least 3 directors, per Section 201A(2) of the Corporations Act;
- (b) the Company's Shareholders may appoint new Directors of the Company by resolution passed in general meeting, per Section 201G of the Corporations Act; and
- (c) the appointment of a person as a Director at a general meeting is subject to the Company receiving his or her consent to the nomination, per Section 201D of the Corporations act.

Having received nominations for the following persons to be appointed as new Directors of the Company, and having received consents to act as a Director from each such person, Resolutions 5 to 7 respectively seek Shareholder approval for the appointment of the following persons as Directors effective from the close of the General Meeting:

- (a) Ms Ma Cristina Carillo – Resolution 5;
- (b) Mr Andrew John Spira – Resolution 6;
- (c) Mr Rodd Boland – Resolution 7

A summary of experience of each of the proposed Directors is set out in paragraph 1.4 above.

5. ENQUIRIES

Shareholders are invited to contact Mr Steven Nicols of Alt Finance Pty Ltd on phone + 61 2 9299 2289 if they have any queries in respect of the matters set out in these documents.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the shareholders of 3D Metalforge Limited (Subject to Deed of Company Arrangement) will be held at 11.00am (Sydney Time) on Monday, 15th May 2023.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11.00 a.m. (Sydney Time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by email to steve@nicolsandbrien.com.au or by facsimile to the Company on facsimile number (International: + 61 2 9299 2239); or
- deliver the proxy to the Company at c/- Level 2, 350 Kent Street, Sydney, New South Wales, Australia.

so that it is received not later than 7pm (Sydney Time) on Saturday, 13th May 2023.

Your proxy form is enclosed.

GLOSSARY

3MF means the company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company means 3D Metalforge Limited (Subject to Deed of Company Arrangement) (ACN 644 780 281).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Creditor means a creditor of the Company as at the date of the Notice.

Creditor's Trust means the trust to be established in accordance with the terms of the Recapitalisation Proposal and the DOCA for the purpose of satisfying approved Creditor's claims, to be known as 3MF Creditors Trust.

Deed Administrator means David Levi from Levi Consulting.

Deed of Company Arrangement or DOCA means the Deed of Company Arrangement between Deed Administrators and the Company dated 27th February 2023 and includes any variation to such.

Director means a director of the Company.

Dollar or \$ means Australian dollars.

Explanatory Statement or **Statement** means the explanatory statement to the Notice of General Meeting.

Glossary means this glossary.

IER means Independent Experts Report annexed hereto

Meeting means the general meeting of the Shareholders convened by the Notice to be held on Monday, 15th May 2023.

New Directors means the Directors to be appointed under Resolutions 5, 6 and 7.

Notice means this notice of general meeting of the Shareholders in respect of the Meeting to be held on 15th May 2023.

Recapitalisation Fund means the funds available from Recapitalisation Proposal.

Recapitalisation Proposal means the Recapitalisation Proposal submitted by Alt Finance Pty Ltd on 17th February 2023 to the Administrators relating to the restructure and recapitalisation of the Company.

Resolutions means the resolutions described in the Notice.

Shareholder means the holder of Shares.

Shares means ordinary class shares in the capital of the Company.

Sydney Time means time in Sydney NSW Australia from time to time.

Trustee means the Trustee of the Creditors Trust, namely Mr David Levi from Levi Consulting.

Voluntary Administrators means Mr Robert Michael Kirman and Mr Robert Conry Brauer from McGrath Nicol.

**PROXY FORM
APPOINTMENT OF PROXY
3D METALFORGE LIMITED
(Subject to Deed of Company Arrangement)
ACN 644 780 281**

GENERAL MEETING - VIRTUAL

I/We

being a Member of 3D Metalforge Limited (Subject to Deed of Company Arrangement) entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held on Monday, 15th May 2023 at 11.00 a.m. (Sydney Time) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Consolidation of shares and options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Allotment and Issue of Shares to Sparkling Rivage Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Allotment and Issue of Shares to Alt Finance Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Allotment and Issue of Shares to Rodd Boland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Election of Ms Ma Cristina Carillo as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Election of Mr Andrew John Spira as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Election of Mr Rodd Boland as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the % of voting rights this proxy represents is

%

Dated this day of 20

Individuals and joint holders Companies (affix common seal if appropriate)

Signature
Signature

Director
Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - For a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting, if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. You may fax the Proxy form to: Facsimile No. +61 2 9299 2239 or mail Level 2, 350 Kent Street, Sydney NSW 2000, Australia, or email to steve@nicolsandbrien.com.au.
7. The instrument appointing the proxy must be received by the Company at the address specified above at least forty eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile).
8. Any questions, please call Steve Nicols on phone +61 9299 2289, or email to steve@nicolsandbrien.com.au.

5 April 2023

David Levi
Deed Administrator
3D Metalforge Limited (Subject to Deed of Company Arrangement)
c/- Levi Consulting Pty Ltd
GPO Box 4681
Sydney NSW 2001

Dear David,

Independent Expert's Report Relating to Recapitalisation Proposal

1 Executive Summary

Opinion

- 1.1 In our opinion, the proposed transaction including the proposal outlined in Resolution 2 of the Notice of Meeting ("**NoM**") relating to the issue by 3D Metalforge Limited (Subject to Deed of Company Arrangement) ("**3MF**" or the "**Company**") of up to 176,000,000 ordinary shares to Sparkling Rivage Pty Ltd ("**Sparkling Rivage**") is considered **FAIR** and **REASONABLE** to the non-associated shareholders of 3MF as at the date of this report.

Introduction

- 1.2 Stantons Corporate Finance Pty Ltd ("**Stantons**") was engaged by the Deed Administrator of 3MF, David Levi (the "**Deed Administrator**") of Levi Consulting Pty Ltd ("**Levi**") to prepare an Independent Expert's Report ("**IER**") to provide an opinion on the fairness and reasonableness of the proposal outlined in Resolution 2 of the attached NoM and Explanatory Statement ("**ES**"). The NoM will be released ahead of a general meeting of 3MF shareholders to be held in or around April 2023 (the "**Meeting**").
- 1.3 3MF historically operated as a 3D printing business, providing a range of 3D printing services, including design and engineering, material advisory, diagnostics and testing, production printing and post-production certification.
- 1.4 The Company encountered financial difficulties, which were attributed to sales growth below management expectations which resulted in trading losses, and difficult market conditions caused by the COVID-19 pandemic and the Russian-Ukraine conflict's impact on the Company's target market, being the energy sector.
- 1.5 The Company's shares were suspended from official quotation on the Australian Securities Exchange ("**ASX**") on 1 September 2022.
- 1.6 On 23 January 2023, Robert Kirman and Robert Brauer of McGrath Nicol were appointed voluntary administrators of the Company (the "**Voluntary Administrators**"). A creditors' meeting was held on 27 February 2023, at which a restructure and recapitalisation proposal submitted by Benelong Capital Partners Pty Ltd ("**Benelong**") and dated 17 February 2023 (the "**Recapitalisation Proposal**"), was accepted. A Deed of Company Arrangement ("**DOCA**") was agreed upon on 27 February 2023, with David Levi of Levi Consulting being appointed as Deed Administrator.

- 1.7 The Recapitalisation Proposal submitted by Benelong is interdependent with the DOCA. The Recapitalisation Proposal and DOCA contain the following key terms:
- new directors being appointed to the Company;
 - execution of a Creditors' Trust Deed (the "**Creditors' Trust Deed**"), pursuant to which a trust fund will be created for the payment of unsecured creditors (the "**Creditors' Trust**"), of which the Deed Administrator will act as trustee;
 - payments for fees and costs to be made to the Voluntary Administrators and Deed Administrator;
 - shareholder approval being obtained for the Recapitalisation Proposal; and
 - the Company will be released from all creditor claims.
- 1.8 Completion of the Recapitalisation Proposal and effectuation of the DOCA will occur simultaneously with all required shareholder approvals being obtained. The required resolutions for completion of the Recapitalisation Proposal are as set out below (collectively, the "**Resolutions**").
- The Company will consolidate its outstanding shares and options on a 1:20 basis (the "**Consolidation**") (Resolution 1);
 - The Company will allot and issue 176,000,000 post-Consolidation ordinary shares to Sparkling Rivage at \$0.0006 per share, to raise \$105,600 (Resolution 2);
 - The Company will allot and issue 7,958,027 post-Consolidation ordinary shares to Alt Finance Pty Ltd ("**Alt Finance**") at \$0.0006 per share, to raise \$4,775 (Resolution 3);
 - The Company will allot and issue 4,000,000 post-Consolidation ordinary shares to Rodd Boland at \$0.0006 per share, to raise \$2,400 (Resolution 4); and
 - The appointment of 3 new nominee directors (Resolutions 5, 6 and 7).
- 1.9 Collectively, the DOCA, the Recapitalisation Proposal and the passing of the Resolutions are referred to as the "**Transaction**".
- 1.10 On completion of the Transaction, the Company will be left with \$10,000 cash and no liabilities.
- 1.11 If all conditions of the Recapitalisation Proposal are not met by 31 December 2023 or it appears the terms of the DOCA cannot be fulfilled, the Deed Administrator may take steps to place the Company into liquidation.

Purpose

- 1.12 As a result of the Transaction, Sparkling Rivage has the potential to acquire an interest of up to approximately 88.0% in the ordinary shares of 3MF (assuming all resolutions are passed).
- 1.13 Under Section 606 ("**s606**") of the Corporations Act 2001 ("**TCA**"), unless certain exemptions apply, a person must not acquire a relevant interest in issued voting shares in a company if, as a result of the transaction, that person's or someone else's voting power in the company increases:
- a) from 20% or below to more than 20%; or
 - b) from a starting point that is above 20% and below 90%.
- 1.14 Under Section 611 (Item 7) of TCA, s606 does not apply in relation to any acquisition of shares approved by a resolution passed at a general meeting by shareholders who are not associated with the transaction (the "**Non-Associated Shareholders**"). For such a meeting, an independent expert is typically required to report on the fairness and reasonableness of the transaction.
- 1.15 Pursuant to Chapter 2E of TCA, a public company must, unless certain exemptions apply, obtain approval from its members to give a financial benefit to a related party of the company. Section 228 of TCA specifies that this includes an entity that the company believes is likely to control the

company in the future. Sparkling Rivage is therefore considered a related party of 3MF for the purposes of Chapter 2E of TCA.

- 1.16 Accordingly, 3MF intends to seek approval for Resolution 2 from Non-Associated Shareholders at the Meeting, pursuant to both Item 7 of s611 and Chapter 2E of TCA.
- 1.17 The proposed Transaction will be described in the NoM and Explanatory Statement (“**ES**”) to be forwarded to shareholders ahead of the Meeting. This IER provides an opinion on the fairness and reasonableness of the Transaction, including Resolution 2, to Non-Associated Shareholders and will be attached to the NoM.

Basis of Evaluation

- 1.18 With regard to the Australian Securities and Investments Commission (“**ASIC**”) Regulatory Guide 111: Content of Expert Reports (“**RG111**”), we have assessed the Recapitalisation Proposal as:
- fair if the value of a 3MF share after the Transaction, on a minority interest basis, is greater than the value of a 3MF share prior to the Transaction on a control basis; and
 - reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Associated Shareholders to accept the offer.

Valuations

3MF Pre-Recapitalisation Proposal Share Value

- 1.19 We assessed the fair market value of a 3MF ordinary share prior to the Transaction using a net asset based methodology, on a post-Consolidation basis. Our assessed fair market value as at 5 April 2023 is as follows:

Table 1. Pre-Transaction Net Asset Valuation of 3MF Shares (Post-Consolidation)

	Ref	Value
3MF pre-Transaction net assets/(liabilities) (\$)	Table 9	(406,000)
Number of shares outstanding (post Consolidation)	Table 6	12,041,973
Pre-Transaction net assets per share (\$)		(0.03372)
Pre-Transaction assessed value per share (\$) (control)		nil

Source: Stantons analysis

- 1.20 As 3MF has a pre-Transaction position of net liabilities and no operating business, we assessed the fair value of a 3MF post-consolidation ordinary share prior to the Transaction, on a control basis, to be nil.

3MF Post-Transaction Share Value

- 1.21 Our net assets based valuation of 3MF, post-Transaction, as at 5 April 2023, on a minority interest basis, is set out below.

Table 2. 3MF Post-Transaction Valuation

	Ref	Value
Pre-Transaction net assets (\$)	Table 14	(406,000)
Creditor claims extinguished (\$)	Table 11	406,000
Funds raised (\$)	Table 5	112,775
Less: funds utilised (\$)	Table 5	(102,775)
3MF post-Transaction net assets (\$)		10,000
Number of shares outstanding	Table 6	200,000,000
Post-Transaction value per share (\$) (control)		0.00005
Minority discount	7.4	23.1%
Post-Transaction value per share (\$) (minority)		0.00004

Source: Stantons analysis

- 1.22 We assessed the fair value of a 3MF post-Transaction ordinary share on a minority interest basis to be approximately \$0.00004.

Fairness Assessment

- 1.23 Our fairness assessment of the Transaction is as set out below.

Table 3. Fairness Assessment

	Ref	Preferred
Pre-Transaction 3MF share value (control) (\$)	Table 1	nil
Post-Transaction 3MF share value (minority) (\$)	Table 2	0.00004
Opinion		Fair

Source: Stantons analysis

- 1.24 As the value of a post-Transaction ordinary share in 3MF on a minority interest basis is greater than the pre-Transaction value on a control basis, we consider Resolution 2 of the NoM to be **FAIR** to the Non-Associated Shareholders for the purposes of s611 and Chapter 2E of the Corporations Act.

Reasonableness Assessment

- 1.25 As the Transaction (including Resolution 2) is considered fair, with regard to RG111.12, it is also considered reasonable. For informative purposes, we also considered the following advantages and disadvantages of the Transaction to Non-Associated Shareholders.

Table 4. Reasonableness Assessment of the Transaction

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ The Transaction is fair ▪ Eliminates debt burden on Non-Associated Shareholders ▪ The Company will likely avoid a potential liquidation which is expected to result in shareholders receiving a certain outcome of nil ▪ May facilitate relisting on ASX ▪ Exposure to potential future business activities ▪ Leaves the Company in a position of positive net assets 	<ul style="list-style-type: none"> ▪ Dilution of existing shareholders ▪ Eliminates the possibility of a potentially superior offer to recapitalise the Company ▪ Sparkling Rivage obtains a significant level of control

Source: Stantons analysis

- 1.26 Non-Associated Shareholders should note that we have not considered the tax circumstances of individual shareholders. Shareholders should consult their tax advisor in this regard.

Conclusion

- 1.27 In our opinion, the Transaction subject to Resolution 2 is **FAIR** and **REASONABLE** to the Non-Associated Shareholders of 3MF.
- 1.28 This opinion must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

Financial Services Guide

Dated 5 April 2023

Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be up to A\$15,000 exclusive of GST.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
40 Kings Park Road
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirm that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

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2 Summary of Transaction

Background

- 2.1 3MF is an ASX listed company that has historical operations in 3D printing services in Singapore and the United States. The Company has been suspended from trading on ASX since 1 September 2022.
- 2.2 On 23 January 2023, Robert Kirman and Robert Brauer of McGrathNicol were appointed Voluntary Administrators of the Company. A creditors' meeting was held on 27 February 2023, at which the Recapitalisation Proposal by Benelong was accepted.
- 2.3 A DOCA was also signed on 27 February 2022, with David Levi of Levi Consulting being appointed as Deed Administrator.

Transaction Terms

- 2.4 The Recapitalisation Proposal submitted by Benelong is interdependent with the DOCA. The Recapitalisation Proposal and DOCA contain the following key terms:
 - i) new directors being appointed to the Company. The proposed new directors are Mr Rodd Boland, Mr Andrew Spira and Ms Ma Cristina Carillo (subject to the approval of Resolutions 5, 6 and 7 of the NoM);
 - ii) execution of the Creditors' Trust Deed, pursuant to which the Creditors' Trust will be created for the payment of unsecured creditors, of which the Deed Administrator will act as trustee;
 - iii) payments for fees and costs to be made to the Voluntary Administrators and Deed Administrator;
 - iv) shareholder approval being obtained for the required Resolutions; and
 - v) the Company will be released from all creditor claims.
- 2.5 On effectuation of the DOCA, the following will occur:
 - i) all assets of the Company, along with a payment of approximately \$37,500 from Benelong will be transferred to the Deed Administrator, which will be used for the payments of (iii) and (iv) below;
 - ii) The Creditors' Trust will be created of which David Levi will act as trustee;
 - iii) \$21,000 will be distributed to creditors via the Creditors' Trust;
 - iv) \$16,500 will be retained by the Deed Administrator for payment of fixed remuneration; and
 - v) the Voluntary Administrators fees of \$40,000 will be paid.
- 2.6 Pursuant to the DOCA and Recapitalisation Proposal, 3MF is seeking shareholder approval for the issue of shares as a component of a recapitalisation and restructuring of the Company.
- 2.7 Completion of the Recapitalisation Proposal and effectuation of the DOCA will occur simultaneously on all required shareholder approvals being obtained. The required Resolutions are set out below.
 - i) Consolidation of the outstanding shares and options of the Company on a 1:20 basis (Resolution 1 of the NoM);
 - ii) the issue of 176,000,000 ordinary shares to Sparkling Rivage at \$0.0006 per share to raise \$105,600 (Resolution 2 of the NoM);
 - iii) the issue of 7,958,027 ordinary shares to Alt Finance at \$0.0006 per share to raise \$4,775 (Resolution 3 of the NoM);

- iv) the issue of 4,000,000 ordinary shares to Rodd Boland at \$0.0006 per share to raise \$2,400 (Resolution 4 of the NoM); and
 - v) the appointment of Mr Rodd Boland, Mr Andrew Spira and Ms Ma Cristina Carillo as directors of the Company (Resolutions 5, 6, and 7).
- 2.8 The Recapitalisation Proposal specifies that the payments to the Voluntary Administrator (\$40,000), the Deed Administrator (\$16,500) and the Creditors' Trust (\$21,000) will be provided by Benelong upon completion of the Transaction. Benelong will also provide funding for any costs associated with holding the shareholder meeting. On completion of the Transaction, the above funds will be reimbursed to Benelong by the Company from the funds raised via the issue of shares under the Transaction.
- 2.9 The Transaction includes the Resolutions, the DOCA and the Recapitalisation Proposal.
- 2.10 On completion of the Transaction, the Company will be released from all creditors' claims, which were estimated to be approximately \$406,000 by the Voluntary Administrator per the *Administrators' Report to Creditors pursuant to section 75-225 of Insolvency Practice Rules (Corporations) 2016* prepared by the Voluntary Administrators and dated 20 February 2023 (the "**Administrators' Report**"). Accordingly, the Company will have nil liabilities once the Recapitalisation Proposal is completed.
- 2.11 Set out below is a summary of the sources and uses of funds involved in the Transaction.

Table 5. Estimated Sources and Use of Funds Raised Under Transaction

Source of Funds	Amount (\$)	Use of Funds	Amount (\$)
Benelong payment	77,500	Voluntary Administrator fees and costs (unpaid)	40,000
		Deed Administrator and trustee fees	16,500
Share issues (balance after initial Benelong payment)	35,275	Unsecured creditor return	21,000
Retained cash	8,000	Costs of shareholder meeting (including IER, printing and postage of NoM)	25,275
		Working capital retained by Company	10,000
		Cash retained by Voluntary Administrator for initial fees and costs	8,000
Total Source of Funds	120,775	Total Uses of Funds	120,775

Source: NoM/Administrators' Report

Equity Structure

- 2.12 The impact of the Transaction on the equity capital structure of the Company is as set out below.

Table 6. Equity Structure Impact of Transaction

Security	Ordinary shares	Post-Transaction percentage (%)	Fully diluted percentage (%)
Ordinary shares			
Current outstanding ordinary shares <i>1:20 consolidation</i>	240,839,445		
Post-Consolidation ordinary shares	12,041,973	6.02%	5.85%
Transaction			
Shares issued to Sparkling Rivage	176,000,000	88.00%	85.44%
Shares issued to Alt Finance	7,958,027	3.98%	3.86%
Shares issued to Rodd Boland	4,000,000	2.00%	1.94%
Total shares issued	187,958,027	93.98%	91.24%
Total post Transaction ordinary shares	200,000,000	100%	97.09%
Options			
Current outstanding options <i>1:20 consolidation</i>	119,874,550	-	-
Post-Consolidation options	5,993,728	-	2.91%
Fully diluted post-Transaction ordinary shares	205,993,728	-	100%

Source: Administrators' Report

3 Scope

Purpose of the Report

s611

- 3.1 If Resolution 2 is approved, Sparkling Rivage has the potential to acquire an interest of up to 88.0% in 3MF's post-Consolidation ordinary shares.
- 3.2 An acquisition of securities that enables a shareholder to increase its relevant interest in the voting shares of a public company:
- from below 20% to above 20%; or
 - from a starting point that is above 20% and below 90%,
- is prohibited under s606 of TCA, except in certain circumstances.
- 3.3 One of the exceptions to s606 is where the acquisition is approved at a general meeting of the company in accordance with Item 7 of s611 of TCA. Approval for the proposed Transaction is therefore being sought at the Meeting in accordance with Item 7 of s611.
- 3.4 Item 7 of s611 requires shareholders to be provided with all information known to the Company, and to the potential acquirer (of a 20% or more interest), that is material to the shareholders' decision. Regulatory Guide 74: Acquisitions Approved by Members ("**RG74**") issued by ASIC provides additional guidance on the information to be provided to shareholders. RG74 states that the directors of the target company should usually provide shareholders with an IER on the proposed transaction.
- 3.5 Pursuant to ASIC's RG111, an issue of shares under Item 7 of s611 where the effect on a company's shareholding is comparable to a takeover bid should be treated as such. In this case, an IER should apply the analysis outlined in RG111.10 to RG111.17 to report on the fairness and reasonableness of the transaction as if it were a takeover bid under Chapter 6 of TCA (RG111.25).

Chapter 2E

- 3.6 Under Chapter 2E of the Corporations Act a public company must obtain approval from its members to give a financial benefit to a related party of the company. Under Section 228 of the Corporations Act, this includes an entity that the company believes is likely to control the company at any time in the future. Sparkling Rivage is therefore considered a related party of 3MF for the purpose of Chapter 2E of TCA.

Purpose

- 3.7 3MF intends to seek approval for Resolution 2 from the Non-Associated Shareholders at the Meeting expected to be held in or around April 2023.
- 3.8 Accordingly, the Deed Administrator of 3MF has engaged Stantons to prepare an IER to assess the fairness and reasonableness of the proposal contained in Resolution 2 pursuant to both s611 and Chapter 2E of TCA, as outlined in the NoM and ES.

Basis of Evaluation

- 3.9 In determining the fairness and reasonableness of the Transaction, we have had regard to the guidelines set out by ASIC's RG111 and RG 112.
- 3.10 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.11 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.
- 3.12 We note that under RG111 the Transaction is considered to be a control transaction.

Fairness

3.13 To assess whether the proposed Transaction is fair in accordance with RG111, we compared:

- the fair market value of a post-Consolidation ordinary share in 3MF prior to the Transaction, on a control basis; with
- the fair market value of a post-Consolidation ordinary share in 3MF subsequent to the Transaction, on a minority interest basis.

3.14 The value of a 3MF ordinary share is assessed at fair market value, which is defined by the International Glossary of Business Valuation Terms as:

“The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”

3.15 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.

Reasonableness

3.16 In accordance with RG111.12, we have defined the proposed Transaction as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Associated Shareholders to accept the proposal.

3.17 We therefore considered whether the advantages to Non-Associated Shareholders of approving the proposed Transaction outweigh the disadvantages.

Individual Circumstances

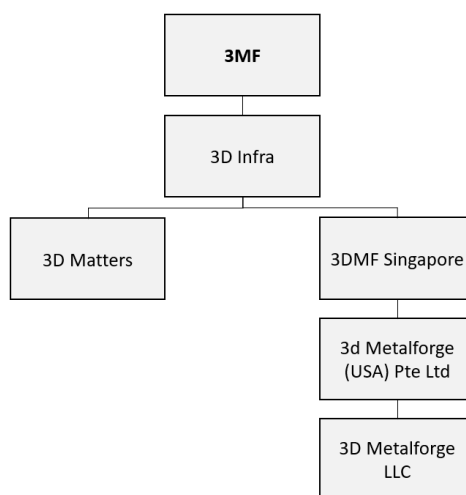
3.18 We have evaluated the Transaction for Non-Associated Shareholders generically. We have not considered the effect on the circumstances of individual investors. Due to their personal circumstances, individual investors may place different emphasis on various aspects of the Transaction from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the Transaction is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the Transaction on their specific financial circumstances

4 Profile of 3MF

History and Principal Activities

- 4.1 3MF was incorporated on 1 October 2020 as an Australian based holding company to acquire 3D Infra Pte Ltd ("**3D Infra**"). 3D Infra is a Singapore based entity that developed technology and processes to integrate additive manufacturing printers, software and materials to supply end-user customers with a full range of 3D printing services, including design and engineering, material advisory, diagnostics and testing, production printing and post-production certification.
- 4.2 3D Infra holds a 100% interest in the Singaporean based operating subsidiaries 3D Metalforge Pte Ltd ("**3DMF Singapore**") and 3D Matters Pte Ltd ("**3D Matters**"). Through 3DMF Singapore, the Company holds 100% interests in Singapore-based 3D Metalforge (USA) Pte and the USA-based operating subsidiary, 3D Metalforge LLC. The Company's corporate structure is set out below.

Figure 1. 3MF Group Corporate Structure



- 4.3 The Company was admitted to the Official List of the ASX and commenced trading on 2 March 2021, after completing the acquisition of 3D Infra and completing an Initial Public Offering to raise gross proceeds of \$10,000,000.
- 4.4 As outlined in the Administrators' Report, the Company encountered financial difficulties, which the Company's directors advised:
- "can be attributed to continued trading losses and cash flow difficulties encountered by 3D Metalforge's downstream subsidiaries due to (i) a lack of sales growth driven by the group's clients not adopting 3D printing technology as fast as anticipated leading to increasing cash burn and unsupportable trading losses, (ii) an increasingly difficult trading environment, and (iii) the impacts of global economic factors such as COVID-19 and the Russian-Ukraine conflict on oil and gas, and energy markets and their participants."*
- 4.5 On 29 July 2022, the Company reported a cash balance of \$2,700,000 and highlighted progress with the operational efficiency program.
- 4.6 However, on 1 September 2022, the Company's securities were suspended from official quotation on the ASX due to the Company failing to lodge the Appendix 4D and auditor reviewed Half Year Financial Report for the six-month period ending 30 June 2022 by their due date.
- 4.7 On 23 September 2022, the Company announced a restructuring of its finances, including a proposal to convert approximately \$800,000 of debt into equity and a proposed capital raising of at least \$1,500,000 via the issue of new ordinary shares to sophisticated and professional investors.
- 4.8 On 20 October 2022, as a result of creditors' enforcement actions the Company's wholly owned Singaporean subsidiaries 3DMF Singapore and 3D Infra applied to the High Court of the Republic of Singapore under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 (Singapore) for a temporary moratorium to restrain the commencement of certain legal actions by

creditors, including a resolution to wind up 3DMF Singapore. As a result, the Company did not proceed with the proposed restructuring of its finances.

- 4.9 The Company's Singaporean operating subsidiaries 3DMF Singapore and 3D Matters were placed into provisional liquidation on 20 January 2023.
- 4.10 On 23 January 2023, Robert Kirman and Robert Brauer of McGrathNicol were appointed Voluntary Administrators of 3MF, the Australian holding company. A creditors' meeting was held on 27 February 2023, at which a restructure and recapitalisation proposal by Benelong was accepted. A DOCA was signed on 27 February 2023, with David Levi of Levi Consulting being appointed as Deed Administrator.
- 4.11 The key findings of the Voluntary Administrators' preliminary investigations included¹:
- *"3D Metalforge was likely insolvent from at least 1 September 2022, when (i) cash resources were fully exhausted and non-payment of creditor liabilities increased significantly, (ii) capital raising activities proved unsuccessful, and (iii) ASX reporting requirements were breached;*
 - *the potential quantum of an insolvent trading claim is likely to not exceed \$130,000 (before directly attributable costs of realisation) due to the limited trading activities of 3D Metalforge; and*
 - *no potential unfair preferences payments or uncommercial transactions of any material value (before directly attributable costs of realisation) have been identified."*
- 4.12 On appointment, the Voluntary Administrators undertook a sale process, described in Section 6 of the Administrators' Report.

Board of Directors

- 4.13 The current board of directors of 3MF, as at 5 April 2023, are

Table 7. 3MF Board of Directors

Director	Position	Date Appointed
Matthew Waterhouse	CEO and Managing Director	3 October 2020
Geoffrey Piggott	Non-Executive Director	28 November 2020
Tom Sonnen	Non-Executive Director	12 June 2022

Source: Administrator's Report

- 4.14 On completion of the Transaction, and pursuant to the passing of Resolutions 5, 6 and 7 at the Meeting, the current Board of Directors will be replaced by Mr Rodd Boland, Mr Andrew Spira and Ms Ma Cristina Carillo. Further details on the proposed new directors are available in the ES to the NoM.

Financial Performance

- 4.15 As per the Company's audited annual reports, 3MF made net losses of \$470,305 for the period from 1 October 2020 (date of incorporation) to 31 December 2020 and \$5,237,741 for the year ended 31 December 2021, on a consolidated basis. As per the Administrators' Report, unaudited management accounts reflect that the Company made a net loss of approximately \$4,676,000 for the year ended 31 December 2022, on a consolidated basis. The consolidated Statement of profit and loss for the years ended 31 December 2021 (audited) and 31 December 2022 (unaudited) are set out below.

¹ 3D Metalforge Limited (Administrators Appointed) Administrators' Report to Creditors pursuant to section 75-225 of Insolvency Practice Rules (Corporations) 2016, McGrath Nicol, 20 February 2023

Table 8. 3MF Consolidated Statement of Profit or Loss

	Audited 12 months to 31 December 2021 (\$'000)	Unaudited 12 months to 31 December 2022 (\$'000)
Sales revenue	956	897
Grant income	340	-
Other income	4	81
Total sales	1,301	978
Cost of sales	(912)	(663)
Gross profit/(loss)	389	314
Expenses		
Compliance	(114)	(64)
Finance costs	(190)	-
Income tax expense	-	(44)
Interest and depreciation	(1,052)	(1,156)
Loss on foreign exchange	(97)	-
Professional services and investor relations	(714)	(856)
Repairs and maintenance	-	(100)
Share based payments	(31)	-
Wages and superannuation	(2,042)	(1,827)
Other overheads	(1,387)	(944)
Total expenses	(5,627)	(4,991)
Net profit/(loss)	(5,238)	(4,676)

Source: Administrators' Report

- 4.16 As the Company has no continuing operations, the ongoing income of the Company is nil.
- 4.17 The Administrators' Report notes the Company's total historical losses of approximately \$10,200,000 is broadly consistent with the group's total capital raising efforts since incorporation and the formal listing on ASX, fully utilising the group's cash reserves.

Financial Position

- 4.18 The Company's historical Statement of Financial Position as at 31 December 2021 (audited) and 31 December 2022 (unaudited) are set out below. We note the Statement of Financial Position is presented on a consolidated basis, and the Company has a related party loan receivable from its subsidiary, 3D Infra, of approximately \$10,100,000 which is eliminated from the accounts on consolidation. These amounts owed to 3MF by 3D Infra are predominantly a result of capital raised by 3MF which was on-lent to the subsidiaries to fund operations and business development.

Table 9. 3MF Consolidated Statement of Financial Position

	Audited as at 31 December 2021 (\$'000)	Unaudited as at 31 December 2022 (\$'000)
Current assets		
Cash and cash equivalents	2,073	62
Accounts receivable	602	652
Other assets	1,325	352
Total current assets	4,001	1,066
Non-current assets		
Property plant and equipment	632	1,124
Right of use assets	1,766	916
Intangible assets	527	-
Other receivable	55	-
Total non-current assets	2,980	2,039
Total assets	6,980	3,105
Current liabilities		
Accounts payable	(1,693)	(2,484)
Loans payable	(1,281)	-
Lease	(562)	-
Other current liabilities	-	(193)
Total current liabilities	(3,537)	(2,677)
Non-current liabilities		
Lease	(1,230)	(967)
Loans payable	(1,465)	(358)
Other non-current liabilities	(130)	-
Total non-current liabilities	(2,826)	(1,325)
Total liabilities	(6,363)	(4,002)
Total net assets/(liabilities)	618	(897)

Source: Administrators' Report

4.19 Set out below is the estimated realisable net asset position of 3MF as at 5 April 2023, as determined in the Administrators' Report². We note the following regarding the Company's financial position.

- Whilst being prepared on a consolidated basis, the Voluntary Administrators have determined that there is no realisable value in the subsidiaries below the holding company, 3MF;
- The Company's Singaporean Subsidiaries, 3D Matters and 3DMF Singapore are currently in liquidation;

² 3D Metalforge Limited (Administrators Appointed) Administrators' Report to Creditors pursuant to section 75-225 of Insolvency Practice Rules (Corporations) 2016, McGrath Nicol, 20 February 2023, Section 5

- Whilst 3MF is owed approximately \$10,100,000 by 3D Infra:

"The Administrators' investigations, books and records of both 3MF and 3D Infra indicate that 3D Infra is largely without assets (but for a cash balance of c.\$10k) and is likely insolvent. This is a position that has also been confirmed by the Singaporean liquidator of the downstream subsidiaries of 3D Infra.

Following the Administrators' letter of demand in respect of the 3D infra loan position, Mr Waterhouse (also the director of 3D Infra) has advised that 3D Infra is unable to meet the demand and will likely be placed into liquidation in the near future as a result of the demand.

With regard to 3MF's shareholding in 3D Infra, and subsequent downstream interests in the Group's operating entities in Singapore and the US, correspondence with the Singaporean liquidator of these entities indicates that the prospect of any return from these entities is remote.

Accordingly, the Administrators consider there is no prospect of recovery for creditors of 3MF in respect of the 3D Infra loan position."

- 3MF had cash at bank of approximately \$8,000 as at the appointment of the Voluntary Administrators. We have been advised this cash was retained by the Voluntary Administrator as part payment of their fees and costs, such that there was no cash in the Company on appointment of the Deed Administrator.
- The Voluntary Administrator estimated the recoverable value of plant and equipment (comprising a laptop) held in 3MF is approximately \$1,000. We understand the laptop was also retained by the Voluntary Administrator and the Company will not retain any value from this asset.
- The Voluntary Administrator has determined a potential insolvent trading claim against the Company of up to \$130,000 (refer to paragraph 4.11). The Voluntary Administrator states in Section 9.2 of the Administrators Report that *"the value of the claim is such that it would not be commercial for a liquidator to incur costs pursuing these claims, noting their complexity, burden of proof and costs to run (particularly if contested)."*
- The only other assets of the Company identified in the Administrators' Report are accounts receivable, which have an expected recoverable value of nil³, and would be uncommercial to pursue recovery. The estimated creditors' claims are \$406,000 (refer to Table 11).

³ 3D Metalforge Limited (Administrators Appointed) Administrators' Report to Creditors pursuant to section 75-225 of Insolvency Practice Rules (Corporations) 2016, McGrath Nicol, 20 February 2023, Section 5.1.3

Table 10. Estimated Recoverable Values of 3MF

	Estimated recoverable value (\$'000)
Assets	
Cash and cash equivalents	-
Plant and equipment	-
Accounts and other receivables	-
Total assets	-
Liabilities	
Employee entitlements	-
Unsecured creditors	(406)
Other liabilities	-
Total liabilities	(406)
Estimated surplus/(deficiency) before costs	(406)

Source: Administrators' Report

Creditors

- 4.20 The outstanding creditor's claims as estimated by the Voluntary Administrators in the Administrators' Report were approximately \$406,000. The Administrators' Report also provided a low case scenario of \$429,000, which applied a contingency of 10% to account for the possibility some creditors had not lodged a proof of debt with the Voluntary Administrators at the time the Administrators' Report was released. We note the directors' Report on Company Activities and Property ("**ROCAP**"), as referenced in the Administrators' Report, reported outstanding creditors' claims of \$376,000.

Table 11. Creditors' Claims

Creditor	Amount owing (\$, Director ROCAP)	Amount owing as at 20 January 2023 (\$, Voluntary Administrator)
ATO	5,000	5,000
Other trade creditors	283,000	283,000
Related party loan – 3DMF Singapore	59,000	59,000
Related party loan – 3DMF LLC	-	27,000
Director expense claims	32,000	32,000
Total creditors' claims	376,000	406,000

Source: Administrator's Report

Capital Structure

Ordinary Shares

- 4.21 As at 5 April 2023, 3MF had 240,839,445 ordinary shares on issue. Immediately following the Consolidation, the Company will have 12,041,973 ordinary shares on issue.
- 4.22 The Company's top 20 shareholders as at 20 January 2023 were as follows.



Table 12. 3MF Top 20 Shareholders

Shareholder	Number of shares (pre-consolidation)	Number of shares (post-consolidation)	Percentage of total shares
Matthew Waterhouse	49,550,860	1,982,034	20.57%
Khoo Hwi Min	26,739,668	1,069,587	11.10%
David Spence	8,743,168	349,727	3.63%
HSBC Custody Nominees	7,840,935	313,637	3.26%
BNP Paribas Noms Pty Ltd	6,916,197	276,648	2.87%
Basil Catsipordas	6,550,000	262,000	2.72%
Seeds Capital Pte Ltd	5,387,167	215,487	2.24%
M Venture Partners Pte Ltd	4,790,884	191,635	1.99%
Tong Chong Heong	4,591,519	183,661	1.91%
Jacobs Harding Pty Ltd	4,216,892	168,676	1.75%
Spark Plus Pte Ltd	3,690,340	147,614	1.53%
BNP Paribas Nominees Pty Ltd	3,411,435	136,457	1.42%
HSBC Custody Nominees	3,210,852	128,434	1.33%
Citicorp Nominees Pty Ltd	3,116,456	124,658	1.29%
Illumination Holdings Pty Ltd	3,026,494	121,060	1.26%
Tay Lim Heng	2,568,681	102,747	1.07%
Tre Pty Ltd	2,300,000	92,000	0.95%
Pak Lim Kong	2,123,842	84,954	0.88%
Kingston Nominees Pty Ltd	2,111,111	84,444	0.88%
Enoch Lim Say Chew	2,087,054	83,482	0.87%
Top 20 shareholders	152,973,555	6,118,942	63.52%
Total ordinary shares (as at 20 January 2023)	240,839,445	9,633,578	100.00%

Source: Administrators' Report

Options

- 4.23 The Company currently has 117,574,550 listed options and 2,300,000 unlisted options held by directors (2,000,000) and an investor relations advisor (300,000).

Table 13. 3MF Option Details

	Number	Exercise price	Expiry date
Listed options (ASX:3MFO)	117,574,550	\$0.09	18 August 2027
Unlisted options 1	500,000	\$0.25	10 June 2025
Unlisted options 2	1,300,000	\$0.25	11 December 2023
Unlisted options 3	500,000	\$0.25	1 August 2024

Source: ASX announcements

5 Valuation Methodology

Available Methodologies

5.1 In assessing the value of 3MF, we have considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.

- Capitalisation of future maintainable earnings ("**FME**")
- Discounted future cash flows ("**DCF**")
- Asset based methods ("**Net Assets**")
- Quoted market prices or analysis of traded share prices
- Common industry rule-based methodologies, including revenue-based multiples

5.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information. A detailed description of these methods and when they are appropriate is provided in Appendix B.

Selected Methodology

5.3 Our primary valuation methodology to value 3MF's shares is a Net Assets based approach on a net realisation basis.

5.4 In selecting an appropriate valuation methodology to value the shares of 3MF, we considered the following factors:

- 3MF was loss making for the years ended 31 December 2021 and 31 December 2022 and does not have any ongoing operations. Therefore, neither an FME nor DCF approach is appropriate.
- 3MF has been suspended from trading on ASX since 1 September 2022, and subsequently the Company's operating subsidiaries have been placed into liquidation. Accordingly, the trading history was not considered to be reflective of the current position of 3MF, and market-based methodologies are not considered appropriate.
- Accordingly, a net realisable assets approach is considered the most appropriate methodology. As the Company has no ongoing operations (and its operating subsidiaries are in liquidation) it is not appropriate to consider the net assets value on a going concern basis.

Secondary Methodology

5.5 Due to the lack of appropriate alternative valuation methodologies, we have not considered a secondary methodology.

6 Pre-Transaction Valuation of 3MF Shares

3MF Pre-Transaction Net Asset Valuation

- 6.1 To assess the value of a 3MF ordinary share prior to the Transaction, we used a Net Assets approach, which sums the realisable values of 3MF's assets and liabilities to arrive at a net value of the Company.
- 6.2 In relation to our approach, we note the following:
- The Net Assets approach assumes a 100% control interest in the company.
 - As per the Administrators' Report, none of the Company's assets (aside from cash and plant and equipment) are considered to have any realisable value (refer to paragraph 4.19 for further details). Furthermore, as creditors rank in priority to the Non-Associated Shareholders, in light of the above we believe it is unlikely any return would be available to shareholders from the Company's assets, and the realisable value is accordingly considered to be nil.
 - We have been advised by the Deed Administrator that 3MF has not been involved in any material transactions subsequent to the date of the Voluntary Administrators assessment of the Company's realisable value of assets and liabilities, being 20 February 2023.
 - The 1 for 20 Consolidation of 3MF's existing capital is assumed to have occurred. We note this is subject to shareholder approval for Resolution 1 of the NoM (but in any case, does not affect the pre-Recapitalisation Proposal value)
 - We have ignored the value of the existing options in the valuation given that the Company is currently in a position of net liabilities. In the absence of a recapitalisation of the Company, the options are not expected to be exercised.
- 6.3 Our post-Consolidation, pre-Transaction Net Assets based valuation, on a post-Consolidation basis, of 3MF shares, as at the valuation date of 5 April 2023, is set out below.

Table 14. Valuation of 3MF Shares Prior to Transaction (Post-Consolidation)

	Ref	Value
Assets		
Cash and cash equivalents (\$)	Table 9	-
Plant and equipment (\$)	Table 9	-
Total assets (\$)		-
Liabilities		
Creditors' claims (\$)	Table 11	(406,000)
Total liabilities (\$)		(406,000)
Pre-Transaction net assets (\$)		(406,000)
Number of shares outstanding (post-consolidation)	Table 6	12,041,973
Pre-Transaction net assets per share (\$) (control)		(0.03372)
Pre-Transaction assessed value per share (\$) (control)		nil

Source: Stantons analysis

- 6.4 As our assessed Net Asset value of a post-Consolidation ordinary share of 3MF prior to the Transaction, on a controlling interest basis is negative, the fair value to a Non-Associated Shareholder is considered to be nil.

7 Post-Transaction Valuation of 3MF Shares

Evaluation Methodology

7.1 Our assessed value of a 3MF ordinary share following the Recapitalisation Proposal is as follows. We note that key assumptions of the valuation include:

- the Net Assets approach assumes a 100% control interest in the company;
- the existing creditors' claims estimated at \$406,000 will be extinguished in accordance with the terms of the DOCA and Creditors' Trust Deed, leaving the Company with no liabilities;
- the Company will retain approximately \$10,000 in cash for working capital purposes; and
- the value of the options were ignored as they are well out of the money and are considered to have negligible value.

Table 15. 3MF Post-Transaction Share Value

	Ref	Value
Pre-Recapitalisation Proposal net assets (\$)	Table 14	(406,000)
Creditors' claims extinguished (\$)	Table 11	406,000
Funds raised (\$)	Table 5	112,775
Less: funds utilised (\$)	Table 5	(102,775)
3MF post-Transaction Net Assets (\$)		10,000
Number of shares outstanding	Table 6	200,000,000
Post-Transaction value per share (\$) (control)		0.00005
Minority discount	7.4	23.1%
Post-Transaction value per share (\$) (minority)		0.00004

Source: Stantons analysis

7.2 Our assessed Net Assets value of a 3MF ordinary share post-Transaction, on a minority interest basis, is \$0.00004.

Discount for Minority Interest

7.3 We note a Net Asset valuation assumes a 100% interest in the company. As the interest of the Non-Associated Shareholders in 3MF post-Transaction will represent a minority interest, we applied a discount to the control value.

7.4 Generally, historical evidence of control premiums offered on takeovers for small cap companies are in the range of 20% to 40%⁴ (although outcomes outside this are not uncommon) with 30% a commonly accepted benchmark where a 100% interest is being acquired. We have considered the factors in Appendix C and concluded that a control premium of 30% is appropriate to apply in this circumstance. Accordingly, we applied a minority interest discount of 23.1% (being the inverse of a 30% control premium) to the value of a 3MF post-Transaction share.

⁴ "Control Premium Study 2017", RSM

8 Fairness Evaluation

8.1 In determining the fairness and reasonableness of the Transaction, including Resolution 2, we have had regard to the guidelines set out by ASIC's RG111.

8.2 As per RG111, we consider the Transaction is fair if:

- the value of a post-Consolidation 3MF share prior to the Transaction, on a control basis, is less than;
- the value of a post-Consolidation 3MF share subsequent to the Transaction, on a minority interest basis.

8.3 Our assessment of the fairness of the Transaction is set out below.

Table 16. Fairness Assessment

	Ref	Value
Pre-Transaction share value (control) (\$)	Table 14	nil
Post-Transaction share value (minority) (\$)	Table 15	0.00004
Opinion		Fair

Source: Stantons analysis

8.4 As the value of a 3MF ordinary share post-Transaction on a minority interest basis is greater than the value pre-Transaction on a control basis, the Transaction, including Resolution 2 of the NoM, is considered to be **FAIR** to the shareholders of 3MF.

9 Reasonableness Evaluation

9.1 Under RG111, a transaction is considered “reasonable” if it is “fair”. As the issue of 176,000,000 ordinary shares to Sparkling Rivage outlined in Resolution 2 of the NoM is considered **FAIR**, it is also considered **REASONABLE**.

9.2 For information purposes only for Non-Associated Shareholders, we note below some of the advantages and disadvantages of the Transaction.

Advantages

The Transaction is considered fair

9.3 As per our assessment in Section 8, the Transaction is fair to Non-Associated Shareholders.

Eliminates debt burden on Non-Associated Shareholders

9.4 The Transaction will leave the Company with no liabilities, with creditors' claims of \$406,000 being extinguished after receiving any available distributions from the Creditors' Trust.

The Company avoids potential liquidation

9.5 If the conditions of the Transaction are not met, the Company will remain subject to the terms of the DOCA and may enter liquidation. Under a liquidation scenario, it is unlikely that existing shareholders would receive any consideration.

The Company may gain readmission to ASX

9.6 Subject to compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company may regain quotation on the ASX. This would increase the liquidity of the ordinary shares held by existing shareholders.

Potential for the Company to explore business opportunities

9.7 Avoiding a liquidation event and eliminating the debts provides the Company with an opportunity to survive and seek new business activities.

Leaves the Company in a position of net assets

9.8 On completion of the Transaction the Company will have \$10,000 in cash and no liabilities, meaning the Company will be in a position of net assets.

Disadvantages

Dilution of Non-Associated Shareholders

9.9 If the Transaction is approved, the collective interest of the Non-Associated Shareholders would be diluted to 5.85% of the ordinary shares.

Removes the possibility of a superior offer

9.10 Completion of the Transaction will remove the possibility of the Company receiving a different superior offer. We note the Voluntary Administrator ran a competitive sale process as described in Section 6 of the Administrators' Report, before receiving the Recapitalisation Proposal.

Sparkling Rivage obtains control of the Company

9.11 Non-Associated Shareholders will be ceding control of the Company to Sparkling Rivage, who will obtain an 88.0% interest. This would allow Sparkling Rivage to have effective control of the Company, including the ability to pass any special resolutions.

10 Conclusion

Opinions

- 10.1 The Transaction, including the proposal outlined in Resolution 2 of the NoM that allows for the issue of up to 176,000,000 ordinary shares to Sparkling Rivage, is considered **FAIR** and **REASONABLE** to the Non-Associated Shareholders of 3MF as at the date of this report.

Other Considerations

Covid-19

- 10.2 We note that the COVID-19 pandemic has significantly impacted the global economy and capital markets in recent times. Market volatility has been particularly high as a result, and this may lead to significant uncertainty around asset valuations. However, we do not have any reason to believe that these factors would alter our opinion.

Shareholders Decision

- 10.3 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to allow the Transaction is fair and reasonable and to state reasons for that opinion. Stantons have not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction.
- 10.4 The decision whether to approve Resolution 2 is a matter for individual shareholders based on each shareholder's views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposed Resolution 2, shareholders should consult their own professional advisor.
- 10.5 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in 3MF. This is an investment decision upon which Stantons does not offer an opinion and is independent on whether to accept the proposal under Resolution 2. Shareholders should consult their own professional advisor in this regard.
- 10.6 Non-Associated Shareholders should note that we have not considered the tax circumstances of individual shareholders. Shareholders should consult their tax advisor in this regard.

Source Information

- 10.7 In making our assessment as to whether the proposed Transaction, including the terms under Resolution 2, is fair and reasonable to Non-Associated Shareholders, we have reviewed published available information and other unpublished information of the Company that is relevant to the current circumstances. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the Deed Administrator.
- 10.8 Information we have received includes, but is not limited to:
- Drafts of the NoM and ES to shareholders of 3MF to 7 March 2023
 - 3MF Annual Report for the financial year ended 30 December 2021
 - ASX announcements made by the Company to 5 April 2023
 - The Administrators' Report prepared by the Deed Administrator, dated 20 February 2023
 - The Deed of Company Arrangement executed on 27 February 2023
 - The Recapitalisation Proposal by Benelong, dated 17 February 2023
 - The Creditors' Trust Deed, to be executed on effectuation of the DOCA
- 10.9 Our report includes the appendices, our declarations, and our Financial Services Guide.

Yours Faithfully

STANTONS CORPORATE FINANCE PTY LTD



James Turnbull, CFA
Authorised Representative

APPENDIX A

GLOSSARY

	Definition
3DMF Singapore	3D Metalforge Pte Ltd
3D Matters	3D Matters Pte Ltd
3MF	3D Metalforge Limited (Subject to Deed of Company Arrangement)
Administrator's Report	The Administrator's Report to creditors dated 27 February 2023
AFCA	Australian Financial Complaints Authority
Alt Finance	Alt Finance Pty Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Benelong	Benelong Capital Partners Pty Ltd
Chapter 2E	Chapter 2E of the Corporations Act
Company	3D Metalforge Limited (Subject to Deed of Company Arrangement)
Consolidation	The 20 to 1 consolidation of 3MF's existing capital (subject to Resolution 1)
Corporations Act	Corporations Act 2001 Cth
Creditors' Trust	The trust from which funds are to be distributed from the DOCA to creditors will be transferred, pursuant to the Creditors' Trust Deed
Creditors' Trust Deed	The Creditors' Trust Deed to be executed on effectuation of the DOCA
DCF	Discounted future cash flows valuation methodology
Deed Administrator	David Levi of Levi Consulting Pty Ltd
DOCA	Deed of Company Arrangement
ES	Explanatory Statement
FME	Capitalisation of future maintainable earnings valuation methodology
IER	Independent Expert's Report
Levi	Levi Consulting Pty Ltd
Meeting	The meeting at which shareholders will vote on Resolution 2
Net Assets	Asset based valuation methodologies
NoM	Notice of Meeting
Non-Associated Shareholders	The 3MF shareholders who are not excluded from voting on the proposal contemplated under Resolution 2
Recapitalisation Proposal	The proposal by Benelong dated 17 February 2023
Resolutions	Resolutions 1, 2, 3 and 4 of the NoM, which are required to be passed for the DOCA to be effectuated and the Recapitalisation Proposal completed
RG74	ASIC Regulatory Guide 74: Acquisitions Approved by Members
RG111	ASIC Regulatory Guide 111: Content of Expert Reports
ROCAP	Report on Company Activities and Property
s606	Section 606 of the Corporations Act
s611	Section 611 of the Corporations Act
Sparkling Rivage	Sparkling Rivage Pty Ltd
Stantons	Stantons Corporate Finance Pty Ltd
Transaction	The Resolutions, DOCA and Recapitalisation Proposal
Voluntary Administrators	Mr Robert Kirman and Mr Rober Brauer of McGrath Nicol

APPENDIX B

VALUATION METHODOLOGIES

Introduction

In preparing this report we have considered several valuation approaches and methods. These approaches and methods are consistent with:

- Market practice
- The methods recommended by the Australian Securities and Investments Commission in Regulatory Guide 111
- The International Valuation Standards
- The International Glossary of Business Valuation Terms

A valuation approach is a general way of determining an estimate of value of a business, business ownership interest, security or intangible asset. Within each valuation approach there are a number of specific valuation methods, which are specific ways to determine an estimate of value.

There are three general valuation approaches as follows:

i) **Income Approaches**

Provides an indication of value by converting future cash flows to a single present value. Examples of an income approach are:

- The discounted cash flow method ("**DCF**")
- The capitalisation of future maintainable earnings method ("**FME**")

ii) **Asset/Cost Approaches**

Provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

iii) **Market Approaches**

Provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. The main examples of the market approach are:

- Analysis of recent trading
- Industry rules of thumb

1. **Discounted Cash Flow Method**

Of the various methods noted above, the DCF method has the strongest theoretical basis. The DCF method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A DCF valuation requires:

- A forecast of expected future cash flows
- An appropriate discount rate
- An estimate of terminal value

It is necessary to project cash flows over a suitable period (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue and cost drivers, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under FME below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows to provide an estimate for the overall value of the business.

The DCF method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All these assumptions can be highly subjective, sometimes leading to a valuation conclusion presented that is too wide to be useful.

A DCF approach is usually preferred when valuing:

- Early-stage companies or projects
- Limited life assets such as a mine or toll concession
- Companies where significant growth is expected in future cash flows
- Projects with volatile earnings

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support an FME approach. However, it may not be appropriate if:

- Reliable forecasts of cash flow are not available and cannot be determined
- There is an inadequate return on investment, in which case a higher value may be realised by liquidating the assets than through continuing the business

A DCF approach is not recommended when assets are expected to earn below the cost of capital. Also, when valuing a minority interest in a company, care needs to be taken if a DCF based on earnings for the whole business is prepared, as the holder of a minority interest would not have access to, or control of, those cash flows.

2. Capitalisation of Future Maintainable Earnings Method

The FME method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a DCF, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The FME methodology involves the determination of:

- A level of future maintainable earnings
- An appropriate capitalisation rate or multiple

Any of the following measures of earnings can be used:

Revenue – mostly used for early stage, fast growing companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA – most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBITA – in most cases EBITA will be more reliable than EBITDA as it takes account of the capital intensity of the business

EBIT – whilst commonly used in practice, multiples of EBITA are usually more reliable as they remove the impact of amortisation which is a non-cash accounting entry that does not reflect a need for future capital investment (unlike depreciation)

NPAT – relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g., financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT are commonly used to value whole businesses for acquisition purposes where gearing is in the control of the acquirer. In contrast, NPAT (or P/E) multiples are often used for valuing minority interests in a company as the investor has no control over the level of debt.

A normalised level of maintainable earnings needs to be determined for the selected earnings measure. This excludes the impact of any gains or losses that are not expected to reoccur and allows for the full year impact of any changes (such as acquisitions or disposals) made part way through a given financial year.

The selected multiple to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money captured in a single number. Multiples can be derived from three main sources.

- Using the comparable trading multiples, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business that are actively traded on a free and open market, such as the ASX
- The comparable transactions method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business.
- It is also possible to build a multiple from first principles based on an appropriate discount rate and growth expectations.

It is important to use the same earnings periods (historical, current or forecast) for calculating comparable multiples, as the period used for determining FME. For example, a multiple based on historical earnings of comparable companies should be applied to historical earnings of the subject of the valuation and not to forecast earnings.

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. The method is less appropriate for valuing companies or assets if:

- There are no (or very few) suitable alternative listed companies or transaction benchmarks for comparison
- The asset has a limited life
- Future earnings or cash flows are expected to be volatile
- There are negative earnings, or the earnings of a business are insufficient to justify a value exceeding the underlying net assets
- Working capital requirements are not expected to remain stable

3. Asset or Cost Approaches

The asset approach to value assumes that the current value of all assets (tangible and intangible) less the current value of the liabilities should equate to the current value of the entity. Specifically, an asset approach is defined as a general way of determining a value indication of a business, business ownership interest, or security using one or more methods based on the value of the assets net of liabilities. A cost approach is defined as a general way of determining a value indication of an individual asset by quantifying the amount of money required to replace the future service capability of that asset.

The asset-based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset-based methods including:

- Orderly realisation
- Forced liquidation
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amounts that would be distributed to shareholders, after payments of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The forced liquidation method is similar to the orderly realisation of assets except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the fair market values of the net assets of a company but does not take account of realisation costs.

The asset/cost approach is generally used when the value of the business' assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than the economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset/cost approach will be the most appropriate method.

An asset-based approach is a suitable method of valuation when:

- An enterprise is loss making and not expected to become profitable in the foreseeable future
- Assets are employed profitably but earn less than the cost of capital
- A significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments)
- It is relatively easy to enter the industry (e.g., small machine shops and retail establishments)

Asset based methods are not appropriate if:

- The ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets
- A business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets

An asset-based approach is often considered as a floor value for a business assuming the business has the option to realise all its assets and liabilities.

4. Analysis of Recent Trading

The most recent share trading history provides evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

5. Industry Specific Rule of Thumb

Industry specific rules of thumb are used in certain industries. These methods typically involve a multiple of an operating figure such as traffic for internet businesses or number of beds for a nursing home. These methods are typically fairly crude and therefore only appropriate as a cross-check to a valuation determined by an alternative method.

Selecting an Appropriate Valuation Approach and Method

The choice of an appropriate valuation approach and methodology is subjective and depends on several factors such as whether a methodology is prescribed, the company's historical and projected financial performance, stage of maturity, the nature of the company's operations and availability of information. The selection of an appropriate valuation method should be guided by the actual practices adopted by potential acquirers of the company involved and the information available.

APPENDIX C

CONTROL PREMIUM

Background

The difference between a control value and a minority value is described as a control premium. The opposite of a control premium is a minority discount (also known as a discount for lack of control). A control premium is said to exist because the holder of a controlling stake has several rights that a minority holder does not enjoy (subject to shareholders agreements and other legal constraints), including to:

- Appoint or change operational management
- Appoint or change members of the board
- Determine management compensation
- Determine owner's remuneration, including remuneration to related party employees
- Determine the size and timing of dividends
- Control the dissemination of information about the company
- Set the strategic focus of the organisation, including acquisitions, divestments, and restructuring
- Set the financial structure of the company (debt / equity mix)
- Block any or all the above actions

The most common approach to quantifying a control premium is to analyse the size of premiums implied from prices paid in corporate takeovers. Another method is the comparison between prices of voting and non-voting shares in the same company. We note that the size of the control premium should generally be an outcome of a valuation and not an input into one, as there is significant judgement involved.

Based on historical takeover premia that have been paid in Australian acquisitions in the period 2005-2015, the majority of takeovers have included a premium in the range of 20-50%, with 30% being the most commonly occurring. This is in line with standard industry practice, which tends to use a 30% premium for control as a standard.

Intermediate Levels of Ownership

There are several intermediate levels of ownership between a portfolio interest and 100% ownership. Different levels of ownership/strategic stakes will confer different degrees of control and rights as shown below.

- 90% - can compulsorily purchase remaining shares if certain conditions are satisfied
- 75% - power to pass special resolutions
- <50% - gives control depending on the structure of other interests (but not absolute control)
- <25% - ability to block a special resolution
- <20% - power to elect directors, generally gives significant influence, depending on other shareholding blocks
- < 20% generally has only limited influence

Conceptually, the value of each of these interests lies somewhere between the portfolio value (liquid minority value) and the value of a 100% interest (control value). Each of these levels confers different degrees of control and therefore different levels of control premium or minority discount.

APPENDIX D

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 5 April 2023, relating to the proposed Recapitalisation Proposal.

At the date of this report, Stantons Corporate Finance Pty Ltd does not have any interest in the outcome of the proposal. There are no relationships with 3D Metalforge Ltd (Subject to Deed of Company Arrangement) other than Stantons Corporate Finance Pty Ltd acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance Pty Ltd and the parties participating in the Recapitalisation Proposal detailed in this report which would affect our ability to provide an independent opinion. Stantons Corporate Finance Pty Ltd has prepared reports previously for transactions in which Benelong Capital Partners Pty Ltd was a party, including 2 independent expert reports in the past 24 months. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out of pocket expenses. Our fee for preparing this report is expected to be up to A\$15,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in 3D Metalforge Ltd (Subject to Deed of Company Arrangement). There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance Pty Ltd and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice of Meeting.

QUALIFICATIONS

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of 3D Metalforge Ltd (Subject to Deed of Company Arrangement) to assist Non-Associated Shareholders of 3MF to assess the merits of the Recapitalisation Proposal to which this report relates. This report has been prepared for the benefit of 3D Metalforge Ltd (Subject to Deed of Company Arrangement) shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance Pty Ltd's opinion as to the longer-term value of 3D Metalforge Ltd (Subject to Deed of Company Arrangement), its subsidiaries and/or assets. Stantons Corporate Finance Pty Ltd does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of 3D Metalforge Ltd (Subject to Deed of Company Arrangement) or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd, the parent company of Stantons Corporate Finance Pty Ltd, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons Corporate Finance Pty Ltd may rely on information provided by 3D Metalforge Ltd (Subject to Deed of Company Arrangement) and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), 3D Metalforge Limited (Subject to Deed of Company Arrangement) has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which 3D Metalforge Limited (Subject to Deed of Company Arrangement) may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by 3D Metalforge Limited (Subject to Deed of Company Arrangement); and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from 3D Metalforge Limited (Subject to Deed of Company Arrangement), or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of 3D Metalforge Limited (Subject to Deed of Company Arrangement) or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A final draft of this report was presented to 3D Metalforge Limited (Subject to Deed of Company Arrangement) for a review of factual information contained in the report. Comments received relating to factual matters were considered, however the valuation methodologies and conclusions did not change as a result of any feedback from 3D Metalforge Limited (Subject to Deed of Company Arrangement).