

Paradigm Metals Limited
(to be renamed "IODM Limited")

PROSPECTUS



For the offer of 75,000,000 Shares at an issue price of \$0.04 each to raise a total of \$3,000,000 (before costs) (**Equity Offer**).

This Prospectus also contains the following additional offers:

Vendor Offer – comprised of an offer of 175,000,000 Shares and 82,500,000 Performance Shares in consideration for the acquisition of all the issued share capital in IODM Pty Ltd.

IODM Noteholder Offer – comprised of up to 31,250,000 Shares and 15,625,000 IODM Noteholder Options.

Facilitation Offer – comprised of an offer of 12,000,000 Broker Options.

Conditional Offers

All of the Offers are conditional upon the satisfaction of a number of conditions which are detailed in Section 6 of this Prospectus. In the event that the conditions are not satisfied, the Company will not proceed with the Offers and the Company will repay all application monies received.

Re-compliance with Chapters 1 and 2

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

Important Information

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

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1. IMPORTANT INFORMATION

1.1 CHANGE IN NATURE AND SCALE OF ACTIVITIES AND RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

As announced on ASX on 29 January 2016, the Company entered into the IODM Share Sale Agreement pursuant to which the Company has agreed, subject to Shareholder approval and satisfaction of certain conditions, to acquire all of the issued share capital in IODM Pty Ltd (**IODM**).

The Company's proposed acquisition of IODM will involve a significant change in the nature and scale of the Company's activities which requires Shareholder approval under Chapter 11 of the ASX Listing Rules. At the General Meeting, the Shareholders approved, amongst other things, the change of nature and scale of the Company's activities and the change of the Company's name from "Paradigm Metals Limited" to "IODM Limited".

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company in re-complying with Chapters 1 and 2 of the ASX Listing Rules. The Offers are conditional upon, amongst other things, the Company's successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules. Please refer to Sections 6.5 and 6.6 for further details.

The Company's Securities have been suspended from Official Quotation following the General Meeting held on 29 March 2016 and will not be re-instated until ASX confirms that the Company has successfully re-complied with Chapters 1 and 2 of the ASX Listing Rules. There is a risk that the Company may not meet ASX's requirements for re-instatement to the Official List.

In the event the Company does not receive conditional approval from ASX for re-quotations on ASX, then the Company will not proceed with the Offers and will refund all Application Monies received without interest. Should this occur, then the change in nature and scale of the Company's activities, the IODM Acquisition, the Offers and change of name will not eventuate and the Shares may remain suspended from the Official List.

1.2 IMPORTANT NOTICE

The Equity Offer contained in this Prospectus is an invitation to apply for fully paid ordinary shares in Paradigm Metals Limited (the **Company**) (**Shares**). The other Offers detailed in this Prospectus are invitations to apply for Securities in the Company, details of the rights and liabilities attaching to the Securities are set out in Section 12. This Prospectus is issued by the Company.

This Prospectus is dated 1 April 2016 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**). Neither ASIC nor ASX, or their officers take any responsibility for the contents of this Prospectus or the merits of the investment set out in this Prospectus. The Company disclaims all liability, whether in negligence or otherwise, to persons who trade the Shares prior to receiving their holding statement. This Prospectus expires on 1 May 2017 (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus later than the Expiry Date.

The Corporations Act prohibits the Company from processing Applications in the seven (7) day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven (7) days. Applications received during the Exposure Period will not be processed until after the expiry of that period.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Preference will not be conferred upon Applications received during the Exposure Period.

Within seven days of the date of this Prospectus the Company will apply for Official Quotation of the Shares the subject of the Equity Offer.

Persons wishing to apply for Shares pursuant to the Equity Offer must do so using the Application Forms attached to or accompanying this Prospectus. Before applying for Securities potential investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, the Company's financial position and performance, profits and losses, and prospects. Investors should carefully consider these factors in light of their own personal financial and taxation circumstances and should obtain professional advice from an accountant, stockbroker, lawyer or other advisor before deciding whether to invest.

Any investment in the Company should be considered speculative. Please refer to Section 11 for details relating to risk factors.

1.3 FOREIGN JURISDICTIONS

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

1.4 WEBSITE - ELECTRONIC PROSPECTUS

This Prospectus is also available on the Company's website at www.paradigmmetals.com.au and IODM's website at www.iodm.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on 08 9200 4482.

The Company reserves its right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the Application Form, it was not provided with the electronic version of this Prospectus and the relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.5 DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with the Offers. Potential investors should rely only on information in this Prospectus.

1.6 FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects' and other similar words that involve risks and uncertainties. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events that are expected to take place, as at the date of this Prospectus. There is no guarantee that any such events will occur as anticipated or at all given that many of these events are outside the control of the Company, the Directors and management of the Company.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 11. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements contained in this Prospectus.

Past performance is not a guide to future performance.

Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

1.7 RISKS

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues).

The Securities offered under this Prospectus should be considered speculative. There is no guarantee that the Securities offered under this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Shares in the future. Please refer to Section 11 for details relating to risk factors.

1.8 DEFINED TERMS

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 14.

2. CORPORATE DIRECTORY

EXISTING DIRECTORS

Mark Reilly
Non - Executive Chairman

Earle Harper
Non-Executive Director

Nicholas Lindsay
Non-Executive Director

PROPOSED DIRECTORS

Damian Arena
Managing Director

Michael Bugelly
Executive Director

COMPANY SECRETARY

Paula Cowan

REGISTERED OFFICE

Level 1
330 Churchill Avenue
Subiaco, WA 6008

SHARE REGISTRY

Automatic Registry Services
Level 1
7 Ventnor Avenue
West Perth, WA 6005

CORPORATE ADVISOR

Lodge Corporate Pty Ltd
Level 8, 90 Collins St
Melbourne VIC 3000

SOLICITORS

Gadens
Level 25
Bourke Place
600 Bourke Street
Melbourne, Vic 3000

AUDITOR*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

INVESTIGATING ACCOUNTANTS

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia

ASX CODE

PDM (to be changed to "IOD")

*BDO Audit (WA) Pty Ltd has been included for information purposes only and has not been involved in the preparation of this Prospectus.

3. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Directors of Paradigm Metals Limited (**Company**), I am pleased to present this Prospectus to you and invite you to participate in the Equity Offer of 75,000,000 Shares at an offer price of \$0.04 each to raise a total of \$3,000,000 before costs.

The Company is proposing to change its activities from the mineral resource and exploration industry to a cloud based Software as a Service (**SAAS**) provider via the acquisition of IODM Pty Ltd (**IODM**). IODM has developed an automated debtor management solution that provides businesses a superior accounts receivable monitoring and collection management tool through a central cloud based platform.

Upon completion of the IODM Acquisition, the Company will change its name to "IODM Limited" and the Board and management of the Company will undergo changes to reflect the new direction of the Company.

The Company is seeking to raise \$3,000,000 before costs under this Prospectus. Funds raised will be used towards, amongst other things, the development and advancement of the IODM marketing and business strategy. Specifically to increase marketing resources, funding the cost of ongoing technology development and to pay for the costs of the Offers and the IODM Acquisition.

The Offers are subject to various conditions which are summarised in Section 6 of this Prospectus. Of particular note, the Company has already obtained Shareholders approval to the IODM Acquisition at the General Meeting held on 29 March 2016.

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

This Prospectus also contains the Vendor Offer, IODM Noteholder Offer and the Facilitation Offer. Refer to Sections 6.2 to 6.4 for more information in respect of these Offers.

An investment in the Company is subject to certain risks which are highlighted in Section 11. I encourage you to read this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer accountant or another professional advisor without delay.

On behalf of the Board, I am pleased to present this Prospectus to you and invite you to take part in this exciting investment opportunity.

Yours faithfully

Mark Reilly
Chairman

4. INVESTMENT OVERVIEW

4.1 IMPORTANT NOTICE

This Section 4 is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered under this Prospectus should be considered speculative and carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

4.2 INTRODUCTION

| Question | Response | More info. |
|---|---|--------------|
| Who is the issuer of this Prospectus? | Paradigm Metals Limited (ACN 102 747 133) is an Australian public company listed on the Official List (current ASX Code: PDM). | Section 6.22 |
| Who is the Company and what does it do? | <p>The Company intends to acquire 100% of the fully paid ordinary shares in IODM Pty Ltd.</p> <p>The acquisition of IODM will result in a significant change in the nature and scale of the Company's activities. This requires Shareholder approval under Chapter 11 of the ASX Listing Rules and ASX confirming that the Company has re-complied with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. Shareholders have already provide approved the IODM Acquisition at the General Meeting pursuant to Chapter 11 of the ASX Listing Rules that was held on 29 March 2016.</p> | Section 6.22 |
| What is the Company's strategy? | <p>IODM is currently focused on providing a cloud-based automated debtor management solution to businesses and their advisors.</p> <p>Following the completion of the IODM Acquisition, the Company will focus on growing IODM's business by converting advanced discussions with banks, global consulting and accounting firms and international SaaS platforms into distribution agreements and sales of the IODM software service to their client base.</p> <p>The Company will also continue technology development to meet the needs of end users, and ensure the IODM platform is well placed as a potential leader in its class.</p> | Section 6.22 |

| Question | Response | More info. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---------------------------------|-----------------------------------|------------------------------|-----------------------|-----------|-----------------------|--|--|--|--|---------------------------|---------|---------|-----------|-----------|-----------------------------|--------|--------|---|--------|-------------|-------|---|---|-------|-----------------------------|----------------|----------------|------------------|------------------|---------------------------|--|--|--|--|------------------------------|-----|---|---|-----|----------------------------------|---------|---|---|---------|-------------------|-------|---|---|-------|-------------|---|--------|----------|---|---------------------------------|----------------|---------------|-----------------|----------------|---------------------|----------------|----------------|------------------|------------------|----------------------------|--|--|--|--|---------------------------|---------|--------|---|---------|---------------------------|--------|---|---|--------|------------|-------|---|---|-------|-------------------|---|---------|-----------|---|----------------------------------|----------------|----------------|------------------|----------------|--------------------------|----------------|----------------|------------------|----------------|-------------------|----------------|------------------|------------------|------------------|---------------|--|--|--|--|----------------|------------|-------|-------------|-----------|-------------------|--------------|-----------|------------|-------------|----------------|---------|---|---------|---------|---------------------|----------------|------------------|------------------|------------------|--|
| What are the key benefits associated with the Company's proposed new business? | <p>Historically the Company's business model has been the acquisition and exploration of various resource projects both in Australia and Brazil.</p> <p>Following the acquisition of IODM, the Company's primary focus will be on the IODM business model. IODM is in the business of providing a cloud based automated debtor management solution to businesses and their advisors.</p> <p>IODM provides businesses with a superior accounts receivable monitoring and collection management tool through a central cloud based platform.</p> | Section 6.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Who will be the Directors of the Company following completion of the Offers? | <p>Non-Executive Chairman – Mark Reilly</p> <p>Managing Director – Damian Arena (being a Proposed Director)</p> <p>Executive Director – Michael Bugelly (being a Proposed Director)</p> <p>Non-Executive Director – Earle Harper</p> | Section 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| What is the Company's financial position? | <p>The Company is currently listed on ASX and its Annual Report for the year ended June 2015 is available from its website (www.paradigmmetals.com.au).</p> <p>Further financial information regarding the Company is set out in the Investing Accountant's Report in Section 10.</p> | Section 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Statement of financial position</th> <th>Paradigm Reviewed as at 31-Dec-15</th> <th>IODM Audited as at 31-Dec-15</th> <th>Pro forma adjustments</th> <th>Pro forma</th> </tr> </thead> <tbody> <tr> <td colspan="5">CURRENT ASSETS</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>246,698</td> <td>309,293</td> <td>2,636,735</td> <td>3,192,726</td> </tr> <tr> <td>Trade and other receivables</td> <td>11,012</td> <td>19,310</td> <td>-</td> <td>30,322</td> </tr> <tr> <td>Prepayments</td> <td>6,171</td> <td>-</td> <td>-</td> <td>6,171</td> </tr> <tr> <td>TOTAL CURRENT ASSETS</td> <td>263,881</td> <td>328,603</td> <td>2,636,735</td> <td>3,229,219</td> </tr> <tr> <td colspan="5">NON-CURRENT ASSETS</td> </tr> <tr> <td>Property plant and equipment</td> <td>463</td> <td>-</td> <td>-</td> <td>463</td> </tr> <tr> <td>Deferred exploration expenditure</td> <td>100,000</td> <td>-</td> <td>-</td> <td>100,000</td> </tr> <tr> <td>Other receivables</td> <td>7,500</td> <td>-</td> <td>-</td> <td>7,500</td> </tr> <tr> <td>Intangibles</td> <td>-</td> <td>43,988</td> <td>(43,988)</td> <td>-</td> </tr> <tr> <td>TOTAL NON-CURRENT ASSETS</td> <td>107,963</td> <td>43,988</td> <td>(43,988)</td> <td>107,963</td> </tr> <tr> <td>TOTAL ASSETS</td> <td>371,844</td> <td>372,591</td> <td>2,592,747</td> <td>3,337,182</td> </tr> <tr> <td colspan="5">CURRENT LIABILITIES</td> </tr> <tr> <td>Trade and other creditors</td> <td>106,955</td> <td>13,383</td> <td>-</td> <td>120,338</td> </tr> <tr> <td>Other current liabilities</td> <td>76,765</td> <td>-</td> <td>-</td> <td>76,765</td> </tr> <tr> <td>Provisions</td> <td>5,000</td> <td>-</td> <td>-</td> <td>5,000</td> </tr> <tr> <td>Convertible notes</td> <td>-</td> <td>543,400</td> <td>(543,400)</td> <td>-</td> </tr> <tr> <td>TOTAL CURRENT LIABILITIES</td> <td>188,720</td> <td>556,783</td> <td>(543,400)</td> <td>202,103</td> </tr> <tr> <td>TOTAL LIABILITIES</td> <td>188,720</td> <td>556,783</td> <td>(543,400)</td> <td>202,103</td> </tr> <tr> <td>NET ASSETS</td> <td>183,124</td> <td>(184,192)</td> <td>3,136,147</td> <td>3,135,079</td> </tr> <tr> <td colspan="5">EQUITY</td> </tr> <tr> <td>Issued capital</td> <td>14,044,005</td> <td>1,124</td> <td>(8,626,968)</td> <td>5,418,161</td> </tr> <tr> <td>Retained earnings</td> <td>(13,972,840)</td> <td>(185,316)</td> <td>11,397,502</td> <td>(2,760,654)</td> </tr> <tr> <td>Other reserves</td> <td>111,959</td> <td>-</td> <td>365,613</td> <td>477,572</td> </tr> <tr> <td>TOTAL EQUITY</td> <td>183,124</td> <td>(184,192)</td> <td>3,136,147</td> <td>3,135,079</td> </tr> </tbody> </table> | Statement of financial position | Paradigm Reviewed as at 31-Dec-15 | IODM Audited as at 31-Dec-15 | Pro forma adjustments | Pro forma | CURRENT ASSETS | | | | | Cash and cash equivalents | 246,698 | 309,293 | 2,636,735 | 3,192,726 | Trade and other receivables | 11,012 | 19,310 | - | 30,322 | Prepayments | 6,171 | - | - | 6,171 | TOTAL CURRENT ASSETS | 263,881 | 328,603 | 2,636,735 | 3,229,219 | NON-CURRENT ASSETS | | | | | Property plant and equipment | 463 | - | - | 463 | Deferred exploration expenditure | 100,000 | - | - | 100,000 | Other receivables | 7,500 | - | - | 7,500 | Intangibles | - | 43,988 | (43,988) | - | TOTAL NON-CURRENT ASSETS | 107,963 | 43,988 | (43,988) | 107,963 | TOTAL ASSETS | 371,844 | 372,591 | 2,592,747 | 3,337,182 | CURRENT LIABILITIES | | | | | Trade and other creditors | 106,955 | 13,383 | - | 120,338 | Other current liabilities | 76,765 | - | - | 76,765 | Provisions | 5,000 | - | - | 5,000 | Convertible notes | - | 543,400 | (543,400) | - | TOTAL CURRENT LIABILITIES | 188,720 | 556,783 | (543,400) | 202,103 | TOTAL LIABILITIES | 188,720 | 556,783 | (543,400) | 202,103 | NET ASSETS | 183,124 | (184,192) | 3,136,147 | 3,135,079 | EQUITY | | | | | Issued capital | 14,044,005 | 1,124 | (8,626,968) | 5,418,161 | Retained earnings | (13,972,840) | (185,316) | 11,397,502 | (2,760,654) | Other reserves | 111,959 | - | 365,613 | 477,572 | TOTAL EQUITY | 183,124 | (184,192) | 3,136,147 | 3,135,079 | |
| Statement of financial position | Paradigm Reviewed as at 31-Dec-15 | IODM Audited as at 31-Dec-15 | Pro forma adjustments | Pro forma | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CURRENT ASSETS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 246,698 | 309,293 | 2,636,735 | 3,192,726 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade and other receivables | 11,012 | 19,310 | - | 30,322 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepayments | 6,171 | - | - | 6,171 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL CURRENT ASSETS | 263,881 | 328,603 | 2,636,735 | 3,229,219 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property plant and equipment | 463 | - | - | 463 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred exploration expenditure | 100,000 | - | - | 100,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other receivables | 7,500 | - | - | 7,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangibles | - | 43,988 | (43,988) | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL NON-CURRENT ASSETS | 107,963 | 43,988 | (43,988) | 107,963 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL ASSETS | 371,844 | 372,591 | 2,592,747 | 3,337,182 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade and other creditors | 106,955 | 13,383 | - | 120,338 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other current liabilities | 76,765 | - | - | 76,765 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provisions | 5,000 | - | - | 5,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Convertible notes | - | 543,400 | (543,400) | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL CURRENT LIABILITIES | 188,720 | 556,783 | (543,400) | 202,103 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL LIABILITIES | 188,720 | 556,783 | (543,400) | 202,103 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NET ASSETS | 183,124 | (184,192) | 3,136,147 | 3,135,079 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EQUITY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issued capital | 14,044,005 | 1,124 | (8,626,968) | 5,418,161 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retained earnings | (13,972,840) | (185,316) | 11,397,502 | (2,760,654) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other reserves | 111,959 | - | 365,613 | 477,572 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL EQUITY | 183,124 | (184,192) | 3,136,147 | 3,135,079 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question | Response | More info. |
|---|---|-------------------------------|
| <p>What benefits are being paid to the Directors?</p> | <p>The Directors will be paid directors' fees for operating the Company following the successful reinstatement to Official Quotation.</p> <ul style="list-style-type: none"> • As an Executive Director, Damian Arena will be paid \$333,000 per annum including superannuation (of this amount \$36,000 is paid to Damien for his services as a Director, the balance is paid in respect of Damian's executive role); • As an Executive Director, Michael Bugelly will be paid \$333,000 per annum including superannuation (of this amount \$36,000 is paid to Michael for his services as a Director, the balance is paid in respect of Michael's executive role); • As a Non-Executive Chairman, Mark Reilly will be paid \$63,927 per annum plus superannuation; and • As a Non-Executive Director, Earle Harper will be paid \$39,400 per annum including superannuation. <p>Additionally it should be noted that IODM has a consultancy agreement with The Rufus Partnership (Vic) Pty Ltd in respect of the provision of general management, company secretarial and accounting services to IODM. The Rufus Partnership (Vic) Pty Ltd is a company controlled by Michael Bugelly.</p> | <p>Sections 13.1 and 13.3</p> |
| <p>What benefits are being paid to other persons?</p> | <p>The Company will pay various service providers who have assisted with the preparation of the documentation required to enable the Company to issue this Prospectus. These persons will include accountants, solicitors and corporate advisors.</p> | <p>Section 13.5</p> |

| Question | Response | More info. |
|--|--|------------------------|
| To what extent will the Company follow the corporate governance recommendations set by the ASX Corporate Governance Council? | A statement disclosing the extent to which the Company intends to follow the corporate governance recommendations set by the ASX Corporate Governance Council is included at Section 8.5. | Section 8.5 |
| What important contracts has the Company entered into? | <p>The Company has entered into the following material contracts:</p> <ul style="list-style-type: none"> • IODM Share Sale Agreement; <p>IODM is party to the following material contracts:</p> <ul style="list-style-type: none"> • IODM Share Sale Agreement; • Lodge Corporate Mandate; • IODM Convertible Note Deed; • Cloud Application Provider Agreement with Maestrano Pty Ltd; and • Heads of Agreement with Institute of Public Accountants. | Section 9 |
| Will the Company pay dividends? | <p>Any payment of dividends will be at the Directors' discretion and will depend on the availability of the Company's distributable earnings, operating results and financial condition. There is no guarantee that dividends will be paid on the Securities.</p> <p>The Company does not expect to pay dividends in the near future.</p> | Sections 11.5 and 12.3 |
| Where will the Shares be quoted? | An application will be made to the ASX for re-admission of the Company to the Official List of ASX and for Official Quotation of the Shares being offered pursuant to this Prospectus. | Section 6.6 |
| Will any Shares be escrowed? | Subject to the Company being re-admitted to the Official List, certain Shares and Performance Shares on issue following completion of the IODM Acquisition will be classified by ASX as Restricted Securities and will be required to be held in escrow. | Section 6.19 |

| Question | Response | More info. |
|--|--|--------------|
| When will I know if my Application was successful? | A holding statement confirming your allocation under the Equity Offer will be sent to you if your Application is successful. Holding statements are expected to be issued on or about 12 May 2016. | Section 5.2 |
| How can I obtain further advice? | You can speak to your accountant, stockbroker, lawyer or other professional advisor. If you require assistance or additional copies of this Prospectus, please contact the Company on 08 9200 4482. | Section 6.27 |
| Contact Details | See the Corporate Directory at the beginning of this Prospectus. | Section 2 |

4.3 THE OFFERS

| Question | Response | More info. |
|----------------------|--|------------|
| What are the Offers? | <p>By this Prospectus, the Company is undertaking four conditional offers of securities as follows:</p> <ol style="list-style-type: none">1. Equity Offer – comprises the Broker Firm Offer and the Public Offer of 75,000,000 New Shares at \$0.04 per Share to raise \$3,000,000 before expenses of the Offers.2. The Vendor Offer is an offer of the following Securities to the Vendors as part of the consideration for the IODM Acquisition:<ul style="list-style-type: none">• 175,000,000 Consideration Shares to the Vendors; and• 85,500,000 Performance Shares (the terms of which are set out in Section 12.2);No funds will be raised from the Vendor Offer.3. The Facilitation Offer is an offer of 12,000,000 Broker Options to Lodge Corporate or its nominee. No funds will be raised from the Facilitation Offer.4. The IODM Noteholder Offer is an offer of 31,250,000 Shares and 15,625,000 IODM Noteholder Options to the IODM Noteholders. No funds will be raised from the IODM Noteholder Offer. | Section 5 |

| Question | Response | More info. |
|---|---|--------------|
| How will funds raised under the Offers be used? | <p>The Company intends to use the funds raised from the Equity Offer (before costs and expenses):</p> <ul style="list-style-type: none"> • towards the development and advancement of the IODM Business through sales and marketing activities; • to fund the cost of additional technology development; • to fund the costs and expenses for re-complying with Chapters 1 and 2 of the ASX Listing Rules; • towards payment of the costs and expenses associated with the Offers; and • towards administration costs and as additional general working capital. <p>The Consideration Shares and 82,500,000 Performance Shares will be issued for nil cash consideration as they are being issued as part of the consideration for the acquisition of 100% of the issued share capital of IODM. Accordingly no funds will be raised from the Vendor Offer.</p> <p>The Broker Options will be issued for nil cash consideration as they being issued as the facilitation fees payable to Lodge Corporate in respect of the IODM Acquisition. Accordingly no funds will be raised from the Facilitation Offer.</p> <p>The Shares and the IODM Noteholder Options to be issued to IODM Noteholders will be issued for nil cash consideration as they are being issued in satisfaction of IODM's liabilities under the IODM Notes. Accordingly no funds will be raised from the IODM Noteholder Offer.</p> | Section 6.12 |
| Is the Equity Offer underwritten? | <p>No, the Equity Offer is not underwritten. However, the Company has reserved the right to pay a fee of 7.0% of the value of the Shares to the holders of an AFS (Australian Financial Services) licence in respect of Shares placed to their clients under the Equity Offer.</p> | Section 6.9 |

| Question | Response | More info. |
|---|--|----------------------|
| What are the key dates of the Equity Offer? | <p>Lodgement of this Prospectus with ASIC: 1 April 2016</p> <p>Opening Date for Equity Offer: 12 April 2016</p> <p>Closing Date for Equity Offer: 5 May 2016</p> <p>Dispatch of holding statements: 12 May 2016</p> <p>Expected date for Shares to re-commence trading on ASX: 16 May 2016</p> <p>The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Equity Offer early without notice.</p> | Section 5.2 |
| What is the Equity Offer Price? | <p>The Equity Offer Price is \$0.04 per Share.</p> <p>In September 2014, ASX released an updated version of Guidance Note 12 to the ASX Listing Rules which, amongst other things, adopted a new policy on the application of the “20 cent rule” to re-compliance listings.</p> <p>On 5 February 2016, ASX granted the Company a waiver from ASX Listing Rule 2.1 condition 2, to the extent necessary to permit the issue price for the Shares under the Equity Offer to be not less than \$0.02 per Share, subject to Shareholder approval at the General Meeting.</p> <p>No price is payable to subscribe for Shares under the Vendor Offer, the Facilitation Offer or the IODM Noteholder Offer.</p> | Sections 5.1 and 6.1 |
| What rights and liabilities are attached to the Securities being offered? | <p>All Shares issued under the Equity Offer will rank equally with Existing Shares on issue on the terms set out in Section 12.1.</p> <p>A summary of the rights and liabilities attaching to the Shares and other Securities offered under this Prospectus are set out at Section 12.1.</p> | Section 12 |

| Question | Response | More info. | | | | | | | | | | | | |
|---|--|----------------------|---|-------|-----------------------------|-------------------------------|---|------|---------|----------------|--------|------------|----------|--|
| How do I apply for Shares under the Equity Offer? | <p>All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque or electronic funds transfer in Australian dollars for the full amount of the Application being \$0.04 per Share.</p> <p>Cheques must be made payable to “Paradigm Metals Limited” and should be crossed “Not Negotiable”.</p> <p>Application Monies may also be paid via electronic funds transfer, by transferring funds into the following account which has been established by the Company as a special purpose account for the receipt of Application Monies:</p> | Sections 6.14 and 15 | | | | | | | | | | | | |
| | <table border="1"> <tr> <td data-bbox="580 788 842 882">Account Name:</td> <td data-bbox="858 788 1232 882">Paradigm Metals Limited – Capital Raising Account</td> </tr> <tr> <td data-bbox="580 882 842 976">Bank:</td> <td data-bbox="858 882 1232 976">Westpac Banking Corporation</td> </tr> <tr> <td data-bbox="580 976 842 1102">Beneficiary Bank and Address:</td> <td data-bbox="858 976 1232 1102">Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008</td> </tr> <tr> <td data-bbox="580 1102 842 1164">BSB:</td> <td data-bbox="858 1102 1232 1164">036-051</td> </tr> <tr> <td data-bbox="580 1164 842 1227">Account Number</td> <td data-bbox="858 1164 1232 1227">485372</td> </tr> <tr> <td data-bbox="580 1227 842 1290">Swift Code</td> <td data-bbox="858 1227 1232 1290">WPACAU2S</td> </tr> </table> | Account Name: | Paradigm Metals Limited – Capital Raising Account | Bank: | Westpac Banking Corporation | Beneficiary Bank and Address: | Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008 | BSB: | 036-051 | Account Number | 485372 | Swift Code | WPACAU2S | |
| Account Name: | Paradigm Metals Limited – Capital Raising Account | | | | | | | | | | | | | |
| Bank: | Westpac Banking Corporation | | | | | | | | | | | | | |
| Beneficiary Bank and Address: | Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008 | | | | | | | | | | | | | |
| BSB: | 036-051 | | | | | | | | | | | | | |
| Account Number | 485372 | | | | | | | | | | | | | |
| Swift Code | WPACAU2S | | | | | | | | | | | | | |
| Where do I send the Application Form? | Application Forms should be sent Lodge Corporate Pty Ltd | Sections 6.14 and 15 | | | | | | | | | | | | |
| Can I speak to a representative about the Offers? | Questions relating to the Offers can be directed to the Company on 08 9200 4482 or email info@paradigmmetals.com.au . | Section 6.27 | | | | | | | | | | | | |

4.4 KEY RISK FACTORS

| Question | Response | More info. |
|---|---|-----------------|
| What are the key risks of investing in Shares in the Company? | <p>The list below is a summary of some of the key risks associated with investing in the Company. A more comprehensive list of risks is set out in Section 11. The risks outlined below are provided on the basis that the Company completes the IODM Acquisition.</p> | Section 11 |
| | <p>Commercialisation Risk</p> <p>IODM has commenced the commercialisation of its service and has achieved success in the roll out of the platform with limited release in Australia. Notwithstanding this, there is a risk that IODM will not be able to successfully commercialise its service to its full potential and attract a sufficient number of clients. Should this occur this would have a negative impact on the financial position of IODM and the Company.</p> | Section 11.4(a) |
| | <p>Threat of New Entrants</p> <p>The threat of new entrants into the online debt management market is high. Whilst management will endeavour to take all reasonable steps to be aware of new entrants into the market, IODM will have no control over perceived or real competitors entering the market. Should a new entrant enter the market in direct competition to IODM, revenue and profitability may be negatively impacted.</p> | Section 11.4(b) |
| | <p>Brand Risks</p> <p>IODM believes that establishing and maintaining the “IODM” brand is critical for the long term success of the IODM business. Negative commentary or a complaint regardless of accuracy via social media, media in general and/or word of mouth may have a damaging impact on the ability of IODM to reach its potential. Any long term damage to IODM's brand may adversely impact on the operating results of IODM and the Company.</p> | Section 11.4(c) |
| | <p>Hosting Provider Disruption Risks</p> <p>As a SaaS, IODM relies on Amazon Web Services (“Host”) to maintain continuous operation of IODM hosting requirements. Should this hosting service be disrupted or restricted due to an outage or an unforeseen catastrophic system failure, IODM is likely to be negatively impacted from a revenue perspective</p> | Section 11.4(d) |

| Question | Response | More info. |
|----------|---|-----------------|
| | and a prolonged outage would most likely lead to a major brand or reputation damage incurred. | |
| | <p>Limited Trading History</p> <p>Whilst IODM is earning revenue, IODM is still in the early stage of being fully commercialised. IODM should be seen as a start up with limited trading history and to date IODM has generated losses. Whilst management has been brought into IODM to strengthen the underlying business proposition, no assurance can be given in regard to the future performance of IODM as it goes to market.</p> | Section 11.4(e) |
| | <p>Protection of Intellectual Property Rights</p> <p>IODM will pursue a program of registering trade marks, and protecting its intellectual property as IODM believes this to be fundamental to the ongoing success of the business and protecting shareholder value. However, given the broad nature of intellectual property, IODM cannot guarantee that IODM's intellectual property rights will not be infringed. IODM may incur unforeseen costs to protect its intellectual property, including through litigation and any such infringement may result in a negative impact on the reputation and revenues of IODM and the Company.</p> | Section 11.4(f) |
| | <p>Reliance on Key Personnel</p> <p>IODM relies heavily on the experience and knowledge of its founding Managing Director Damian Arena, management and software development team. Over time, IODM and the Company will also be dependent on its ability to recruit and retain suitably qualified personnel such as those in its business development, customer success and support team. In the event that such key personnel leave IODM or the Company and those entities were unable to recruit suitable replacements, such loss could have a materially adverse effect on IODM and the Company.</p> | Section 11.4(g) |
| | <p>Maintenance of Data Base and Technology Risk</p> <p>IODM's business includes the collection of sensitive information and IODM has undertaken strategies to mitigate the potential of data corruption, hacking or other security breaches. In addition, IODM's technology is complicated and requires specialist skills to develop and</p> | Section 11.4(h) |

| Question | Response | More info. |
|----------|--|------------------------|
| | <p>maintain the program. Whilst certain measures are undertaken by IODM to ensure the integrity of its systems, there is no guarantee that there will be no error(s), bug(s) or unforeseen vulnerabilities within the IODM platform as IODM continues its ongoing development.</p> <p>Should either of these risks eventuate, IODM may incur negative customer and brand feedback which overtime may impact on the financial performance of IODM and the Company.</p> | |
| | <p>External “Hacker” Attacks and Reliance on the Internet</p> <p>The IODM business relies upon the availability of the IODM website and the internet. Should an external party attempt to hack into IODM's website and compromise the integrity of the system, a hacker may disrupt the use of the service or attempt to extract sensitive client information for exploitation purposes. In addition, IODM is an internet business and if access to the internet is affected in any way, including through the failure of a third party service provider, the ability for IODM to service clients will be significantly impacted.</p> <p>IODM has implemented risk management strategies to mitigate these risks but in no way can IODM guarantee the website and or internet from being compromised. Should this occur IODM and the Company may be negatively impacted in financial, customer service and brand terms.</p> | <p>Section 11.4(i)</p> |
| | <p>Sales & Marketing Risk</p> <p>At the successful completion of the Offer, the Company intends to invest in appropriate sales and marketing strategies to drive revenue into the business. This includes but is not limited to the engagement of on-boarding personnel to assist Certified Partners to bring clients onto the system, external market consultants to build the brand awareness domestically and internationally and, where appropriate, engage in the appropriate media to attempt to drive new client attraction to the IODM website. There are a number of factors than can influence the outcome of the sales and marketing strategy and there is no guarantee</p> | <p>Section 11.4(j)</p> |

| Question | Response | More info. |
|----------|--|------------|
| | <p>that the Company's strategy will be successful. A material failure in the sales and marketing strategy will have an impact on future revenue and ongoing profitability of the business.</p> | |
| | <p>Customer Service Risk</p> | 11.4(k) |
| | <p>IODM and the Company's ability to drive long term, sustainable revenues is dependent on, amongst other factors, meeting customer service expectations and the delivery of innovative client centric solutions. The loss of a client(s) will have an immediate impact on the financial position of IODM and the Company through the loss of subscription revenue and the potential to generate further revenue through the multiple revenue opportunities within the Company.</p> | |
| | <p>Regulatory Risk</p> | 11.4(l) |
| | <p>IODM's principal country of operation is Australia and therefore the Company is subject to regulatory risk associated with Australian laws and regulations. Overtime, IODM intends to pursue a market entry strategy for countries including but not limited to the United Kingdom, United States and some European and Asian countries. Given the potential for IODM to be operating in a multi jurisdiction legal environment, the regulatory risk is heighten and may result in increased compliance costs and associated resources allocated to the management of the real and perceived regulatory risk. Should there be an infringement, penalty or enforcement notice incurred by the Company, this may lead to a negative revenue and brand impact.</p> | |
| | <p>Foreign Exchange Risk</p> | 11.4(m) |
| | <p>IODM and the Company intend to operate in multiple international jurisdictions which means IODM and the Company will operate and be affected by multiple currencies and their future currency fluctuations. Accordingly, this may affect future profitability of IODM and the Company.</p> | |
| | <p>Contractual Disputes</p> | 11.4(o) |
| | <p>IODM's distribution strategy is dependent in part on a contractual agreement with</p> | |

| Question | Response | More info. |
|----------|--|------------|
| | <p>professional advisors, industry associations and other 3rd parties that have an interaction with the IODM target market. IODM has taken certain steps to ensure the integrity of these contracts. IODM is aware that there are associated risks when dealing with 3rd parties including but not limited to insolvency, fraud and management failure. Should a 3rd party contract fail, there is the potential for negative financial and brand damage for IODM and the Company.</p> | |
| | <p>No Profit to Date</p> <p>Whilst IODM is generating revenue, IODM has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. The Directors are confident in the potential of the company to be a going concern. There can be no certainty that the IODM can achieve long term sustainable profitability.</p> | 11.4(p) |
| | <p>Future Capital Needs</p> <p>The Company believes that at the completion of the Offer, the Company will have the necessary funding to meet expected capital requirements to fund future growth. The Company may seek to exploit a market opportunity e.g. an acquisition opportunity and may require additional debt or capital. There can be no assurance that such funding will be available on satisfactory terms or at all. If the Company is unable to obtain such additional debt or capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.</p> | 11.4(q) |
| | <p>Change in nature and scale of activities and conditionality of the Offers</p> <p>There is a risk that the Company may not be able to meet the requirements of ASX of re-complying with Chapters 1 and 2 of the Listing Rules for re-quotations on the ASX. If the conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offers.</p> | 11.4(r) |

4.5 OFFER STATISTICS

| Offer Price | \$0.04 per Share (for the Equity Offer) | |
|---|---|-----------------------|
| | Subscription (\$3,000,000) | More Info. |
| Number of Existing Shares currently on issue | 972,963,294 | Section 6.13 |
| Number of Shares currently on issue before the Offers (post Consolidation) | 48,648,164 | Section 6.13 |
| Number of Shares available under the Prospectus | 75,000,000 | Sections 5.1 and 6.1 |
| Number of Consideration Shares available under the Vendor Offer | 175,000,000 | Sections 5.1 and 6.2 |
| Number of Shares available under the IODM Noteholder Offer | 31,250,000 | Sections 5.1 and 6.4 |
| Total number of Shares on issue following completion of the Offers | 329,898,164 | Sections 5.1 and 6.13 |
| Number of Performance Shares available under the Vendor Offer | 82,500,000 | Sections 5.1 and 6.2 |
| Number of IODM Noteholder Options available under the IODM Noteholder Offer | 15,625,000 | Sections 5.1 and 6.4 |
| Number of Broker Options available under the Facilitation Offer | 12,000,000 | Sections 5.1 and 6.3 |
| Total of proceeds from the Offers (before costs and expenses) | \$3,000,000 | Sections 5.1 and 6.12 |

5. KEY OFFER DETAILS

5.1 KEY FINANCIAL DATA RELATING TO THE OFFERS

| Equity Offer | |
|---|--------------------|
| Offer Price | \$0.04 per Share |
| New Shares to be offered under the Equity Offer | 75,000,000 |
| Cash proceeds of the Equity Offer | \$3,000,000 |
| Vendor Offer | |
| Consideration Shares to be offered under the Vendor Offer | 175,000,000 |
| Performance Shares to be offered under the Vendor Offer | 82,500,000 |
| Cash proceeds of the Vendor Offer (Consideration Shares to be issued for nil consideration) | Nil |
| Facilitation Offer | |
| Broker Options to be offered under the Facilitation Offer | 12,000,000 |
| Cash proceeds of the Facilitation Offer | Nil |
| IODM Noteholder Offer | |
| Shares and IODM Noteholder Options to be offered under the IODM notes | |
| Shares – Noteholder Offer | 31,250,000 |
| IODM Noteholder Options – Noteholder Offer | 15,625,000 |
| Total of Existing Shares on issue before the Offers (pre Consolidation) | 972,963,294 |
| Total Number of New Shares on issue before the Offers (post Consolidation) | 48,648,164 |
| Total Number of Shares on issue following the Offers | 329,898,164 |
| Number of IODM Noteholder Options on issue | 15,625,000 |
| Number of Broker Options on issue | 12,000,000 |
| Number of Performance Shares on issue | 82,500,000 |
| Existing Options on issue before the Offers | 490,868,994 |
| Existing Options on issue before the Offers (post Consolidation) | 24,543,449 |

5.2 INDICATIVE TIMETABLE

Dates shown in the table below are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which

may have a consequential effect on the other dates. **Applicants are therefore urged to lodge their Application Forms as soon as possible.**

INDICATIVE TIMETABLE

| | |
|--|---------------|
| Lodgement of this Prospectus with ASIC | 1 April 2016 |
| Opening Date for Equity Offer | 12 April 2016 |
| Closing Date for Equity Offer | 5 May 2016 |
| Dispatch of Holding Statements | 12 May 2016 |
| Expected date for Shares to re-commence trading on ASX | 16 May 2016 |

6. DETAILS OF THE OFFERS

The Offers consist of:

- (a) the Equity Offer, which is comprised of the Broker Firm Offer and the Public Offer; and
- (b) the Vendor Offer, which is only made to the Vendors;
- (c) the IODM Noteholder Offer, which is only made to the IODM Noteholders; and
- (d) the Facilitation Offer, which is only made to the Facilitator or its nominee.

Completion of the Offers is conditional on ASX confirming the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules. If this is not met, the Application Monies will be returned to the Applicants (without interest).

The rights and liabilities attaching to Securities issued under this Prospectus are further described in Section 12.

Persons wishing to apply for Shares under the Equity Offer should refer to Sections 15 and 16 for further details and instructions.

6.1 THE EQUITY OFFER

By this Prospectus, the Company offers 75,000,000 Shares at an Offer Price of \$0.04 per Share to raise \$3,000,000. The Equity Offer is comprised of:

- a Broker Firm Offer which will be open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker (**Broker Firm Offer**); and
- Public Offer which will be open to members of the general public to apply for Shares pursuant to this Prospectus (**Public Offer**).

The Shares issued under the Equity Offer will be fully paid ordinary shares and will rank equally in all respects with the Existing Shares. The rights and liabilities attaching to the Shares are described in Section 12.

- (a) Applications for Shares under the Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. If you have been offered a firm allocation of Shares by a Broker, you will be treated as an applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

Applications under the Broker Firm Offer should be made by completing and lodging your Broker Firm Application Form with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Application Form.

- (b) Applications for Shares under the Public Offer

Applications for Shares under the Public Offer can only be made on the Public Offer Application Form contained at Section 16 of this Prospectus. The Public Offer Application Form should be completed in accordance with the instructions set out on the back of the Public Offer Application Form.

The allocation of Shares under the Equity Offer will be determined at the sole discretion of the Company.

All Applications under the Equity Offer must be for a minimum of 50,000 Shares (\$2,000) and then in increments of 10,000 Shares (\$200). No brokerage, stamp duty or other costs are payable by Applicants. Refer to Section 6.14 below for payment and lodgement details.

6.2 VENDOR OFFER

By this Prospectus, the Company offers to the Vendors, 175,000,000 Shares and 82,500,000 Performance Shares (which includes 7,500,000 Performance Shares for Mr. Mark Reilly).

As detailed in Section 9.1, the Company and the Vendors entered into the IODM Share Sale Agreement on 29 January 2016. Upon completion of the IODM Acquisition, the Company will hold 100% of the issued share capital of IODM.

Part of the consideration payable by the Company under the IODM Share Sale Agreement is the issue of the Consideration Shares and the Performance Shares to the Vendors at completion of the IODM Acquisition.

Section 706 of the Corporations Act provides that an offer of securities for issue needs disclosure to investors unless the investor is a person exempt from disclosure or an exemption in sections 708 or 708A of the Corporations Act applies.

None of the exemptions in sections 708 or 708A apply in respect of the Vendor Offer. Accordingly, this Prospectus seeks to satisfy the requirement in section 706 of the Corporations Act by containing an offer of the Consideration Shares and Performance Shares to the Vendors.

The Vendor Offer is made only to the Vendors and Mr Mark Reilly. The Performance Shares are to be issued to Mark Reilly in connection with him agreeing to remain on the Board post-Completion. The non-cash form of the this benefit will allow the Company to spend a greater proportion of its cash reserves on its operation than it would if alternative cash forms of remuneration were given to be paid to Mr Reilly.

The Consideration Shares offered to the Vendors under this Prospectus are of the same class and will rank equally in all respects with the then issued Shares. The rights and liabilities attaching to Consideration Shares are further described in Section 12.1.

All or part of the Consideration Shares may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months. Please see Section 6.19 for further information.

Please refer to Section 12.2 for a summary of the rights and liabilities attached to the Performance Shares issued under this Prospectus. The Shares to be issued upon conversion of the Performance Shares will be of the same class and will rank equally in all respects with the then issued Shares of the Company. The rights and liabilities attaching to Shares are further described in Section 12.

6.3 FACILITATION OFFER

By this Prospectus, the Company offers 12,000,000 Broker Options to the Facilitator (Lodge Corporate) or its nominee.

Under the Lodge Corporate Mandate, the Company agreed to issue to the Facilitator or its nominee 12,000,000 Broker Options as the facilitation fee payable in respect of the IODM Acquisition.

Section 706 of the Corporations Act provides that an offer of securities for issue needs disclosure to investors unless the investor is a person exempt from disclosure or an exemption in sections 708 or 708A of the Corporations Act applies.

None of the exemptions in sections 708 or 708A apply in respect of the Facilitation Offer. Accordingly, this Prospectus seeks to satisfy the requirement in section 706 of the Corporations Act by containing an offer of the Broker Options to the Facilitator or its nominee.

The Facilitation Offer is made only to the Facilitator.

All or part of the Broker Options may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months. Please see Section 6.19 for further information.

Please refer to Section 12.4 for a summary of the rights and liabilities attached to the Broker Options issued under this Prospectus. The Shares to be issued upon exercise of the Broker Options will be of the same class and will rank equally in all respects with the then issued Shares of the Company. The rights and liabilities attaching to Shares are further described in Section 12.

6.4 IODM CONVERTIBLE NOTE OFFER

By this Prospectus, the Company offers to the IODM Noteholders 31,250,000 Noteholder Shares and 15,625,000 IODM Noteholder Options.

As detailed in Section 12.3, IODM has issued the IODM Notes to the IODM Noteholders. Upon completion of the IODM Acquisition, the Company will issue the Shares and the IODM Noteholder Options to IODM Noteholders as full satisfaction of the amount loaned to IODM under the IODM Notes (being \$750,000).

Section 706 of the Corporations Act provides that an offer of securities for issue needs disclosure to investors unless the investor is a person exempt from disclosure or an exemption in sections 708 or 708A of the Corporations Act applies.

None of the exemptions in sections 708 or 708A apply in respect of the IODM Noteholder Offer. Accordingly, this Prospectus seeks to satisfy the requirement in section 706 of the Corporations Act by containing an offer of the Shares and IODM Noteholder Options to the IODM Noteholders.

The IODM Noteholder Offer is made only to the IODM Noteholders.

The Shares offered to the IODM Noteholders under this Prospectus are of the same class and will rank equally in all respects with the then issued Shares.

All or part of the Shares received by the IODM Noteholders may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 12 months. Please see Section 6.19 for further information.

Please refer to Section 12.3 for a summary of the rights and liabilities attached to the IODM Noteholder Options issued under this Prospectus. The Shares to be issued upon exercise of the IODM Noteholder Options will be of the same class and will rank equally in all respects with the then issued Shares of the Company. The rights and liabilities attaching to Shares are further described in Section 12.

6.5 CONDITIONAL OFFERS

The Offers under this Prospectus are conditional upon a number of events occurring, including:

- (i) the Minimum Subscription under the Prospectus being achieved;
- (ii) all Resolutions (other than resolution 6) receiving Shareholder approval at the General Meeting;
- (iii) ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to Official Quotation on ASX upon satisfaction of Chapters 1 and 2 of the Listing Rules and such conditions being reasonable acceptable to the Company and the Vendors; and
- (iv) completion taking place under the IODM Share Sale Agreement. A summary of the IODM Share Sale Agreement and a description of the conditions precedent to completion under the IODM Share Sale Agreement are set out in Section 9.1 of this Prospectus.

If the conditions above are not satisfied, the Offers will not proceed and investors will be refunded their Application Monies without interest. Shareholder approval to the Resolutions was obtained on 29 March 2016 at the General Meeting.

6.6 RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE LISTING RULES

At the General Meeting, the Company obtained Shareholder approval for, amongst other things, a change in nature and scale of its activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

In accordance with Chapter 11 of the ASX Listing Rules, the Company's Shares have been suspended from Official Quotation since the close of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX approving the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company has been granted a waiver from the ASX from compliance with Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11 to allow the Company to offer Shares for \$0.04.

There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received without interest.

The Company will apply to ASX no later than seven (7) days from the date of this Prospectus for ASX to grant Official Quotation to the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to Official Quotation within three (3) months after the date of this Prospectus, no Shares will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

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

6.7 MINIMUM SUBSCRIPTION

The Minimum Subscription for the Equity Offer is \$3,000,000. No Shares will be allotted or issued until the Equity Offer has reached the Minimum Subscription. If the Minimum Subscription is not achieved within three months after the date of this Prospectus, all Application Monies will be refunded (without interest) in accordance with the Corporations Act.

6.8 OVERSUBSCRIPTIONS

The Company may, at its absolute discretion, accept a nominal number of Applications for Shares in excess of the Minimum Subscription provided that the acceptance of such Applications does not result in any material dilution of the Company's share structure as depicted in this Prospectus (specifically Section 6.12). Any acceptance of such Applications will be subject to the Company's compliance with the Listing Rules.

6.9 UNDERWRITING

None of the Offers are underwritten.

6.10 PURPOSE OF THE PROSPECTUS

The purpose of this Prospectus is to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules;
- (b) raise a minimum of \$3,000,000 (before costs and expenses) pursuant to the Equity Offer; and
- (c) satisfy the requirements of section 706 of the Corporations Act in respect of the issue of the:
 - (i) Consideration Shares and Performance Shares;
 - (ii) Shares and IODM Noteholder Options; and
 - (iii) Broker Options,

for which a disclosure document is required.

6.11 PURPOSE OF THE OFFERS

The purpose of the Offers is to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules;
- (b) assist completion of the IODM Acquisition;
- (c) develop and advance the IODM Business; and
- (d) provide funds for project generation and the assessment of further potential acquisitions.

6.12 PROPOSED APPLICATION OF FUNDS RAISED

Funds raised from the Equity Offer are intended to be applied as follows:

| PROPOSED APPLICATION OF FUNDS RAISED | | |
|---|-------------------------------|-------|
| | Subscription (\$3,000,000) | |
| | Amount (\$) | % |
| Expenses of the Capital Raising (including capital raising fees) | 230,000 | 7.67 |
| Corporate Advisory Success Fee | 300,000 | 10.00 |
| Sales and marketing of IODM products | 500,000 | 16.66 |
| Ongoing technology development | 500,000 | 16.66 |
| Corporate and administration (including salaries) | 650,000 | 21.67 |
| Repayment of loans and deferred payments | 60,000 | 2.00 |
| Working capital | 760,000 | 25.34 |
| Total Funds Allocated | \$3,000,000 | |

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient capital to meet its stated objectives.

The use of further equity funding or share placements will be considered by the Directors where it is appropriate to accelerate a specific project as detailed in this Prospectus.

It should be noted that the above activities and budgets will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities as they are carried out.

Due to market conditions, the development of new opportunities or any number of other factors (including the risk factors set out in Section 11) actual expenditure levels may differ significantly to the above estimates.

The Company intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in these estimates. It is possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to Shareholder approvals).

6.13 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offers and the IODM Acquisition.

| | Minimum Subscription | Number of Performance Shares |
|--|--------------------------|------------------------------|
| Number currently on issue (being Existing Shares on a pre-Consolidation basis) | 972,963,294 | |
| Number currently on issue (being Existing Shares on a post Consolidation basis) | 48,648,164 | |
| To be issued to the Vendors pursuant to the IODM Share Sale Agreement ¹ | 175,000,000 ¹ | 82,500,000 |
| To be issued to IODM Noteholder pursuant to the IODM Notes | 31,250,000 ¹ | |
| To be issued under the Equity Offer | 75,000,000 | |
| Balance after completion of the Equity Offer and the IODM Acquisition | 329,898,164 | |
| Number currently on issue (being Existing Options on a pre-Consolidation basis) | 490,868,994 | |
| Number currently on issue (being Existing Options on a post-Consolidation basis) | 24,543,449 | |
| Options to be issued to the IODM Noteholders pursuant to the IODM Notes | 15,625,000 ¹ | |
| Broker Options to be issued to the Facilitator (or its nominee) | 12,000,000 ¹ | |
| Total Options on Issue after Completion of the IODM Acquisition | 52,168,449 | |

Notes:

1. A number of these Shares, Performance Shares or Options are expected to be treated as Restricted Securities by ASX and will be subject to escrow. Please refer to Section 6.19.

6.14 PAYMENT AND LODGEMENT DETAILS

The details provided in this Section 6.14 relate to the Application Form.

All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque or electronic funds transfer in Australian dollars for the full amount of the Application being \$0.04 per Share. Cheques must be made payable to "Paradigm Metals Limited" and should be crossed "Not Negotiable".

Alternatively, Application Monies may be paid through electronic funds transfer, by transferring funds into the following account which has been established by the Company as a special purpose account for the receipt of Application Monies:

| | |
|-------------------------------|---|
| Account Name: | Paradigm Metals Limited – Capital Raising Account |
| Bank: | Westpac Banking Corporation |
| Beneficiary Bank and Address: | Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008 |
| BSB: | 036-051 |
| Account Number | 485372 |
| Swift Code | WPACAU2S |

Completed Application Forms and payment must be received by the Share Registry before 5.00pm WST on the Closing Date.

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

Delivered to:

Lodge Corporate Pty Ltd
Attention: Kerry Ramsay
Level 6, 90 Collins St
Melbourne VIC 3000

Mailed to:

Lodge Corporate Pty Ltd
Attention: Kerry Ramsay
Level 6, 90 Collins St
Melbourne VIC 3000

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

6.15 SUBSTANTIAL SHAREHOLDERS

The Shareholders holding a relevant interest in 5% or more of the Shares are as follows:

| | As at the date of this Prospectus (on a pre-Consolidation basis) | | Following completion of the Offers and the IODM Acquisition | |
|--|--|-------|---|-------|
| | Shares ¹ | % | Shares ³ | % |
| Americas Investments & Participation Limited | 100,000,000 | 10.28 | 5,000,000 | 1.52 |
| Nefco Nominees Pty Ltd | 74,201,818 | 7.63 | 3,710,090 | 1.12 |
| Christopher Phillips | 66,666,666 | 6.85 | 3,333,333 | 1.01 |
| Arena IODM Portfolio Pty Ltd ATF Arena IODM Portfolio Trust | - | | 63,161,865 | 19.15 |
| Rogers IODM Portfolio Pty Ltd ATF Rogers IODM Portfolio Trust | - | | 56,232,143 | 17.05 |
| EverFlow Technologies Inc | - | | 22,877,894 | 6.93 |
| The Rufus Partnership (Vic) Pty Ltd | - | | 17,491,745 | 5.30 |

Notes:

1. Based on the total number of Existing Shares on issue as at the date of this Prospectus.
2. Assumes subscription of 75,000,000 Shares under the Equity Offer (and assumes Performance Shares or any Options are not converted into Shares).

6.16 ALLOCATION AND ALLOTMENT OF SHARES

The Directors will determine the allottee of all the Shares in their discretion. The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to the Company being satisfied that it will meet the requirements of Chapters 1 and 2 of the ASX Listing Rules, the allotment of Shares issued pursuant to the Equity Offer will occur as soon as practicable after the Closing Date. All Shares issued pursuant to the Equity Offer will rank *pari passu* in all respects with the Existing Shares of the Company. Statements of shareholdings will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

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

6.17 APPLICATION MONIES TO BE HELD IN TRUST

The Application Monies will be held in a separate bank account on behalf of Applicants until the Shares are allotted. If the Minimum Subscription is not achieved within three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no Shares will be allotted pursuant to this Prospectus. All interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

6.18 ASX LISTING

The Company's Securities have been suspended from Official Quotation from the time of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX confirms the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within seven days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of three months after the date of this Prospectus (or such other period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies for the Shares within the time prescribed by the Corporations Act, without interest.

Neither ASX nor ASIC nor their respective officers take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Securities offered under this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Securities offered under this Prospectus.

6.19 RESTRICTED SECURITIES

Pursuant to the Listing Rules, securities issued to promoters, seed capitalists and vendors of classified assets may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. At this stage it is expected that a total of 288,750,000 Shares on issue as at the completion of the Offers under this Prospectus are expected to be subject to the restricted securities provisions as follows:

- (a) 94,346,390 Shares and 26,000,000 Performance Shares issued to Vendors will be classified as restricted securities for a period of 12 months from the date of original issue of the IODM shares to which they relate under paragraph 4 of Appendix 9B of the Listing Rules;
- (b) 80,653,610 Shares and 49,000,000 Performance Shares issued to Vendors who are related parties and promoters of IODM will be classified as restricted securities for a period of 24 months from the date of Official Quotation of the securities of the Company under paragraph 3 of Appendix 9B of the Listing Rules;
- (c) 7,500,000 Performance Shares to be issued to the existing Director Mr Mark Reilly may be escrowed for a period of 24 months from the date of Official Quotation of the securities of the Company under paragraph 8 of Appendix 9B of the Listing Rules;

- (d) 31,250,000 Shares and 15,625,000 Noteholder Options to be issued to the IODM Noteholders will be escrowed for a period of 12 months from the date of issue of the Shares and Noteholder Options; and
- (e) 12,000,000 Broker Options to be issued to the Facilitator or its nominee will be escrowed for a period of 24 months from the date of Official Quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules.

ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares. The Company will announce to the ASX full details (number and duration) of the Shares required to be held in escrow prior to the Shares re-commencing trading on ASX.

6.20 CHESS AND ISSUER SPONSORSHIP

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have a sponsoring broker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The statement will also advise the holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

6.21 RISKS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 11. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.22 RESTRICTIONS ON DISTRIBUTION OF THIS PROSPECTUS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Securities offered pursuant to this Prospectus.

6.23 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use such personal information to assess Applications, to provide facilities and services to Shareholders, and to carry out various administrative functions.

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

Access to the personal information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws.

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

6.24 EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications during the Exposure Period. This Exposure Period may be extended by ASIC for a further seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. Preference will not be conferred upon Applications received during the Exposure Period.

6.25 ELECTRONIC PROPECTUS

This Prospectus is also available on the Company's website at www.paradigmmetals.com.au and IODM's website at www.iodm.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on (08) 9200 4482.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the Application Form, it was not provided together with the electronic version of this Prospectus and the relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6.26 WITHDRAWAL

The Directors may at any time decide to withdraw this Prospectus and the Equity Offer in which case the Company will return all Application Monies (without interest).

6.27 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

Questions relating to the Offers can be directed to the Company on (08) 9200 4482.

Questions relating to the completion of the Application Forms can be directed to the Share Registry on (08) 9324 2099.

7. COMPANY OVERVIEW

The information provided in this Section 6.22 is summary form only. Investors should read the remainder of this Prospectus which contains more detailed information before making a decision to invest in the Company.

7.1 OVERVIEW OF IODM

IODM is an unlisted privately owned business that owns and developed a cloud based automated debtor management solution.

Launched in late February 2015, IODM provides business a superior accounts receivables monitoring and collection management tool through a central cloud based platform. Hosted on an international platform, IODM caters for a broad spectrum of clients from SME's, corporate to the government sector. IODM also resides on third party commercial platforms such as Maestrano. Development of the IODM platform is complete and IODM is generating revenue, with all future funds raised to be allocated to the commercialisation of the business globally and continual improvements.

To access expansion capital, IODM entered into the IODM Share Sale Agreement with Paradigm Metals Limited in January 2016. This transaction was preceded with IODM issuing convertible notes pursuant to the IODM Convertible Note Deed to provide the necessary working capital to complete the due diligence for the IODM Share Sale Agreement and commencement of the commercialisation plan.

Resulting from the convertible notes raise, IODM has made strategic staff appointments to the technology, sales and marketing support capabilities of IODM. The IODM transaction will increase the speed to market in which IODM can capitalise on the existing client relationships and potential pipeline opportunities domestically and internationally..

7.2 WHAT DOES IODM DO?

IODM is an intuitive cloud base enterprise solution that automates the accounts receivables management process within a business, government agency or an industry association. IODM is a process flow that runs a 4 letter/email reminder procedure with SMS/TXT over a 28 day period. If the debt remains unpaid, IODM will automatically notify a nominated mercantile company that the debt is unpaid. The mercantile company will contact the client directly to negotiate payment options in the continuing pursuit of the debt. The application is compliance driven and gives the user full control over each action.

The competitive advantage IODM has over similar debt management software is:

- IODM is agnostic to the accounting package used. IODM's open source architecture allows all major accounting platforms to interface with the IODM platform;
- IODM provides automation to the follow-up of outstanding debtors, plus, compliance and procedure for businesses that typically have limited resources allocated to the collection of debtors;
- IODM is a debtor hub that controls and manages the parameters of the cash flow / debtor management cycle of a business;

- IODM has integrated the debt collection and legal representation within the system. Meaning, a user of the platform does not have to engage any other organisation as IODM provides access to a mercantile company within the service; and
- IODM solves a fundamental problem for all business in that IODM improves the velocity to cash for a business through improved work practices, systems, procedures and automated follow-up procedure.

7.3 ACCOUNTS RECEIVABLES - SITUATION ANALYSIS

Accounts receivables management is a large and growing global business and has a direct relationship to the activity within an economy.

In Australia, small business is carrying \$26 billion in outstanding invoices with an average amount owed to each small business at any one time of \$13,200, with more than a quarter forced to take out a loan to cover their own expenses. (Source: The Late Payments Study, Commissioned by PayPal and Intuit Australia, November 2015). This non payment of invoices flows into debt collections, with the Australian debt collection industry revenue at \$1.1 billion and forecast annualised growth of 3.2%. (source: Debt Collection Market Research Report, IBIS World, September 2015.).

The economic realities are confronting for business and the non payment of invoices is a global problem. Survey results conducted by Atradius Collections, a US based debt collector in 2014 found that 38% of the total business to business invoices issued on credit terms went unpaid by the due date.

How business deal with these unpaid invoices is detailed in the schedule below and is consistent to most western economies.



Source: Atradius Collections, Global Collections Review September 2014

The magnitude of the carry cost of accounts receivables is also widely misunderstood, particularly by the SME market. As debtor days “blow out”, the cost to the business multiplies significantly.

IODM provides a solution which will address how to manage debtors and where possible, reduce the potential for debtors to blow out.

7.4 TARGET MARKET & DRIVERS OF GROWTH

The principal target market and driver of growth for IODM is the SME market. This is based on the evidence that this sector having the most manual or least sophisticated approach to the management of their accounts receivables. This observation is driven by the SME

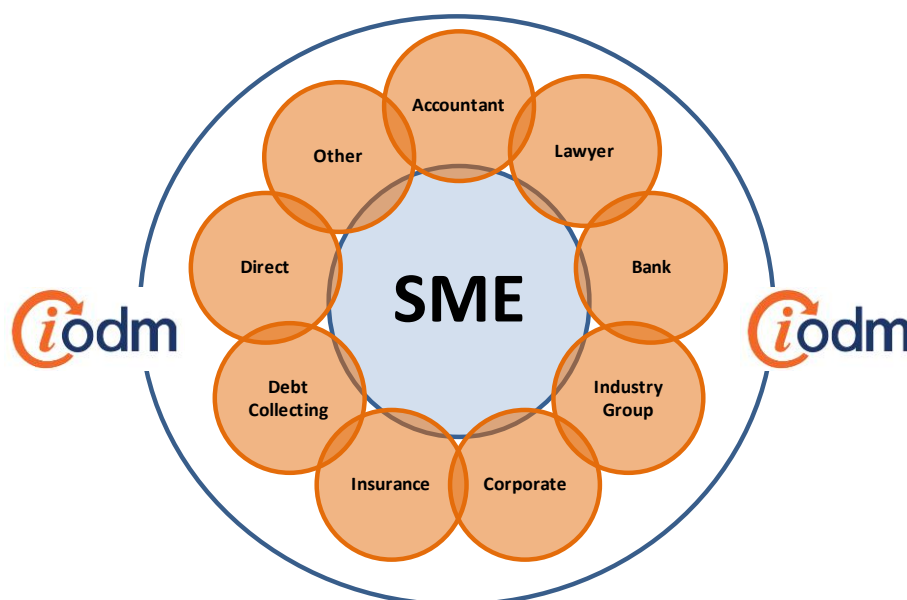
market having limited resources in time and money to allocate the following up of debtors with most SME's having an internal "ad hock" solution such as the receptionist calling the overdue account.

To support this statement, the Atradius Collections, Global Collections Review 2014 highlight 2 key points, firstly a significant number of invoices are sold off as they cannot be collected and or they do not have the time to follow-up with the outstanding debtor and secondly, 60% of organisations use internal collections resources exclusively. This implies poor internal compliance practices and organisations do not have the skills or procedures to follow up accounts receivables.

7.5 DISTRIBUTION STRATEGY

Effectively penetrating the target market to generate meaningful ongoing revenue can be an expensive and time consuming process. IODM has initiated an efficient distribution strategy via trusted advisors to SME's, such as accountants, banks, lawyers and insurance providers.

The schematic below details the "one to many approach" IODM's distribution strategy intakes.



IODM has contracts with multiple certified partners in Australia who will sell IODM's offering to their clients. In addition, IODM is in negotiation with the following:

- National and international advisory and consulting groups;
- National and international third party distribution platforms; and
- National and international financial services organisations.

By leveraging existing distribution relationships, IODM has the potential to accelerate sales growth whilst not requiring significant capital cost.

7.6 KEY STRENGTHS AND BENEFITS

IODM's key strengths and benefits are that the platform:

- Solves the real world problem of how a business manages its debtors and provides “Velocity to Cash”;
- Provides a new compliance standard or discipline for the management of debtors to businesses which may otherwise have only adhoc solutions;
- Commoditises an existing process generating a quantifiable business outcome and improved velocity to cash flow;
- Is generating revenue now from certified partners;
- Controls all the parameters of the debtor management cycle;
- Interfaces with all popular accounting packages; and
- Sits on various distribution platforms.

7.7 PRICING

IODM is Software as a Service (SaaS) and is charged monthly on a subscription basis with users typically paying via credit card. The standard subscription revenue pricing is scheduled below:

| Free Trial | Bronze | Silver | Gold | Platinum | Enterprise |
|----------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------|
| Any 2 invoices | \$30 | \$60 | \$110 | \$260 | Price on Application |
| | per month for 20 active invoices | per month for 50 active invoices | per month for 100 active invoices | per month for 250 active invoices | |

No annual contracts, price excludes GST.

7.8 IODM'S INTELLECTUAL PROPERTY

Copyright exists in all computer source and object code, manuals, databases and templates that relate to the IODM program and websites; all business and marketing materials and records; and other documents (in written form or computerised) that are used by IODM in its business. These copyright works have either been created by employees of IODM and are therefore owned by IODM, or created by contractors under contracts that assign all copyright to IODM. Copyright in reference or source material is retained by the original owner.

IODM has an unregistered trade mark for the word IODM and for the IODM logo. IODM is currently commencing the process to protect its trade mark in Australia and in selected other countries in which it trades, and in which protection is warranted.

IODM has started preliminary work relating to patenting of IODM processes and it is the intention of IODM to seek patent protection in Australian and targeted international markets.

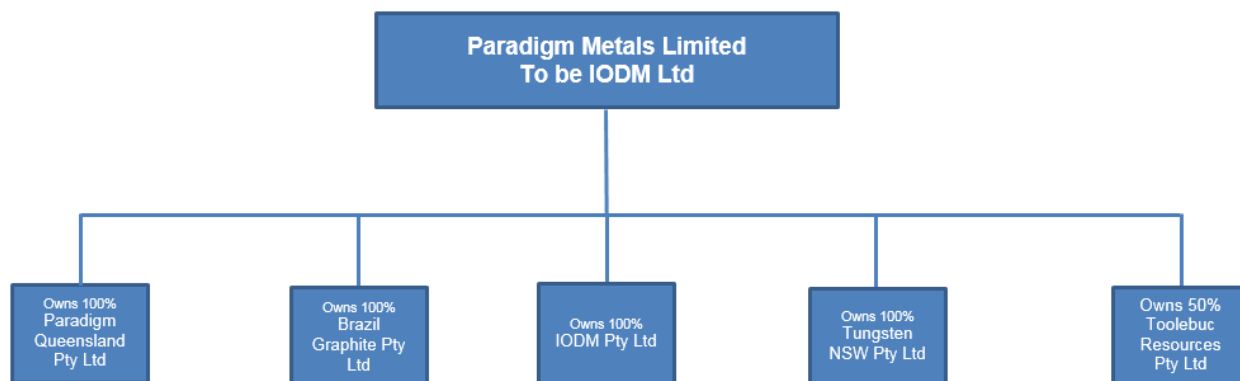
7.9 COMPANY BACKGROUND

On 29 December 2015 the Company announced that it had entered into binding and conditional terms sheet subject to signing a formal share sale and purchase agreement between the Company and the Vendors to acquire 100% of IODM.

On 29 January 2016 the Company entered into the Share Sale and Purchase Agreement and announced the completion of the preliminary due diligence condition. For further details regarding the IODM Share Sale Agreement please refer to Section 9.1.

7.10 CORPORATE STRUCTURE

Following completion of the Offers and the IODM Acquisition, the Company will control the IODM Business and the Company's corporate structure will be as follows:



7.11 OBJECTIVES AND STRATEGIES

The Company's main objectives in undertaking the Equity Offer are to:

- (a) assist the Company to meet the ASX requirements and re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- (b) raise funds to be applied towards the development and advancement of the IODM Business; and
- (c) provide funds for project generation, the assessment of further potential acquisitions, general working capital and costs and expenses of the Offers.

On completion of the Equity Offer, the Board believes that the Company will have sufficient working capital to achieve these objectives.

7.12 INFORMATION RELATING TO THE MINING SUBSIDIARIES

As at the date of this Prospectus the Company also holds shares in each of the Mining Subsidiaries as depicted above.

It is the Company's intention that Brazil Graphite Pty Ltd and Tungsten NSW Pty Ltd be deregistered in the short term future given that they not conducting any current operation and hold no assets.

Paradigm Queensland Pty Ltd is the registered holder of three mineral exploration licences in Queensland. The expenditure requirements under these licences is not material to the Company's strategy for IODM. Subject to market conditions, it is the Company's intention to divest its interests in Paradigm Queensland Pty Ltd at a future point in time when market

conditions are more favourable. It is also the Company's intention to divest its interest in Toolebuc Resources Pty Ltd in the future.

8. BOARD AND MANAGEMENT

The Directors of the Company collectively have significant experience in the technology, finance and corporate sectors. Brief summaries of the Directors' profiles are set out below.

8.1 COMPOSITION OF THE BOARD OF DIRECTORS FOLLOWING RE-ADMISSION

Upon completion of the IODM Acquisition the Board of the Company will be made up of:

- Damian Arena as Managing Director (Proposed Director);
- Michael Bugelly as Executive Director (Proposed Director);
- Mark Reilly as Non-Executive Chairman, and
- Earle Harper as Non-Executive Director.

8.2 EXISTING DIRECTORS

Mark Reilly | Non-Executive Chairman

Mr Reilly is a Chartered Accountant with over 20 years' experience in advisory work with extensive experience in the mining, banking and finance industries. Mr Reilly worked with Coopers & Lybrand in Perth before establishing his own accounting practice in 1997. Mr Reilly also has extensive experience in the mining, banking and finance industries in an advisory capacity.

Mr Reilly is a director of Forte Energy N.L (appointed 2 August 2004), Harvest Minerals Limited (appointed 3 July 2014) and Black Star Petroleum Limited (appointed 3 July 2014). Mr Reilly was a director of Ochre Group Holdings Limited (appointed 28 January 2014, resigned 29 December 2014). He has not held any other listed directorships over the past three years.

Nicholas Lindsay | Non-Executive Director

Dr. Lindsay has over 25 years' experience in the global mining industry, with focus on the technical and commercial assessment, and the development of new business opportunities in various commodities including copper, gold and iron ore in Australia, Former Soviet Union, South Africa and South America (Chile, Peru and Argentina). He has worked in both the major and junior mining sectors, and as an Independent Consultant based in Chile, a country with which he has a long association. He has a BSc Honours degree in Geology and an MBA from the University of Otago (New Zealand), and a PhD from the University of the Witwatersrand (South Africa).

Dr. Lindsay is a member of the Australian Institute of Geoscientists and the AusIMM. Dr. Lindsay's key experience is the recognition, assessment and management of new business opportunities in the copper, zinc, gold, titanium mineral sands, coal and iron ore sectors; including mergers and acquisitions, portfolio restructuring and disposals. Dr.Lindsay also has extensive experience with the commercial development of mineral properties.

Dr. Lindsay was a director of The Carajas Copper Company Limited (appointed 12 June 2009, resigned 1 October 2014), Castillo Copper Limited (appointed 31 May 2013, resigned 13 August 2015) and Antares Mining Limited (appointed 30 October 2014, resigned 12 August 2015). He has not held any other listed directorships in the past three years.

Dr Lindsay will resign following the appointment of the Proposed Directors.

Earle Harper | Non-Executive Director

Mr. Harper brings over 25 years of Corporate and Federal Government experience. Mr. Harper's previous roles include some 20 plus years in financial services including funds management, private banking and consulting roles. Between 2010 to 2013 Earle was a Senior Trade Adviser at the Australian Trade Commission providing guidance on market entry strategies for Australian companies in the financial services, ICT and renewable energy sectors.

In 2014 Mr. Harper successfully commercialised an ICT company cumulating in the back door listing on ASX. Since stepping down as CEO of this company, Mr. Harper is working with a number of Australian companies seeking to commercialise their value propositions globally. Sectors range from cloud technologies through to clean and renewable technology sectors.

8.3 PROPOSED DIRECTORS

Damian Arena | Managing Director & Founder

Damian is an accountant and has broad commercialised experience. Prior to IODM, Damian's experience includes the management of debt collection businesses, CEO of LP Gas 1, the largest LP Gas installer in the Southern Hemisphere where Damian managed the transaction to be sold to a publicly listed company on ASX.

In addition, Damian has been an investor and executive in a number of growth companies for a number of years, such companies include Noodle Box Group, Consolidated Collections, achieving corporate growth through a mixture of direct sales, franchising and channel partnering via his vast network in Australia and overseas.

Damian has a long history as an investor and executive in growth companies over 20 years.

Michael Bugelly | Executive Director

A Chartered Accountant who commenced his career with KPMG and has experience with Public companies in role of partner in charge of audit and corporate advice and has specialised in SME market etc. including providing advice on all stages of a business life cycle, business growth strategies, valuations, assisting with the purchase and sale of businesses and corporate restructuring.

Michael is a director of The Rufus Partnership (Vic) Pty Ltd, a corporate advisory firm specialising in assisting business owners maximise the value of their business, and a director of Business Impact Group Pty Ltd which consists of an ecosystem that has been formed specifically to increase business's EBIT and cashflow and maximise business value.

Michael has also been involved in the Not for Profit sector in regards to providing professional services re: corporate governance and investment guidelines and was a Director of Oz Child for 13 years. Michael has a Bachelor of Commerce (University of Melbourne) and is a Fellow of the Institute of Chartered Accountants

8.4 PROPOSED MANAGEMENT TEAM

Chris Rogers | Founder

Chris has over 30 years in the consulting IT industry. He has consulted at some of the largest European enterprises in the world. He has a very sound understanding of customer profiling, marketing segmentation and permission marketing.

He has developed a multimillion dollar professional services consultancy business in APAC from 2007 to 2009 and has also previously sold a high value IP in a trade sale to NASDAQ listed company in 2000.

Petrina Halsall | Company Secretary

A Chartered Accountant who commenced her career with KPMG and has experience with Public companies in audit and has specialised in SME market including providing advice on all stages of a business life cycle, business growth strategies, valuations, assisting with the purchase and sale of businesses and corporate restructuring.

Petrina is a director of The Rufus Partnership (Vic) Pty Ltd, a corporate advisory firm specialising in assisting business owners maximise the value of their business, and a director of Business Impact Group Pty Ltd which consists of an ecosystem that has been formed specifically to increase business's EBIT and cash flow and maximise business value. Petrina has a Bachelor of Business (Monash University) and is a Associate of the Institute of Chartered Accountants

Chris Ward | Technology Team Leader

Chris has over 19 years' experience in the software industry including Software Development Manager roles at RAC WA, Netfira Pty Ltd and Quickflix, and a Team Lead role at FTR Pty Ltd. He has a software development background including a Bachelor of Engineering degree, with honours, from University of Western Australia.

Chris has specialised in assisting young companies mature their IT capabilities through improving processes and establishing the best underlying infrastructure. He has experience managing business critical websites, and building cloud-based infrastructures to provide scalable, cost-effective platforms for future business growth.

During his time at FTR, the organisation became the dominate company in the digital court recording market both locally and in the USA. He was instrumental in FTR's successful application of two patents related to Digital Audio Recording.

Advisory Board

Wayne Schmidt | Advisor to the Board

Wayne has over 25 years experience in the accounting industry spearheading the Australian expansion for Xero, MYOB and Reckon (Intuit), Wayne is passionate about helping accounting practices to grow, embrace change and become more profitable. Based in Australia, and having worked with firms in the USA, UK and China, Wayne has a unique global understanding of accounting firms.

8.5 CORPORATE GOVERNANCE

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 8.5. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The following governance-related documents can be found on the Company's website at www.paradigmmetals.com.au under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Diversity Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communications Policy; and
- (i) Risk Management Policy.

Paradigm's approach to Corporate Governance

This statement explains how the Company addresses the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 3rd Edition' (referred to as either ASX Principles or Recommendations).

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – *A listed entity should disclose:*

- a) the respective roles and responsibilities of its board and management;*
- b) those matters expressly reserved to the board and those delegated to management.*

Role of the Board

The Board is responsible for the governance of the Company. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Constitution.

The Board's responsibilities are set out in a formal Board charter which the Board reviews every two years. The Board charter was most recently reviewed and amended in July 2015.

The major powers the Board has reserved to itself are:

- Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management

- and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

Delegation to the Executive Directors

The Board has delegated to the Executive Directors responsibility for implementing the Company's strategic direction and for managing the Company's day-to-day operations.

Recommendation 1.2 – *A listed entity should disclose:*

- a) undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director;*
- b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company does not have a Nomination Committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent annual general meeting. The notice of meeting for the annual general meeting provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

Recommendation 1.3 – *A listed entity should have a written agreement with each director and Executive setting out the terms of their appointment.*

New Directors consent to act as a director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Recommendation 1.4 – *The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

The Company's company secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the Managing Director. For any matter relevant to the company secretarial duties or conduct of the Board, the company secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

Recommendation 1.5 – *A listed entity should:*

- a) *have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- b) *disclose that policy or a summary of it; and*
- c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
 1. *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 2. *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Company has not disclosed its policy concerning diversity, its measurable objectives for achieving gender diversity and its progress towards achieving those objectives.

The Board continues to monitor diversity across the organisation. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.

The Company is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance performance. The Board has adopted an approach to diversity which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

In accordance with this approach, the Board provides the following information pertaining to the proportion of women across the organisation at the date of this Prospectus.

| | Actual | |
|-------------------------------------|--------|------------|
| | Number | Percentage |
| Women in the whole organisation | 1 | 25% |
| Women in senior executive positions | - | - |
| Women on the board | - | - |

Recommendation 1.6 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Evaluation of Board and individual Directors

The Board conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Company and its subsidiaries and hands on management style requires an increased level of interaction between Directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company given its size.

Recommendation 1.7 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board conducts its performance review of Executive Directors on an ongoing basis throughout the year. The small size of the Company and hands on management style requires an increased level of interaction between Executive Directors and Non-Executive Directors throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Principle 2: Structure the Board to add value

The Constitution provides for a minimum of three Directors and a maximum of twelve.

The Directors are listed with a brief description of their qualifications, appointment date, experience and special responsibilities in the Company's annual report each year.

Recommendation 2.1 – *The Board of a listed entity should:*

- a) *have a nomination committee which:*
 1. *Has at least three members, a majority of whom are independent directors; and*
 2. *Is chaired by an independent director;**and disclose:*
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period, the number of times the*

- committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

The Company does not have a Nomination Committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.2 – *The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Company does not have an established board skills matrix on the mix of skills and diversity for Board membership.

The Board continues to monitor the mix of skills and diversity on the Board. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set matrix on the mix of skills and diversity for Board membership.

The skills, experience and expertise of each Director in office at the date of the annual report will be included in the directors' report in the Company's annual report.

Recommendation 2.3 – *A listed entity should disclose:*

- a) *the names of the directors considered by the board to be independent directors;*
- b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and*
- c) *the length of service of each director.*

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

“An Independent Director is a Director who is not a member of management, is a Non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;*

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

In accordance with the definition of independence above, the Board considers that following completion of the Offers two of the Directors will be independent. Accordingly, a majority of the board is not independent.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense. The term in office held by each Director in office at the date of this Prospectus is as follows:

| Name | Term in office |
|----------------------|-----------------------|
| Mr. Mark Reilly | 6 months |
| Mr. Earle Harper | 1 month |
| Dr. Nicholas Lindsay | 1.5 years |

Recommendation 2.4 – *The majority of the Board of a listed entity should be independent Directors.*

The Company has a majority of independent directors. The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.

Recommendation 2.5 – *The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.*

Under the Constitution, the Board elects a Chair.

The Company's Chairman, Mark Reilly is considered an independent Director.

Recommendation 2.6 – *The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;

- The roles and responsibilities of the CEO or Managing Director (as the case may be); and
- The Company’s financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – *A listed entity should:*

- a) *have a code of conduct for its directors, senior executives and employees; and*
- b) *disclose that code or a summary of it.*

The Company has a Code of Conduct that applies to the Company and its Directors, employees and contractors (all of which are referred to as “employees” in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which are set out under the following headings:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new Company employees.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 – *A board of a listed entity should:*

- a) *have an audit committee which:*
 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 2. *is chaired by an independent director, who is not the chair of the board,**and disclose:*

3. *the charter of the committee;*
 4. *the relevant qualifications and experience of the members of the committee; and*
 5. *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.

Charter of the Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Company.

Recommendation 4.2 – *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Managing Director will provide the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 – *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The external auditor attends the Company's annual general meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to

the Company at least five business days before the day of the meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by the Company and the independence of the auditor.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – *A listed entity should:*

- a) *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- b) *disclose that policy or a summary of it.*

Disclosure

The Company's Disclosure Policy describes the Company's continuous disclosure obligations and how they are managed by the Company.

Accountability

The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available in the media centre on the Company website.

Financial market communications

Communication with ASX is the responsibility of the Chairman and the Managing Director. Communication with the media is the responsibility of the Chairman and the Managing Director. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to the Company's future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – *A listed entity should provide information about itself and its governance to investors via its website.*

As at the date of this Prospectus the Company's website at www.paradigmmetals.com.au has not yet been updated to include detailed information about its business and operations. However following completion of the offers and the change of the Company's name to IODM Limited, the Company intends on uploading information about the Company and its governance on the IODM website at <http://www.iodm.com.au/>.

Recommendation 6.2 – *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company is committed to communicating effectively with its Shareholders and making it easier for Shareholders to communicate with the Company.

The Company promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the annual report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Recommendation 6.3 – *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of meeting sent to the Company's shareholders comply with the "Guidelines for notices of meeting" issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages shareholders at the meeting to ask questions and make comments about the Company's operations and the performance of the Board and senior management. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

Recommendation 6.4 – *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by e-mail. The Company provides a printed copy of the annual report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the annual report is available on the Company website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Share Registry with an email address and elects to be notified of all the Company's ASX announcements.

The share register is managed and maintained by Automic Share Registry Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Automic Share Registry InvestorOnline Login or by emailing info@automic.com.

Principle 7: Recognise and manage risk

Recommendation 7.1 – *A board of a listed entity should:*

- a) *have a committee or committees to oversee risk, each of which:*
 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 2. *is chaired by an independent director, who is not the chair of the board,*
and disclose:
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

Recommendation 7.2 – *The board or a committee of the board should:*

- a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- b) *disclose, in relation to each reporting period, whether such a review has taken place.*

Risk Management Policies

The Company has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

- Directors and Executive Offices' Code of Conduct
- Code of Business Conduct
- Dealing in Company Securities
- Communications Strategy
- Disclosure Policy
- Risk Management and Internal Control Policy

Roles and responsibilities

The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated

to the Board.

The Board is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that the Company has a sound system of risk management and internal control that is operating effectively. The Board annually reviews and approves the Company's main risk exposures and the actions being taken to mitigate those risks.

Recommendation 7.3 – *A listed entity should disclose:*

- a) *If it has an internal audit function, how the function is structured and what role it performs; or*
- b) *If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Company does not have an established internal audit function given the size of its function. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

Recommendation 7.4 – *A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board informally monitors and manages the Company's exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Company.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – *A board of a listed entity should:*

- a) *have a remuneration committee which:*
 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 2. *is chaired by an independent director,*
and disclose:
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the

Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Recommendation 8.2 – *A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company's remuneration structure distinguishes between non-executive Directors and that of the Managing Director. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the directors' report in the annual report each year.

Recommendation 8.3 – *A listed entity which has an equity-based remuneration scheme should:*

- a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- b) disclose that policy or a summary of it.*

The Company does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Company does not have an equity based remuneration scheme.

9. MATERIAL CONTRACTS - IODM

Set out below is a summary of the contracts to which IODM is a party that may be material or otherwise may be relevant to a potential investor in the Company. The whole of the provisions of the contracts are not repeated in this Prospectus and any potential investor who wishes to gain a full knowledge of the content of the contracts should inspect the same at the registered office of the Company.

9.1 IODM SHARE SALE AGREEMENT

On or about 29 January 2016, the Company entered into a share sale and purchase agreement, as varied by Deed of Variation dated on or around 11 March 2016, with the shareholders of IODM to acquire 100% of the issued capital in IODM. Set out below is a summary of the key terms of the IODM Share Sale Agreement:

- (i) **(Consideration)**: On completion of the IODM Acquisition, the Company will:
 - (A) issue 175,000,000 post-consolidation Shares to the Vendors (or their nominees) at a deemed issue price of \$0.04; and
 - (B) issue 75,000,000 Performance Shares to the Vendors and 7,500,000 to existing director Mr Mark Reilly (or his nominee) .

- (ii) **(IODM Convertible Note Deed)**: prior to completion of the acquisition, IODM and the Vendors must use their best endeavours to procure that the IODM Noteholders release IODM from all obligations under the IODM Convertible Note Deed in consideration for the Company issuing the IODM Noteholders such number of Shares and IODM Noteholder Options as they are entitled to under the IODM Convertible Note Deed;

- (iii) **(Conditions Precedent)**: the IODM Share Sale Agreement is subject to and conditional upon a number of conditions precedent which must be satisfied or waived on or before 29 April 2016 (or such other date as agreed by the parties in writing).

The conditions precedent that currently remain unsatisfied are as follows:

- (A) completion of the consolidation of shares;

- (B) the Company successfully completing a capital raising an amount that ASX requires for the purpose of the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules;

- (C) the Company obtaining all necessary Shareholder approval or third party approvals or consents to allow the Company to complete the acquisition;

- (D) the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules;

- (E) IODM providing audited accounts for the past 3 financial years (or such other period as required by ASIC) for the purposes of the Company complying with (D) above; and
- (F) the Company entering into an appointment agreement with Mr Mark Reilly setting out his future role with the Company in consideration for which he will receive either:
 - (1) subject to obtaining Shareholder approval, the issue of Performance Shares; or
 - (2) in the event Shareholder approval is not provided, alternative consideration (which will be comparable to the Performance Shares).
- (iv) **(Termination before Completion):** Any party may, by not less than 2 business days' notice to the others, terminate the IODM Share Sale Agreement at any time before Completion if:
 - (A) any of the conditions are not satisfied, or waived, by on or before 5:00pm (WST) on 29 April 2016 (or such other date as mutually agreed between the parties); or
 - (B) any of the conditions become incapable of satisfaction or the parties agree that any of the conditions cannot be satisfied;
- (v) **(Completion):** Completion of the acquisition will occur on that date which is five business days after satisfaction (or waiver) of all conditions (or such other date as is agreed between the parties);
- (vi) **(Board Composition):** Upon completion of the acquisition:
 - (A) existing Director Mr Mark Reilly will become a Non-Executive Chairman;
 - (B) existing Director Mr Earle Harper will remain as a Non-Executive Director;
 - (C) existing Director, Dr Nicholas Lindsay will retire as a Director of the Company;
 - (D) Mr Damien Arena will be appointed as Managing Director of the Company;
 - (E) Mr Michael Bugelly will be appointed as an Executive Director of the Company; and
 - (F) IODM may nominate one additional person as a Non-Executive Director of the Company.
- (vii) **(Representations and Warranties):** the Vendors make representations and warranties to the Company in relation to IODM which are customary for an

agreement of this nature.

9.2 LODGE CORPORATE PTY LTD MANDATE

IODM is party to an agreement dated 17 November 2015 with Lodge Corporate Pty Ltd (ABN 50 125 323 168) (**Lodge Corporate**), authorised representative of Lodge Partners Pty Ltd (AFSL No. 246271), pursuant to which IODM appoints Lodge Corporate as lead manager in facilitating IODM's fund raising objectives and carrying out certain corporate advisory actions (**Lodge Corporate Mandate**).

Specifically, Lodge Corporate is appointed to assist IODM in:

- undertaking a pre listing capital raise of \$750,000 which may take the form of a convertible note or like security (**Pre-Listing Raise**);
- undertaking a capital raising of up to \$3,000,000 which may be a further private round or a public raising in conjunction with an initial public offering or a reverse takeover (**Capital Raising**); and
- undertaking any other capital raising offers as required.

Fees:

Under the Lodge Corporate Mandate, IODM agrees to pay the following fees (exclusive of GST) to Lodge Corporate, subject to an agreed cap as set out below:

- **Monthly retainer fee:** a fee of \$12,500 per month, from the date of completion of the Pre-Listing Raise to completion of a listing, payable in advance.
- **Completion fee:** At completion, Lodge Corporate is entitled to receive 12,000,000 broker options on a post consolidation basis, exercisable at 4 cents.
- **Management fee:** an offer management fee of 2% of the amount of cash, funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments accepted by IODM, payable by way of a deduction from the gross amount raised (ex GST) from the placement.
- **Selling Fee:** a selling fee equivalent to 5% of the amount of cash funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments accepted by the Company, payable by way of a deduction from the gross amount raised (ex GST) from the Placement.
- **Reverse Takeover Fee:** a fee of 5% of the amount of cash funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments received by the shareholders of IODM for the sale of the business to another entity to obtain listing.
- **Trade sale fee:** a fee of 5% of the amount of cash funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments received by IODM for the sale of part or all of the business by another party, payable on the settlement date of the sale.

The Lodge Corporate Mandate also provides that IODM is to reimburse Lodge Corporate for all reasonable out-of-pocket expenses (including applicable GST) incurred by Lodge Corporate in connection with the Lodge Corporate Mandate.

Lodge Corporate has agreed with IODM and the Company to cap its corporate advisory success fee at \$300,000 (excluding GST) for the services provided in connection with the acquisition by the Company of IODM and the Company raising \$3 million under this Prospectus.

Ongoing Engagement

Subject to the successful completion of a listing, IODM has agreed to continue Lodge Corporate's engagement to provide equity capital markets services for a minimum period of 12 months commencing from the date of completion.

In the event Lodge Corporate remains engaged to provide equity capital markets services, IODM will be liable to pay Lodge Corporate:

- **Professional fees** - \$5,000 monthly (plus GST) payable in advance;
- **Capital arranging and management fees** – where an equity capital raising is concluded, a selling fee of 4% and an offer management fee of 2% of the amount of cash funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments accepted by IODM.

Representations, warranties and indemnities

The Company makes numerous representations and warranties to Lodge Corporate pursuant to the Lodge Corporate Mandate, including that IODM will:

- disclose all material information to Lodge Corporate in relation to IODM and none of that information is or will be inaccurate or false or misleading or deceptive; and
- ensure it has procedures in place to ensure continued compliance with the requirements of all applicable Australian Laws and the listing rules.

IODM also provides a broad indemnity to Lodge Corporate and its Related Bodies Corporate, including an indemnity against all liabilities in connection with the Lodge Corporate Mandate and all losses incurred directly or indirectly as a result of:

- non-compliance by IODM or its officers with any applicable laws, regulations or rules, including the Corporations Act and the Listing Rules; and
- any document sent by or on behalf of the Company including to ASIC and ASX.

Termination

Either Lodge Corporate or IODM may terminate the Lodge Corporate Mandate by written notice at any time. Where the Lodge Corporate Mandate is terminated by written notice, Lodge Corporate will be entitled to the reimbursement of any incurred or accrued expenses.

Assumption of Liability by the Company

Subject to the Company raising a minimum of \$3 million under this Prospectus within 4 months of lodgement with ASIC, the Company has agreed to be bound by the terms of the Lodge Corporate Mandate and assume the liability of IODM under the Lodge Corporate Mandate.

9.3 IODM CONVERTIBLE NOTE DEED AND GENERAL SECURITY DEED

On the 22nd December 2015, IODM entered into a Secured Note Deed with 30 noteholders (**IODM Convertible Note Deed**). The convertible notes issued pursuant to the terms of the IODM Convertible Note Deed (**IODM Notes**) facilitated the raise of \$750,000 from "sophisticated investors", as defined by the Corporations Act. These funds received by IODM from the issue of IODM Notes was used to provide the necessary working capital for business development and corporate activities associated with the IODM Acquisition.

Pursuant to the terms of the IODM Convertible Note Deed:

- IODM is required to enter into a General Security Deed Poll, pursuant to which, IODM grants to each IODM Noteholder a charge over all IODM's present and after-acquired property to secure the repayment of monies to each noteholder; and
- IODM Notes will mature on 31st December 2017 (or earlier on the occurrence of an event of default) with a coupon rate of 12% per annum accruing from 31 May 2016.

If IODM proposes to undertake a merger transaction with a listed entity other than the Company, then the conversion price and uplift factor shall be negotiated in good faith and agreed by IODM and the IODM Noteholders prior to the entry by IODM into a binding merger agreement with the listed entity. If no such agreement is reached, IODM will not enter into the merger transaction.

If a merger transaction is to take place with the Company as the listed entity, then the principal (**Face Value**) of the IODM Notes and accrued but unpaid interest relating to those IODM Notes (**Outstanding Interest**) will automatically convert into that number of ordinary shares calculated as follows:

For conversion on or before 31 May 2016

$$N = \frac{\text{(Face Value plus Outstanding Interest) multiplied by 1.667}}{\text{Conversion Price}}$$

For conversion after the 31 May 2016

$$N = \frac{\text{(Face Value plus Outstanding Interest) multiplied by 2.00}}{\text{Conversion Price}}$$

9.4 OTHER MAJOR CONTRACT(S)

IODM has a number of major contracts details of which are commercial in confidence. These contracts all relate to the sales distribution of IODM's services which include the following contracts:

- **Cloud Application Provider Agreement with Maestrano Pty Ltd (ACN 152 564 424) (Maestrano)**

IODM and Maestrano are parties to a Cloud Application Provider Agreement dated 16 June 2015, pursuant to which, Maestrano is appointed to market IODM's business software applications via the Maestrano system. The agreement commenced on 16 June 2015 and either party may give written notice of termination at any time and for any reason.

Pursuant to the terms of the agreement, Maestrano will pay IODM a royalty fee calculated on revenue generated by the sale of the IODM software on Maestrano's platform.

- **Heads of Agreement with Institute of Public Accountants (IPA)**

IODM and IPA are parties to a Heads of Agreement, pursuant to which, IODM appoints IPA to promote the IODM system to IPA members. The term of the agreement is for 5 years which commenced on 1 February 2016 with an automatic rollover into further terms each of 5 years.

10. INVESTIGATING ACCOUNTANT'S REPORT



PARADIGM METALS LIMITED Investigating Accountant's Report

31 March 2016

01 April 2016

The Directors
Paradigm Metals Limited
Level 1
330 Churchill Avenue
SUBIACO WA 6008

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('**BDO**') has been engaged by Paradigm Metals Limited ('**Paradigm**' or '**the Company**') to prepare this Investigating Accountant's Report ('**Report**') in relation to certain financial information of Paradigm, for inclusion in the Prospectus. The Prospectus is required under Australian Securities Exchange ('**ASX**') requirements for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, as a result of the Company entering into an agreement to acquire IODM Pty Ltd ('**IODM**') ('**the Acquisition**').

Broadly, the Prospectus will offer 75 million Shares at an issue price of \$0.04 each to raise \$3,000,000 before costs ('**the Offer**').

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('**BDO**') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required

by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Paradigm included in the Prospectus:

- the reviewed historical Statement(s) of Profit or Loss and Other Comprehensive Income for Paradigm for the half year ended 31 December 2015;
- the reviewed historical Statement of Financial Position for Paradigm as at 31 December 2015;
- the audited historical statement of financial position for IODM as at 31 December 2015; and
- the audited historical Statements of Profit or Loss and Other Comprehensive Income for IODM for the period ended 31 December 2015.

The Historical Financial Information of Paradigm has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Paradigm for the half year ended 31 December, which was reviewed by Paradigm's auditor in accordance with the Australian Auditing Standards. Paradigm's auditor issued an unmodified audit opinion on the financial report.

The Historical Financial Information of IODM has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards ("IFRS") and the company's adopted accounting policies. The Historical Financial Information has been extracted with adjustments from the financial report of IODM for the year ended 31 December 2015, which was audited by Cranage Partners in accordance with the Australian Auditing Standards and issued an unmodified audit opinion on the financial report. The adjustments made for the pro forma are immaterial except for the de-recognition of goodwill which is not in accordance with the accounting policies of the group.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of Paradigm included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2015.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Paradigm, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Paradigm to illustrate the impact of the event(s) or transaction(s) described in Section 6 and Section 7 of the Report on Paradigm's financial position as at 31 December 2015. As part of this process, information about

Paradigm and IODM's financial position has been extracted by Paradigm from Paradigm and IODM's financial statements for the period ended 31 December 2015.

3. Directors' responsibility

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

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of Paradigm for the period ended 31 December 2015;
- the Statement of Financial Position of Paradigm as at 31 December 2015;
- the Statement of Profit or Loss and Other Comprehensive Income of IODM for the period ended 31 December 2015; and
- the Statement of Financial Position of IODM as at 31 December 2015,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma Historical Statement of Financial Position of Paradigm as at 31 December 2015,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of Paradigm have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2015, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 75 million Shares at an offer price of \$0.04 each to raise \$3 million before costs pursuant to the Prospectus,
- Cash costs of the Offer are estimated to be \$569,865 which are to be offset against the contributed equity;
- Receipt of a further \$206,600 funds from convertible notes drawdown by IODM;
- The issue of 175 million Consideration shares and 75 million Performance Shares (the terms of which are set out in Section 12.2 of the Prospectus)
- The issue of 7.5 million Performance shares to Directors (the terms of which are set out in Section 12.2 of the Prospectus). 375,000 Class C Performance Shares have vested and have been expensed as a share based payment;
- The issue of 12 million broker options as a facilitation fee which has been offset against contributed equity; and
- The issue of 31.25 million ordinary fully paid shares and 15.625 million options under the Noteholder offer these securities have a value of \$1,250,000 resulting in a settlement expense of \$500,000.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the capital raising other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1
PARADIGM LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Statement of Profit or Loss and Comprehensive Income | Reviewed 31-Dec-15 \$ |
|--|-----------------------------|
| Revenue | |
| Other income | 759 |
| Expenses | |
| Listing and public company expenses | (30,177) |
| Accounting and audit expenses | (59,506) |
| Consulting and directors' fees | (95,289) |
| Occupancy expenses | (30,000) |
| Depreciation | (280) |
| Employment benefit expenses | (64,618) |
| Loss on disposal of exploration asset | (586,841) |
| Impairment of exploration expenditure | (304,752) |
| Other expenses | (31,135) |
| Loss before income tax | <u>(1,201,839)</u> |
| Income tax expense | - |
| Loss after income tax | <u>(1,201,839)</u> |
| Other comprehensive income | |
| Foreign currency translation | <u>13,536</u> |
| Total comprehensive loss for the half year | <u>(1,188,303)</u> |

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2
PARADIGM LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION

| Statement of financial position | Note | Paradigm Reviewed as at 31-Dec-15 \$ | IODM Audited as at 31-Dec-15 \$ | Pro forma adjustments \$ | Pro forma \$ |
|---|------|---|--|--------------------------------|------------------|
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 2 | 246,698 | 309,293 | 2,636,735 | 3,192,726 |
| Trade and other receivables | | 11,012 | 19,310 | - | 30,322 |
| Prepayments | | 6,171 | - | - | 6,171 |
| TOTAL CURRENT ASSETS | | 263,881 | 328,603 | 2,636,735 | 3,229,219 |
| NON-CURRENT ASSETS | | | | | |
| Property plant and equipment | | 463 | - | - | 463 |
| Deferred exploration and evaluation expenditure | | 100,000 | - | - | 100,000 |
| Other receivables | | 7,500 | - | - | 7,500 |
| Intangibles | 3 | - | 43,988 | (43,988) | - |
| TOTAL NON-CURRENT ASSETS | | 107,963 | 43,988 | (43,988) | 107,963 |
| TOTAL ASSETS | | 371,844 | 372,591 | 2,592,747 | 3,337,182 |
| CURRENT LIABILITIES | | | | | |
| Trade and other creditors | | 106,955 | 13,383 | - | 120,338 |
| Other current liabilities | | 76,765 | - | - | 76,765 |
| Provisions | | 5,000 | - | - | 5,000 |
| Convertible notes | 4 | - | 543,400 | (543,400) | - |
| TOTAL CURRENT LIABILITIES | | 188,720 | 556,783 | (543,400) | 202,103 |
| TOTAL LIABILITIES | | 188,720 | 556,783 | (543,400) | 202,103 |
| NET ASSETS | | 183,124 | (184,192) | 3,136,147 | 3,135,079 |
| EQUITY | | | | | |
| Issued capital | 5 | 14,044,005 | 1,124 | (8,626,968) | 5,418,161 |
| Retained earnings | 6 | (13,972,840) | (185,316) | 11,397,502 | (2,760,654) |
| Other reserves | 7 | 111,959 | - | 365,613 | 477,572 |
| TOTAL EQUITY | | 183,124 | (184,192) | 3,136,147 | 3,135,079 |

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 3
PARADIGM LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Going Concern

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

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

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

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

a) Revenue recognition

Revenue is recognised and measured at the amount received or receivables to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Services

Revenue is recognised as the services are rendered in accordance with the terms and conditions of the contract.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset) to the net carrying amount of the financial asset.

b) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

c) Goods and services tax (GST)

Revenues, expenses and assets (other than receivables) are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

d) Plant and equipment

Cost

Plant and equipment is stated at cost less any accumulated depreciation and any impairment losses. The cost of an item of plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciation is provided on a straight-line basis on all plant and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

e) Impairment of non-financial assets

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

f) Trade and other receivables

All trade and other receivables are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the receivable.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Allowance for doubtful debts are made based on an assessment made by directors on the recoverability of receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

g) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale assets. The classification depends on the purpose for which the investments were acquired.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date, ie the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

i. Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial

assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

ii. **Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

iii. **Available-for-sale investments**

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the two preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance date.

h) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

i) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates expected to be paid when the liability is settled. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to high quality corporate bonds that have terms to maturity approximating the terms of the related liability are used.

j) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the proceeds received.

m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

n) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of available-for-sale assets

The Company holds a number of available-for-sale financial assets and follows the requirements of *AASB 139 Financial Instruments: Recognition and Measurement* in determining when an available-for-sale asset is impaired.

In making these estimates of assumptions the Company assessed the duration and extent to which the fair value is less than cost.

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

| | Reviewed 31-Dec-15 \$ | Pro-forma after Offer \$ |
|---|-----------------------------|--------------------------------|
| NOTE 2. CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents | 246,698 | 3,192,726 |
| <i>Adjustments to arise at the pro-forma balance:</i> | | |
| Reviewed balance of Paradigm at 31 December 2015 | | 246,698 |
| <i>Pro-forma adjustments:</i> | | |
| Acquisition of IODM | | 309,293 |
| Additional draw down of Convertible notes | | 206,600 |
| Proceeds from shares issued under this Prospectus | | 3,000,000 |
| Costs of the Offer | | (569,865) |
| Pro-forma Balance | | 3,192,726 |

| | Reviewed 31-Dec-15 \$ | Pro-forma after Offer \$ |
|--|-----------------------------|--------------------------------|
| NOTE 3. INTANGIBLES | | |
| Intangibles | - | - |
| <i>Adjustments to arise at the pro-forma balance:</i> | | |
| Reviewed balance of Paradigm at 31 December 2015 | | - |
| <i>Pro-forma adjustments:</i> | | |
| Acquisition of IODM | | 43,988 |
| Write off of intangible in accordance with the Group accounting policies | | (43,988) |
| Pro-forma Balance | | - |

| NOTE 4. CONVERTIBLE NOTES | Reviewed 31-Dec-15 \$ | Pro-forma after Offer \$ |
|---|-----------------------------|--------------------------------|
| Convertible Notes | - | - |
| <i>Adjustments to arise at the pro-forma balance:</i> | | |
| Reviewed balance of Paradigm at 31 December 2015 | | - |
| <i>Pro-forma adjustments:</i> | | |
| Acquisition of IODM | | 543,400 |
| Additional draw down of Convertible notes | | 206,600 |
| Redemption of the Convertible Notes under the IODM acquisition agreement | | (750,000) |
| Pro-forma Balance | | - |

| NOTE 5. ISSUED CAPITAL | Reviewed 31-Dec-15 \$ | Pro-forma after Offer \$ |
|--|-----------------------------|--------------------------------|
| Issued and fully paid shares | 14,044,005 | 5,418,161 |
| | Number of shares | \$ |
| <i>Adjustments to arise at the pro-forma balance:</i> | | |
| Fully paid ordinary share capital at 31 December (post consolidation) | 48,648,164 | 14,044,005 |
| <i>Pro-forma adjustments:</i> | | |
| <i>Elimination of Paradigm upon reverse acquisition</i> | | - (14,044,005) |
| <i>Share capital of IODM</i> | | - 1,124 |
| Issue of ordinary shares to acquire IODM | 175,000,000 | 1,945,926 |
| Vesting of Performance shares to acquire IODM (Class C) | 3,750,000 | - |
| Vesting of Performance shares to Directors (Class C) | 1,250,000 | 15,000 |
| Shares issued under the noteholder offer | 31,250,000 | 1,250,000 |
| | 211,250,000 | 3,212,050 |
| Shares issued under this Prospectus | 75,000,000 | 3,000,000 |
| Costs of the Offer | | - (569,865) |
| Issue of facilitation options (non cash cost of the offer) | | - (224,024) |
| | 75,000,000 | 2,206,111 |
| Pro-forma Balance | 334,898,164 | 5,418,161 |

A summary of the details with respect to the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 31 December 2015, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the acquisition, Paradigm acquires all the shares in IODM by issuing a total of 175 million Ordinary Shares and 75 million Performance Shares which will convert to Ordinary Shares when certain milestones are met (as disclosed in the Prospectus).

The IODM Vendors will obtain a controlling interest in Paradigm, equating to a controlling interest in the combined entity following the Acquisition. IODM has thus been deemed the acquirer for accounting purposes. The acquisition of Paradigm by IODM is not deemed to be a business combination, as Paradigm is not considered to be a business under *AASB 3 Business Combinations*.

As such the consolidation of these two companies is on the basis of the continuation of IODM with no fair value adjustments, whereby IODM is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under *AASB 2 Share Based Payments*, whereby IODM is deemed to have issued shares to Paradigm shareholders in exchange for the net assets held by Paradigm.

In this instance, the value of the Paradigm shares provided has been determined as the notional number of equity instruments that the shareholders of IODM would have had to issue to Paradigm to give the owners of Paradigm the same percentage ownership in the combined entity. We have deemed this to be \$1,945,926 based on a share price for Paradigm of \$0.04.

The pre-acquisition equity balances of Paradigm are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of Paradigm, being \$1,762,802, and is treated as a share based payment. The net assets acquired are \$183,124.

| NOTE 6. RETAINED EARNINGS | Reviewed 31-Dec-15 | after Offer \$ |
|--|-----------------------|-------------------|
| Retained earnings | (13,972,840) | (2,760,654) |
| Reviewed balance of Paradigm at 31 December 2015 | | (13,972,840) |
| <i>Pro-forma adjustments:</i> | | |
| Elimination of Paradigm upon reverse acquisition | | 13,972,840 |
| Acquisition of IODM | | (185,316) |
| Write off of intangible in accordance with the Group accounting policies | | (43,988) |
| Vesting of Performance shares to Directors (Class C) | | (15,000) |
| Cost of settlement of convertible note | | (500,000) |
| Issue of options under the Noteholder offer | | (253,548) |
| Cost of listing expense | | (1,762,802) |
| Pro-forma Balance | | (2,760,654) |

| NOTE 7. OTHER RESERVES | Reviewed 31-Dec-15 \$ | Pro-forma after Offer \$ |
|---|-----------------------------|--------------------------------|
| Other Reserves | 111,959 | 477,572 |
| <i>Adjustments to arise at the pro-forma balance:</i> | | |
| Reviewed balance of Paradigm at 31 December 2015 | | 111,959 |
| <i>Pro-forma adjustments:</i> | | |
| Issue of facilitation options | | 224,024 |
| Issue of Noteholder options | | 253,548 |
| Elimination of Paradigm pre acquisition losses | | (111,959) |
| Pro-forma Balance | | 477,572 |

The Black Scholes valuation methodology has been used to value the options issued with the key inputs being:

- Life of 3 years
- Underlying share price \$0.04
- Exercise price \$0.04 for Noteholder options \$0.05 for facilitation options
- Risk free rate 1.85%
- Volatility 120%

NOTE 8: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 9: COMMITMENTS AND CONTINGENCIES

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

APPENDIX 4
IODM
HISTORICAL FINANCIAL INFORMATION

IODM PTY LTD
ACN 605 978 247

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

| | Note | 2015 \$ |
|--|------|------------------|
| Income | | |
| Revenue | | 10,145 |
| Expenditure | | |
| Consultancy expenses | | (163,574) |
| Freight and courier | | (430) |
| Other expenses | | (31,457) |
| | | <u>(185,316)</u> |
| Loss for the period | | <u>(185,316)</u> |
| Retained earnings at the beginning of the financial period | | - |
| Loss | | <u>(185,316)</u> |

11. RISK FACTORS

11.1 INTRODUCTION

As with any share investment, there are risks involved. There are specific risks, which relate to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. This Section 11 identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisors before deciding whether to apply for Shares.

The risks outlined below are provided on the basis that the Company completes the IODM Acquisition.

The Securities offered under this Prospectus are considered highly speculative.

11.2 CHANGE IN NATURE AND SCALE OF ACTIVITIES AND CONDITIONALITY OF OFFERS

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company has been suspended from Official Quotation since the close of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX confirming the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX. In the event that the conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received (without interest).

11.3 IODM SHARE SALE AGREEMENT

The Company has entered into the IODM Share Sale Agreement pursuant to which the Vendors agreed to sell and the Company agreed to acquire 100% of the issued capital of IODM. (Please refer to Section 9.1 for a summary of the material terms of the IODM Share Sale Agreement.)

Completion of the IODM Share Sale Agreement is conditional on the satisfaction of a number of conditions precedent. (Please refer to Section 9.1 for further details.) There is a risk that the Company may not be able to meet all the conditions precedent outlined in IODM Share Sale Agreement. In the event that these conditions precedent and the conditions precedent to completion of IODM Acquisition are not met or waived then the Company will not proceed with the Offers and will repay all Application Monies (without interest).

11.4 SPECIFIC RISKS RELATING TO THE IODM BUSINESS

The risk factors described in this Section 11.4 are both specific to the cloud based debt management system and also relate to the general business and economic environment in which the Company will operate upon completion of the IODM Acquisition.

(a) **Commercialisation Risk**

IODM has commenced the commercialisation of its service and has achieved success in the roll out of the platform with limited release in Australia. Notwithstanding this, there is a risk that IODM will not be able to successfully commercialise its service to its full potential and attract a sufficient number of clients. Should this occur this would have a negative impact on the financial position of IODM and the Company.

(b) **Threat of new entrants**

The threat of new entrants into the online debt management market is high. Whilst management will endeavour to take all reasonable steps to be aware of new entrants into the market, IODM will have no control over perceived or real competitors entering the market. Should a new entrant enter the market in direct competition to IODM, revenue and profitability may be negatively impacted.

(c) **Brand Risks**

IODM believes that establishing and maintaining the “IODM” brand is critical for the long term success of the IODM business. Negative commentary or a complaint regardless of accuracy via social media, media in general and or word of mouth may have a damaging impact on the ability of IODM to reach its potential. Any long term damage to IODM's brand may adversely impact on the operating results of IODM and the Company.

(d) **Hosting Provider Disruption Risks**

As a SaaS, IODM relies on Amazon Web Services (“**Host**”) to maintain continuous operation of IODM hosting requirements. Should this hosting service be disrupted or restricted due to an outage or an unforeseen catastrophic system failure, IODM is likely to be negatively impacted from a revenue perspective and a prolonged outage would most likely lead to a major brand or reputation damage incurred.

(e) **Limited Trading History**

Whilst IODM is earning revenue, IODM is still in the early stage of being fully commercialised. IODM should be seen as a start up with limited trading history and to date IODM has generated losses. Whilst management has been brought into IODM to strengthen the underlying business proposition, no assurance can be given in regard to the future performance of IODM as IODM goes to market.

(f) **Protection of Intellectual Property Rights**

IODM will pursue a program of registering trade marks and protecting its intellectual property as IODM believes this to be fundamental to the ongoing success of its business and protecting shareholder value. However, given the broad nature of intellectual property, IODM cannot guarantee that IODM's intellectual property rights

will not be infringed. IODM may incur unforeseen costs to protect its intellectual property rights including through litigation and any such infringement may result in a negative impact on the reputation and revenues of IODM and the Company.

(g) **Reliance on Key Personnel**

IODM relies heavily on the experience and knowledge of its founding Managing Director Damian Arena, management and software development team. Over time, IODM and the Company will also be dependent on their ability to recruit and retain suitably qualified personnel such as those in its business development, customer success and support team. In the event that such key personnel leave IODM or the Company and IODM and/or the Company are unable to recruit suitable replacements, such loss could have a materially adverse effect on IODM and the Company.

(h) **Maintenance of Data Base and Technology Risk**

IODM's business includes the collection of sensitive information and IODM has undertaken strategies to mitigate the potential of data corruption, hacking or other security breaches. In addition, IODM's technology is complicated and requires specialist skills to develop and maintain the program. Whilst certain measures are undertaken by IODM to ensure the integrity of the system, there is no guarantee that there will be no error(s), bug(s) or unforeseen vulnerabilities within the platform as IODM continues its ongoing development.

Should either of these risks eventuate, IODM may incur negative customer and brand feedback which overtime may impact on the financial performance of IODM and the Company.

(i) **External “Hacker” Attacks and Reliance on the Internet**

The IODM business relies upon the availability of IODM's website and internet. Should an external party attempt to hack into IODM's website and compromise the integrity of the system, a hacker may disrupt the use of the service or attempt to extract sensitive client information for exploitation purposes. In addition, IODM is an internet business, if access to the internet is affected in any way, including through the failure of a third party service provider, the ability for IODM to service clients will be significantly impacted.

IODM has implemented risk management strategies to mitigate these risks but in no way can IODM guarantee the website and or internet from being compromised. Should this occur IODM and the Company may be negatively impacted in financial, customer service and brand terms.

(j) **Sales & Marketing Risk**

At the successful completion of the Offer, the Company intends to invest in appropriate sales and marketing strategies to drive revenue into the business. This includes but is not limited to the engagement of on-boarding personnel to assist Certified Partners to bring clients onto the system, external market consultants to build the brand awareness domestically and internationally and, where appropriate, engage in the appropriate media to drive new client attraction to the IODM website. There are a number of factors than can influence the outcome of the sales and marketing strategy and there is no guarantee that IODM's strategy will be

successful. A material failure in the sales and marketing strategy will have an impact on future revenue and ongoing profitability of the business.

(k) **Customer Service Risk**

IODM's ability to drive long term sustainable revenues is dependent on, amongst other factors, meeting customer service expectations and the delivery of innovative client centric solutions. The loss of a client(s) will have an immediate impact on the financial position of IODM through the loss of subscription revenue and the potential to generate further revenue through the multiple revenue opportunities within the Company.

(l) **Regulatory Risk**

IODM's principal country of operation is Australia and therefore the Company is subject to regulatory risk associated with Australian laws and regulations. Overtime, IODM intends to pursue a market entry strategy for countries including but not limited to the United Kingdom, United States and some European and Asian countries. Given the potential for IODM to be operating in a multi jurisdiction legal environment, the regulatory risk is heighten and may result in increased compliance costs and associated resources allocated to the management of the real and perceived regulatory risk. Should there be an infringement, penalty or enforcement notice incurred by the Company, this may lead to a negative revenue and brand impact.

(m) **Foreign Exchange Risk**

IODM and the Company intends to operate in multiple international jurisdictions which means IODM and the Company will operate and be affected by multiple currencies and their future currency fluctuations. Accordingly, this may affect future profitability of IODM and the Compny.

(n) **Foreign Exchange Risks**

IODM's costs and expenses in the United States of America are in US\$. Accordingly, the depreciation and/or the appreciation of the US\$ relative to the Australian currency could result in a translation loss on consolidation which is taken directly to Shareholder equity. Any depreciation of the US\$ relative to the Australian currency may result in lower than anticipated revenue, profit and earnings. IODM will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US\$, and will have to monitor this risk on an ongoing basis.

(o) **Contractual Disputes**

IODM's distribution strategy is dependent in part on a contractual agreement with professional advisors, industry associations and other 3rd parties that have an interaction with IODM's target market. IODM has taken certain steps available to ensure the integrity of these contracts. IODM is aware that there are associated risks when dealing with 3rd parties including but not limited to insolvency, fraud and management failure. Should a 3rd party contract fail, there is the potential for negative financial and brand damage for IODM and the Company.

(p) **No profit to date**

Whilst IODM is generating revenue, IODM has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. The Directors are confident in the potential of IODM to be a going concern, there can be no certainty that the company can achieve long term sustainable profitability.

(q) **Future capital needs**

The Company believes that at the completion of the Offer, the Company will have the necessary funding to meet expected capital requirements to fund future growth. The Company may seek to exploit a market opportunity e.g. an acquisition opportunity and may require additional debt or capital. There can be no assurance that such funding will be available on satisfactory terms or at all. If the Company is unable to obtain such additional debt or capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

(r) **Change in nature and scale of activities and conditionality of the Offer**

There is a risk that the Company may not be able to meet the requirements of ASX of re-complying with Chapters 1 and 2 of the Listing Rules for re-quotations on the ASX. If the conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offer.

11.5 GENERAL RISKS

(a) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(b) **Liquidity and Dilution Risk**

There are currently 972,963,294 Shares on issue which will be consolidated to 48,648,164 which will represent between 15.32% (on the Minimum Subscription) of the total Shares on issue following re-quotations of the Company's Shares. Of the total Shares on issue following re-quotations 22.73% represents the maximum offer to the public pursuant to the Prospectus. Upon re-quotations of the Company's Shares, a significant portion of the Vendor Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider that there is

an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.

The issue of the Consideration Shares to the Vendors under the IODM Share Sale Agreement will have a dilutionary effect on the Shareholders. The total amount of Shares on issue following completion of the IODM Acquisition, Consolidation and Minimum Subscription (assuming no Options are exercised or milestones met in relation to the Performance Shares) will be 329,898,164 Shares.

Likewise, the issue of the Performance Shares and the subsequent issue of Shares upon the vesting of the Performance Shares will have a dilutionary effect on the Shareholders, including investors under this Prospectus.

(c) **Economic and government risks**

The performance of the Company is affected by a number of external factors outside of the market in which the Company operates, these include the following:

- (i) general economic conditions within the jurisdictions in which the Company operates;
- (ii) changes in government policies, geo political factors, taxation and other laws in jurisdictions in which the Company operates;
- (iii) market sentiment in the domestic and international share market's; and
- (iv) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Share Market**

Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the Company.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable

earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

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

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

(g) **Environmental Risks**

The Company could potentially be liable for breaches of environmental laws or remediation costs arising from the Company's previous exploration activities however the Directors are not aware of any actual or alleged liability in this regard.

(h) **Investment Speculative**

The above list of risk factors is not an exhaustive list of risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

The Securities to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Securities. The prices at which an investor may be able to trade the Securities may be above or below the Offer Price or deemed issue price (as applicable). While the Directors commend the Offers, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

12. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

12.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. It is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with the Existing Shares.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, each Shareholder present has one vote;
- (c) where a Shareholder has appointed two persons as its proxy, neither proxy may vote on a show of hands;
- (d) on a poll, each Shareholder present has one vote for each fully paid Share and for each Share which is not fully paid, a fraction of a vote equivalent to the proportion which the amount paid up (but not credited as paid up) bears to the total amounts paid and payable (excluding amounts credited) on that Share.

Dividend Rights

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. The dividend is (subject to the rights of, or any restrictions on, the holders of shares created or raised under any special arrangement as to dividend) payable on all Shares pro rata to the total amount for

the time being paid (but not credited as paid) in respect of the Shares as a proportion of the total amounts then paid and payable (excluding amounts credited).

Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company:

- (a) divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders; and
- (b) vest any part of the assets of the Company in trustees upon any trusts for the benefit of all or any of the Shareholders as the liquidator thinks fit.

Transfer of Shares

Subject to the Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Company may refuse to register or prevent or interfere with the registration of the transfer of Shares in circumstances permitted or required by the ASX Listing Rules or ASX Settlement Operating Rules.

Variation of Rights

The rights attaching to the Shares may (whether or not the Company is being wound up and subject to the Listing Rules) only be varied by the written consent of Shareholders with at least 75% of the votes in the Shares, or with the sanction of a special resolution passed at a general meeting.

12.2 PERFORMANCE SHARES

The terms of the Performance Shares are set out in Schedule 2 of the notice of general meeting dated 24 February 2016 for the General Meeting. In summary, the Performance Shares are none voting shares which will convert into fully paid ordinary shares in the Company following satisfaction of certain performance milestones. Performance Shares do not entitle the holder to receive dividends.

The Allocation of the Performance Shares is as follows:

| Recipient | Relationship to the Company | Performance Shares Class A | Performance Shares Class B | Performance Shares Class C | Performance Shares Class D | Performance Shares Class E | Performance Shares Class F | Performance Shares Class G | Total |
|--|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------|
| Arena IODM Portfolio Pty Ltd ATF Arena IODM Portfolio Trust | Vendor and controlled by Damian Arena, the proposed new Managing Director of the Company | 1,900,000 | 1,900,000 | 1,900,000 | 13,300,000 | 3,800,000 | 3,800,000 | 11,400,000 | 38,000,000 |
| Rogers IODM Portfolio Pty Ltd ATF Rogers IODM Portfolio Trust | Vendor | 785,000 | 785,000 | 785,000 | 5,495,000 | 1,570,000 | 1,570,000 | 4,710,000 | 15,700,000 |
| Everflow Technologies Inc | Vendor | 320,000 | 320,000 | 320,000 | 2,240,000 | 640,000 | 640,000 | 1,920,000 | 6,400,000 |
| Delcue Pty Ltd ATF Kalaja Family Trust | Vendor | 79,500 | 79,500 | 79,500 | 556,500 | 159,000 | 159,000 | 477,000 | 1,590,000 |
| Kalin Consulting Pty Ltd ATF Kaylia Family Trust | Vendor | 108,500 | 108,500 | 108,500 | 759,500 | 217,000 | 217,000 | 651,000 | 2,170,000 |

| | | | | | | | | | |
|---|--|---------|---------|---------|-----------|-----------|-----------|-----------|------------|
| The Rufus Partnership (Vic) Pty Ltd | Vendor and controlled by Michael Bugelly, proposed new Executive Director of the Company | 550,000 | 550,000 | 550,000 | 3,850,000 | 1,100,000 | 1,100,000 | 3,300,000 | 11,000,000 |
| Apex Private Wealth P/L ATF The Reprah Family Trust | Vendor | 7,000 | 7,000 | 7,000 | 49,000 | 14,000 | 14,000 | 42,000 | 140,000 |
| Mark Reilly | Director of the Company and therefore a related party. The Performance Shares are to be issued as a financial benefit. The non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative, cash forms of remuneration were given to Mr Reilly. | 375,000 | 375,000 | 375,000 | 2,625,000 | 750,000 | 750,000 | 2,250,000 | 7,500,000 |

12.3 TERMS AND CONDITIONS OF IODM NOTEHOLDER OPTIONS

The terms and conditions applicable to the IODM Noteholder Options are as follows:

- (a) Each IODM Noteholder Option entitles the holder (**IODM Option Holder**) to subscribe for and be issued one Share in the capital of the Company;
- (b) Each IODM Noteholder Option is exercisable at any time after the date on which the IODM Noteholder Option is issued (**Vesting Date**), until and including their expiry date, namely 3 years from the Vesting Date (**Expiry Date**). Any IODM Noteholder Options not exercised by the Expiry Date will automatically lapse on the Expiry Date.
- (c) An IODM Noteholder Option may be exercised by the holder by giving written notice (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date.
- (d) The exercise price for each IODM Noteholder Option (which is payable immediately on exercise) is \$0.04 per Share (**Exercise Price**).
- (e) On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 2 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the Listing Rules:
 - (i) allot and issue to the holder one Share in the Company for each IODM Noteholder Option exercised by the holder;
 - (ii) cause to be dispatched to the holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share(s); and
 - (iii) issue (if applicable) a new holding statement (or IODM Option Certificate) for the balance of the IODM Noteholder Options that remain unexercised.
- (f) Shares allotted and issued on the exercise of IODM Noteholder Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an IODM Noteholder Option) and will be subject to the provisions of the Constitution.

- (g) The IODM Noteholder Options are transferable by a holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules. The transferor of an IODM Noteholder Option remains the holder of that IODM Noteholder Option until the name of the transferee is recorded in the Company option register as the holder of that IODM Noteholder Option.
- (h) In the event of a pro rata issue of Shares by the Company, the Exercise Price for each IODM Noteholder Option will be adjusted in accordance with Listing Rule 6.22.2 of the ASX Listing Rules (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
- (i) If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any IODM Noteholder Options, the number of IODM Noteholder Options to which each holder is entitled or the Exercise Price of his or her IODM Noteholder Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
- (j) An IODM Noteholder Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the IODM Noteholder Options without exercising the IODM Noteholder Options. However, the Company will ensure that for the purpose of determining Rights Entitlements to any such issue, the holder is to receive written notice from the Company of the pending closing or record date and sufficient time for the holder to exercise the IODM Noteholder Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
- (k) If the Shares are listed for quotation on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation or listing of all Shares allotted and issued on the exercise of any IODM Noteholder Options within 10 Business Days (as defined in the ASX Listing Rules) of allotment and issue.
- (l) In the event of the liquidation of the Company, all unexercised IODM Noteholder Options will lapse upon the occurrence of that liquidation.
- (m) The IODM Noteholder Options do not provide any entitlement to dividends paid to ordinary shareholders.
- (n) The IODM Noteholder Options do not entitle the IODM Option Holder to vote at any meeting of Shareholders.
- (o) To the extent that any of the IODM Noteholder Option terms are inconsistent with or contrary to the ASX Listing Rules (if any), the ASX Listing Rules provisions will prevail and these IODM Noteholder Option terms are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
- (p) These terms and conditions are governed by the law of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

12.4 TERMS AND CONDITIONS OF BROKER OPTIONS

The terms and conditions applicable to the Broker Options are as follows:

- (a) **Entitlement**
Each Broker Option entitles the holder to subscribe for one Share upon exercise of the Broker Option.
- (b) **Exercise Price**
Subject to paragraph (j), the amount payable to the Company upon exercise of each Broker Option will be \$0.04 on a post-Consolidation basis (**Exercise Price**).
- (c) **Expiry Date**
Each Broker Option will expire at 5:00 pm (WST) on the day that is three years from the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules in 2016 (**Expiry Date**). A Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Broker Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Broker Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Broker Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Broker Option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Broker Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Broker Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, either:
 - (A) seek relief from ASIC to permit the Company to issue a notice that complies with section 708A(5)(e) of the Corporations Act; or
 - (B) lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Broker Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Broker Options will rank equally with the then issued fully paid ordinary shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Broker Options.

(j) **Reconstruction of capital**

Subject to the Corporations Act and the ASX Listing Rules at the time of reconstruction, upon any sub-division or consolidation of the Shares or reduction of share capital, the number of Shares to be subscribed on any subsequent exercise of the Broker Options will be increased or reduced in due proportion so as to maintain the same relative subscription rights for the Broker Options and the Exercise Price will be adjusted accordingly.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options without exercising the Broker Options.

(l) **Change in exercise price**

A Broker Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Broker Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Broker Options on ASX.

(n) **Transferability**

The Broker Options are not capable of transfer without the Company's prior approval.

13. ADDITIONAL INFORMATION

13.1 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two years before lodgement of this Prospectus with ASIC any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him to become, or to qualify him as a Director, or otherwise, for services rendered by him in connection with the formation or promotion of the Company or the Offers.

Shareholding Qualifications

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

Directors' Security Holdings

Following the successful completion of the Offers, the Directors and Proposed Directors will have relevant interests in Shares, Performance Shares and Options as set out in the table below:

| Directors | Number of Existing Shares held prior to completion of the Offers | Number of Shares held in IODM held prior to completion of the Offers | Number of Shares held at completion of the Offers | Number of Performance Shares held at completion of the Offers |
|--------------------|--|--|---|---|
| Mark Reilly | 5,000,000 | None | 250,000 | 7,500,000 |
| Earle Harper | None | 1,123 | 1,749,174 | 140,000 |
| Proposed Directors | | | | |
| Damian Arena | None | 40,551 | 63,161,865 | 38,000,000 |
| Michael Bugelly | None | 11,230 | 17,491,745 | 11,000,000 |

13.2 DIRECTORS REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all Non-Executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all Non-Executive Directors has been set at a maximum amount of \$150,000 per annum under clause 8.3 of the Constitution.

Director's fees payable to Non-Executive Directors

As a Non-Executive Chairman, Mark Reilly will be paid \$63,927 per annum plus superannuation; and

As a Non-Executive Director, Earle Harper will be paid \$39,400 per annum including superannuation.

Employment Agreement – Damian Arena

Mr. Damian Arena is engaged as IODM's Managing Director pursuant to the terms and conditions of the service agreement between IODM and Mr. Damian Arena. Damian commenced his role as Managing Director of IODM on 1 March 2016 and has been appointed for a period of 3 years and thereafter for a further period of 3 years by agreement between IODM and Damian.

The total annual Executive Remuneration package for Mr. Damian Arena is detailed below:

- Base salary (including tax deducted by way of PAYE deductions) of AUD\$250,000 per annum excluding superannuation;
- Directors Fees of \$36,000 excluding superannuation per annum;
- All superannuation entitlements applicable to (1) and (2);
- Motor vehicle allowance of \$20,000; and
- Other components as agreed between IODM and Damian.

The service agreement contains other provisions considered customary for agreements of this nature. The Company, IODM and Damien have entered into a deed of assignment in respect of the service agreement, pursuant to which the service agreement will be assigned to the Company following completion of the Offers

Employment Agreement – Michael Bugelly

Mr. Michael Bugelly is engaged by IODM as the Executive Director of IODM pursuant to the terms of the service agreement between IODM and Mr. Michael Bugelly. Michael commenced his role as Executive Director of IODM on 1 March 2016 and has been appointed for a period of 3 years and thereafter for a further period of 3 years by agreement between IODM and Michael.

The total annual Executive Remuneration package for Mr. Michael Bugelly is detailed below:

- Base salary (including tax deducted by way of PAYE deductions) of AUD\$250,000 per annum excluding superannuation;
- Directors Fees of \$36,000 per annum excluding superannuation;
- All superannuation entitlements applicable to (1) and (2);
- Motor vehicle allowance of \$20,000; and
- other components as agreed between IODM and Michael.

The service agreement contains other provisions considered customary for agreements of this nature. The Company, IODM and Michael have entered into a deed of assignment in respect of the service agreement, pursuant to which the service agreement will be assigned to the Company following completion of the Offers.

13.3 RELATED PARTY ARRANGEMENTS

Director's Deeds of Insurance, Indemnity and Access

The Company has entered into deeds of insurance, indemnity and access with each of its Directors ("**Indemnity Deeds**").

Pursuant to these Indemnity Deeds, the Company agrees to indemnify and keep indemnified each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to Board papers.

Consultancy Agreement with The Rufus Partnership (Vic) Pty Ltd

The Rufus Partnership (VIC) Pty Ltd (**The Rufus Partnership**) is a company controlled by Michael Bugelly and is engaged by IODM pursuant to a letter of engagement dated 1 October 2015. The Rufus Partnership has been engaged to provide general management, company secretarial and accounting services.

From 1 March 2016, The Rufus Partnership will undertake the roll of General Manager, company secretarial and accounting services for IODM for a fixed monthly fee services is \$12,000 plus GST.

The letter of engagement contains provisions considered customary for agreements of this nature.

13.4 EXECUTIVE CONSULTANCY AGREEMENT - ROGERS IODM PORTFOLIO PTY LTD

Rogers IODM Portfolio Pty Ltd ATF Rogers IODM Portfolio Trust (**Rogers**) has been engaged to provide the services of Chris Rogers and for Chris to act as the IT Director of IODM pursuant to the terms of the consulting agreement between IODM and Rogers. The consultancy agreement may be terminated by IODM:

- at any time for convenience on 5 days' notice; and
- immediately with cause by written notice to Rogers.

The consulting agreement requires IODM to pay a daily rate of \$AUD660.00 with a minimum of three (3) days per week. The consultancy agreement contains other provisions considered customary for agreements of this nature.

13.5 INTERESTS OF EXPERTS AND ADVISERS

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no expert promoter, underwriter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was

a partner nor any company in which any of those persons is or was associated with has or has, within two years before lodgement of this Prospectus with ASIC:

- (i) had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers or in the Offers; and
- (ii) has been paid or agreed to be paid and has received any benefits or agreed to receive any benefits for any services rendered in connection with the formation or promotion of the Company or the Offers.

(b) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report, which is included in Section 10. The Company estimates it has and will pay BDO Corporate Finance (WA) Pty Ltd a total of \$6,000 (excluding GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not received any fees from the Company (excluding GST).

(c) **Auditor**

BDO Audit (WA) Pty Ltd has been appointed as Auditor to the Company for which it will be paid usual commercial rates. During the two years preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd has received fees from the Company in the amount of nil (excluding GST).

(d) **Corporate Advisor**

Lodge Corporate has acted as corporate advisor to the Company. The Company estimates that it will pay Lodge Corporate:

- (i) \$300,000 (excluding GST) for corporate advisory services provided to the Company in relation to the Offers; and
- (ii) an offer management fee of 2% of the amount of cash, funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments accepted by the Company in connection with the Public Offer, to the extent such amounts have been procured by Lodge Corporate; and
- (iii) a selling fee equivalent to 5% of the amount of cash funds, equity, debt, hybrid securities or other combination thereof of equity and debt instruments accepted by the Company in connection with the Public Offer, to the extent such amounts have been procured by Lodge Corporate.

During the two years preceding lodgement of this Prospectus with ASIC, Lodge Corporate has received \$11,000 from the Company (including GST) in connection with a capital raising.

(e) **Legal Advisor**

Gadens has acted as the solicitors to the Offers and the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Gadens \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the two years preceding lodgement of this Prospectus with ASIC, Gadens has received no fees from the Company.

13.6 CONSENTS

Each of the parties referred to in this Section 13.6:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section 13.6; and
- (b) to the maximum extent permitted by law, expressly disclaim, and take, no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 13.6.

The following written consents have been given in accordance with the Corporations Act with respect to the issue of this Prospectus in both paper and electronic form:

(a) **BDO Corporate Finance (WA) Pty Ltd**

BDO Corporate Finance (WA) Pty Ltd has given its written consent to:

- (i) Being named in this Prospectus as Investigating Accountant in the form and context in which it is named, together with all references to it in this Prospectus; and
- (ii) the inclusion of the Investigating Accountant's Report in Section 10 in the form and context in which the report is included, and to the inclusion of those statements in this Prospectus attributable to it in the form and context in which they are included.

BDO Corporate Finance (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(b) **BDO Audit (WA) Pty Ltd**

BDO Audit (WA) Pty Ltd has given its written consent to being named in this Prospectus as Auditor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. BDO Audit (WA) Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Auditor. BDO Audit (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(c) **Gadens**

Gadens has given its written consent to being named in this Prospectus as the Australian solicitors to the Company in relation to the Offers in the form and context in which it is named, together with all references to it in this Prospectus. Gadens has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Gadens has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(d) **Lodge Corporate Pty Ltd**

Lodge Corporate has given its written consent to be named in this Prospectus as the corporate advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. Lodge Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Lodge Corporate has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(e) **Automic Registry Services**

Automic Registry Services has given its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Automic Registry Services has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Automic Registry Services has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(f) **Others**

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

13.7 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic version of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.paradigmmetals.com.au and IODM's website at www.iodm.com.au. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was

not provided together with the electronic version of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

13.8 FORECASTS

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of IODM's plans to develop and commercialise its business and the general nature of the industries in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

13.9 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against or initiated by the Company.

13.10 TAXATION

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

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

13.11 CONTINUOUS DISCLOSURE OBLIGATIONS

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

13.12 DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

14. DEFINITIONS AND INTERPRETATION

14.1 DEFINITIONS

In this Prospectus, the following words have the following meanings unless the context otherwise requires:

"Applicant" means a person who submits an Application Form;

"Application" means a valid application for Shares under the Equity Offer made pursuant to an Application Form;

"Application Monies" means the application monies for Shares under the Equity Offer received and banked by the Company pursuant to this Prospectus;

"Application Forms" means the Broker Firm Application Form, the Equity Offer Application Form, the Vendor Offer Application Form and the Facilitation Offer Application Form, each of which are attached to, and form part of this Prospectus – see Sections 15, 16, 17 and 18 of this Prospectus;

"ASIC" means Australian Securities and Investments Commission.

"ASX" means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires;

"ASX Listing Rules" means the official listing rules of ASX;

"Board" means the Board of Directors of the Company as constituted from time to time;

"Broker" or **"Brokers"** means brokers appointed by Lodge Corporate to act as participating brokers under the Broker Firm Offer;

"Broker Firm Offer" means the offer of Shares to selected brokers under this Prospectus as set out in Section 6.1(a);

"Broker Firm Offer Application Form" means the Broker Firm Offer application form (a copy of which is included in Section 15);

"Broker Options" means 12,000,000 Options to be issued to Lodge Corporate on the terms and conditions set out in Section 12.4;

"Business Day" means a day which banks are generally open for business in Perth, Western Australia, except a Saturday, Sunday or a public holiday;

"CHESS" means Clearing House Electronic Sub-register System;

"Capital Raising" has the meaning given to that term in Section 9.2;

"Closing Date" means the closing date of the Equity Offer as set out in the indicative timetable in Section 5.2, being 5:00pm WST on 5 May 2016 or other such date and time as the Directors determine;

"Company" means Paradigm Metals Limited (ACN 102 747 133) (to be renamed IODM Limited);

“Consideration Shares” means 175,000,000 Shares to be issued to the Vendors as part consideration for the IODM Acquisition in accordance with the terms and conditions of the IODM Share Sale Agreement;

“Consolidation” means the 1 for 20 consolidation of all of the issued Securities in accordance with ASX Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11;

“Constitution” means the constitution of the Company;

“Corporations Act” means the *Corporations Act 2001* (Cth);

“Deeds of Access, Indemnity and Insurance” means the deeds in favour of the existing Directors and the Proposed Directors entered into or to be entered into by the Company described in Section 9.3;

“Directors” means the directors of the Company from time to time;

“Existing Directors” means Mark Reilly, Earle Harper and Nicholas Lindsay;

“Existing Shares” means the 972,963,294 Shares in the Company on issue at the date of this Prospectus (which are to be consolidated into 48,648,164 Shares in accordance with shareholder approval obtained at the General Meeting);

“Expiry Date” has the meaning given to it in Section 1.2;

“Exposure Period” has the meaning given to it in Section 1.2;

“Equity Offer” has the meaning given to that term under Section 6.1;

“Face Value” has the meaning given to that term in Section 9.3;

“Facilitation Offer” means the offer of 12,000,000 Facilitator Options to the Facilitator or its nominee as set out in this Prospectus;

“Facilitation Offer Application Form” means the Facilitation Offer Application Form at Section 17;

“Facilitator” means Lodge Corporate Pty Ltd;

“General Meeting” means the general meeting of Shareholders that was held on 29 March 2016 that considered, amongst other things, a change in nature and scale of the Company’s activities, the issue of the Consideration Shares, the issue of Shares and the IODM Noteholder Options. The issue of the Broker Options, Performance Shares and the issue of Shares the subject of the Offers;

“Host” has the meaning given in Section 11.4;

“IODM” means IODM Pty Ltd (ACN 605 978 247);

“IODM Acquisition” means the Company’s acquisition of 100% of the issued shares in the capital of IODM from the Vendors pursuant to the IODM Share Sale Agreement;

“IODM Business” means the cloud based debtor management system;

“IODM Convertible Note Deed” has the meaning given to that term in Section 9.3;

“IODM Share Sale Agreement” means the Share Sale Agreement dated 29th January 2016 between the Company and the Vendors in respect of the IODM Acquisition;

“IODM Notes” has the meaning given to it in Section 9.3;

“IODM Noteholders” means the holders of IODM Notes;

“IODM Noteholder Offer” means the offer of 31,250,000 Shares and 15,625,000 IODM Noteholder Options to the IODM Noteholders.

“IODM Noteholder Offer Application Form” means the IODM Noteholder Application Form at Section 19;

“IODM Noteholder Options” means 15,625,000 Options to be issued to the Noteholders on the terms and conditions set out in Section 12.3;

“Listing Rules” means the official rules of the ASX;

“Lodge Corporate” means Lodge Corporate Pty Ltd of level 6, 90 Collins Street, Melbourne, Victoria, 3000;

“Lodge Corporate Mandate” means the mandate agreement between IODM and Lodge Corporate dated on about 17 November 2015 (a summary of which is set out in Section 9.2) which has subsequently been assumed by the Company, subject to Completion of the Offers;

“Minimum Subscription” means the raising of \$3,000,000 by the issue of 75,000,000 New Shares at \$0.04 per Share pursuant to the Equity Offer under this Prospectus;

“Mining Subsidiaries” means each of the following companies:

- (i) Paradigm Queensland Pty Ltd (ACN 099 477 737);
- (ii) Brazil Graphite Pty Ltd (ACN 099 477 979);
- (iii) Tungsten NSW Pty Ltd (ACN 123 370 365); and
- (iv) Toolebuc Resources Pty Ltd (ACN 129 655 170);

“New Shares” means Share to be issued pursuant to the Equity Offer;

“Offer Price” in relation to the Equity Offer means \$0.04 cents per Share;

“Offers” means collectively, the Equity Offer, the Vendor Offer and the IODM Convertible Note Holder Offer and **“Offer”** means any one of them as the context requires;

“Official List” means the official list of ASX;

“Official Quotation” means the official quotation by ASX in accordance with the ASX Listing Rules;

“Opening Date” means the first date for receipt of completed Application Forms, being 9:00am WST on 12 April 2016 or other such date and time as the Directors determine;

“Option” means an option to acquire a Share;

"**Outstanding Interest**" has the meaning given to that term in Section 9.3;

"**Performance Shares**" means a maximum of 82,500,000 performance shares New Shares which are subject to the terms and conditions set out in Schedule 2 of the notice of general meeting dated 24 February 2016 for the General Meeting;

"**Pre-Listing Raise**" has the meaning given to that term in Section 9.2;

"**Proposed Director**" means a proposed Director of the Company following completion of the IODM Acquisition, being Damian Arena and Michael Bugelly (further details of which are provided in Section 8);

"**Prospectus**" means this prospectus dated 1 April 2016;

"**Public Offer**" means the offer of 75,000,000 Shares at \$0.04 per Share pursuant to this Prospectus;

"**Public Offer Application Form**" means the Public Offer Application Form at Section 16;

"**Resolutions**" means the resolutions put to the Shareholders of the Company at the General Meeting to, amongst other things, approve the issue of Shares pursuant to the IODM Acquisition and the change in nature and scale of the activities of the Company;

"**Restricted Securities**" means Shares classified by ASX as being subject to the restriction provision of the ASX Listing Rules;

"**SAAS**" means Software as a Service;

"**Section**" means a section of this Prospectus;

"**Securities**" means a Share, option, Performance Share or other form of security issued or granted (as the case may be) by the Company;

"**Share**" means fully paid ordinary share in the capital of the Company;

"**Shareholder**" means a holder of Shares;

"**Share Registry**" means Automic Registry Services;

"**Vendors**" means collectively, the shareholders of IODM, being:

Arena IODM Portfolio Pty Ltd ATF Arena IODM Portfolio Trust

Rogers IODM Portfolio Pty Ltd ATF Rogers IODM Portfolio Trust

EverFlow Technologies Inc

Delcue Pty Ltd ATF Kalaja Family Trust

Kalin Consulting Pty Ltd ATF Kaylia Family Trust

The Rufus Partnership (Vic) Pty Ltd

Apex Private Wealth Pty Ltd ATF the Reprah Family Trust

“**Vendor Offer**” means the offer of the Consideration Shares and the Performance Shares to the Vendors as detailed in Section 6.2;

“**Vendor Offer Application Form**” means the Vendor Offer Application Form at Section 17;

“**WST**” means Western Standard Time as observed in Perth, Western Australia.

14.2 INTERPRETATION

In this Prospectus, headings and words in bold are for convenience only and do not affect the interpretation of this Prospectus and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any regulatory authority;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (h) where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (i) “include” and “including” are not words of limitation;
- (j) “\$” is a reference to Australian currency; and
- (k) where time is to be calculated by reference to a day or event, that day or the day of the event is included.

Guide to the Application Form

This Application Form relates to the offer of Shares in Paradigm Metals Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the original prospectus dated 1 April 2016. The Prospectus contains information about investing in the Shares of Paradigm Metals Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 50,000 Shares and thereafter in multiples of 10,000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by four cents (\$0.04).
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G Paradigm Metals Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.
Make your cheque payable to "Paradigm Metals Limited" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.
Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Paradigm Metals Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

| | |
|--|---|
| Delivered to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 | Posted to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 |
|--|---|

Application Forms must be received no later than 5.00pm (WST) on 5 May 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Direct Credit Information

Please make any direct credit payment to the following account:

Account Name: Paradigm Metals Limited – Capital Raising Account
BSB: 036 051
Account Number: 485372
Beneficiary Bank and Address: Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008
SWIFT Code: WPACAU2S

Please note your direct credit payment must be received before 5:00pm (WST) on 5 May 2016. Please return this form to the addresses stated to the left.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Metals Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|--|--|
| Individual - Use Names in full, no initials | Mr John Alfred Smith | JA Smith |
| Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |
| Company - Use Company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of Late John Smith |
| Partnerships - Use partners personal names, do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |

Guide to the Application Form

This Application Form relates to the offer of Shares in Paradigm Metals Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the original prospectus dated 1 April 2016. The Prospectus contains information about investing in the Shares of Paradigm Metals Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 50,000 Shares and thereafter in multiples of 10,000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by four cents (\$0.04).
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G Paradigm Metals Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.
Make your cheque payable to "Paradigm Metals Limited" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.
Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Paradigm Metals Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

| | |
|--|---|
| Delivered to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 | Posted to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 |
|--|---|

Application Forms must be received no later than 5.00pm (WST) on 5 May 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Direct Credit Information

Please make any direct credit payment to the following account:

Account Name: Paradigm Metals Limited – Capital Raising Account
BSB: 036 051
Account Number: 485372
Beneficiary Bank and Address: Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008
SWIFT Code: WPACAU2S

Please note your direct credit payment must be received before 5:00pm (WST) on 5 May 2016. Please return this form to the addresses stated to the left.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Metals Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|--|--|
| Individual - Use Names in full, no initials | Mr John Alfred Smith | JA Smith |
| Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |
| Company - Use Company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of Late John Smith |
| Partnerships - Use partners personal names, do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |

17. VENDOR OFFER APPLICATION FORM

Paradigm Metals Limited (ACN 102 747 133)

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

category

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Number

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 1 April 2016 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Paradigm Metals Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies (if applicable), or arrangement for payment of your Application Monies by electronic funds transfer using the details set out on the following page, will constitute your offer to subscribe for Shares in the Company under the Vendor Offer.

| | |
|-------------------------------|--------------|
| Share Registrars Use Only | |
| Broker reference – Stamp only | |
| Broker Code | Adviser Code |

C Tax File Number(s) Or exemption

E Contact Details

Contact Name

Contact daytime telephone

State/postcode

Guide to the Vendor Offer Application Form

This Application Form relates to the offer of Shares in Paradigm Metals Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the original prospectus dated 1 April 2016. The Prospectus contains information about investing in the Shares of Paradigm Metals Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Paradigm Metals Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in Paradigm Metals Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

| | |
|---|--|
| <p>Delivered to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000</p> | <p>Posted to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000</p> |
|---|--|

Application Forms must be received no later than 5.00pm (WST) on 5 May 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Direct Credit Information

Please make any direct credit payment to the following account:

Account Name: Paradigm Metals Limited – Capital Raising Account
BSB: 036 051
Account Number: 485372
Beneficiary Bank and Address: Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008
SWIFT Code: WPACAU2S

Please note your direct credit payment must be received before 5:00pm (WST) on 5 May 2016. Please return this form to the addresses stated to the left.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Metals Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|------------------------------------|-------------------------------------|
| Individual - Use Names in full, no initials | Mr John Alfred Smith | JA Smith |
| Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|--|--|--|
| Company - Use Company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of Late John Smith |
| Partnerships - Use partners personal names, do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |

18. FACILITATION OFFER APPLICATION FORM

Paradigm Metals Limited (ACN 102 747 133)

Please read all instructions on the reverse of this form

A Number of Options applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

category

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Number

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 1 April 2016 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Paradigm Metals Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form will constitute your Offer to subscribe for Shares in the Company.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**C Tax File Number(s)
Or exemption**

E Contact Details

Contact Name

Contact daytime telephone

State/postcode

Guide to the Facilitation Offer Application Form

This Application Form relates to the offer of Shares in Paradigm Metals Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the original prospectus dated 1 April 2016. The Prospectus contains information about investing in the Shares of Paradigm Metals Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Paradigm Metals Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in Paradigm Metals Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

| | |
|--|---|
| Delivered to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 | Posted to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 |
|--|---|

Application Forms must be received no later than 5.00pm (WST) on 5 May 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Direct Credit Information

Please make any direct credit payment to the following account:

Account Name: Paradigm Metals Limited – Capital Raising Account
BSB: 036 051
Account Number: 485372
Beneficiary Bank and Address: Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008
SWIFT Code: WPACAU2S

Please note your direct credit payment must be received before 5:00pm (WST) on 5 May 2016. Please return this form to the addresses stated to the left.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Metals Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|-----------------------------------|-------------------------------------|
| Individual - Use Names in full, no initials | Mr John Alfred Smith | JA Smith |

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|--|--|
| Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |
| Company - Use Company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of Late John Smith |
| Partnerships - Use partners personal names, do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |

19. IODM NOTEHOLDER OFFER APPLICATION FORM

Paradigm Metals Limited (ACN 102 747 133)

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

category

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Number

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 1 April 2016 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Paradigm Metals Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form will constitute your Offer to subscribe for Shares in the Company.

| | |
|-------------------------------|--------------|
| Share Registrars Use Only | |
| Broker reference – Stamp only | |
| Broker Code | Adviser Code |

C Tax File Number(s) Or exemption

E Contact Details

Contact Name

Contact daytime telephone

State/postcode

Guide to the Facilitation Offer Application Form

This Application Form relates to the offer of Shares in Paradigm Metals Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the original prospectus dated 1 April 2016. The Prospectus contains information about investing in the Shares of Paradigm Metals Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Paradigm Metals Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in Paradigm Metals Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

| | |
|--|---|
| Delivered to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 | Posted to: Paradigm Metals Limited c/- Lodge Corporate Kerry Ramsay Level 6, 90 Collins Street Melbourne VIC 3000 |
|--|---|

Application Forms must be received no later than 5.00pm (WST) on 5 May 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Direct Credit Information

Please make any direct credit payment to the following account:

Account Name: Paradigm Metals Limited – Capital Raising Account
BSB: 036 051
Account Number: 485372
Beneficiary Bank and Address: Westpac Banking Corporation, 130 Rokeby Road, Subiaco, WA, 6008
SWIFT Code: WPACAU2S

Please note your direct credit payment must be received before 5:00pm (WST) on 5 May 2016. Please return this form to the addresses stated to the left.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Metals Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|------------------------------------|-------------------------------------|
| Individual - Use Names in full, no initials | Mr John Alfred Smith | JA Smith |
| Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |

| Type of Investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|--|--|--|
| Company - Use Company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of Late John Smith |
| Partnerships - Use partners personal names, do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |