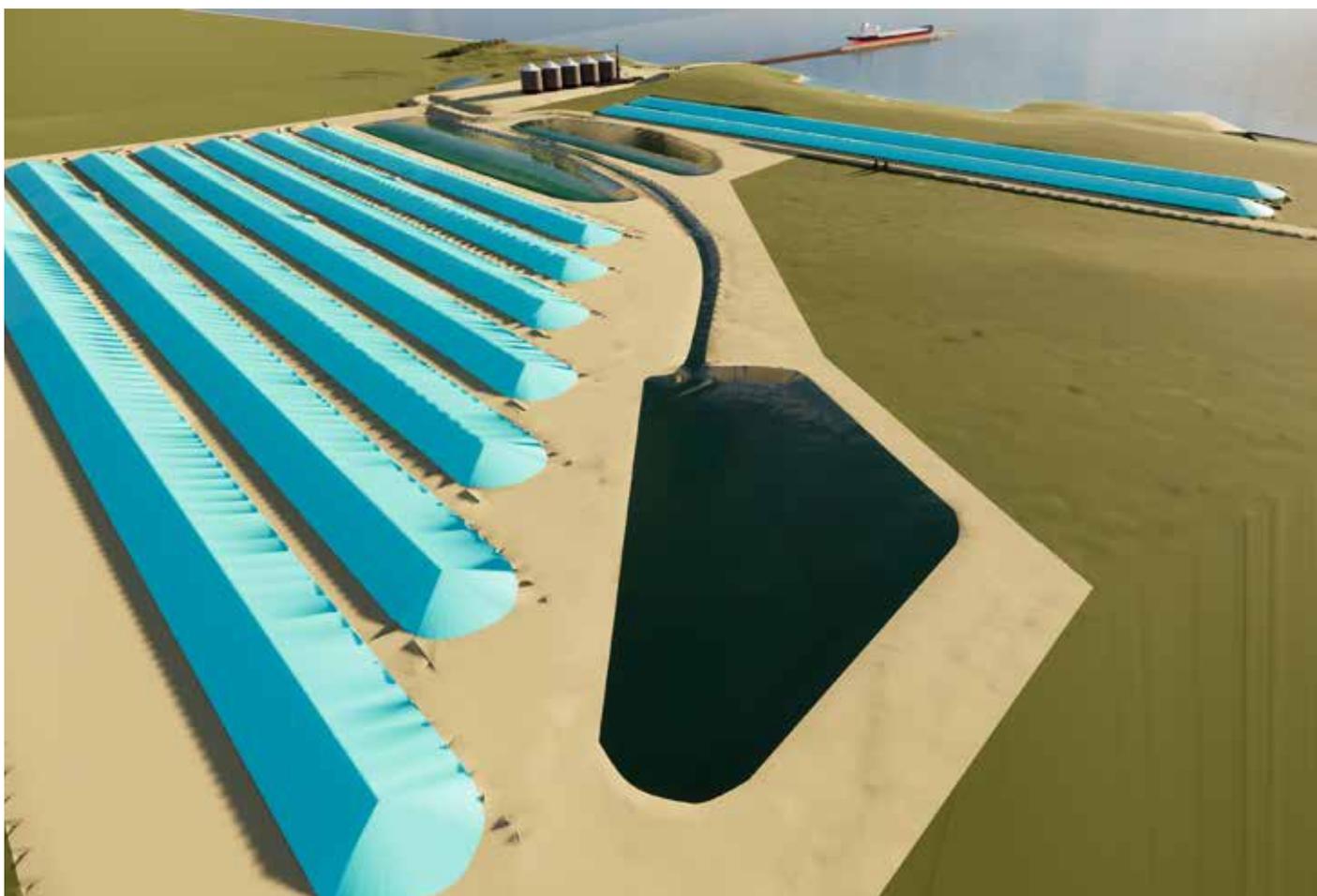


PENINSULA | PORTS



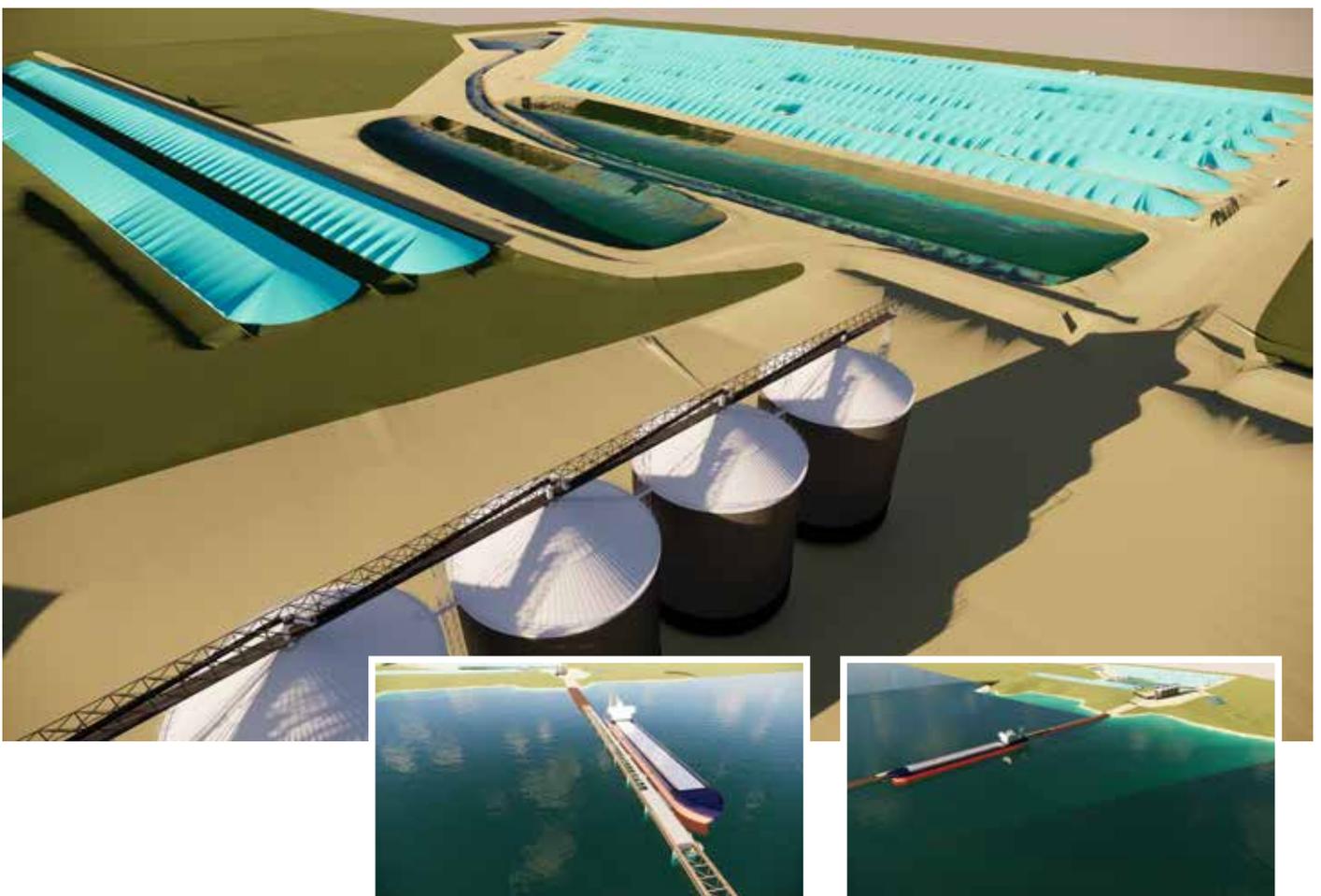
INFORMATION MEMORANDUM

November 2019

Compiled by FREE EYRE LIMITED

Issued by Free Eyre Limited ABN 18 124 308 041

“Port Spencer will provide a modern, cost-effective and competitive pathway for the export of grain from the heartland of Eyre Peninsula”



KEY FEATURES

KEY FEATURES OF PENINSULA PORTS AND THE PORT SPENCER PROJECT (“THE PROJECT”)

- Development cost of \$180m to \$220m.
- Projected Internal Rate of Return (IRR) of 12.3 % over an assumed 50 year life of the Project.
- Projected Return on Capital Employed (ROCE) averages 14.2% for the first 10 years.
- Free Eyre Ltd (FEL or “the Company”) is aiming to hold a strategic near 25% of the Project’s equity after securing equity and debt financing for construction and development.
- Enterprise value estimated on completion of build to be in the range of \$180 million to \$220 million. Enterprise value will be dependent upon profitability. Currently ports around Australia are valued at around 16 times earnings.
- Targeting up to 1 million tonnes grain throughput per annum (of an average regional production of 2.5 million tonnes) with a break-even throughput of 350,000 tonnes.
- Eyre Peninsula grain growers are expected to benefit through supply-chain savings, brought about by state-of-art receival and storage technology, and transport savings due to the strategic location of the new Port.
- Government approvals, attaching to the Centrex Metals Ltd land acquired by FEL subsidiary Peninsula Ports Pty Ltd (PPPL) in June 2019, are already in place for the development of an iron ore and grain port. The Project continues to benefit from holding Major Project Status with the South Australian government.
- Amendments to those existing planning and development approvals for the use of the land as a grain only port are well advanced. The Public Environmental Report (PER) was submitted to the State Government in early November 2019.
- Construction is targeted to commence in March 2020 and to be completed for wet testing in July 2021, so as to be open to receive grain for the harvest commencing in October / November 2021.
- FEL board members and management are experienced in the development of grain storage and major port infrastructure.
- FEL has a broad shareholder base with the majority of them active and progressive Eyre Peninsula farmers, many of whom are expected to support Port Spencer.
- Well credentialed advisers and constructors, experienced in major projects, have been engaged.

KEY FEATURES (cont)

REVENUE FEATURES

- The profitability of the Project is shown to be robust when tested against both receipt tonnage scenarios and storage fee revenue scenarios.

The following table demonstrates combined revenues received from the grower and exporter currently (estimated based on publicly available charges data), and at -\$10 and -\$20 / per ton (in the event of a pricing 'war' with competitors) :

Volume	400kt	800kt	1200kt
Revenue at \$53/T	\$21.2m	\$42.4m	\$63.6m
EBITDA	\$13.8m	\$32.6m	\$49.3m
Revenue at \$44.50 per tonne	\$17.8 m	\$35.6 m	\$53.4 m
EBITDA	\$10.7 m	\$24.9 m	\$39.1 m
Revenue at \$34.50 per tonne	\$13.8 m	\$27.6 m	\$41.4 m
EBITDA	\$6.7 m	\$16.9 m	\$27.1 m

Potential investors should consider projections and forward-looking statements in light of the assumptions, risks and disclaimers contained in this Information Memorandum (IM).

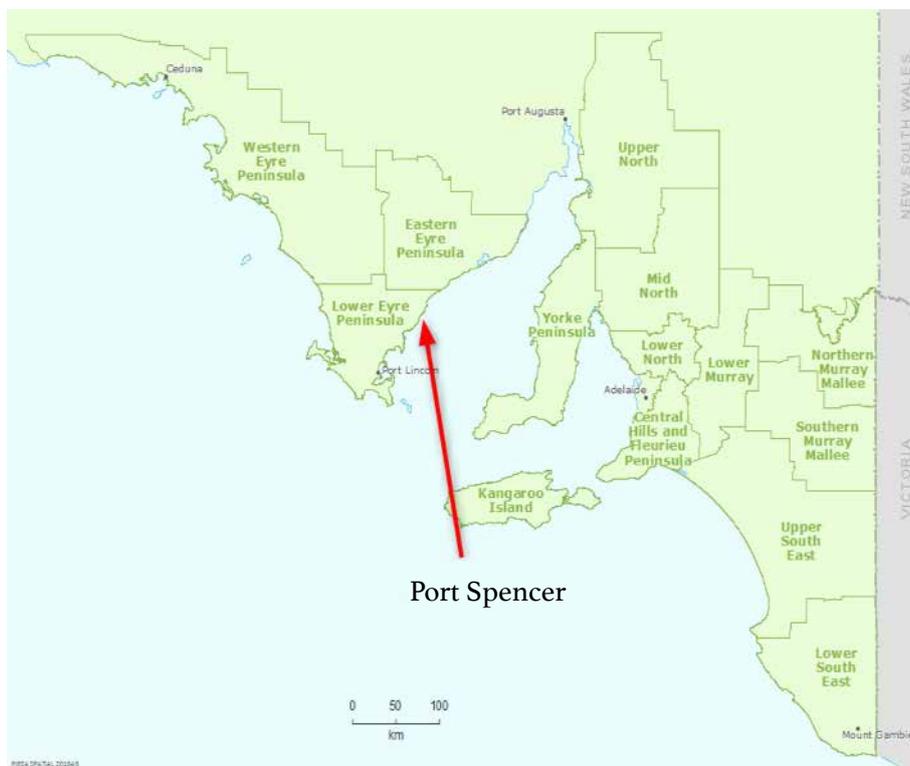


Initial test pits and rock crushing at Pt Spencer to confirm site material composition. Circa 300,000 metric tons of material will be required to be excavated and crushed from the site for the causeway, roadways and bunker pads.

KEY DATES FOR THIS INFORMATION MEMORANDUM*

Opening date for FEL Ordinary Share Applications	20 November 2019
Issue by FEL of up to \$2m of convertible notes	2 December 2019
FEL AGM	13 December 2019
Closing Date for FEL Ordinary Share applications	20 December 2019
Payment of first installment of FEL Ordinary Shares (\$1 per share)	By 20 December 2019
Issue of FEL Ordinary share Certificates	31 January 2020
Payment of a second installment (\$1) per subscribed FEL Ordinary share	Not earlier than 1 March 2020
Commencement of port construction	31 March 2020
Completion of additional equity and debt raising by PPPL	1 May 2020
Commissioning of port	1 July 2021
Expected first FEL Ordinary Share dividend	1 October 2022

*Dates are indicative only. FEL reserves the right to close the Offer early or to extend the closing date of the Offer (as the case may be) without prior notice. Intending investors are encouraged to submit their applications promptly. All other dates are forecasts.



CONTENTS

KEY FEATURES.....	3
KEY DATES	5
LETTER FROM THE CHAIRMAN.....	7
INVESTMENT SUMMARY.....	8
1. INTRODUCTION	10
2. DETAILS OF THE OFFER.....	11
3. PORT SPENCER PROJECT OUTLINE.....	13
4. PROJECT ANALYSIS.....	17
5. THE ISSUER	23
6. GRAINS INDUSTRY	26
7. KEY RISKS.....	32
8. MATERIAL CONTRACTS.....	35
9. DISCLAIMERS.....	37
APPENDIX 1	40
APPENDIX 2.....	41
SCHEDULE 1.....	43
APPLICATION FORM FOR SHARES.....	46
SAMPLE CERTIFICATE - SOPHISTICATED OR WHOLESALE INVESTOR.....	48

LETTER FROM THE CHAIRMAN



INVESTING THROUGH FREE EYRE LIMITED IN PENINSULA PORTS

This important Project will see the construction of a new deep-sea grain export facility at Sheep Hill on the Eyre Peninsula, to be known as Port Spencer. The Project has been enabled by the opportunistic acquisition by FEL subsidiary, Peninsula Ports Pty Ltd (PPPL), of the former Centrex Metals ore and grain port site, in June of this year.

The Project will be funded initially by seed capital provided by FEL to PPPL. The seed capital will be raised by subscriptions for Ordinary shares in FEL, the subject of this offer (“the Share Offer”), and \$2m of convertible notes issued by FEL under a separate private placement managed by Baker Young Stockbrokers.

FEL will oversee the Project, steer the raise by PPPL of the necessary equity and debt to enable the construction of Port Spencer, and ensure that the appropriate management and corporate governance structures are in place for PPPL to successfully operate Port Spencer for the benefit of PPPL’s shareholders and the farmers of Eyre Peninsula.

FEL, ultimately, intends to hold close to 25% of the shares in PPPL after a major equity raise by PPPL from institutional investors in early 2020, at which point PPPL will cease to be a subsidiary of FEL.

It is important to note, that unlike other proposals, ours is a grain-only port and not reliant on minerals or other commodities to make it viable. Importantly, it is the only port alternative which allows and encourages grain growers and other individuals to invest in and have an influential say in the future of grain storage and handling on the Eyre Peninsula, and ultimately South Australia.

Port Spencer will provide a modern, cost effective and competitive pathway for the export of grain from the heartland of Eyre Peninsula. Our estimate is that road freight savings and competitive handling charges could mean about \$35 million in annual savings to the grain growers of Eyre Peninsula.

By using the latest technology both within grain handling and port design, the cost of operations will be world competitive. Investors in FEL Ordinary shares are well placed to participate in the margins created from a low operating cost and competitive storage and handling fees.

The Board, management and I have worked to produce a structure which allows participation of grain growers and others in the direction of this company, grain industry infrastructure, and returns from investing in the industry.

We encourage you to consider investing in the Eyre Peninsula’s grain industry supply chain and as a result, in your own future.

A handwritten signature in cursive script, appearing to read "John Crosby".

John Crosby,
Chairman
FREE Eyre Limited

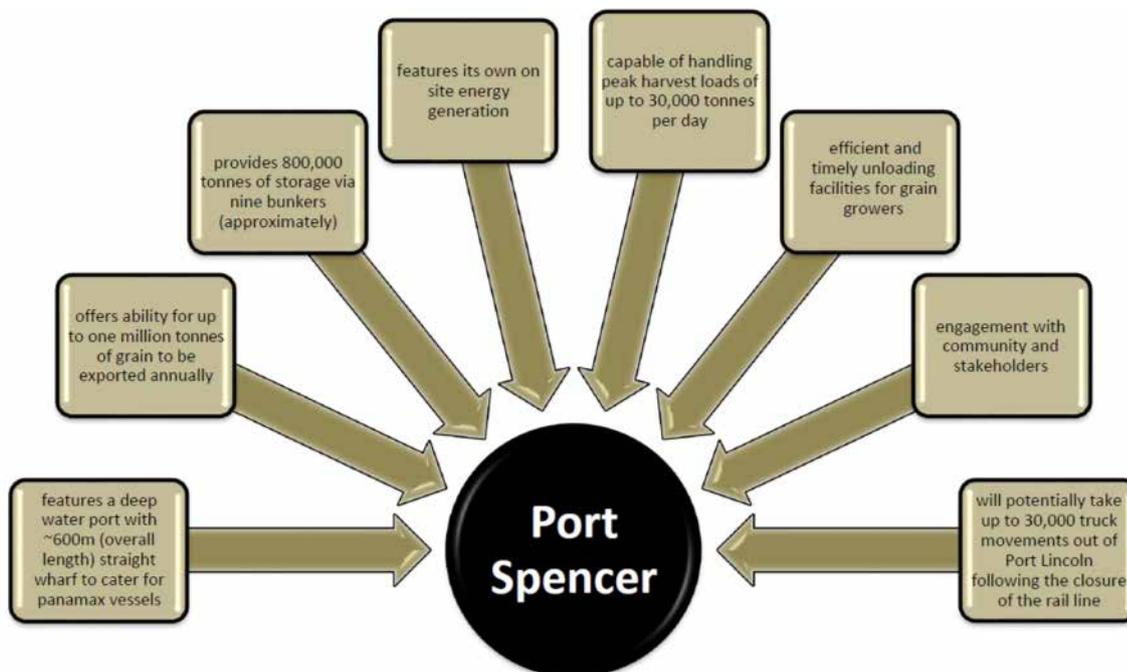
INVESTMENT SUMMARY

FEATURE	DESCRIPTION
Type of investment	<p>FEL is an unlisted public company. The Company is offering partly paid Ordinary shares to qualifying investors.</p> <p>FEL's principal current activity is facilitating the establishment of a deep-sea port at Port Spencer, Eyre Peninsula, South Australia, through its subsidiary entity Peninsula Ports Pty Ltd.</p> <p>Investment in the Company should be considered a long term investment.</p>
Ordinary Share terms	The new FEL Ordinary shares will have the same rights as existing Ordinary FEL shareholders in Those rights are set out in the FEL's Constitution (refer to www.freeeyre.com.au)
Issue Price	The issue price pursuant to this Information Memorandum is \$2.00 per FEL Ordinary share, payable in two instalments; \$1.00 payable upon subscription and a further \$1.00 payable upon a call made by the Company which will not be before 1 March 2020.
Number of shares offered	FEL is targeting an issue of between 4 – 8 million Ordinary shares to raise between \$8m and \$16m.
Use of funds	FEL will use the funds raised by the offer to acquire fully paid ordinary shares in the capital of PPPL. In turn FEL will ensure that PPPL uses this capital to complete its development approvals, feasibilities and costings for the Port Spencer project and to put itself in position to raise the necessary funding for construction of the deep sea port. If the FEL and PPPL fundraisings are successful it is envisaged that FEL will be diluted from 100% ownership of PPPL to around 25% of PPPL.
Target IRR	FEL is forecast to receive dividends from the Port Spencer project (through its shareholding in PPPL) based on a project IRR of 12.3% before tax.
Withdrawal rights and exit strategy	Under an unlisted company there is no secondary market or redemption facility for any shares in FEL at this time. It is contemplated that an “off-market” trading facility amongst shareholders will be offered to shareholders on an annual basis, following the commencement of business operations at Port Spencer.

INVESTMENT SUMMARY

FEATURE	DESCRIPTION
Risks	<p>An investment in FEL is subject to certain risks associated with companies generally, the specific circumstances of the Company and the Port Spencer project. The key risks include:</p> <p>Pre-construction:</p> <ul style="list-style-type: none"> • Construction of the facility is delayed due to unforeseen delays in receiving various regulatory approvals, licenses and leases • PPPL is unable to secure full construction funding for the project. <p>Post-construction:</p> <ul style="list-style-type: none"> • The company does not receive adequate patronage / tons of grain delivered from Eyre Peninsula grain producers so as to cover its operating costs. <p>Investors must have regard to these risks before investing in the Company.</p>

KEY PROJECT FEATURES



I. INTRODUCTION

FEL is seeking to raise a minimum of \$10 million and up to a maximum of \$18 million of equity in order to capitalise its subsidiary PPPL sufficiently to finalise the development stages of Peninsula Ports, Port Spencer facility. This will be done in preparation for a final investment round with institutional investors which will fund the construction phase. FEL will fund its seed capital by raising \$2m through a convertible note issue placed by Baker Young Stockbrokers, and raising between \$8m and \$16m pursuant to this offer of Ordinary shares in FEL.

The Port Spencer Project is projected to require an investment in the order of \$180m to \$220m. The funding plan can be summarised as follows:

INVESTMENT ROUND	ENTITY	DESCRIPTION
Round 1	FEL	\$2m via FEL convertible notes convertible into PPPL shares @\$2 per share targeted mainly at sophisticated clients of Baker Young Stockbrokers.
Round 2	FEL	\$8 to \$16m via FEL Ordinary shares issued @\$2 per share targeted mainly at sophisticated EP farmers and other interested sophisticated investors
Round 3	PPPL	\$82m to \$90m via shares in PPPL issued @\$3 per share targeted mainly at large institutional infrastructure investors
Round 4	PPPL	\$60m to \$100m of bank borrowings

In all, if the indicated FEL share issues is subscribed in full, and the other funding rounds are successful FEL will hold 10.5m shares from a maximum total of 41.5M shares in PPPL.

FEL is offering Ordinary shares, linked to the port investment, to sophisticated investors (Corporations Law: Section 708) at a planned 33% discount to the final investment round pricing. The newly issued Ordinary FEL shares will have all the same rights in respect of the returns from PPPL's port operations, as do existing Ordinary FEL shares

The new Ordinary FEL shares are priced at \$2.00 per share, with a \$1 instalment on application. The final \$1 payment will be called after 1 March 2020 as the funds are required.

It is the intention of FEL (subject to future market conditions) to hold the shares in PPPL as a consolidated investment stake, ensuring the ongoing engagement of Eyre Peninsula grain growers in benefits of ownership of Port Spencer going forward.

FEL see this investment in PPPL delivering long term benefits for its shareholders through high dividends and strong capital growth.

2. DETAILS OF THE OFFER

THE OFFER

The Offer is for Ordinary shares in the Company to qualifying investors at an issue price of \$2.00 per share payable in two instalments of \$1.00 per instalment.

The Ordinary shares are offered on a partly paid basis with \$1 to be paid upon a subscription being made under this offer and balance of \$1 to be paid when the Company issues a call, which will not be before 1st March 2020.

All applications must be made by signing and submitting the Application Form attached to this Information Memorandum. The FEL board can agree to accept further applications for shares at its discretion

NUMBER OF ORDINARY SHARES ON OFFER

FEL is targeting the issue of between 4m and 8m Ordinary shares.

RIGHTS OF NEW ORDINARY FEL SHARES

The new FEL Ordinary shares will have the same rights as existing ordinary FEL shareholders in respect of dividends from income attributable to FEL's shareholding in PPPL. The rights of ordinary shares are set out in FEL's Constitution a copy of which can be found on www.freeeyre.com.au.

PARTLY PAID SHARES

All new Ordinary FEL partly paid shares are subject to the terms they are issued under and all applicable provisions of the Constitution. Holders of new Ordinary partly paid shares are liable to pay calls on the shares in accordance with the terms set out in section 2.1

Under the Company's Constitution, holders of partly paid shares will, subject to the terms of issue, be entitled to participate in dividends or other distributions of the Company in proportion to the amount the shares are paid. For example, if a holder has partly paid \$1 in each \$2 share, the shareholder would be entitled to receive 50% of any dividends being issued by the Company. Potential investors should note however that it is not expected that the Company will be in a position to pay any dividends on the partly paid shares at all until the Port Spencer project is complete and generating sufficient returns for Peninsula Ports to itself pay a dividend to its shareholders, including Free Eyre. Accordingly, potential investors should not expect any dividend return on their Ordinary shares until after the call has been made and the shares become fully paid.

CALLS

The Directors may provide a notice to holders of partly paid shares at any time requiring payment by the holder (a call) of any unpaid amounts within 14 days. The Directors will not make such a call until after 1 March 2020.

Interest may be incurred by the holder of a partly paid share on any amount unpaid after the due date.

A holder of a partly paid share may pay any unpaid amount on the share to the Company at any time in advance of a call being made. The Company has a right to hold all shares and all amounts distributable to a holder of a share until all unpaid calls or other amounts that may be due by the holder of a partly paid share have been paid (a lien).

2. DETAILS OF THE OFFER (cont)

FORFEITURE

If a call on a share is due and unpaid on the due date, then the share may, by resolution of the Directors, be forfeited. The Company is not obliged to provide notice of the forfeiture or to give effect to it. The Company may proceed with the sale of any forfeited shares subject to the Constitution.

PURPOSE AND USE OF FUNDS

The purpose of the offer is to enable FEL to subscribe for further shares in PPPL.

All funds raised from this offer (less the costs and expenses of the fund raising) will be used to subscribe for fully paid ordinary shares at \$2.00 per share in the capital of PPPL. In turn FEL will ensure that PPPL uses this capital to complete its development approvals, feasibilities and costings for the Port Spencer project and to put itself in position to raise the necessary funding for construction of the deep sea port.

OPENING AND CLOSING DATES

The Offer under this IM opens for applications on 18 November 2019 and will close on 20 December 2019.

All dates are subject to change and are indicative only. FEL has the right to vary these dates without prior notice, including the right to close the Offer early or to withdraw the Offer and to accept late applications.

Applicants are encouraged to apply as early as possible.

HOW TO APPLY

Applications for Ordinary FEL Shares may only be made by signing and returning the Application Form attached to this Information Memorandum

ISSUE OF SHARES

As soon as practicable after the Closing Date, FEL will determine the allocation of Ordinary Shares to Applicants. Investors will receive a confirmation letter within 5 days of the Closing Date confirming each Applicant's allocation of Ordinary FEL shares. FEL reserves the right to allocate shares in full, to issue a lesser number of shares than those for which an application has been made, to accept a late application or to decline an application.

The Offer Shares will be allotted in accordance with the allocations in the confirmation letters (subject to full remittance of the required first payment of the subscription money) and investors will receive a holding statement within five business days of allotment.

Where the number of Ordinary FEL shares allocated to an Applicant is less than the number applied for by an Applicant, surplus Application Monies will be returned to that Applicant.

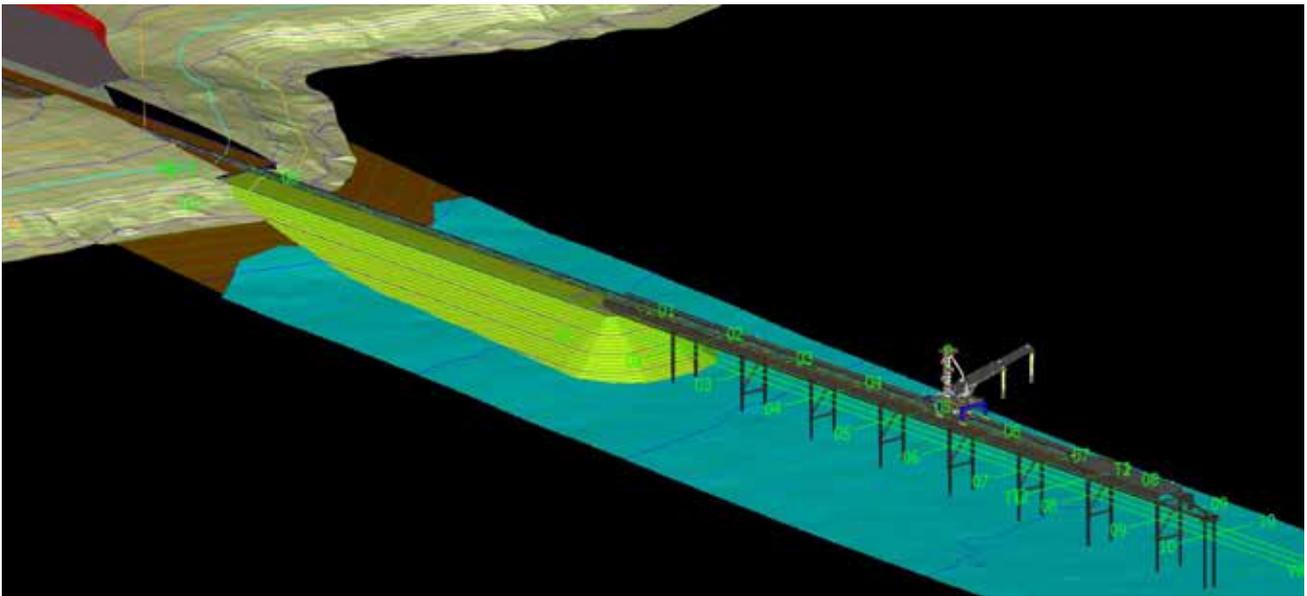
NO COOLING OFF PERIOD

There is no 'cooling off' period in relation to the issue of Offer Shares under this IM. Therefore, from the Closing Date for applications to invest, there will be no obligation on FEL to accept a request by an Applicant to withdraw their application.

3. PORT SPENCER PROJECT OUTLINE

The project is to build a new port facility at Sheep Hill, South Australia (Port Spencer) which is located approximately 70 kms north east of Port Lincoln in the heart of Eyre Peninsula's grain production region. The site has a natural catchment of approximately 1.6 million tonnes located economically closer to, or equidistant to any other port.

The Port will comprise a deep-sea port and, initially, up to 800,000 tonnes of first-hand grain storage for a projected cost of \$180 million to \$220 million.



Engineers design of Port Spencer causeway, wharf and shiploader

BACKGROUND

Of the average 2.5 million tonnes of grain produced on Eyre Peninsula, approximately 1.6 million tonnes are naturally freight advantaged by up to \$10 per tonne (average \$3.50 per tonne) to Port Spencer as compared to Port Lincoln or the port at Thevenard. This represents the prime growing region on Eyre Peninsula with comparatively more stable and reliable yields and rainfall than some of the other areas in South Australia .

PORT DEVELOPMENT

Scoping and design of the jetty and wharf has been and continues to be a wharf system with a 550-metre-long causeway. The jetty is proposed, built via the launching method, with a travelling ship-loader, capable of loading Post Panamax-sized vessels requiring 14 metres of draft. The minimum berth depth would be 14.5 metres and range to 23 metres at the end of the jetty. Current advice is that no dredging will be required. The Port will be a conventional deep-water port with industry-accepted technology and methods to load Panamax and Post-Panamax sized vessels. Larger vessels such as Cape-size ships may be accommodated in the future but is not currently within the project scope.

The jetty will be positioned in a south-east direction to allow for tidal movements and swell impacts on berthing and mooring

3. PORT SPENCER PROJECT OUTLINE (cont)

The travelling ship-loader will be rated at a minimum 2,000 tonnes per hour of grain and be capable of loading a Panamax vessel within two days. This is consistent with industry standards and competitive with Port Lincoln and other Australian deep-water ports.

Tug and pilot operations will be sourced from the nearby ports of Port Lincoln and Whyalla. These services will be negotiated with the relevant companies when appropriate.

PORT STORAGE AND LOADING FACILITIES

The wharf will be serviced by 50,000 tonnes of silo storage capacity. This storage will be capable of being fumigated and will facilitate vessel loading via an integrated conveyor system. It will be filled via a conveyor loading system from the port bunkers, and by truck directly from farms and external storage sites.

The Port site will initially have a nominal 800,000 tonnes of bunker storage capacity in addition to the 50,000 tonnes of silos, and related intake and out-loading equipment. The bunkers will have an operational intake capacity of up to 30,000 tonnes per day. They will use approximately 50ha of land.

Design and construction are based on a core functional requirement that all trucks entering the site are unloaded within 1 hour, and that, once sampling is complete, the trucks are off site within 30 minutes after unloading.

GROWER SUPPORT

Since the formation of FEL, Eyre Peninsula growers have indicated strong support for the Company investigating and developing the opportunity for an alternative grain supply-chain vehicle. FEL shareholders currently produce about 75% of the grain grown on the Eyre Peninsula.

The proposed Port Spencer facility will provide a compelling point of difference with advantages allowing direct grower deliveries resulting in lower freight costs, and substantially reduced double handling.

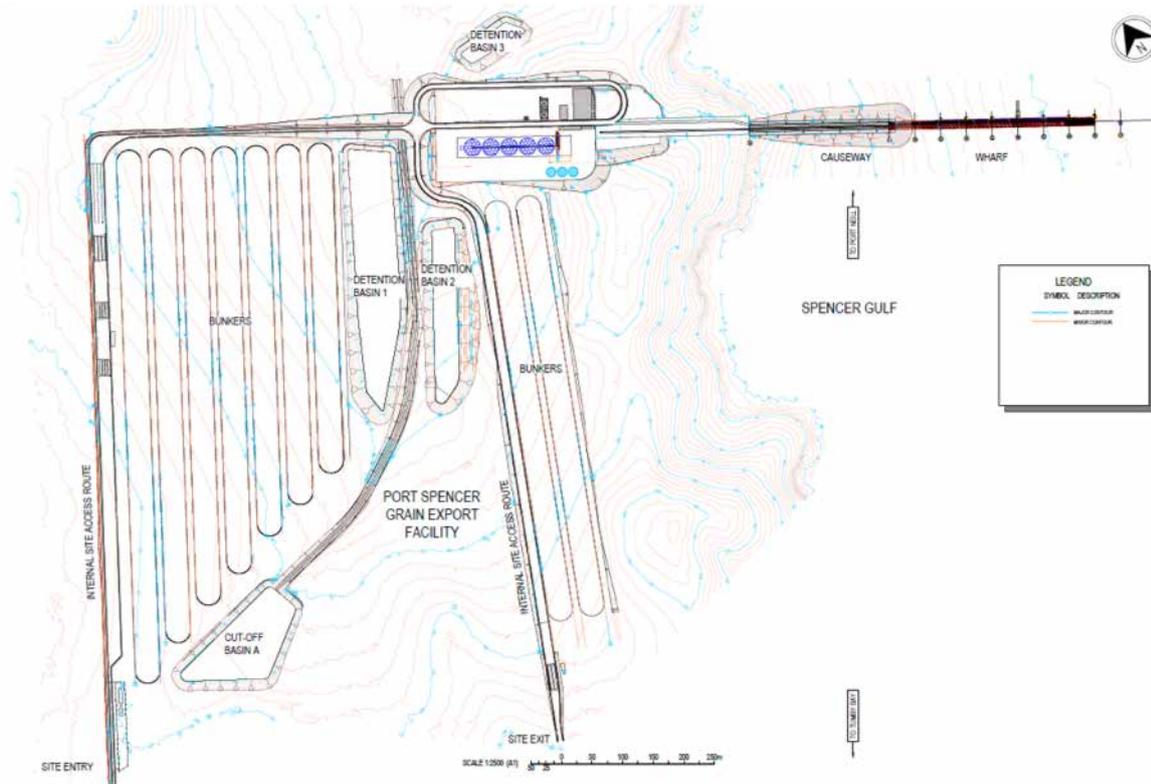
TRADER SUPPORT

Peninsula Ports believes it is likely that the proposed Port Spencer site will be equally and most likely more attractive to grain traders and exporters than Port Lincoln in terms of availability of shipping slots during harvest and peak shipping months, based on access, service levels, and competitive charging structures.

Peninsula Port's financial modelling assumes an average throughput of 800,000 tonnes, or circa 50% market share of the grain advantageously located closer to Port Spencer (versus other ports on the peninsula).

3. PORT SPENCER PROJECT OUTLINE (cont)

PORT SPENCER SITE



HISTORY OF PORT SPENCER

In 2011, Centrex Metals Limited ACN 096 298 752 (Centrex) proposed the Port Spencer site as a deep-sea port to facilitate iron ore exports from its proposed Eyre Iron Joint Venture project. Centrex proposed a development of up to \$325 million with a capacity of 20 million tonnes per annum.

The proposed Port is a naturally deep-water port with areas of 20 metres depth within 500 metres of the shoreline. Consultants have confirmed that dredging is not required. This depth can facilitate Panamax- and Post-Panamax sized vessels (Cape-size vessels may be accommodated for in the future but is not currently within the project).

FEL PARTNERED WITH CENTREX AT THE TIME TO INCLUDE GRAIN EXPORTS FROM THE PORT

Centrex has provided FEL and PPPL with uninhibited and free access to all past studies, plans and information (including geological, marine, and environmental information) for the Port. FEL estimates

3. PORT SPENCER PROJECT OUTLINE (cont)

that Centrex previously invested several million dollars over a number of years in direct and indirect cost to bring the Port to approved status. FEL wishes to leverage this as much as possible.

In 2011, the Centrex-proposed port received South Australian Government development approvals, subject to conditions, including that work was to start on the proposed port development by October 2016. However, no work commenced on it as the Eyre Iron Joint Venture project was abandoned following the decline in global iron ore prices. In the time since, a representative of the South Australian Government Department responsible for such development approvals, the Department of Planning Transport and Infrastructure (DPTI), has confirmed in a meeting held on 26 February 2019 that the original approvals are still valid and have been transferred with the title of the land to the Company.

As the Eyre Iron Joint Venture project was gazetted as a major project on 6 January 2011 (pursuant to Division 2, Major developments or projects, under section 46(1) of the Development Act 1993 (SA)), variations to the gazetted approval are now required. Such variations will relate to changing the proposed Port from an iron ore and grain facility to a pure grain facility. Work is underway on these variations.

Since this time, new and innovative design and construction practices have created the potential to significantly reduce the jetty and wharf construction costs to a level that enables Port Spencer to be economically viable with grain as the only commodity put through it.

On 3 June 2019 PPPL purchased the land for the proposed Port Spencer site, including 140 hectares of land suitable for commodity storage and handling with previous port approvals transferring with the land to the Company. The Company is currently well advanced with the Government of South Australia (Planning Department) to finalise the amendments to the existing approvals that will be required for final approval for the proposed Port to be secured.

To date PPPL's preliminary Project activities have been funded by support from FEL and a loan from DDH Graham Preferred Income Fund (refer Section 9)

4. PROJECT ANALYSIS

INVESTMENT CASE

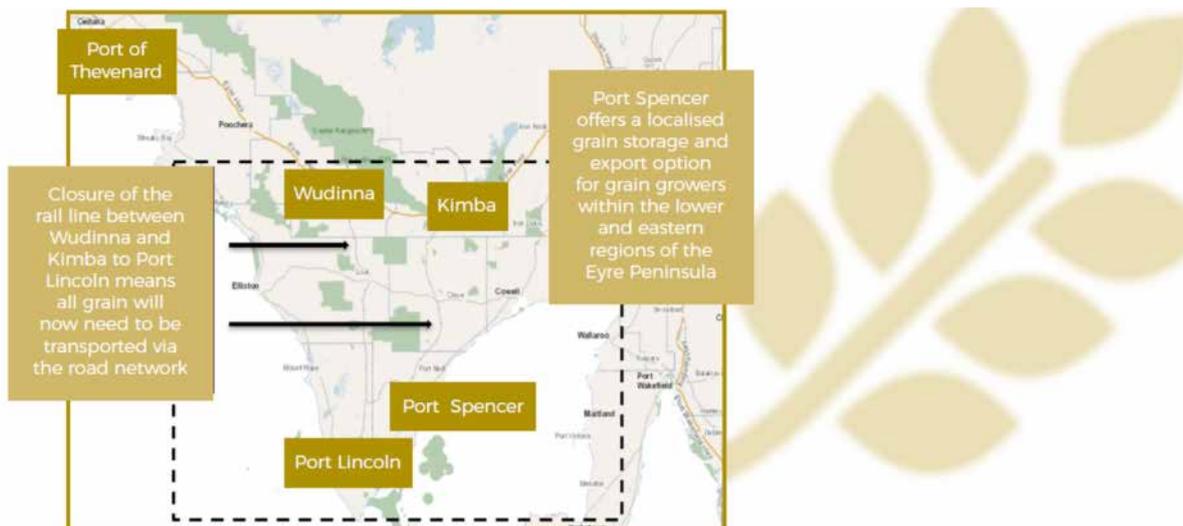
The Company believes that a new port at Port Spencer is commercially viable and attractive. This belief is based on the following:

- Significant freight advantage from proximity: on recent pricing comparisons, approximately 60% of grain produced in the Eyre Peninsula will benefit from freight advantage due to being closer to Port Spencer than to Port Lincoln or Thevenard. The Company estimates that this freight advantage on current pricing would average around \$3.50/tonne but up to \$12/ ton for grain growers at the upper end of the Peninsula's grain growing district, thereby reducing costs for grain growers and increasing grower returns by delivering to Port Spencer.
- Competitive port charges: Financial modelling by the Company shows that port charges can be competitive to those currently charged for shipping through Port Lincoln or Thevenard. Sensitivity analysis show that a 20% reduction in Port Spencer's port charges (subject to volumes) in order to meet competition, should still make the project profitable.
- Improved access to export traders: Opening up additional shipping slots in the peak shipping months (Dec-March) will allow all traders, but particularly medium to smaller grain traders, to have new access to shipping capacity that will in turn, bring greater competition from the global trade to bid for Eyre Peninsula grain.
- Port Spencer is also a significant grain transport solution for the Eyre Peninsula, following the closure of the region's rail network in 2019.

ANTICIPATED CAPITAL INVESTMENT

Capital investment for Port Spencer is estimated to be \$180 to \$220 million (including contingencies).

Preliminary scoping of the capital investment for the project is summarised as follows:



4. PROJECT ANALYSIS (cont)

CAPEX	\$M
Land	1.5
Wharf / Marine structures	63
Ship Loader	15
Silos	37
Site wide Civils/Bunkers	29
Bunker Storage Material Handling System	21
Electrical, controls and automation (excl silos)	2.5
Other supply, install & operational contracts	7
Ops costs (CAPEX)	8
Contingency	15
Total Capex	\$199m ex GST

These costs are preliminary, greenfield development estimates based on non-binding quotes and quantity-surveyor-estimates and include contingency allowances for risk. They are subject to further assessment, analysis and refinement as the project proposal progresses, including engineering, design and approvals. They do not include capitalised interest nor any contributions to external infrastructure upgrades that may be required for access to Port Spencer.

INVESTMENT HIGHLIGHTS

The Peninsula Ports Pty Ltd facility aims to:

- be the lowest cash cost operator in the region, enabling the port to be EBITDA positive on 350,000 tonnes of grain throughput with a 16% discount to current market prices.
- be one of two deep water port in the region enabling large Panamax vessels (80,000 tonnes of grain) to be loaded efficiently, cost effectively and not subject to weather.
- be the region's largest at-port storage facility with over 800,000 tonnes of at-port storage capacity.
- avoid the use of up-country storage to meet financial objectives.
- deliver high financial return as a pure grain port without the necessity for additional, potentially contaminating commodities.
- build in the flexibility to expand at-port storage to 1,500,000 tonnes (87% increase). This will enable Peninsula Ports to become Eyre Peninsula's largest grain export terminal.
- provide storage capacity to meet the region's annual yield improvements (approximating 3% per annum).
- realise grain road freight cost reduction to users of up to \$10 per tonne for approximately 1,600,000 tonnes of grain on Eyre Peninsula (200% of at-port storage capacity).

4. PROJECT ANALYSIS (cont)

EXAMPLE FORECAST FINANCIALS (SUBJECT TO CHANGE)

Note: these figures, estimates, and forecasts, are subject to the disclaimers in section 10 of this IM. Peninsula Ports considers the assumptions, estimates and forecasts presented in this document are reasonable, and the financial information provided is for general indication only and should not be relied upon to make investment decisions.

	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26
VOLUMES - RECEIVALS & SHIPPING (kt)	600	800	850	850	850
KEY PERFORMANCE INDICATORS (\$/t)					
Revenue \$/tonne	45.49	47.33	48.54	49.78	51.04
Variable Operating Costs	(7.35)	(7.54)	(7.73)	(7.92)	(8.12)
Contribution Margin	38.14	39.79	40.81	41.86	42.93
Fixed Operating Costs / Overheads	(7.88)	(6.06)	(5.84)	(5.99)	(6.14)
EBITDA	30.26	33.73	34.97	35.87	36.79
Depreciation	(7.43)	(5.71)	(5.50)	(5.64)	(5.77)
EBIT \$/tonne	22.82	28.02	29.46	30.23	31.01
PROFIT AND LOSS (\$M)					
Revenue	27.3	37.9	41.3	42.3	43.4
Variable Operating Costs	(4.4)	(6.0)	(6.6)	(6.7)	(6.9)
Gross Margin	22.9	31.8	34.7	35.6	36.5
Fixed Operating Costs / Overheads	(4.7)	(4.8)	(5.0)	(5.1)	(5.2)
EBITDA	18.2	27.0	29.7	30.5	31.3
Depreciation	(4.5)	(4.6)	(4.7)	(4.8)	(4.9)
EBIT	13.7	22.4	25.0	25.7	26.4

4. PROJECT ANALYSIS (cont)

ASSUMPTIONS

The forecasts presented above are based on the following key assumptions and are subject to change (see earlier disclaimers). The assumptions include wheat volumes shipped from the proposed Port and port charges per tonne. These assumptions are summarised in the following two tables below.

	\$/T
Receival & Storage	\$21.20
Shipping	\$21.30
Discounts	\$-
SUB-TOTAL	\$42.50
Port	\$2.00
Blending	\$1.50
TOTAL	\$46.00

SENSITIVITY ANALYSIS

The profitability of the Project is shown to be robust when tested against both receival tonnage scenarios and storage and storage fee revenue scenarios. The following table demonstrates combined revenues received from the grower and exporter currently (estimated based on publicly available charges data), and at -\$10 and -\$20 / per ton (in the event of a pricing 'war' with competitors)

Volume	400kt	800kt	1200kt
Revenue at \$53/T	\$21.2m	\$42.4m	\$63.6m
EBITDA	\$13.8m	\$32.6m	\$49.3m
Revenue at \$44.50 per tonne	\$17.8 m	\$35.6 m	\$53.4 m
EBITDA	\$10.7 m	\$24.9 m	\$39.1 m
Revenue at \$34.50 per tonne	\$13.8 m	\$27.6 m	\$41.4 m
EBITDA	\$6.7 m	\$16.9 m	\$27.1 m

4. PROJECT ANALYSIS (cont)

PROJECT PARTNERS

FEL's philosophy has always been to seek and partner with specialist individuals and businesses who share our vision and operating philosophy. With Peninsula Ports, this philosophy has remained resolute and we are delighted to introduce our project partners:



Promanage is a South Australian based company and has successfully delivered small, medium and large scale multi-disciplinary projects across a range of industry sectors in both the public and private sector. Promanage offers a full range of construction, project and program management services spanning the entire project lifecycle. Promanage has well-established and long-working relationships with government, consultants and construction contractors.

Recent projects that Promanage have been involved in include the Sundrop Farms project, a pioneering arid climate agribusiness, using concentrated solar power to create the heat, electricity and desalinated water to power the high-tech greenhouse operations at Port Augusta and the Pirate Life Brewery development at Port Adelaide.



Jacobs, a S&P 500 listed company, is the world's largest supplier of design services and the top ranked marine and port facilities designer in the world*. Jacobs has been involved in Peninsula Ports proposed Port Spencer development from inception and is providing services across the range and breadth of the project. Jacobs is engaged in undertaking an amendment to the Public Environmental Report for the project, supported by functional design basis and project requirements services.



Pacific Maritime Lawyers Pty Ltd is a multi-disciplinary professional practice offering specialist maritime legal and consulting services.

Pacific Maritime has extensive experience in project and asset management, maritime incident investigation and support, maritime compliance, audits, risk assessments, commercial dispute resolution, negotiations, due diligence and business management.

4. PROJECT ANALYSIS (cont)



PML is providing the maritime expertise to Peninsula Ports, ensuring that the proposal satisfies shipping best practice and compliance with the myriad of nautical and port-related regulation.

Bardavcol are a South Australian based and owned Civil Engineering company who undertake a wide range of Civil Infrastructure projects with extensive experience in construction of bulk earthworks and pavements including those associated with a number of grain facilities throughout South Australia. Bardavcol will be providing to Peninsula Ports the following, via an “Early Contractor Involvement” (ECI) approach, to the project:

- Design review and management of detailed civil design in conjunction with ProManage
- Earthworks and pavement options review to ensure maximum utilisation of potential site won materials as pavement materials, minimising costs and tailoring the design to suit locally available materials.
- Undertake construction of the works, maximising the skills and economies of local trade participation (specifically crushing and plant hire) .



Allied is a major supplier of conveyors and silos to the Australian grain industry. Allied is designing and supplying the grain handling, grain assessment, quality control, fumigation systems and final silo storage up to the point of conveying to the Shiploader.



McConnell Dowell are leading international builders of waterside and other constructions. They built the Rio Tinto Modular wharf north of Weipa resulting in a cost effective solution for Rio. Their expertise is being used to design and construct a modern high capacity wharf capable of handling vessels up to 90,000 tonnes.



Piper Alderman is a multi-disciplinary Australian law firm, having been lead advisers to commercial interests across Australia for over 175 years. Pipers are arguably Australia’s leading agribusiness legal firm, representing clients in many of the largest agribusiness transactions in rural and regional Australia.

5. THE ISSUER: FREE EYRE LIMITED

CORPORATE BACKGROUND

FREE Eyre Limited was incorporated as an unlisted public company in 2007. A Prospectus was launched to raise initial funds for the establishment of an office and management team based in Port Lincoln.

Two successive capital raising swelled the number of FREE Eyre shareholders to 472. The importance of this number is that well over half of the Eyre Peninsula's farming families are shareholders of the company, producing circa 75% of the Eyre Peninsula's grain, demonstrating the commitment and support provided to this truly unique business.

With 472 shareholders FREE Eyre is an Eyre Peninsula based rural investment vehicle that investigates and co-invests in the development of new businesses and value adding rural enterprises to bring about competition or value adding opportunities.

Ventures previously undertaken by FEL include the following agency and joint venture arrangements:

- EP Grain: a 50/50 grain marketing joint venture with Emerald Australia group
- EP Storage: construction and operation of the 100,000 ton up-country grain storage and handling facility at Rudall
- FE Energy: partnership with the Solar Shop that encouraged 70 farming families to take advantage of the generous, Government mandated feed-in tariffs through until 2027
- FE Grain: partnerships with PlumGrove, ProFarmer Australia, Clear Grain Exchange and most recently with Australia's leading independent grain advisory and pool management operator, Market Check.
- FE Fibre: partnership with the Michell Wool Group, Australia's largest wool processor and direct from farm wool buyer, aimed at challenging the traditional wool brokerage charges and supply chain
- Ag Guard: an innovative partnership with one of Australia's specialist crop insurance brokers, to challenge the premiums and services offer by incumbent crop insurance providers
- Telstra Store Whyalla: a long-standing partnership whereby FEL shareholders and their families received personalised, on farm service to increase their access to fixed and mobile technology and tailored communication packages for their individual situation and location.
- Maxiplus: an exclusive EP agency agreement to supply arguably the strongest and most durable South Australian made water tanks direct to EP farms. FEL and Maxiplus also collaborated to secure Regional Community Fund grants for firefighting tanks to over 140 farming families and community groups.
- Tin Roof Financial Services: a partnership with a specialist rural finance broker to bring about competition and alternative sources of finance to EP farming families.

Whilst FREE Eyre's mandate is to always consider ideas and suggestions about partnerships that will bring about competition and value adding opportunities to its shareholders and the Eyre Peninsula farming community, its clear and present focus is the development of the Peninsula Ports business and Port Spencer grain receipt and export facility.

5. THE ISSUER: FREE EYRE LIMITED (cont)

THE FREE EYRE LIMITED BOARD AND MANAGEMENT



CHAIRMAN OF BOARD OF DIRECTORS
JOHN CROSBY, Diploma in Agriculture (RDA)

Chair of the Agribusiness Advisory Board of Adelaide University, and Chair of Stoney Pinch Sands Pty Ltd; General Manager of own farming and investment business in SE South Australia; and Managing Director of C&F International (exporting Australian produce into Vietnam). Previously Chair of a number of wheat and meat industry bodies; senior roles with the NFF and Agribusiness Association of Australia; and Board member and General Manager of Elders.



CHIEF EXECUTIVE OFFICER
MARK RODDA, B Agricultural Business, Masters Innovations & Service Management, GAICD

CEO of FREE Eyre since 2009. Previously General Manager Elders Global wool operations. Recent consulting roles included Executive Officer of the AWI Wool Exchange Portal and ongoing agribusiness advisory roles to the University of Adelaide. Previous Directorships include Agribusiness Association of Australia, Australian Wool Handlers, Elders Primary Wool New Zealand, EP Grain, EP Storage, Elders Risk Management, Rodda Ag Co farming operations, Yorke Peninsula, South Australia



DIRECTOR
MATTHEW BAKER B ENG, MBA, GAICD

Currently Head of Corporate at Baker Young Stockbrokers. 25 years' experience in finance, corporate advisory and investor relations (Baker Young Stockbrokers and Patterson Securities). Additional experience as Business Advisor, Commonwealth Government Entrepreneurs and Commercialisation Program, start-up business, management, board and consulting roles



DIRECTOR
DAVID GIDDINGS B App Sc (Agriculture)

Farmer based at Wanilla / Wangarry on the lower Eyre Peninsula. Previous Chairman of the Wanilla Ag Bureau and Chairman of LEDA (Lower Eyre Ag Development)

5. THE ISSUER: FREE EYRE LIMITED (cont)



DIRECTOR
TREVOR GILMORE

Farmer based at Streaky Bay on the western Eyre Peninsula. Former Councillor of District Council of Streaky Bay, Member of Eyre Peninsula Water Resources Advisory Committee, Member of Streaky Bay Tourism Committee



DIRECTOR
KEVIN O'DRISCOLL

Former Chairman of Board of Directors, Ausbulk Ltd 1995 – 2004, Chairman of Ausbulk finance and Audit Committee, Nominations and Remuneration Committee and Listing Committee. Founder and Chairman of Semaphore Container Services, 2006 – II



COMPANY SECRETARY
ASHLEY ROFF FGIA, Master of Laws (LLM) (Hons 2)

Over 25 years of governance and legal experience in agriculture, including as legal counsel and company secretary of ABB Grain Ltd (now Glencore / Viterro), Ausbulk Ltd, Emerald Grain (a Sumitomo subsidiary) and Berri Ltd, and as current non-executive director of Port Lincoln based Angel Seafood Ltd (ASX: AS1).



DIRECTOR
GORDON TOLL FAusIMM

Honours degree in mining engineering from University of Queensland. Masters degree in business from Columbia University NY.

Corporate Career of 27 years with Consolidated Goldfields, BHP, Texasgulf, Atlantic Richfield & Rio Tinto - primary focus on iron ore, coal, copper and industrial minerals.

Followed by over 23 years as an entrepreneur exploring for major ore bodies and developing significant new port, materials handling, logistics and infrastructure projects including Savage River (Tasmania), Oyu Tolgoi (Mongolia), Ferrous Resources (Brazil), FerroAlloys Limited Vanadium (Kazakhstan), Lodestone Equities (South Australia)

5. THE ISSUER: FREE EYRE LIMITED (cont)

CAPITAL STRUCTURE

The capital structure of FEL following completion of the Offer and conversion of convertible notes is summarised below:

	Ordinary shares (low raise)	Ordinary Shares (high raise)
Shares on issue at date of IM	2.4m	2.4m
Shares issued pursuant to the Offer @ \$2 / share	4m	8m
Other shares which may be issued to support the Port Spencer project	0.125m	0.125m
TOTAL SHARES	6.525m	10.525m
Cash raised 2019/20	\$8m	\$16m

OPTIONS

Baker Young Stockbroking *	1m	1m
Cash raised 2023	\$2m	\$2m

*Options exercisable @ \$2.00 per PPPL share and exercisable on or before 30 June 2023

PRO-FORMA BALANCE SHEET

The pro-forma unaudited consolidated balance sheet of FEL immediately after the completion of the allotment of the Offer Shares is contained in APPENDIX 1.

Note that Free Eyre has been issued with 2.5 million shares in PPPL to recognise the significant discount on the purchase of the port site and attached approval work and the money spent by FEL to get the project to this stage. While the consolidated value of these shares is nil whilst PPPL remains a wholly owned subsidiary of FEL, once PPPL is deconsolidated upon the raising of institutional equity in 2020 this shareholding will be recognised as an investment in the accounts of FEL.

6. GRAINS INDUSTRY

SUPPLY CHAIN STRUCTURE

In essence, the export grain supply chain collates grain from domestic farmers and distributes it to overseas end users. The set of processes comprising the supply chain includes services such as storage, handling, freight and shipping.

From a grain grower's perspective, supply chain costs are a major cost item. Sometimes this can be the single largest cost item depending on several factors such as the distance from point of harvest to point of receipt, mode of transport and grain handling, and storage and loading charges.

A key consideration for understanding the export grain supply chain is the export window between December and May. This window comes about because of the harvest period in Australia, as well as coinciding with waning of supply from northern hemisphere competitors, and there are premiums and opportunities available in Asian markets. This relatively short window creates competition for labour, grain, rail, transport and port services and shipping slots. About 80% of grain produced in South Australia is exported.

The supply chain industry is highly concentrated. Three large bulk handlers are dominant players nationally – Cooperative Bulk Handling (CBH) in WA, Glencore/Viterra in South Australia and GrainCorp in eastern Australia. These bulk handling companies are highly integrated, and own/operate storage sites, rolling stock, ports, and exporting and marketing businesses. In South Australia, Viterra handles around 80% of the grain and exports up to 40% of grain produced in the State. A smaller but significant bulk handler is Cargill which operates in Australia as AWB Cargill, Cargill and AWB.

EYRE PENINSULA GRAIN PRODUCTION

The Department of Primary Industries and Regions South Australia (PIRSA) divides the Eyre Peninsula into three separate growing districts:

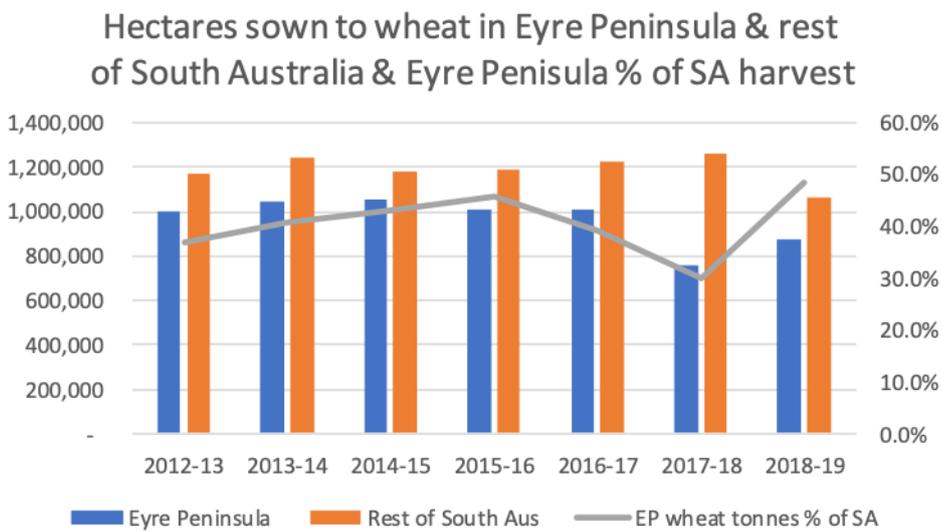
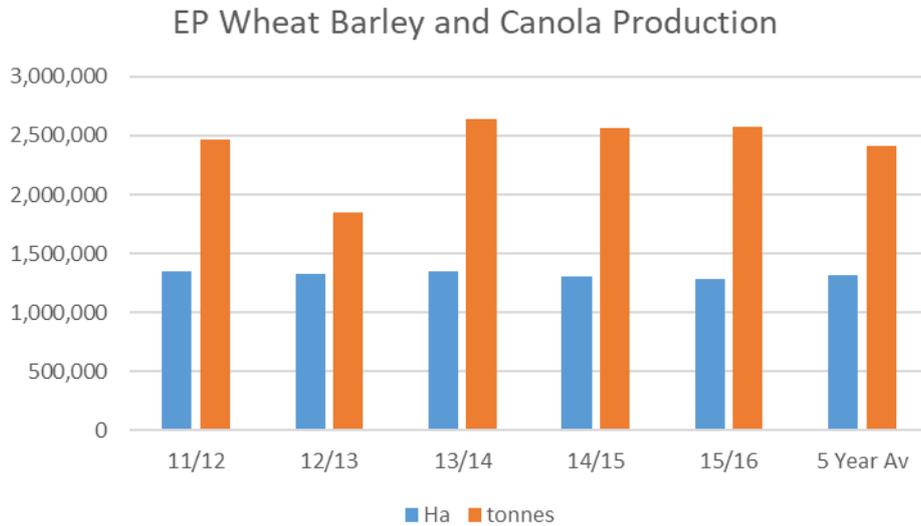
- Lower EP is the wetter and more reliable part of the peninsula. Yields can range in excess of 5T/Ha for wheat. The eastern side of this area is adjacent to the Port Spencer site.
- Western EP extends north from lower EP and on the western side of the peninsula. It tends to be more reliable than eastern EP but lower rainfall than the lower EP area.
- Eastern EP is the area north and east of lower EP and includes Kimba, Cleve and Cowell. This area is capable of very large grain production but does tend to suffer more in drier years.

EP by district area and yield

	Western	Lower	Eastern	Total
Ha	480,500	139,400	392,100	1,011,900
Tonnes	719,100	429,100	682,500	1,830,700
T/Ha	1.50	3.08	1.74	1.81

6. GRAINS INDUSTRY (cont)

On average, over the 5 years to 2018-19, approximately 72.5% of sown land area on the Eyre Peninsula is wheat.



6. GRAINS INDUSTRY (cont)

THE SOUTH AUSTRALIAN GRAIN INDUSTRY

GRAIN HANDLERS AND STORAGE

- Glencore Grain Australia (also a subsidiary of Viterra's global parent company) is the largest grain exporter in South Australia by market share. In 2017, Glencore's/ Viterra's storage was in excess of 11 million tonnes of wheat located across 90 operational grain receipt sites.
- During 2016-17, the Eyre Peninsula had a record-high wheat production at 2,527,000 tonnes. To cope with the record grain production, during the second half of 2016 a further 900,000 tonnes of bunker storage was built.

The Essential Services Commission of South Australia (ESCOSA) has stated that Viterra can be considered a "near-monopoly" supplier in providing supply-chain services (upcountry storage and handling, freight transport to port, and port services including export bulk loading facilities). This high market share results from the large amount of fixed infrastructure that it operates, and this is more predominant on the Eyre Peninsula than anywhere else in South Australia

OTHER FEATURES OF THE SA GRAIN SUPPLY CHAIN

The supply-chain has predominantly been built over the past 50 to 70 years by the grain grower cooperative South Australian Co-Operative Bulk Handling (SACBH) which was demutualised in 2000 and merged with ABB Grain (regional listed grain trader) in 2004. ABB Grain was purchased by Viterra Inc of Canada in 2009, which was then acquired in 2012 by Glencore of Switzerland, one of the world's largest commodity traders, in 2012.

The current wharf at Port Lincoln was built in 1975/76 and the bulk grain silos originally built in 1958. The infrastructure at Port Lincoln is showing signs of age and it is alleged that a number of the grain silos are no longer safe enough to use, within the facility.

Both Port Lincoln and Thevenard have experienced infrastructure issues in recent years. In June 2017, ship loading operations at Thevenard were suspended after a draft engineering report identified possible safety concerns regarding a section of the jetty infrastructure. In February 2019, Viterra announced that it would not renew its contract with the rail company providing grain movement on the Eyre Peninsula and all future grain movement would be done by road. South Australian Senator Alex Gallacher was reported as saying that this move to complete road transport would be "catastrophic" and could see an additional 30,000 B double trucks on the road. Locals also expressed concern at the bottlenecks this would cause on the roads and at the silos.

LUCKY BAY

T-Ports Pty Ltd (T-Ports) has commenced operating a bulk grain receipt and transshipping service at Lock and Lucky Bay, Eyre Peninsula. The T-Ports service offering contemplates utilising a shallow draft Trans-shipment Vessel (TSV). The shallow draft vessel would trans-ship grain from the Lucky Bay harbour to deep water ocean-going vessels anchored in the Spencer Gulf. The TSV is expected to be commissioned in 2019, and the port silos and ship-loader completion expected in November/December 2019. Bulk grain export services are expected to be commercially provided from 1 January 2020.

6. GRAINS INDUSTRY (cont)

There are several other grain-handlers that operate in South Australia:

- Cargill (also trading as AWB Grainflow and AWB): grain receival and storage sites at Mallala, Pinnaroo, Crystal Brook and Maitland;
- Kl Pure Grain Pty Ltd: grain receival and storage at Kingscote;
- San Remo: durum wheat receival sites in Kulpara (Northern Yorke Peninsula) and Balaklava;
- ADM opened a new bunker and silo facility at Port Pirie for 2019/20 period.

It is estimated that there are another approximately 1 million tonnes of grain storage on farms used to manage the logistics of harvest buffering for cartage to silos.

INTERNATIONAL

South-East Asia, with a fast-growing population and wheat consumption rising is expected by the end of 2019 to be the largest wheat-importing region in the world for the first time.

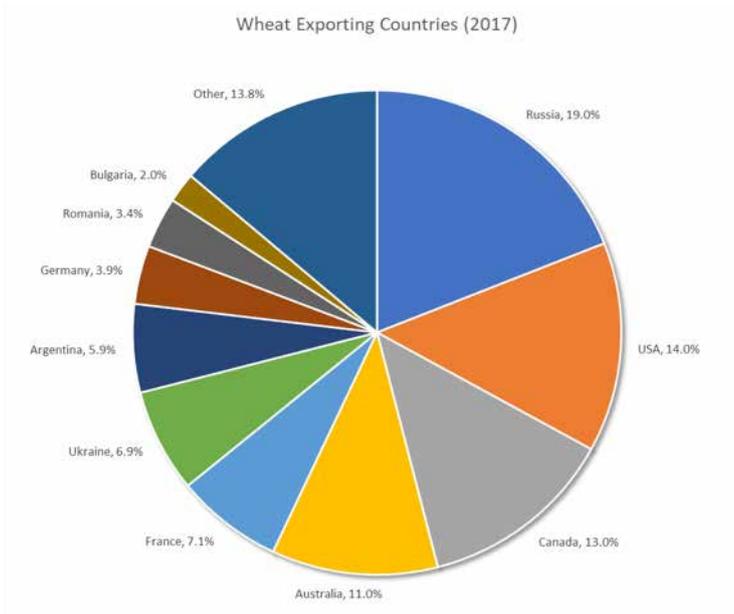
Wheat is farmed throughout the world. The leading wheat-producing countries between 1994 and 2017 were:

NO.	COUNTRY	WHEAT PRODUCTION (AVERAGE 1994-2017) (MILLION TONNES)
1.	China	111,082,875.00
2.	India	77,238,162.33
3.	United States	58,747,581.75
4.	Russia	47,771,413.17
5.	France	36,130,964.67
6.	Canada	26,305,512.50
7.	Germany	22,423,437.88
8.	Australia	21,585,223.83
9.	Pakistan	21,253,930.54
10.	Turkey	19,816,666.67

Food and feed demand in Indonesia has seen huge increases over the last 10 years, with its grain imports doubling, quickly becoming the second-largest importer of wheat in the world behind Egypt. The Philippines have seen similar growth to Indonesia, with import-growth accelerated by local typhoons destroying domestic crops of corn and rice. Wheat demand in these areas is also boosted by longer-term shifts in consumer preferences, as Asian countries are substituting more wheat into their diet in place of rice. CGIAR (formerly the Consultative Group for International Agricultural Research) has predicted that demand for wheat will rise 50% by 2050, with a world population of 9 billion or more and as many as 6.3 billion city-dwellers buying convenience foods.

In 2017, Australia was also the fourth-largest exporter of wheat in the world, behind Russia, the USA, and Canada.

6. GRAINS INDUSTRY (cont)



DISTRIBUTION AND EXPORTS FROM INCUMBENT OPERATORS

There are 6 main grain export terminals located across South Australia.

- Viterra's existing grain port facilities footprint
- Viterra's South Australian upcountry receival sites and port terminals have a total storage capacity of more than 10 million tonnes. Viterra operates six grain port terminals along the South Australian coast;

DEEP SEA PORTS

- Outer Harbour
- Port Lincoln (Eyre Peninsula)
- Port Giles (Yorke Peninsula)
- Port Adelaide Outer Harbour

SHALLOW PORTS

- Inner Harbour
- Thevenard (Eyre Peninsula)
- Port Adelaide
- Wallaroo (Yorke Peninsula)

Of importance to Peninsula Ports:

- Port Lincoln grain terminal is estimate to have approximately 396,000 tonnes silo capacity and exporting up to 2 million tonnes per annum;
- Thevenard grain terminal is estimated to have approximately 200,000 tonnes of silo capacity, exporting up to 400,000 tonnes per annum;

7. KEY RISKS

There are risks associated with any investment and there are various risks associated with an investment in the Company.

Prospective investors are cautioned that an investment in FEL is a speculative investment and involves a degree of risk.

The following highlights some of the risks that potential investors should consider prior to subscribing for shares in the Company. However, the following is not, and does not purport to be, a comprehensive statement of all relevant risks. Potential investors must seek their own professional advice in relation to the risks and must make their own assessment.

Each risk can result in extra time and costs, including in greater than proportionate manner. At worst, a risk may cause the project to not achieve completion.

EARLY DISPOSAL

No-one is under an obligation to buy-back or redeem shares in FEL of whatever class, and there is no ready market for those shares.

This investment is an illiquid investment for which there is unlikely to be an official secondary market. Investors who attempt to realise their investment at any time may be unable to do so or may only be able to do so at a significant loss.

It is envisaged, however, that once operational, Peninsula Ports will conduct an annual off-market trade period, whereby willing sellers and buyers of FEL shares will be provided with a mechanism to trade their shares.

OPERATING HISTORY & ESTABLISHMENT COSTS

The costs associated with development of the Port Spencer project, which has no operating history, are subject to a variety of factors outside of the control of the Company and Peninsula Ports which could significantly impact upon and increase those costs.

FURTHER FUNDRAISING

The funds to be raised pursuant to this Information Memorandum will form part of the overall funding requirements. For FEL to succeed it may require the need to raise further funds which would dilute any prospective investor's holding.

LACK OF DIVIDENDS

If the Port Spencer project does not succeed, or achieve the financial returns modelled (including because of weather events such as drought), then the ability for PPPL to pay dividends to its shareholders (including FEL) will be compromised and so in-turn will the ability of FEL to pay dividends to its shareholders.

COMPETITION

The grains industry is rapidly expanding on a global scale, and competitors and serious business challenges can emerge quickly. Aggressive marketing by the existing or emerging competitors (including the proponents of other port projects on the Eyre Peninsula, and the incumbent operator) could reduce the profitability of Peninsula Ports, and in-turn the Company's profitability, slow the growth of the Company and potentially harm the Company in the marketplace.

7. KEY RISKS (cont)

KEY PERSONNEL

The key personnel employed or engaged by FEL and by PPPL in relation to the project have a high degree of expertise and the Company and PPPL are reliant upon their continued service to maintain high performance in system administration, project development and management. The loss of key executives, staff or consultants or the inability to recruit staff and retain high calibre staff or consultants to manage the project could adversely affect the Company and/or the Project.

RISK MANAGEMENT

The directors of the Company have attempted to address all the associated risks as best as possible. However, there are other factors which are not specific to the Company which may impact on the Company, including:

- economic policies;
- interest rate changes;
- taxation policies;
- inflation rate changes;
- business confidence; and
- the state of the Australian economy and global economies.

CONSTRUCTION AND ENVIRONMENTAL PLANNING RISK

The key construction, environmental and planning risks are as follows:

- The construction costs are development estimates, are constantly being updated based on non-binding quotes and quantity surveyor estimates and are subject to latent risks. They include contingency allowances for risk as the final jetty and wharf designs are subject to completion of below-seabed geotechnical testing.
- The coastal land is subject to Native Title and will require an “Indigenous Land Use Agreement” or “ILUA” with the Barngarla people. The details of this agreement have been negotiated and are awaiting endorsement by a meeting of the Barngarla Determination Aboriginal Corporation (BDAC) due in October.
- The full approval process may take longer than expected resulting in a delayed start to construction. Approvals are subject to usual political risks (including policy changes). Approvals include but are not limited to: lodging a Public Environmental Report (PER), land use, geology and soils, surface water, groundwater, air quality, noise assessment, waste and materials, ecology, hydraulic modelling, Environment Protection and Biodiversity Conservation assessment, indigenous land use, visual amenity assessment, and socio-economic impacts.
- The jetty will be constructed offsite in China and shipped to site. To ensure the jetty meets Australian Standards a suitably qualified representative of the Project Manager will supervise and approve the individual stages of fabrication on site in China. The components may be damaged during transport.
- A delay in fabrication in China can have flow-on delays, e.g. it could result in a delay in jetty placement on site. In addition, the fabrication contract is likely to be in US Dollars or Chinese Yuan and will be subject to foreign exchange fluctuation risk.

7. KEY RISKS (cont)

- A contractor is unable to complete their requisite task due to unforeseen circumstances (e.g. force majeure, latent site issues, industrial relations activity) resulting in a delay to the fix or the appointment of another contractor for the brief.
- Unanticipated events such as market price changes, inclement weather, labour shortages, labour disputes, community opposition/action, environmental or social activists, and legal injunction or other formal dispute process could potentially delay the start of construction and project timeline.
- Approximately 7 kilometres of road needs to be upgraded to allow for safe and efficient forecast grain volumes to be delivered to site.

VOLUME RISK

The volumes to be exported through the Port will be determined by both the amount of grain produced in the catchment area and the cost of using the Port. The following table summarises potential revenue and EBITDA results at different volume levels and at “two port” cost levels.

VOLUME	400kt	800kt	1200kt
Revenue at \$53/T	\$21.2m	\$42.4m	\$63.6m
EBITDA	\$13.8m	\$32.6m	\$49.3m
Revenue at \$44.50 per tonne	\$17.8 m	\$35.6 m	\$53.4 m
EBITDA	\$10.7 m	\$24.9 m	\$39.1 m
Revenue at \$34.50 per tonne	\$13.8 m	\$27.6 m	\$41.4 m
EBITDA	\$6.7 m	\$16.9 m	\$27.1 m

EBITDA = earnings before interest, tax, depreciation and amortisation

ONGOING OPERATIONAL RISK

Operational risks include:

- securing throughput with traders including well-established global businesses such as Cargill, Archer Daniels Midland, and Glencore/Viterra);
- industrial action (whether landside or seaside);
- labour shortages;
- environmental/social activism;
- weather events such as drought (affecting grain production);
- competitive risk presented by new grain export facility development at Lucky Bay (utilising shallow draft trans-shipment vessels – see further information at section 7 (Grain Industry Background) of this IM);
- Lucky Bay could be taken over or improved to a level to provide better competition.

8. MATERIAL CONTRACTS

INTRODUCTION

Set out below is a brief summary of certain contracts to which the FEL group is a party and which the Directors of FEL have identified as material to the Company, and are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for the Share Offer.

1. BAKER YOUNG STOCKBROKERS MANDATE

FEL has engaged South Australia's premier stockbroking company, Baker Young Stockbroker (BYS) to assist with the capital raising program for this Information Memorandum as well as the next and final round of capital raising with institutional investors.

Key capital Raising Tranches:

ROUND 1 (Seed Round, \$2m Convertible Notes)

Support FEL to raise \$2m from non shareholders / BYS clients for the acquisition of 1m shares in PPPL at \$2

ROUND 2 (Final Design Phase, \$16m, total paid up value of Ordinary FEL shares)

- Support FEL to raise approximately \$8m (value of first instalment) and a further \$8m (for the second installment at call by the FEL Board). If fully subscribed, this will total the issuing of 8m new Ordinary FEL shares. It is expected that this capital will largely be raised from existing shareholders and EP farmers / agribusinesses.

ROUND 3 (Shortfall of Round 2)

Support FEL to place any shortfall of Round 2 through the placement of Ordinary FEL shares or the issuing of Convertible Notes (in the same structure as Round 1 terms)

FEE STRUCTURE

FEL and Baker Young Stockbrokers have agreed a Fee Structure for the accomplishment of the above targets:

- a) Round 1. A fee of 8% on the Convertible Notes
- b) Round 2. A fee of 4% on total paid up value of capital raised through the issuing of Ordinary FEL shares
- c) Round 3. A fee of 8% on the capital raised through Convertible Notes.

FEL will also issue 1 million options to BYS over Ordinary Shares in PPPL. These options will have a strike price of \$2.00 and exercise date of 30 June 2023.

8. MATERIAL CONTRACTS *(cont)*

2. LOAN AGREEMENT DDH GRAHAM PREFERRED INCOME FUND TO PPPL

In an effort to secure the Port Spencer land and approvals from Centrex Metals, PPPL entered into a Facility Agreement with Sargon CT Pty Ltd (as custodian for the DDH Preferred Income Fund (lender)) on 30 May 2019.

PPPL utilised these funds to purchase the Port Spencer property and engage project partners (as outlined earlier in this I.M) to undertake the Early Contractor Involvement (ECI) phase of planning and design.

The Facility Agreement (loan) of \$2,500,000 is for a term of 3 years and carries a lending rate of 15%, payable monthly.

The Loan is secured over the assets and undertakings of PPPL

9. DISCLAIMERS

Investment in the shares offered under the Information Memorandum is speculative and independent financial or other professional advice should be obtained.

Please read this document carefully before you make a decision to invest. An investment in the Company has specific risks which you should consider before making a decision to invest.

This information memorandum was prepared by Free Eyre Ltd ABN 18 124 308 041 and was issued on 18 November 2019.

This Information Memorandum relates to the opportunity to acquire partly paid Ordinary shares in FEL .

This Information Memorandum is provided by FEL solely to assist persons considering subscribing for Ordinary shares in the Company to assess the investment and associated risks.

Any person who receives this Information Memorandum (Recipient) should note that it is not a disclosure document (such as a prospectus) which has been or requires lodgement with the Australian Securities & Investments Commission (ASIC).

The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Company and should not be considered or relied on as a recommendation, advice, or a statement of opinion that is intended to influence a person in making a financial product or investment decision, including that any person should subscribe for, purchase or otherwise deal in any equity of the Company. This Information Memorandum does not consider your individual objectives, financial situation or needs, or those of any particular investor.

You should read this Information Memorandum carefully and consider the appropriateness of the information and the risk factors that could affect the performance of the investment having regard to your objectives, financial situation, needs and desires. Investment is subject to general investment risk, including loss of income or capital invested. You should not base your decision to invest solely on the information in this Information Memorandum and you should carefully read it in its entirety.

The Information Memorandum is not to be considered as investment, legal or tax advice. Before making an investment decision in relation to the Company, you should consider your own personal circumstances and consult your financial, legal, tax and other professional advisers about an investment in the Company.

The Company has not authorised any person to give any information or to make any representation in connection with the Share Offer which is not contained in this Information Memorandum. No information or representation which is not contained in this Information Memorandum may be relied upon as having been authorised by us in connection with the Share Offer. This Information Memorandum supersedes all previous representations and communications (including investor presentations or flyers) in respect of the Share Offer, FEL and PPPL.

As stated above, this Information Memorandum is not a prospectus, product disclosure statement or other disclosure document required under the Corporations Act 2001 (Cth) (Corporations Act) and it will not be lodged with ASIC. This Information Memorandum is not required to and may not contain the same level of detail which would be required in a product disclosure statement or a prospectus. Any invitation to purchase or subscribe to the securities will be an offer that does not require the provision of a product disclosure statement under Division 2 of Part 7.9 of the Corporations Act, nor disclosure for the purposes of section 708 of the Corporations Act. By retaining this Information Memorandum, you represent that you are not an investor to whom disclosure is required to be made under the Corporations Act.

9. DISCLAIMERS (cont)

The Share Offer is only available to qualifying investors. A qualifying investor is a person who qualifies for one of the exemptions under Part 6D.2 of the Corporations Act (e.g. as a “sophisticated investor”, made through a financial services licensee or as a “professional investor”). All investors who take up the offer under this IM will be required to execute an application form including an investor disclosure statement (see the Appendix) and maintain their status.

This Information Memorandum may contain forward-looking statements and prospective financial information relating to future matters and which are predictive in character. These may be affected by known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such statements. Statements about the Company’s future operations, projections and forecasts are based on assumptions about future events and management actions which may not necessarily take place and are subject to uncertainties which may be outside the control of the Company.

The Company makes no guarantees, representations or warranties regarding whether projections or forecasts will be achieved or whether they represent the most likely outcomes.

This Information Memorandum and the Share Offer is only available to persons receiving this Information Memorandum within Australia to whom it is lawful to provide such information. This Information Memorandum does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make the Share Offer or issue this Information Memorandum. If you receive this Information Memorandum in such circumstances you should seek advice on whether you are entitled to receive it or the Share Offer, and observe any applicable restrictions, limitations, prohibitions, or obligations. Unless otherwise stated, dollar amounts are expressed in Australian Dollars.

FEL, each of their agents, contractors, directors, officers and employees to the full extent permitted at law:

1. do not warrant or represent the origin, validity, accuracy, completeness or reliability of, or accept any responsibility for, errors or omissions in this Information Memorandum;
2. disclaim and exclude all liability for all claims of whatever nature that may arise in any way from or in connection with the provision of this Information Memorandum and any inaccuracy, incompleteness or currency of information within this IM, or any reliance by any person on it; and
3. do not, by this IM, provide any recommendation, service or advice.

By retaining this Information Memorandum, the Recipient acknowledges and agrees (for itself and its related bodies corporate and each of their management, officers, employees, agents, representatives and advisers) that:

- (a) this Information Memorandum and all of the information contained in it is confidential, and it will keep strictly confidential this Information Memorandum and its contents, and all other information made available to the Recipient in connection with this Information Memorandum or its contents;
- (b) neither this Information Memorandum nor its contents will be used, in whole or in part, by the Recipient or any of its officers, employees, servants, or agents for any purpose other than deciding whether to investigate further a possible acquisition of securities in the Company pursuant to the terms of this Information Memorandum;
- (c) this Information Memorandum will not be reproduced (nor its contents disclosed to a third party), either in whole or in part, without the prior written consent of the Company;

9. DISCLAIMERS *(cont)*

(d) upon request, it will promptly return this Information Memorandum, together with any other material received in connection with it, to the company without retaining any copies; and

(e) upon request, it gives in favour of the Company a separate confidentiality undertaking substantially on the terms set out in paragraphs (a) – (d) above.

UPDATING THE IM

Information contained in this IM is subject to change from time to time and may be updated by the Company. Any updated information (which is not materially adverse to investors) will be available from the FREE Eyre Limited website. Where updated information is materially adverse to investors, the Company will issue a supplementary IM.

APPENDIX I

Anticipated Pro-forma FREE Eyre Limited Balance Sheet, post capital raise associated with this Information Memorandum.

ASSETS	VALUE
Current FEL assets	\$0.237
Port Spencer land	\$1.5m
Work in progress	\$1.4m
Cash	\$10m
Equity on call	\$8m
Total assets	\$21.137m
LIABILITIES	
Convertible note	\$2m
DDH Graham loan	\$2,5m
Interest on convertible note	\$0.094m
Work committed but not yet complete	\$6m
TOTAL LIABILITIES	\$10.594m
NETT ASSETS	\$10.543m

ASSUMPTIONS

1. Balance sheet is as at completion of initial capital raise on 20th December 2019
2. Assumes that 8 million FREE Eyre shares are subscribed
3. Work committed relates to the detailed design progress work which is continuing through to March 2020.
4. Funding will carry through to receiving final approvals to construct the port
5. These figures do not take into account the capital raising costs as outlined on page 34.

APPENDIX 2

SHARE APPLICATION FORM INSTRUCTIONS APPLICATION TO SUBSCRIBE FOR PARTLY PAID ORDINARY SHARES IN FREE EYRE LIMITED (ACN 124 308 041) (Company)

The share application form is attached to this Appendix 2 (see Schedule2). Please return your completed form, accompanied by the signed Investor Disclosure Statement (see Schedule 1) and address all questions, to:

Free Eyre Limited
1/33 Hutt Street
Adelaide SA 5000
Attn : Mark Rodda
Tel: +61 8 8232 9266
Fax: +61 8 8232 2065
Email: mark@freeeyre.com.au

This Application Form accompanies the Information Memorandum dated November 2019 (IM). The IM contains important information about the offer of Ordinary shares in the Company. Applicants should read the IM in its entirety before applying for Ordinary Shares.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the IM.

Applicants should seek professional advice to assist them in forming their own opinion of the information in the IM and its relevance to their individual circumstances, investment objectives and needs.

No warranty or guarantee is, or can be, given in respect of the capital or future earnings of the Company.

The original Application Form should be sent to Free Eyre Limited (FEL).

Applications will not be processed until FEL is in receipt of the original Application Form and appropriate accompanying documentation.

APPENDIX 2 (cont)

INVESTOR INFORMATION FOR PARTICIPATION IN THE ISSUE OF PARTLY PAID ORDINARY SHARES IN FEL IMPORTANT

Participating Investors must:

1. Read and sign the Investor Disclosure Statement attached to this Appendix 1 (refer SCHEDULE 1).
2. If required, obtain the Certificate of a Qualified Accountant in the form attached to the Investor Disclosure Statement.
3. Complete and sign the Application Form attached to this Appendix 1 (refer SCHEDULE 2)
4. Send the signed Application Form, Investor Disclosure Statement, and, if required, the Certificate of a Qualified Accountant, to FEL. Please note that FEL is unable to accept your share application unless accompanied by the signed Investor Disclosure Statement and, if required, the Certificate of a Qualified Accountant.
5. Attach your cheque or transfer the subscription money to the bank account indicated on the Application Form (Schedule 1). Please note that only the first instalment (\$1.00 per share) is required to be paid at this time in order to qualify for allotment. The second instalment (\$1.00 per share) will not fall due until a date to be advised by FEL but, in any case, not before March 1, 2020.

All sections must be completed in full, in CAPITAL LETTERS and signed by the subscriber(s) of the Partly Paid Ordinary Shares (Investor(s)) or the Investor's nominee(s).

The Company reserves the right to reject applications, including but not limited to applications that have not been correctly completed.

Note: All communications from the Company will be sent to the first named shareholder to the postal address, and/or electronic address, recorded in the register of members. If there are to be joint shareholders (which may not exceed two in number), all must be named in this form. Shares may not be held in the name of any person under the age of 18 years.

**SUBJECT TO ALLOTMENT, A SHARE CERTIFICATE DETAILING A SHAREHOLDER'S HOLDINGS
WILL BE SENT TO EACH SHAREHOLDER**

SCHEDULE 1

INVESTOR DISCLOSURE STATEMENT TO FREE EYRE LIMITED (ACN 124 308 041) (Company)

IMPORTANT NOTICE

This Investor Disclosure Statement is an important document and should be read in its entirety.

When you make an application for Partly Paid Ordinary Shares (“Ordinary Shares”) in the Company (by completing and executing this Application Form and delivering it to the Company), you (the applicant(s)) warrant and represent to the Company that:

1. you have received, read in its entirety and understood the Information Memorandum dated 18 November 2019 (IM);
2. in making your investment you have not relied on any information, representation, assurance or warranty supplied or made by or on behalf of the Company or any other party involved in the offer to issue, or issue of the Ordinary Shares and accordingly agree that neither the Company, or any other party involved in the offer to issue, or issue of the Ordinary Shares or their officers, agents or employees shall have any liability for any such information, representation, assurance or warranty;
3. in making your investment you have relied solely upon your own enquiries, independent advice and investigations as to the risks and prospects of your investment in the Company, including without limitation:
 - 3.1 the return of capital invested in the Company;
 - 3.2 the length of time that you will be required to remain as an investor in the Company;
 - 3.3 the financial viability of the proposed business of the Company and of Peninsula Ports Pty Ltd;
 - 3.4 future profitability of the proposed business of the Company and of Peninsula Ports Pty Ltd;
4. you agree to be bound by the terms of the IM, and the Company’s Constitution (published on www.freeeyre.com.au), as each may be amended, supplemented, replaced or reissued from time to time;
5. you understand that the offer to subscribe for Ordinary Shares is confidential and you will not disclose the existence or any part of the IM or this Application Form to any third party without the Company’s written consent;
6. you are not a minor or a bankrupt;
7. if you are a body corporate, you are a company incorporated duly organised validly existing and in good standing under the laws of the jurisdiction in which you were incorporated;
8. you are not a US citizen or resident of the US for tax purposes and nor are you acting for the account or benefit of a US citizen, or resident of the US, for tax purposes. For this sub-clause, a “US citizen or resident of the US for tax purposes” means: (i) anyone born in the United States who has not renounced their citizenship; or (ii) a United States citizen including persons with dual or multiple citizenships; or (iii) United States lawful permanent residents (e.g. green card holders);
9. monies deposited by you are not associated with crime, terrorism, money laundering or terrorism financing, nor will monies received from your account, or otherwise on your behalf, have any such association;

SCHEDULE I (cont)

10. you:

(1) irrevocably subscribe for at least AU\$500,000 for the Ordinary Shares (such subscriptions are deemed to be subscriptions by “sophisticated investor(s)” under section 708 of the Corporations Act);

OR

(2) the amount you irrevocably subscribe for this offer of Ordinary Shares, together with amounts previously subscribed for FEL Ordinary shares, adds up to at least AU\$500,000

OR

(3) if irrevocably subscribing for less than AU\$500,000 for the Ordinary Shares and clause 10.2 does not apply to you:

(A) acknowledge and represent that you are “sophisticated investor(s)” and/or “professional investor(s)” as defined in section 708 of the Corporations Act 2001 (Cth) (Corporations Act) and otherwise qualify as a “wholesale client” for the purposes of Chapter 7 of the Corporations Act; AND

(B) you attach a certificate from a qualified accountant dated within 24 months before the date of this Application Form certifying that you have net assets of at least AU\$2.5 million or gross income of AU\$250,000 per annum for each of the last two financial years;

OR

(4) the offer is made to a company or trust controlled by a person who meets the requirements of 10.3(a) or (b) and in determining the net assets and/or gross income of a person for the purposes of clauses 10(3) (B) and (4), the net assets and/or gross income of a company or trust controlled by the person may be included;

11. unless otherwise disclosed in this Application Form (for example, if investing as trustee of a trust), you are purchasing the Ordinary Shares solely for your own benefit for investment and no other person has or will have a direct or indirect beneficial interest in any Ordinary Shares;

12. If you are a trustee of a trust:

12.1 you have the power under the trust deed and law to:

(a) execute and deliver this Application Form and acquire and hold Ordinary Shares; and

(b) give the warranties and representation and perform your obligations under this Application Form;

12.2 all action required by the trust deed and law to authorise:

(a) the execution and delivery of this Application Form; and

(b) the performance of your obligations under this Application Form, has been taken.

13. you are not acquiring the Ordinary Shares for the purpose of resale and acknowledge that a resale within the first 12 months of issue may require a disclosure document in accordance with section 707(5) of the Corporations Act;

SCHEDULE I (cont)

14. you will not sell or transfer any Ordinary Shares including any beneficial interest without complying with the share transfer registration requirements determined by the directors of the Company. You understand, acknowledge and agree that: (i) certifications in respect of each of the matters addressed in this Application Form will be required as a condition to any subsequent sale or transfer; (ii) you will obtain such certifications, modified in such manner as may be acceptable to the Company, within ten days of receiving a written request from the Company; and (iii) you will execute (and/or procure execution) and deliver such documents as the Company may deem reasonably necessary to comply with any and all laws and ordinances to which the Company is or may be subject. You further acknowledge that the Company may decline to register the transfer if the above documents are not given;
 15. you acknowledge that the Company reserves the right to reject any application in whole or in part in its sole direction;
 16. you:
 - (a) have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company and to make an informed decision with respect thereto;
 - (b) are aware of the risks inherent in investing in the Ordinary Shares; and
 - (c) can bear the risk of loss of your entire investment;
 17. the Company is instructed to accept and execute any instructions given by you in writing by facsimile or by email.
 18. you consent to details relating to your application and holdings being disclosed to: (i) the Company's affiliates and intermediaries and other service providers for use in investor servicing duties, including the processing of your application, completing the share register, carrying out of your instructions, dealing of other matters relating to your holding of the Ordinary Shares and maintenance of any marketing database for market and product research and for provision of information on other products or services to you by the Company or its affiliates; and (ii) any statutory, regulatory or governmental bodies enabling compliance with applicable laws and regulations. You further acknowledge that this information and data may be retained by the recipient after you cease to hold any Ordinary Shares;
 19. you irrevocably authorise the Company as your agent to do all things necessary to effect registration in your name of the Ordinary Shares subscribed for and authorise any director of the Company to execute and/or complete any document required for such purpose;
 20. you acknowledge that to the maximum extent permitted by law, the Company does not accept any liability or responsibility for any loss or damage suffered by you in relation to your investment in the Company;
 21. you consent to any notice or other document to be sent to you by the Company by electronic means including but not limited to electronic mail or posting such notice or other document on a website notified to you;
- you have read carefully and understand the contents of this Application Form and the IM and have consulted your legal, accounting, commercial, taxation and/or financial advisers with respect to your investment in the Company and its suitability for you.

FREE EYRE LIMITED

33 Hutt St
Adelaide SA 5000

Broker Reference – Stamp
Only

Broker / Advisor Code

Application Form for Shares – Sophisticated Investors Only

The Applicant (as detailed in the schedule below) hereby applies for the number of ordinary partly paid shares (as specified in the schedule below) in Free Eyre Limited ("FEL"; or the "Company") at an issue price of AUD\$2.00 per share payable as to \$1.00 per share immediately and \$1.00 per share to be called not before 1 March 2020.

A Number of Shares Applied For

I/we ("Applicant") apply for Shares at AUD\$2.00 per share.

B First Instalment Amount Payable for Shares (@ \$1.00 per share)

AUD\$ NOTE: 2nd instalment \$1.00 per share due not before 1/3/20

C Full Name Details of Applicant - Title, Given Name(s) and Surname or Company Name

Name of Joint Applicant 2 or Account Designation eg. <Super Fund A/C>

Name of Joint Applicant 3

D Full Postal Address of Applicant 1

Suburb/City/Town: State: Country: Postcode:

E Shareholder Reference Number (if existing shareholder)

SRN:

F Contact Details

Contact Name: Mobile: Email:

I Payment

1. By electronic funds transfer to the Company's bank account:

Account Name: FREE Eyre Limited

BSB (not Branch Number): 065 508

Account No: 101 675 38

REFERENCE: Please include your shareholder reference number OR your electronic funds transfer (EFT) reference number

2. By cheque drawn in favour of FREE EYRE LTD.

Return of the signed Application Form with receipt of the subscription monies by funds transfer will constitute the Applicant's acceptance of the offer to subscribe for shares in the Company and the making of the warranties and representations contained in the Investor Disclosure Statement. **The Investor Disclosure Statement to FEL is an important document and should be read in its entirety.**

SIGNED

<input type="text"/>	<input type="text"/>	<input type="text"/>
Applicant 1 / Director /Trustee	Applicant 2 /Director/Secretary	Applicant 3

DATE:

Guide to and terms of the Application Form

The instructions set out below will assist Applicants in completing the Application Form correctly.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form. Further particulars and 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** Insert the relevant amount of subscription monies. To calculate your subscription monies, total the number of shares applied for multiplied by \$1.00 (first call) on the understanding that a 2nd call will be made on or after 1 March 2020.
- 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 a 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.
- D** Please enter the Applicant's postal address for all correspondence. All communications to the Applicant from the Share Registry will be mailed to the Applicant at the Applicant's address as shown. For Joint Applicants, only one address can be entered.
- E** If the Applicant(s) are an existing shareholder in FEL, please insert the Shareholder Reference Number (SRN).
- Please enter a telephone number, email address and contact name in case we need to contact you in relation to your Application.
- F Lodgement of Application**
Return your completed Application Form to:

By Email: mark@freeeyre.com.au

By post: The CEO
Free Eyre Ltd
33 Huft St
Adelaide SA 5000

The Applicant:

- declares that all details and statements made by the Applicant on this Application Form are complete and accurate.
- declares that the agreements, statements, declarations and acknowledgements contained in this Application Form are for the benefit of the Company;
- represents and warrants to the Company that the Applicant has full right and authority to sign and lodge this Application Form, to subscribe for the shares, and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
- acknowledges that it has made its own enquiries regarding the Company and its business affairs and that the Company makes no representations or warranties to the Applicant other than detailed below;
- applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors; and
- authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions.

Application Forms and payment of subscription monies must be received no later than 20 December 2019 (the "**Closing Date**"), which may be extended at the discretion of the Company. Allotment by the Company will be as soon as practicable after the Closing Date.

IMPORTANT

Certificate by Qualified Accountant

If you are required under clause 10 of the Investor Disclosure Statement (Schedule 1 APPENDIX 2 of the FEL Information Memorandum) to provide a Certificate by a Qualified Accountant (to demonstrate you are a sophisticated investor) please ask your accountant to use the template attached to this Application Form to create the necessary Certificate AND ATTACH the signed Certificate to the Application Form when returning it.

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. 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) personal 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 and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Sample certificate that a qualified accountant could issue to certify that a person or entity is a 'sophisticated' or 'wholesale investor' under chapters 6D or 7 of the Corporations Act 2001 respectively. This sample prepared by the Australian Securities & Investments Commission in March 2006.

References: ASIC Class Order [CO 01/1256] and Policy Statement 154

SAMPLE ONLY

**Certificate by a qualified accountant
Chapters [6D or 7] of the Corporations Act 2001**

Has this certificate been issued under Chapter 6D or 7?
Is the correct chapter inserted for the type of product being offered?

[Name of person or entity]
.....
[Address of person or entity]
.....
.....
.....

I certify that the [person or entity] whose details are set out above:

- has net assets of at least \$2.5million; or
- has a gross income for each of the last 2 financial years of at least \$250,000.

Is this certificate from a 'qualified accountant'?
Has the accountant indicated that: they belong to a professional body; have the approved membership designation; and meets that body's professional education requirements as listed in ASIC Class Order [CO 01/1256]?

I belong to [name of my professional body]
My membership designation from this professional body is
I comply with this body's continuing professional education requirements.

Is certificate current?
Issuer to check if this date is less than 2 years before when the products are being offered

Signature of accountant.....

Date certificate issue

(The following information might be included in the accountant's letterhead instead of here)

[Name of accountant]
[Address of accountant]