

IOT GROUP LIMITED
ACN 140 475 921

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.009 per Share to raise \$2,311,615 (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching option exercisable at \$0.011 on or before 31 January 2019 for every Share subscribed for and issued **(New Option)**) **(Offer)**.

The Offer closes at 5.00pm (WST) on the Closing Date. Valid acceptances must be received before that time.

LEAD MANAGER

SIRIUS CAPITAL PTY LTD (ACN 623 443 836)

Corporate authorised representative of Fiduciary & Proprietary Services Pty Limited (AFSL 258057)

IMPORTANT NOTICE

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

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Sean Neylon (Executive Director)
Steven Kayalicos (Non-Executive Director)
John Forder (Non-Executive Director)

Company Secretary

Ron Hollands

Share Registry*

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone: +61 2 8280 7100
Email:
info@linkmarketservices.com.au

Auditor

A D Danieli Audit Pty Limited
Level 1, 261 George Street
Sydney NSW 2000

Registered Office

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100 William Street
Woolloomooloo, NSW 2011

Telephone: + 61 2 8318 7724

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Sirius Capital Pty Limited
Level 33, 52 Martin Place
Sydney NSW 2000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	19 January 2018
Lodgement of Prospectus & Appendix 3B with ASX	19 January 2018
Notice sent to Optionholders	19 January 2018
Notice sent to Shareholders	23 January 2018
Ex date	24 January 2018
Record Date for determining Entitlements	25 January 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	31 January 2018
Last day to extend the Closing Date	6 February 2018
Closing Date*	9 February 2018
Shares quoted on a deferred settlement basis	12 February 2018
ASX notified of under subscriptions	14 February 2018
Issue Date	16 February 2018
Despatch of holding statements	16 February 2018
Quotation of Securities issued under the Offer*	19 February 2018

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 19 January 2018 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Eligibility to participate in the Offer

An original Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for Securities under the terms of this Offer can only be made by an Eligible Shareholder on an original Entitlement and Acceptance Form. Each original Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder to participate in the Offer. Applications for Shortfall can be made as set out in Section 4.9.

Shareholders with a registered address outside of Australia or New Zealand should be aware that it is not practical, due to the complexity and cost, for the Company to comply with the securities laws for foreign jurisdictions. Therefore the Offer does not, and is not intended to, constitute an offer in any jurisdiction outside of Australia, New Zealand, Hong Kong or Singapore. This Prospectus does not constitute an offer in any place or to any person to whom it would not be lawful to make such an offer.

3.2 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider

consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.3 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

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

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.009 per Share (together with one (1) free attaching New Option for every Share subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 256,846,132 Shares and 256,846,132 New Options will be issued pursuant to this Offer to raise approximately \$2,311,615 (before costs). No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 288,113,015 Options on issue of which 279,113,015 may be exercised prior to the Record Date in order to participate in the Offer and 9,000,000 of which are subject to certain vesting conditions. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Underwriting

The Offer is not underwritten.

4.3 Minimum subscription

There is no minimum subscription.

4.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form, unless you are applying for additional Securities in the allocated area of the Entitlement and Acceptance Form. If your acceptance does exceed your Entitlement, and you have not applied for Securities under the Shortfall, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and

- (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange an EFT (refer below) for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange an EFT (refer below), for the appropriate application monies (at \$0.009 per Share); or
- (c) if you wish to subscribe for **more** than your Entitlement under the Shortfall Offer:
 - (i) fill in the number of Shares you wish to accept in addition to your Entitlement in the relevant space allocated on the Entitlement and Acceptance Form to the Shortfall Offer; and
 - (ii) attach your cheque or bank draft or arrange an EFT (refer below) for the appropriate application monies (at \$0.009 per Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **"IoT Group Limited – Entitlement Issue Account"** and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00pm WST on the Closing Date.

4.6 Payment by EFT

For payment by EFT, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your EFT payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) New Option with an exercise price of \$0.011 and an expiry date of 31 January 2019 will be issued for every Share subscribed for and issued under the Offer.

4.7 Lead Manager

Sirius Capital Pty Ltd (**Lead Manager**) has been appointed as lead manager to the Offer. The terms of the appointment of the Lead Manager are summarised in Section 8.1 of this Prospectus.

4.8 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	0.97%	2,500,000	10,000,000	0.78%
Shareholder 2	5,000,000	0.49%	1,250,000	5,000,000	0.39%
Shareholder 3	1,500,000	0.15%	375,000	1,500,000	0.12%
Shareholder 4	400,000	0.04%	100,000	400,000	0.03%
Shareholder 5	50,000	0.00%	12,500	50,000	0.00%
Total	1,027,384,526		256,846,132		1,284,230,658

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. Percentages post-Offer have been calculated on the basis of there being 1,284,230,658 Shares on issue on completion of the Offer. Refer to Section 5.4 for further details of the Company's capital structure.
2. The total number of shares on issue of 1,284,230,658 is prior to the issue of a maximum of 15,410,767 Shares at a deemed issue price of \$0.009 and 3,521,271 Shares at a deemed issue price of \$0.01 per Share to be issued to the Lead Manager in satisfaction of selling fees and management fees owing pursuant to the Lead Manager Mandate. Refer to Section 8.1 for further details on the Lead Manager Mandate.

4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.009, being the price at which Shares have been offered under the Offer.

Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using EFT (refer to Section 4.6 above).

The Directors reserve the right to issue and allocate Shortfall Securities at their absolute discretion.

4.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus subject to a minimum of 50 holders taking up the Offer.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.11 Issue

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shortfall Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Singapore.

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Securities may sell, or offer to sell, such Securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Securities) are in Hong Kong, you (and any such person) warrant by lodging an Application Form that you are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore

This document and any other materials relating to the Securities have not been, and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to person in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures ACT, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

4.13 Application Form

If an Application Form is not completed correctly, the Company, in its absolute discretion, may reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to construe, amend or complete it is final.

4.14 Taxation Implications of the Offer

The Directors are unable to provide Shareholders advice on the taxation implications (if any) of investing in the Offer because each Shareholder's circumstances are different. Shareholders should seek advice from a professional taxation advisor before deciding to invest. To the maximum extent permitted by law, the Company and its Directors do not accept any responsibility or liability for any taxation consequences for Shareholders resulting from an investment in the Offer.

4.15 Enquiries

Any questions concerning the Offer should be directed to Ron Hollands, Company Secretary, on +61 2 8318 7724.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise \$2,311,615 before expenses of the Offer. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Marketing and advertising	\$750,000	32.44%
2.	Product development	\$1,000,000	43.26%
3.	Expenses of the Offer being paid in cash ¹	\$52,293 ²	2.26%
4.	Working capital	\$509,322	22.03%
	Total	\$2,311,615	100%

Notes:

1. Expenses of the Offer are being partially paid in cash and partially by way of an issue of Shares by the Company. Refer to Section 9.7 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Note that a maximum of \$193,697 representing a \$55,000 management fee and a selling fee of 6% of the total funds raised pursuant to the Offer is payable through the issue of Shares to the Lead Manager at deemed issue prices of \$0.01 per Share in relation to the management fee and \$0.009 per Share in relation to the selling fee. Refer to Section 8.1 for further details relating to the payment of these fees.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase cash reserves by \$2,311,615 immediately after completion of the Offer;
- (b) decrease cash reserves after payment of the estimated expenses of the Offer being paid in cash of \$52,293 (excluding GST);
- (c) increase the number of Shares on issue from 1,027,384,526 as at the date of this Prospectus to 1,284,230,658 Shares following completion of the Offer (prior to the issue of Shares in payment for outstanding expenses of the Offer being paid via an issue of Shares); and
- (d) increase the number of Options on issue from 288,113,015 as at the date of this Prospectus to 544,959,147 Options following completion of the Offer.

5.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 30 June 2017 and the unaudited pro-forma balance sheet as at 30 June 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDIT REVIEWED 30 June 2017 \$	PROFORMA 30 June 2017 \$
CURRENT ASSETS		
Cash and cash equivalents ¹	1,600,146	3,859,468
Trade and other receivables	443,853	443,853
Inventories	268,069	268,069
Other current assets	1,517,676	1,517,676
TOTAL CURRENT ASSETS	3,829,744	6,089,066
NON-CURRENT ASSETS		
Property, plant and equipment	151,276	151,276
Other financial assets	53,200	53,200
TOTAL NON-CURRENT ASSETS	204,476	204,476
TOTAL ASSETS	4,034,220	6,293,542
CURRENT LIABILITIES		
Trade and other payables	711,288	711,288
Provisions	49,567	49,567
TOTAL CURRENT LIABILITIES	760,855	760,855
TOTAL LIABILITIES	760,855	760,855
NET ASSETS	3,273,365	5,532,687

	AUDIT REVIEWED 30 June 2017 \$	PROFORMA 30 June 2017 \$
EQUITY		
Share capital ²	21,942,634	24,201,956
Reserves	2,081,164	2,081,164
Retained losses	(20,267,849)	(20,267,849)
Total equity attributable to the shareholders of IOT Group Limited	3,755,949	6,015,271
Non-controlling interests	(482,584)	(482,584)
TOTAL EQUITY	3,273,365	5,532,687

Notes:

1. Cash and cash equivalents
2. Share Capital

	AUDIT REVIEWED 30 June 2017 \$	PROFORMA 30 June 2017 \$
The movements in cash and cash equivalents consists of:		
Audit reviewed 30 June 2017	1,600,146	1,600,146
Issue of Shares pursuant to the Offer	-	2,311,615
Payment of cash settled expenses of the Offer (including GST) – refer Section 9.7	-	(57,522)
Payment of GST in respect of the expenses of the Offer being settled via an issue of Shares – refer Section 9.7	-	(19,370)
	1,600,146	3,834,869

	AUDIT REVIEWED 30 June 2017 \$	PROFORMA 30 June 2017 \$
The movements in share capital consists of:		
Audit reviewed 30 June 2017	21,942,634	21,942,634
Issue of Shares pursuant to the Offer	-	2,311,615

	AUDIT REVIEWED 30 June 2017 \$	PROFORMA 30 June 2017 \$
Settlement of expenses of the Offer being paid via an issue of Shares (excluding GST)	-	193,697
Cash settled expenses of the Offer (excluding GST)	-	(52,293)
Equity settled expenses of the Offer (excluding GST)	-	(193,697)
	21,942,634	24,201,956

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is as follows:

Shares

	Number
Shares currently on issue	1,027,384,526
Shares offered pursuant to the Offer	256,846,132
Total Shares on issue after completion of the Offer	1,284,230,568¹

Notes:

1. The total number of shares on issue of 1,284,230,658 is prior to the issue of a maximum of 15,410,767 Shares at a deemed issue price of \$0.009 and 3,521,271 Shares at a deemed issue price of \$0.01 per Share to be issued to the Lead Manager in satisfaction of selling fees and management fees owing pursuant to the Lead Manager Mandate. Refer to Section 8.1 for further details regarding the payment of these outstanding expenses.

Options

	Number
Options currently on issue ¹	288,113,015
New Options offered pursuant to the Offer (Unquoted exercisable at \$0.011 on or before 31 January 2019)	256,846,132
Total Options on issue after completion of the Offer	544,959,147

Notes:

1. Terms and conditions of Options currently on issue are as follows:

Expiry Date	Exercise Price	Number
30 June 2019	\$0.070	34,620,947
30 June 2019 (escrowed until 24 March 2018)	\$0.070	12,042,068
31 December 2022	\$0.18238	17,500,000

31 December 2022	\$0.18238	15,500,000
31 December 2022	\$0.090	27,750,000
31 December 2022	\$0.03505	7,500,000
31 December 2022	\$0.10	21,000,000
31 December 2018	\$0.03505	9,000,000 ¹
31 December 2027	\$0.050	40,000,000
31 December 2027	\$0.075	20,000,000
31 December 2027	\$0.100	20,000,000
30 June 2019	\$0.015	5,000,000
31 December 2019	\$0.0125	58,200,000
Total		288,113,015

Notes:

1. The vesting period for these options ends on 31 December 2018. Any options that have not vested prior to this date in accordance with the various milestones will lapse.

The capital structure on a fully diluted basis as at the date of this Prospectus is 1,315,497,541 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date) would be 1,829,189,805 Shares.

The following securities are subject to escrow restrictions:

- (a) 49,356,644 Shares escrowed until 24 March 2018;
- (b) 100,626,668 Shares voluntary escrowed until 18 March 2018; and
- (c) 12,042,068 Options exercisable at \$0.07 on or before 30 June 2019 escrowed until 24 March 2018.

5.5 Details of substantial holders

Based on publicly available information as at 19 January 2018, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

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

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Options

The terms and conditions of the New Options are as follows:

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.011 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 31 January 2019 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

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

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quoted**

The Company will apply for quotation of the Options issued under this Prospectus.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company Risks

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 1,027,384,526 currently on issue to 1,284,230,658 (before payment of outstanding expenses of the Offer to be settled via an issue of Shares). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.008 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Insurance Risk

The Company currently has in place insurance policies with respect to its operations and personnel. The Company is intending to obtain new insurance policies to adequately insure its business activities in line with industry practices. Notwithstanding such intention, currently, and following establishment of new insurance policies, there may be certain circumstances where the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered by insurance could have a material adverse effect on the Company. Insurance of all risk associated with the Company's activities may not always be available and where available the costs can be prohibitively high preventing such insurance coverage.

(c) **Competition**

The Company operates within the "Internet of Things" industry which is highly competitive, with companies offering a variety of competitive products and services.

Competition in the "Internet of Things" market is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than the Company's products. The "Internet of Things" market has a multitude of participants, including many large, broad based consumer electronics companies that compete in the Company's market including Apple, Google, LG, Microsoft, and Samsung.

Many of the Company's competitors and potential competitors have significant competitive advantages, including longer operating histories, ability to leverage sales efforts and marketing expenditures across a broader portfolio of products, larger and broader customer bases, more established relationships with a larger number of suppliers and contract manufacturers, greater brand recognition, and greater financial, research and development, marketing, distribution, and other resources. The Company's competitors and potential competitors may also be able to develop products that are equal or superior to those of the Company, achieve greater market acceptance of their products and increase sales by utilising different distribution channels. If the Company is not able to compete effectively against these current or potential competitors, its prospects, operating results and financial condition could be adversely affected.

(d) **Ability to successfully develop and introduce Internet of Things products**

The Company's success depends on its ability to anticipate and satisfy consumer preferences in a timely manner. All of the Company's products are subject to changing consumer preferences that cannot be predicted. Consumers may decide not to purchase the Company's products as their preferences could shift to different types of "Internet of Things" devices or away from these types of products altogether. Accordingly, if the Company fails to anticipate and satisfy consumer preferences in a timely manner, its business may be adversely affected.

The market for "Internet of Things" is relatively new and it is uncertain whether "Internet of Things" devices will sustain high levels of demand and achieve wide market acceptance. The Company's success will depend to a substantial extent on the willingness of consumers to widely adopt these devices. In part, adoption of the Company's products will depend on the increasing prevalence of "Internet of Things" devices and the profile of the market as a whole. Furthermore, some consumers may be unwilling to use "Internet of Things" devices because they have concerns regarding data privacy and security. If consumers do not perceive the benefits of "Internet of Things" devices or choose not to adopt them, the market may develop more slowly than expected which would adversely affect the Company's operating results.

The development of the Company's products involves complexity and cost, and the Company currently has several products in development at the same time. The Company could experience delays in completing the development and introduction of its products. Problems in the design or quality of the Company's products may also have an adverse effect

on the Company's business, financial condition, and operating results. If product introductions are delayed or not successful, the Company may not be able to achieve an acceptable return, if any, on its research and development efforts, and the Company's business may be adversely affected.

In addition, the Company may confront challenges acquiring timely supplies of products to satisfy orders from distributors/retailers (see "Reliance on single contract manufacturer" below). If the Company fails to accurately forecast customer demand for its products, it may experience excess inventory levels or a shortage of products available for sale.

(e) **Ability to develop retail and online sales channels**

The Company depends and will depend upon effective sales channels to reach the consumers who are the ultimate purchasers of its products. The Company currently sells through

- (i) distributors who, in turn, sell to retailers which market products via traditional stores or their online stores; or
- (ii) directly to retailers such as Amazon or Best Buy.

Ultimately the Company is and will be dependent on retailers to provide adequate and attractive space for its products in their traditional or online stores. If the retailers stocking the Company's products do not adequately display them or choose to promote competitors' products, the Company's sales could decrease.

Take up of the Company's products will involve education of consumers and retailers and marketing programs to raise the profile of the Company and its products and technologies. There is no guarantee that the Company's sales and marketing strategies will be successful. Even if the Company successfully commercialises its products, there is risk that it may not generate sufficient revenue to cover its operating costs.

(f) **Reliance on a single contract manufacturer**

The Company currently relies on a single contract manufacturer in China. This reliance on a sole contract manufacturer increases manufacturing risk since the Company does not currently have any alternative or replacement manufacturers. In the event of an interruption at the Company's sole contract manufacturer, it may not be able to develop alternate or secondary sources without incurring material additional costs and substantial delays.

(g) **Intellectual property risks**

The Company's success will depend, in part, on its ability to operate without infringing on the intellectual property rights of third parties (including copyright, patent, designs, confidentiality, trademark, trade secrecy laws and other intellectual property rights).

The "Internet of Things" market is characterised by the existence of a large number of patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Claims of intellectual property infringement against the Company

(or its suppliers) might require the Company to redesign its products or enter into costly settlement or license agreements, pay costly damages or face injunctions prohibiting the sale of products.

If the Company receives any intellectual property claims from third parties, they could be time consuming, costly and divert management's attention and resources. The occurrence of such events may have an adverse effect on the Company's business, financial condition and operating results.

In addition, the Company's success will depend, in part, on its ability to operate without having third parties circumvent its intellectual property rights (primarily copyright). The Company currently has no patents or registered designs and the Company may not be able to obtain patent protection over any or all of its technology in the future. If any patents are granted in the future, they may not provide the Company with any competitive advantages, or may be challenged by third parties. There can also be no assurance that the measures taken by the Company have been, or will be, adequate to protect its intellectual property.

(h) **External technology risk**

The ongoing development of software used by the Company, which is used in conjunction with off-the-shelf software to enable the functionality of the Company's products, is critical to the operation of the products based on that technology. Such software may be subject to external factors, such as deprecation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or obsolescence or other related issues. In addition, the software will require updating and maintenance. These external factors may also affect the ability of the Company to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for the Company, causing a need to rely on other solutions or develop these inhouse. Such issues may affect the ability of the Company to successfully provide its products.

(i) **Reliance on key personnel**

The development of the Company's business has been largely due to the talent, effort and experience of its management team. In light of the complexity of its technologies, the Company is also dependent on the continued service of its current team. Despite the Company's best efforts to attract and retain key personnel, there is no assurance that the Company will be able to retain the services of such staff. The Company expects to grow its development and technical team, with a view to mitigating key man risk. The Company's ability or inability to attract and retain key personnel could have a material effect upon its business, results of operations and financial condition.

(j) **Product faults and potential exposure to consumer claims and refunds**

Software products frequently contain undetected defects or bugs when first introduced or when new versions or enhancements are released. The Company has on occasions found defects and bugs in its products and new defects or bugs may be detected in its existing or future products. If that occurs, the Company may experience consumer complaints and

potential product recalls, be required to refund customers and suffer negativity publicity. Accordingly, its revenue may be adversely affected.

The Company may also be subject to complaints, refunds and claims if consumers experience any conditions or injuries while using its products.

The Company may lack adequate insurance coverage for potential consumer claims and refunds. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its profitability will be adversely affected.

(k) **Expansion into offshore markets**

The Company has recently announced non-exclusive agency agreements in the United States, Japan, Europe and South America, and is likely to enter into additional markets in the future. There are significant costs and risks inherent in conducting business in international markets, including:

- (i) establishing and maintaining effective controls over agents and distributors including enforcement and issues relating to sales volumes, protection of intellectual property rights and reliability as they may be affected by local economic conditions, currency variations and increased competition;
- (ii) variations in margins;
- (iii) compliance with foreign laws and regulations including any changes, trade barriers and governmental policy variations; and
- (iv) currency exchange rate fluctuations between the Australian and local currencies.

(l) **Currency Risk**

The Company's manufacturing costs are primarily denominated in United States dollars (US\$), whereas development, management and administration costs are to date are primarily based in Australian dollars (A\$).

For Australian sales, the Company buys manufactured product on a US\$ FOB basis ex-Hong Kong and resells to distributors or retailers in Australia on an A\$ basis. Therefore, the Company carries translation exposure on the full US\$ CIF price. The Company manages this exposure by adjusting, where necessary, the on-sell price in Australia for periodic orders, to preserve an acceptable profit margin in A\$ terms.

For international sales, the appointed distributor or retailer in the relevant country usually acquires stock on a US\$ FOB basis ex-Hong Kong, plus a margin payable to the Company expressed as a percentage of the US\$ FOB price. The distributor or retailer then sets the selling price in local currencies, including mark-ups for the distributor and/or the retailer. For international sales, the Company only has a US\$/A\$ translation risk on the margin paid to the Company by the international distributor.

If the value of the Australian dollar were to vary significantly in value against the United States dollar this would impact on the Company's profit margins for goods sold.

7.3 General risks

(a) **Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall, and the price of Shares might trade below the price paid for those Shares. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Issue of Additional Securities**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(c) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Future capital requirements**

Further funding may be required by the Company to support its ongoing activities and operations, including the need to develop new products, improve existing products, enhance its operating infrastructure and to acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds.

There can be no assurance that such funding will be available on satisfactory terms (or at all) at the relevant time. Any inability to obtain additional funding (or inability to obtain funding on reasonable terms) will adversely affect the financial condition and financial performance of the Company.

(e) **Potential acquisition risk**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

7.4 Speculative investment

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

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. MATERIAL CONTRACTS

8.1 Lead Manager Mandate

On 11 January 2018, the Company and Sirius Capital Pty Ltd (a corporate authorised representative of Proprietary and Fiduciary Services Pty Limited AFSL 258057) (**Sirius Capital**) entered into an agreement pursuant to which Sirius Capital was appointed as lead manager for the Offer (**Lead Manager Mandate**).

The key terms and conditions of the Lead Manager Mandate are set out below:

(a) Services

Sirius Capital will act as broker and book runner to the Company in connection with the Shortfall Offer. The services Sirius Capital will provide in connection with the Offer shall be as follows:

- (i) in conjunction with the Company's legal and other professional advisers, advising on the structuring of the Offer;
- (ii) in conjunction with the Company's legal and other professional advisers, assisting with dealings with ASX and ASIC in relation to the Offer;
- (iii) assisting the Company with its due diligence processes for the Offer;
- (iv) assisting with the communications strategy in relation to the Offer; and
- (v) acting, on a best endeavours basis, to place the Shortfall Offer.

(b) Fees

The Company has agreed to pay Sirius Capital the following fees, in respect of the Offer:

- (i) a management fee equal to \$55,000 (plus GST) (**Management Fee**); and
- (ii) a selling fee equivalent to 6.00% of the gross proceeds of the Offer (**Selling Fee**); and

The Company has paid the Lead Manager a portion of the Management Fee, via an issue of 1,648,941 Shares at a deemed issue price of \$0.012 per Share. The remaining balance of the Management Fee will be settled via the issue of Shares at a deemed issue price of \$0.01 following completion of the Offer.

The Selling Fee will be paid after completion of the Offer, via an issue of Shares at a deemed issue price of \$0.009 per Share.

The GST owing on the Management Fee and Selling Fee will be paid in cash to the bank account nominated from time to time by Sirius Capital.

The Lead Manager Mandate otherwise contains terms and conditions that are considered standard from an agreement of its nature.

8.2 Corporate Advisory and Business Development Mandate

On 11 January 2018, the Company and Sirius Capital entered into an agreement pursuant to which Sirius Capital was appointed as corporate advisor to the Company (**Corporate Advisory Mandate**).

The key provisions of the Corporate Advisory Mandate are set out below:

- (a) **(Term)**: The Corporate Advisory Mandate has an initial term of 24 months (**Term**). The Term will be automatically renewed each 24 month period thereafter (**Subsequent Term**) unless one party has provided written notice of an intention to terminate 6 months prior to the end of the Term or any Subsequent Term.
- (b) **(Appointment)**: Sirius Capital has been appointed as the exclusive corporate advisor to the Company for the Term.
- (c) **(Fees)**: The Company has agreed to, for the duration of the Term, pay Sirius Capital:
 - (i) a monthly retainer of \$10,000; and
 - (ii) the following introduction fees where Sirius Capital assists the Company in obtaining debt or equity financing:
 - (A) 6.00% of the value of each equity issue;
 - (B) 6.0% of the value of convertible debt and similar funding; and
 - (C) a lump sum of \$250,000 in the event that the Company is approved for a debt facility in addition to 2.5% of the drawdown (where the drawdown is less than \$5,000,000) and/or 1.5% of the drawdown (where the drawdown is greater than \$5,000,000).

The Corporate Advisory Mandate otherwise contains terms and conditions that are considered standard from an agreement of its nature.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, other than as previously disclosed to the market, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
19/01/2018	Initial and Change of Directors Interest Notice
18/01/2018	Cleansing Notice
18/01/2018	Option Changes
18/01/2018	Appendix 3B
12/01/2018	Cleansing Notice
10/01/2018	Appendix 3B
10/01/2018	IOT Airselfie New Product Launch
02/01/2018	Appendix 3B
28/12/2017	IOT retail network expands into Argentina
22/12/2017	Appendix 3B
20/12/2017	Appendix 3B
19/12/2017	IOT retail network expands into UK and Europe
18/12/2017	IOT signs with the largest Global Technology Distributor in the World
18/12/2017	Appendix 3B
15/12/2017	Results of Meeting
11/12/2017	Appendix 3B & LR 7.1A.4 and 3.10.5A disclosures
11/12/2017	Appendix 3B
08/12/2017	Business Update
01/12/2017	Business Update
22/11/2017	Sales and Business Update
10/11/2017	Appendix 3B
10/11/2017	Purchase Orders Received
09/11/2017	Potential Acquisition Of Airselfie
06/11/2017	Purchase Orders Received

Date	Description of Announcement
02/11/2017	Response to ASX Appendix 4C Query
31/10/2017	Shareholder Meeting 15 December 2017
30/10/2017	Notice of General Meeting/Proxy Form
27/10/2017	Appendix 4C - quarterly
26/10/2017	Business Update
23/10/2017	Appendix 3B
23/10/2017	Listing Rule 3.10.5A Disclosure and Placement Cleansing
20/10/2017	Appendix 3B
18/10/2017	IOT signs Europe, UK and Middle East Distribution Agreement
18/10/2017	Appendices 3X and 3Z
18/10/2017	IOT raises \$0.582M in a Placement
16/10/2017	Trading Halt
10/10/2017	Business Update
09/10/2017	IOT and AirSelfie sign Co-Operation Agreement
06/10/2017	Appendix 3B
03/10/2017	South America / Latin America Distribution for IOT Group
14/09/2017	Placement Cleansing Notice
14/09/2017	Appendix 3B
14/09/2017	US Operations
04/09/2017	Private Share Placement
01/09/2017	Appendix 4D
29/08/2017	Half Yearly Report and Accounts
23/08/2017	Board Changes
23/08/2017	Final Director's Interest Notices
23/08/2017	Initial Director's Interest Notices
21/08/2017	Company Update
18/08/2017	Trading Halt
09/08/2017	Final Director's Interest Notice
09/08/2017	Initial Director's Interest Notice
07/08/2017	Appointment of Chairman
07/08/2017	Telstra Places Air Selfie Camera Order
31/07/2017	June 2017 Quarterly Report
24/07/2017	Operational Update
13/07/2017	Air Selfie Update
30/06/2017	Change of Share Registry Notification
26/06/2017	Appendix 3B

Date	Description of Announcement
19/06/2017	OPERATIONAL UPDATE
19/06/2017	Successful Equity Raising
15/06/2017	Trading Halt
09/06/2017	Purchase Order Update
31/05/2017	Results of Meeting
26/05/2017	Response to ASX Query - Director's Interest Notice
22/05/2017	Change of Director's Interest Notice
22/05/2017	Change of Director's Interest Notice
22/05/2017	Updated Change of Director's Interest - Tod McGrouther
22/05/2017	Change of Director's Interest Notice
22/05/2017	Change of Director's Interest Notice
19/05/2017	Research and Development Tax Refund
12/05/2017	Response to ASX Appendix 4C Query
03/05/2017	May 2017 Operational Update
28/04/2017	Notice of Annual General Meeting/Proxy Form
28/04/2017	Appendix 4C - quarterly
26/04/2017	Brookestone Retailer Information
26/04/2017	Purchase Order received from US retailer Brookstone for ROVA
26/04/2017	AirSelfie Tech Specs
26/04/2017	Airselfie Investor Presentation
26/04/2017	IOT signs exclusive USA Airselfie Distribution Agreement
21/04/2017	Share Cancellation - approved at 31/3/17 S/H Meeting
21/04/2017	Appendix 3B
19/04/2017	Hammacher Schlemmer - Retailer Information
19/04/2017	HAMMACHER SCHLEMMER PURCHASE ORDER FOR ROVA
18/04/2017	Best Buy Canada Retailer Information
18/04/2017	Best Buy to sell the Rova
31/03/2017	Results of Meeting
28/03/2017	Investor Presentation - Sales Update
27/03/2017	Appendix 3B
23/03/2017	Share Trading Policy
16/03/2017	Appendix 3B update to 20 February 2017 Appendix 3B issued
16/03/2017	Cancellation of Options
13/03/2017	Shares and Options to be released from Escrow
06/03/2017	Shares and Options to be released from Escrow
28/02/2017	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.theiotgroup.com.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent date of those sales were:

Highest	12/12/2017	\$0.016
Lowest	14/01/2018	\$0.008
Last	18/01/2018	\$0.008

9.4 Interest of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Sean Neylon ¹	44,519,264	59,568,361 ²	11,129,816	100,168.34
John Forder	50,000	10,000,000 ³	12,500	112.50
Steven Kayalicos ⁴	2,376,316	13,505,259 ⁵	594,079	5,346.71

Notes:

1. These Securities are held directly by Mr Neylon and indirectly through his related entities (IOT Ventures Pty Ltd ATF IOT Ventures Trust, AFLH Family Fund Pty Ltd ATF AFLH Family Trust, Alexander Patrick Pty Ltd ATF AP Trust, Snowy Ventures Capital Group Pty Ltd ATF Snowy VC Trust and Saratoga Capital Pty Ltd ATF Saratoga Trust).
2. Comprising of:
 - a. 10,536,810 Options exercisable at \$0.07 on or before 30 June 2019;
 - b. 9,031,551 Options exercisable at \$0.07 on or before 30 June 2019;
 - c. 10,000,000 Options exercisable at \$0.18238 on or before 31 December 2022;
 - d. 10,000,000 Options exercisable at \$0.09 on or before 31 December 2022;
 - e. 10,000,000 Options exercisable at \$0.05 on or before 31 December 2027; and
 - f. 10,000,000 Options exercisable at \$0.075 on or before 31 December 2027.
3. Comprising of:
 - a. 5,000,000 Options exercisable at \$0.05 on or before 31 December 2027; and
 - b. 5,000,000 Options exercisable at \$0.10 on or before 31 December 2027.
4. These Securities are held indirectly by Mrs Mary Kayalicos and SMK (Vic) Pty Ltd ATF Kayalicos Family Trust.
5. Comprising of:
 - a. 2,000,000 Options exercisable at \$0.3505 on or before 31 December 2018;
 - b. 1,505,259 Options exercisable at \$0.07 on or before 30 June 2019;
 - c. 5,000,000 Options exercisable at \$0.05 on or before 31 December 2027; and
 - d. 5,000,000 Options exercisable at \$0.10 on or before 31 December 2027.

The Board recommends all Shareholders take up their Entitlement. Mr Neylon and Mr Kayalicos do not intend to take up their respective Entitlements. Mr Forder intends to take up his Entitlement under the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount was approved by shareholders at the Company's annual general meeting in 2011 to amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In

addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration (paid in cash and by issue of securities of the Company) of current executive and non-executive directors.

Director	FY2016 Actual	FY2017 Actual	FY2018 Estimate
Sean Neylon ¹	\$380,350	\$407,914	\$396,000
John Forder ²	Nil	\$16,500	\$66,000
Steven Kayalicos ³	Nil	\$18,451	\$66,000

Notes:

1. Appointed as a Director on 21 August 2017. Remuneration includes amounts paid as an executive prior to appointment as a director.
2. Appointed as a Director on 23 August 2017.
3. Appointed as a Director on 21 August 2017.

The following amounts were paid or payable to related entities of directors (including GST), since their appointment as directors:

Director	FY2016 Actual	FY2017 Actual	FY2018 Estimate
Sean Neylon	Nil	Nil	Nil
John Forder ¹	Nil	\$89,294	\$100,000
Steven Kayalicos ²	Nil	\$82,335	\$100,000

1. Appointed as a Director on 23 August 2017. These figures were paid to JMF Global Pty Ltd, an entity associated with Mr Forder, in consideration for logistical services provided to the Company.
2. Appointed as a Director on 21 August 2017. These figures were paid to The Product Group Pty Ltd, an entity associated with Mr Kayalicos, in consideration for design and development services provided to the Company.

9.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

The Lead Manager (Sirius Capital Pty Ltd) has been paid, via an issue of 1,648,941 Shares at a deemed issue price of \$0.012 per Share, \$19,787.29 of the \$55,000 Management Fee in respect of the Offer. Subject to the completion of the Offer, Sirius Capital Pty Ltd will be issued:

- (a) a maximum of 15,342,800 Shares at a deemed issue price of \$0.009 per Share in satisfaction of the Selling Fee; and
- (b) 3,521,271 Shares at a deemed issue price of \$0.01 per Share in satisfaction of the remaining balance of the Management Fee,

payable pursuant to the Lead Manager Mandate. During the 24 months preceding lodgement of this Prospectus with the ASIC, Sirius Capital Pty Ltd has not been paid any other fees by the Company.

Sirius Capital Pty Ltd (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 7,126,142 Shares and 10,536,810 Options exercisable at \$0.07 each and expiry date of 30 June 2019. In addition, Sirius Capital Pty Limited currently has a direct interest in 1,648,941 Shares which were issued at a deemed issue price of \$0.012 in partial payment of the Management Fee.

Sirius Capital Pty Ltd has indicated its intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest at the Record Date.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid no fees from the Company.

9.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus,

with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

Sirius Capital Pty Ltd has given its written consent to being named as lead manager to the Offer in this Prospectus, in the form and context in which it is named. Sirius Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

A D Danieli Audit Pty Limited has given its written consent to being named as the auditor to the Company in this Prospectus. A D Danieli Audit Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$245,990 (excluding GST) and are expected to be applied towards the items set out in the table below:

Payment for	Payable in cash	Paid or payable in Shares	\$ Total
ASIC fees	2,400		2,400
ASX fees	19,893		19,893
Lead Manager fees ¹	-	193,697	193,697
Legal fees	15,000		15,000
Printing and distribution	10,000		10,000
Miscellaneous	5,000		5,000
Total	52,293	193,697	245,990
GST payable	5,229	19,370	24,599
Total expenses of the Offer (including GST)	57,522	213,067	270,589

¹Please refer to Section 8.1 for a summary of terms of the Lead Manager Mandate.

9.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 8318 7724 and the

Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.theiotgroup.com.

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

9.9 Financial forecasts

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

9.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

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

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

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

9.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the

Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

SEAN NEYLON
MANAGING DIRECTOR
For and on behalf of
IoT Group Limited

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means IoT Group Limited (ACN 140 475 921).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

EFT means an electronic funds transfer made to the Company's bank account as notified on the Application Form.

Lead Manager means Sirius Capital Pty Ltd (CAR 001261286) (a corporate authorised representative of Proprietary and Fiduciary Services Pty Limited AFSL 258057).

Lead Manager Mandate means the mandate entered into between the Company and the Lead Manager dated 11 January 2018.

Management Fee means an amount payable to the Lead Manager for advisory services connected with the Offer

New Option means an Option issued on the terms set out in Section 6.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or New Options offered pursuant to the Entitlement.

Selling Fee means an amount based on the gross proceeds of the Offer payable to the Lead Manager for placement services in connection with the Offer

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

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