

UUV AQUABOTIX LTD
ACN 616 062 072

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of one (1) Share for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per Share to raise up to \$960,000 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

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 Shares offered by this Prospectus should be considered as speculative.

CONTENTS

1.	CORPORATE DIRECTORY.....	1
2.	TIMETABLE.....	2
3.	IMPORTANT NOTES.....	3
4.	DETAILS OF THE OFFER.....	5
5.	PURPOSE AND EFFECT OF THE OFFER.....	12
6.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	17
7.	RISK FACTORS	19
8.	ADDITIONAL INFORMATION	26
9.	DIRECTORS' AUTHORISATION	35
10.	GLOSSARY.....	36

1. CORPORATE DIRECTORY

Directors

Mr Peter James
Non-Executive Chairman

Mr Jay Cohen
Non-Executive Director

Mr Robert Clisdell
Non-Executive Director

Management

Whitney Million
Chief Executive Officer

Jonathan Swain
Company Secretary

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Lead Manager

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

Registered Office

C/- Sundaraj & Ker
'Australia Square'
Level 36
264-278 George Street
Sydney NSW 2000

Telephone: +61 2 8880 5130

Email: info@aquabotfix.com
Website: www.aquabotfix.com

Solicitors

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

Auditor*

RSM Australia Partners
Level 13, 60 Castlereagh Street
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	21 February 2019
Lodgement of Prospectus & Appendix 3B with ASX	21 February 2019
Notice sent to Optionholders	21 February 2019
Notice sent to Shareholders	25 February 2019
Ex date	26 February 2019
Rights start trading	26 February 2019
Record Date for determining Entitlements	27 February 2019
Prospectus sent out to Shareholders & Company announces this has been completed	4 March 2019
Rights stop trading	6 March 2019
Shares quoted on a deferred settlement basis	7 March 2019
Last day to extend the Closing Date	8 March 2019
Closing Date*	13 March 2019
ASX notified of under subscriptions	18 March 2019
Issue date/Shares entered into Shareholders' security holdings	20 March 2019
Quotation of Shares issued under the Offer*	21 March 2019

*The Directors may extend the Closing Date by giving at least 6 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 21 February 2019 and was lodged with the ASIC on that date. The ASIC, the 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 Shares 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 Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares 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. It 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 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 4 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 Shares pursuant to this Prospectus.

3.2 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 4 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.03 per Share. 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 all Entitlements are accepted, a maximum of 32,000,000 Shares will be issued pursuant to this Offer to raise up to \$960,000.

As at the date of this Prospectus the Company has 63,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. 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.

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

4.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 4.3);
- (b) sell all of their Entitlement on ASX (refer to section 4.4);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 4.5);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 4.6);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to section 4.7); or
- (f) allow all or part of their Entitlement lapse (refer to section 4.8).

Eligible Shareholders may also apply for Shortfall Shares under the Shortfall Offer (refer to Section 4.14).

4.3 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to the account name set out in the Entitlement and Acceptance Form and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by delivery or by post) in accordance with the details set out in the Entitlement and Acceptance Form.

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 4.9. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 4:00pm (AEST) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

4.4 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 26 February 2019 and will cease on 6 March 2019.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

4.5 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3, or make a payment by BPAY in accordance with section 4.12.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

4.6 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

4.7 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to the account name set out in the Entitlement and Acceptance Form and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESSE subregister you must engage your CHESSE controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 4.3.

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

4.8 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

4.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

4.10 Minimum subscription

There is no minimum subscription to the Offer.

4.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to the account name set out in the Entitlement and Acceptance Form 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.

4.12 Payment by BPAY®

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

- (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 BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement either 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.

4.13 Lead manager

Patersons Securities Limited (ABN 69 008 896 311) (AFSL No. 239 052) (**Lead Manager**) has been appointed as lead manager to the Offer. The terms of the appointment of the Lead Manager are summarised in section 8.5 of this Prospectus.

4.14 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form 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 \$0.03 being the price at which Shares have been offered under the Offer.

Eligible 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 Shortfall Application Form) or by making payment for such Shares using BPAY® (refer to Section 4.12 above).

The Directors reserve the right to issue Shortfall Shares at their absolute discretion, subject to the Shortfall policy noted below, the ASX Listing Rules and any restrictions under applicable law, within 3 months after the close of the Offer.

The Directors confirm that Shortfall Shares will be issued in priority to existing Eligible Shareholders. An allocation of Shortfall Shares to Eligible Shareholders will generally be commensurate with the number of Shares held by each applicant. All decisions regarding the allocation of Shortfall Shares (including any scale back of Shortfall applications) will be made by the Directors (at their absolute and sole discretion) and will be final and binding on all Eligible Shareholders. The Company will only issue Shortfall Shares pursuant to an application received where the Directors are satisfied, in their absolute and sole discretion, that the issue of the Shares will not increase the applicant's voting power above 19.9%. There is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders. Where the number of Shares subscribed for by Eligible Shareholders under the Shortfall Offer exceeds the number of Shortfall Shares available, the Company will consider using its 15% placement capacity under the ASX Listing Rules to accept oversubscriptions and issue these Shares.

The Directors may issue any remaining Shortfall Shares to other non Shareholder investors after allocation of Shortfall Shares to Eligible Shareholders.

4.15 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.

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

4.16 Issue

Shares 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.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of 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 Shares 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 Shares 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 Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.17 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 or New Zealand.

New Zealand

The Offer is being made in New Zealand in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

Appointment of nominee

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Patersons Securities Limited, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse.

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.

4.18 Enquiries

Any questions concerning the Offer should be directed to Jonathan Swain, Company Secretary, on +61 2 8880 5130.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$960,000.

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

Item	Proceeds of the Offer	Minimum Subscription (\$)	%
1	Research and Development	421,316	44%
2	Sales and Marketing	95,819	10%
3	Expenses of the Offer ¹	133,641	14%
4	Working capital ²	309,224	32%
	Total	960,000	100%

Notes:

1. Refer to section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Including but not limited to employee compensation and executive management fees, development of technology roadmaps and innovation planning, overhead costs, accounting fees, directors' fees, legal fees and funds allocated to consider potential acquisitions.

The above table 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 the cash reserves by \$826,359 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 160,000,001 as at the date of this Prospectus to 192,000,001 Shares.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2018 and the unaudited pro-forma balance sheet as at 31 December 2018 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.

	UNAUDITED 31-Dec-18	Rights Issue	PROFORMA
CURRENT ASSETS			
Cash	704,377	826,359	1,530,736
Other current assets	221,575		221,575
TOTAL CURRENT ASSETS	925,952	826,359	1,752,311
NON-CURRENT ASSETS			
Plant and equipment	130,741		130,741
TOTAL NON-CURRENT ASSETS	130,741	-	130,741
TOTAL ASSETS	1,056,693	826,359	1,883,052
CURRENT LIABILITIES			
Creditors and other current liabilities	388,421		388,421
TOTAL CURRENT LIABILITIES	388,421	-	388,421
TOTAL LIABILITIES	388,421	-	388,421
NET ASSETS (LIABILITIES)	668,272	826,359	1,494,631
EQUITY			
Share capital	10,191,710	826,359	11,018,069
Options Reserve	978,893		978,893
Other Reserves	37,237		37,237
Retained loss	-10,539,568		-10,539,568
TOTAL EQUITY	668,272	826,359	1,494,631

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 set out below.

Shares

	Number
Shares currently on issue	160,000,001
Shares offered pursuant to the Offer	32,000,000
Total Shares on issue after completion of the Offer¹	192,000,001

Notes:

- Where the number of Shares subscribed for by Eligible Shareholders under the Shortfall Offer exceeds the number of Shortfall Shares available, the Company will consider using its 15% placement capacity under the ASX Listing Rules to accept oversubscriptions and issue these Shares. Refer to Section 4.14 for further details.

Options

	Number
Options currently on issue:	
UUVO Quoted Options exercisable at \$0.22 on or before 19/04/2019	35,000,000
Class B Unlisted Options exercisable at \$0.22 on or before 19/04/2020	10,000,000
Class C Unlisted Options exercisable at \$0.30 on or before 19/04/2020	700,000
Class D Unlisted Options exercisable at \$0.30 on or before 19/04/2021	700,000
Class E Unlisted Options exercisable at \$0.30 on or before 19/04/2021	5,000,000
Class F Unlisted Options exercisable at \$0.30 on or before 19/04/2022	3,000,000
Class R Unlisted Options exercisable at \$0.11 on or before 18/04/2021	1,500,000
Class S Unlisted Options exercisable at \$0.11 on or before 18/04/2022	1,500,000
Class T Unlisted Options exercisable at \$0.11 on or before 18/04/2023	1,500,000
Class U Unlisted Options exercisable at \$0.11 on or before 18/04/2024	1,500,000
Class V Unlisted Options exercisable at \$0.11 on or before 30/05/2021	1,000,000
Class W Unlisted Options exercisable at \$0.11 on or before 21/12/2021	300,000
Class X Unlisted Options exercisable at \$0.11 on or before 18/07/2021	400,000
Class Y Unlisted Options exercisable at \$0.11 on or before 18/07/2021 (vesting on 18/07/2019)	400,000

Class Z Unlisted Options exercisable at \$0.11 on or before 18/07/2021 (vesting on 18/07/2020)	400,000
Class AA Unlisted Options exercisable at \$0.11 on or before 02/11/2021	200,000
Class AB Unlisted Options exercisable at \$0.11 on or before 02/11/2021 (vesting on 02/11/2019)	200,000
Class AC Unlisted Options exercisable at \$0.11 on or before 02/11/2021 (vesting on 02/11/2020)	200,000
Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	63,500,000

Performance Shares

	Number
Class A Performance Shares	15,000,000
Class B Performance Shares	15,000,000
Class C Performance Shares	15,000,000
Performance Shares offered pursuant to the Offer	Nil
Total Performance Shares on issue after completion of the Offer	45,000,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 268,500,001 Shares and on completion of the Offer (assuming all Entitlements are accepted, no Options are exercised and no Performance Shares are converted into Shares prior to the Record Date) would be 300,500,001 Shares.

5.5 Details of substantial holders

Based on publicly available information as at 20 February 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Long Hill Capital II, LLC, Bergen Special Opportunity Fund LP, Bergen Global Opportunity Fund, Bergen Asset Management, LLC and Eugene Tablis	57,193,778	35.75%
Durval Tavares ^{1,2 & 3}	34,839,787	21.77%
Eagle's View Offshore Fund Ltd Class B, Eagle's View Offshore Fund Ltd Class E, Eagle's View Special Opportunities Fund LP, Eagle's View Diversified Opportunities Fund LP, Eagle's View Partners Ltd, Eagle's View Capital Partners LP, Eagle's View Multi-Strategy LLC, Berger Investments LLC	30,249,390	18.91%

Notes:

- 6,337,330 Shares held by Durval Tavares directly and 23,049,813 Shares held for the benefit of Durval Tavares by the Trust for the Aquabotix Technology Corporation 401(k) Plan, a retirement trust established under US law.

2. 4,337,330 Shares held by Debra Tavares (wife of Durval Tavares) directly and 1,115,314 Shares held for the benefit of Debra Tavares by the Trust for the Aquabotix Technology Corporation 401(k) Plan.
3. In addition, Dawn Doraz (daughter of Durval Tavares) holds a further 1,405,544 Shares in the Company with 309,810 Shares being held directly and 1,095,734 Shares being held for the benefit of Dawn Doraz by the Trust for the Aquabotix Technology Corporation 401(k) Plan.

Shareholders and investors should note that the substantial shareholders of the Company set out above are residents of the U.S. and that the Offer is not open U.S. resident investors. As such, the substantial shareholders set out above are not permitted to accept their Entitlement under the Offer and their percentage shareholdings will be diluted to the extent Entitlements are accepted by, and Shares are issued to, Eligible Shareholders upon completion of the Offer. In the event all Shares under the Offer are issued, the percentage shareholdings of the above substantial shareholders will be diluted to 29.79%, 18.15% and 15.75% respectively (assuming no Options are exercised, no Performance Shares are converted into Shares and no further Shares are issued).

6. RIGHTS AND LIABILITIES ATTACHING TO 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.

6.1 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.

6.2 Voting rights

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

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) 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 the Share, 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). Amounts paid in advance of a call are ignored when calculating the proportion.

6.3 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 or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. 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.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, grant shareholders or a class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares on the terms determined by the Board.

6.4 Winding-up

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

6.5 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.

6.6 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.

6.7 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.

6.8 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.

6.9 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.

7. RISK FACTORS

7.1 Introduction

The Shares 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 Shares 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 Shares.

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

7.2 Company-Specific Risks

(a) Going concern

The Company's financial report for the half year ended 30 June 2018 stated the following:

"the Company incurred a loss after tax of \$3,324,101 and had net cash outflows from operating activities of \$3,097,397 for the half year ended 30 June 2018. As at that date, the Company had net current assets of \$729,174, net assets of \$862,262 as well as cash and cash equivalents of \$861,072. The ability of the Company to continue as a going concern is dependent on a number of factors, the most significant of which is its ability to generating sufficient returns from operating activities, raising further capital or reducing costs. These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report."

Notwithstanding the 'going concern' note included in the half year financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's short term commitments and working capital requirements. However, it is highly likely that further funding will be required to meet the medium term working operating costs of the Company.

The Company is in advanced discussions to secure an alternative funding facility which would provide additional working capital to support the Company should it be required. The Company expects that this facility will become available if required, however the final terms of this arrangement are yet to be finalised as at the date of this Prospectus.

In the event that the Offer is not completed successfully and the Company is unable to secure the funding facility noted above, there is significant uncertainty as to whether the Company can continue as a

going concern, which is likely to have a material adverse effect on the Company's activities.

(b) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **Shareholder dilution**

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of issues of Shares or other securities. Further, on the conversion of Performance Shares into Shares, Shareholders will be further diluted.

(d) **Limited operations**

The Company has limited operations and may be dependent on equity and debt fund-raising and/or dividends and distributions from its subsidiaries.

(e) **Acquisitions**

The Company's growth strategy may involve finding and consummating acquisitions in areas complimentary to its business. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. Further, the Company will experience competition in making acquisitions from larger companies with significantly greater resources.

(f) **International operations**

The Company sells its products to international customers and expects to continue to do business around the world. The Company's operations will therefore be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of international and U.S. export laws and regulatory requirements (including the U.S. Foreign Corrupt Practices Act, the U.S. Export Administration Act and the U.S. Arms Export Control Act (and the regulations promulgated thereunder)), risks stemming from the Company's lack of local business experience in specific foreign countries, foreign currency fluctuations, difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers.

Additionally, operating an international business with sales in a number of legal jurisdictions will necessarily require substantial input from a variety of legal counsel and expose the Company to legal costs that may be disproportionately high relative to its revenues, and will be incurred regardless of whether the Company derives revenues from a given jurisdiction or at all.

(g) **Disputes**

The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.

(h) **Strategies**

There are no limits on strategies that the Company may pursue. The strategy may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice, and otherwise in the Company's sole discretion. As a result, the current strategy, approaches, markets and products of the Company may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

(i) **Governmental contracts**

A significant portion of the Company's revenues may depend on the Company's ability to do business with the U.S. as well as foreign governments and their various agencies, whether directly or indirectly. Such customers may:

- (i) award or terminate contracts at their convenience;
- (ii) terminate, reduce or modify contracts or subcontracts if its requirements or budgetary constraints change;
- (iii) cancel multi-year contracts and related orders if funds become unavailable;
- (iv) shift their spending priorities;
- (v) adjust contract costs and fees on the basis of audits done by its agencies;
- (vi) use and practice intellectual property developed in the performance of a government contract or subcontract;
- (vii) claim rights to intellectual property not properly protected pursuant applicable contract terms;

- (viii) seek penalties and fines exceeding the value of a contract for contract activity that results in the submission of a false claim to the government;
- (ix) debar the Company or its subsidiaries because of legal and other actions undertaken by or against the Company or its subsidiaries, the Company's officers, directors, shareholders, employees and affiliates, or convictions of the Company's officers, directors, shareholders, employees or affiliates; and
- (x) inquire about and investigate business practices and audit compliance with applicable rules and regulations.

(j) **Contracts in general**

There are a number of risks associated with contracts entered into by the Company, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms.

(k) **Supply**

The Company may experience delivery delays or inability to perform if its contract or component manufacturers fail to deliver conforming products to plan. The Company's products are currently manufactured in house; however, a contract manufacturer may be used in the future for production. Any operational issues that any future manufacturer incurs may affect the delivery of the products. The Company may depend on any future manufacturer to adjust operations accordingly with demand of the products to ensure no back log in production. There may also be a risk with working with only one future manufacturer, in that suspension or termination of the agreement to produce will temporarily halt all deliveries until an issue is resolved or a new agreement is made with another manufacturer.

(l) **Product liability**

As with all new products, there is no assurance that unforeseen adverse events or manufacturing defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(m) **Litigation**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(n) **Environmental**

The Company's operations are subject to government environmental legislation. While environmental issues are continually monitored to minimise the likelihood of risk there is no assurance that the Company's operations will not be affected by an environmental incident or subject to environmental liabilities. The introduction of new environmental legislation and regulations may result in additional cost to the Company arising from additional compliance, further capital expenditure and monitoring which may have a material adverse impact on the financial position and performance of the Company.

(o) **Data loss, theft or corruption**

The Company stores data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.

(p) **Foreign exchange**

The Company will be operating in a variety of jurisdictions, including the United States of America and Australia, and as such, expects to generate revenue and incur costs and expenses in more than one currency. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

(q) **Insurance coverage**

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

7.3 General Risks

(a) **Economic conditions and other global or national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods),

and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Further, the value of the Securities may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.

(c) **Price of Securities**

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Securities are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer price.

Further, after the end of the relevant escrow periods affecting Securities in the Company, a significant sale of then tradeable Securities (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price.

(d) **Investment speculative**

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

Therefore, the Securities 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 Securities.

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

8. ADDITIONAL INFORMATION

8.1 Litigation

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

8.2 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 which 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
20/02/2019	Renounceable Entitlement Offer
31/01/2019	Quarterly report and Appendix 4C
25/01/2019	Company secretary resignation and appointment
16/01/2019	Aquabotix proposals accepted for ANTX
03/01/2019	US Navy Project Contract
31/12/2018	Change of Director's Interest Notice (Peter James)
27/12/2018	Change in substantial holding
21/12/2018	Thales / Aquabotix MOU for strategic co-operation
21/12/2018	Appendix 3B and cleansing notice
11/12/2018	Results of Extraordinary General Meeting
29/11/2018	Aquabotix launches three new products
14/11/2018	ANTX 2018 and 2019
12/11/2018	Notice of Extraordinary General Meeting/Proxy Form
12/11/2018	Details of Company Address
06/11/2018	Aquabotix granted camera apparatus patent
02/11/2018	Appendix 3B
02/11/2018	Cancellation of unlisted options
26/10/2018	Quarterly Report and Appendix 4C
22/10/2018	Aquabotix granted United States federal explosives license
27/08/2018	Aquabotix Joins IWRP Consortium
24/08/2018	Half Yearly Report and Accounts
02/08/2018	Aquabotix Joins Undersea Technology Innovation Consortium
27/07/2018	Quarterly Report and Appendix 4C
26/07/2018	Final Director's Interest Notice - Durval Tavares

Date	Description of Announcement
24/07/2018	Change in substantial holding
23/07/2018	Board Change
20/07/2018	Change in substantial holding
18/07/2018	\$1.25 Million Placement
18/07/2018	Cleansing Notice
18/07/2018	Appendix 3B
02/07/2018	Investor Presentation
28/06/2018	Explosives License
25/06/2018	Non-dilutive Funding from US Navy
22/06/2018	Corporate Governance Statement
18/06/2018	Aquabotix Joins Consortium Supporting the U.S. Navy
15/06/2018	Appendix 3B
15/06/2018	Final Director's Interest Notice (Brendan Martin)
15/06/2018	Aquabotix Joins SENEDIA Alliance
13/06/2018	Aquabotix Signs US Navy Cooperative Agreement
06/06/2018	Director Resignation - Brendan Martin
31/05/2018	Appendix 3B
31/05/2018	Change of Director's Interest Notice (Robert Clisdell)
30/05/2018	2018 Annual General Meeting - Results of Meeting
30/05/2018	2018 Annual General Meeting - AGM Presentation
30/05/2018	2018 Annual General Meeting - Chairman's Address
28/05/2018	Aquabotix Co-Locates with the United States Army
11/05/2018	Aquabotix Corporate Update
30/04/2018	Notice of Annual General Meeting/Proxy Form
30/04/2018	Quarterly Report and Appendix 4C
09/04/2018	Aquabotix Releases SwarmDiver USV/UUV
21/03/2018	Appendix 3B
21/03/2018	Management Restructuring
14/03/2018	Initial Director's Interest Notice (Robert Clisdell)
12/03/2018	Board and Management Update
06/03/2018	Integra to Showcase at ANTX 2018

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.aquabotix.com.

8.3 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 respective dates of those sales were:

Highest	0.06	28 November 2018
Lowest	0.045	19 and 20 December 2018
Last	0.054	20 February 2019

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.5 Lead Manager Mandate

On 16 January 2019 (as amended on 13 February 2019), Patersons Securities Limited (ABN 69 008 896 311) (AFSL No. 239 052) (**Lead Manager**) and the Company entered into a lead manager mandate pursuant to which the Lead Manager agreed to act as the sole lead manager to the Offer (**Lead Manager Mandate**).

Pursuant to the Lead Manager Mandate, the Company has agreed to pay the Lead Manager the following fees:

- (a) a lead manager fee of \$30,000; and
- (b) a selling fee of 6% of the total amount raised by the Lead Manager under the Offer and Shortfall Offer.

The Company has also agreed to pay the Lead Manager for all out of pocket expenses reasonably incurred by the Lead Manager.

The Lead Manager Mandate contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

8.6 Interests 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:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) 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	\$
Peter James	1,398,213	6,250,000	279,643	8,389.28
Jay Cohen	Nil	1,400,000	Nil	Nil
Robert Clisdell	50,000	1,050,000	10,000	300

The Board recommends all Shareholders take up their Entitlement and advises that Peter James and Robert Clisdell intend to take up their respective Entitlements.

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 has been set at an amount not to exceed \$300,000 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 to both executive and non-executive directors.

Director	FY2017 (Actual) \$AUD	FY2018 (Actual) \$AUD	FY2019 (Proposed) \$AUD
Peter James	\$352,497 ¹	\$100,000	\$100,000
Jay Cohen	\$105,130 ²	\$53,502 ³	\$53,502 ³

Robert Clisdell	Nil	\$59,384 ⁴	\$50,000
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Notes:

1. Consists of AUD\$285,830 in equity-settled options and AUD \$66,667 in salary and fees.
2. Consists of AUD\$52,173 in salary and fees and AUD\$52,952 in equity-settled options.
3. Consists of USD\$50,000 in salary and fees.
4. Consists of AUD\$39,784.22 in salary and fees and AUD\$19,599 in equity-settled options.

8.7 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.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,300 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$163,127.50 (excluding GST and disbursements) for legal services provided to the Company.

Patersons Securities Limited will be paid the fees set out in section 8.5 of this Prospectus in relation to the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has been paid fees totalling \$207,534.79 by the Company.

Patersons Securities Limited has also been appointed as the nominee under ASX Listing Rule 7.7. Patersons Securities Limited will be paid for this service on standard industry terms and conditions.

8.8 Consents

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;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) 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; and
- (d) Patersons Securities Limited has given its written consent to being named as Lead Manager to the Company in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (e) Patersons Securities Limited has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7. Patersons Securities Limited has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

8.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$133,641 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	5,460
Lead Manager Fees	30,000.00
Selling Fees	57,600.00
Legal fees	20,300.00
Printing and distribution	4000
Miscellaneous	13,075
Total	133,641

8.10 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with

the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 8880 5130 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.aquabotix.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.

8.11 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.

8.12 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

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

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with 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 CHESS and issuer sponsorship.

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

8.13 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.

9. 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.



Peter James
Non-Executive Chairman
For and on behalf of
UUV AQUABOTIX LTD

10. 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 means an application to subscribe for Shares under this Prospectus.

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

Application Monies means money submitted by Applicants in respect of Applications.

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 CHESSE.

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 UUV Aquabotix Ltd (ACN 616 062 072).

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.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

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.

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 4.14 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

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