



ASX ANNOUNCEMENT

19 OCTOBER 2023



Rights Issue Offer Prospectus

19 October 2023: HITIQ Limited (ASX: HIQ) (**HITIQ** or the **Company**) is pleased to announce that, further to its announcement of 16 October 2023, it has completed the Placement of \$600,253 (before costs) through the issue of 27,284,246 ordinary shares (**Placement Shares**) at an issue price of \$0.022 per Placement Share, together with accompanying options (**Placement**).

As announced, the Company is undertaking a non-renounceable rights issue on the same terms as the Placement, being one (1) new share for every 2 shares held by eligible shareholders in Australia and New Zealand as at the Record Date of 24 October 2023 at an offer price of \$0.022 (2.2 cents) per new share plus 1 option for every 2 new shares issued under the rights issue offer (**Rights Issue Offer**).

Shareholders who subscribe for their full entitlement under the Rights Issue Offer will also be able to subscribe for additional shares at the same price (**Top Up Offer**) and will also be issued 1 new option for every 2 additional shares issued to them under the Top-Up Offer.

Attached is a copy of the Rights Issue Offer Prospectus which has now been lodged with ASIC in accordance with the timetable.

The Company now intends to seek quotation as an additional class of security for the options under both the Placement and Rights Issue Offer.

Please note, the Company has reduced the maximum amount to be raised under the Rights Issue Offer to \$3.23 million (before costs), and that the aggregate maximum amount to be raised under the combined Placement and Rights Issue Offer will be \$3.83 million (before costs).

The Rights Issue Offer will open on Friday, 27 October 2023 and close at 5pm (AEDT), Friday 17 November 2023.

The release of this announcement was authorised by the Board.

For further information, please contact:

Glenn Smith
Executive Director and Interim CEO
HITIQ Limited
E: investors@hitiq.com

HITIQ LIMITED

ACN 609 543 213
ASX: HIQ

HITIQ.COM
E: investors@hitiq.com

CORPORATE OFFICE

Level 2, 2-19 Raglan Street
South Melbourne, VIC, 3205

DIRECTORS

Otto Buttula
Phillip Carulli
Aidan Clarke
Glenn Smith

Non-Executive Chair
Non-Executive Director
Non-Executive Director
Executive Director /
Interim CEO

About HITIQ

HITIQ Limited (ASX: **HIQ**) operates in the healthcare equipment sector, providing and further developing a transformative, end-to-end concussion management technology platform. This platform aims to provide a total concussion ecosystem whereby the Company's products support the identification, monitoring, and management of sport related brain injury. HITIQ's product suite utilises high-end technology that will span multiple domains – from early detection and surveillance to assessment and rehabilitation technology tools.





HITIQ Limited

ACN 609 543 213
(ASX code: HIQ)

PROSPECTUS

2023 Non-Renounceable Rights Issue Offer

*For a non-renounceable pro-rata rights issue to Eligible Shareholders on the basis of **1 New Share for every 2 Shares** held by Shareholders at the Record Date at an issue price of 2.2 cents per New Share **together with** 1 New Option (with an exercise price of 5 cents) for every 2 New Shares issued under the Offer to raise a maximum of approximately \$3.23 million before costs (**Rights Issue Offers**) and the placement of any Shortfall under the Rights Issue Offers.*

The Offers are not underwritten.

IMPORTANT NOTICE

This document is important and should be read in its entirety.

If, after reading this Prospectus, you have any questions about the Offer Securities being offered under this Prospectus or any other matter relating to the Offers, then you should consult your professional adviser. An investment in the Offer Securities offered by this Prospectus should be considered speculative.

This Prospectus may not be released to US wire services or distributed in the United States except by the Company to a limited number of shareholders who are employees of the Company or “*accredited investors*” (as defined in Rule 501(a) under the US Securities Act).

This Prospectus has also been prepared in accordance with Section 713 of the Corporations Act.

IMPORTANT NOTICE

1. Prospectus

This Prospectus is dated 19 October 2023. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus. No Offer Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

This Prospectus is a transactional specific prospectus for an offer of continuously quoted securities (being the New Shares offered under this Prospectus) and New Options 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 prepared pursuant to Section 710 of the Corporations Act. In making representations in this Prospectus, regard has been made to the fact that the HITIQ Limited (**HIQ** or 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. Further information is provided in Sections 7.4 and 7.5 of this Prospectus. 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.

The Company will apply to ASX within 7 days of the date of this Prospectus for quotation of the New Shares offered under this Prospectus. The ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of the Company.

Applications for New Shares and New Options offered pursuant to this Prospectus, including also for any Additional Shares, can only be submitted on the applicable original Entitlement and Acceptance Form which accompanies this Prospectus. Applications for the Shortfall Offer can only be submitted by invitation from the Company upon the Shortfall Application Form. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

2. Disclaimer

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance.

You should carefully consider these risk factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the Offer Securities or the price at which the New Shares will trade on the ASX.

Any references to past performance of the Company is no guarantee of future performance.

3. No Representations other than this Prospectus

No person or entity is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

The Application Forms accompanying this Prospectus are important.

Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Offer.

4. Forward looking information

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

5. No cooling off rights apply to this Offer

Cooling off rights do not apply to an investment pursuant to the Offers. This means that, in

most circumstances, you cannot withdraw your Application Form once it has been lodged.

6. Offer Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares or New Options in any jurisdiction outside Australia.

In particular, the Offer Securities have not been, and will not be, registered under the US Securities Act and may only be offered and sold in the United States in accordance with an available exemption from registration under the US Securities Act and applicable US state securities laws.

Return of a duly completed Application Form will be taken by the Company as a representation that the Applicant is an Eligible Shareholder.

7. Prospectus availability

Those investors who receive this Prospectus electronically are advised that the issue of securities under this Prospectus is only available to persons receiving the Prospectus in accordance with the distribution restrictions described in item 6 above. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on the ASX website or the Company's website do not form part of this Prospectus.

8. Definitions and glossary, financial amounts and time

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Melbourne, Victoria time.

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Key Offer details

Key details of the Offer

Offer to Eligible Shareholders	1 New Share for every 2 Shares held at the Record Date at the Issue Price plus: <ul style="list-style-type: none"> • 1 New Option for every 2 New Shares issued under the Offer; and • the Top-Up Facility for Shareholders who subscribe for their full Entitlement
Issue Price per New Share	2.2 cents per New Share payable in full on Application
Exercise Price per New Option	5 cents per New Option
Maximum number of New Shares issued under this Prospectus	147,031,768 (subject to rounding) New Shares
Maximum number of New Options to be issued under this Prospectus	73,515,884 (subject to rounding) New Options
Maximum proceeds (excluding costs associated with the Offer and including the proceeds of the Placement*) if the Maximum Subscription Amount is achieved <i>*\$A\$600,253 was raised under the Placement</i>	Approximately \$3.83 million for New Shares (before expenses and costs of the issue)
Maximum number of Shares on issue following the Offer (excluding any shares issued upon the exercise of any Options)	441,095,303 Shares (subject to rounding)

Important Dates*

Event	Date
Record Date to determine Entitlements under the Rights Issue Offer	7.00pm on Tuesday, 24 October 2023
Prospectus (including Entitlement & Acceptance Form and Shortfall Application Form) despatched.	Friday, 27 October 2023
Opening Date	Friday, 27 October 2023
Closing Date for acceptances under the Rights Issue Offer and Top-Up Offer	5.00pm on Friday 17 November 2023
Issue of the New Shares and New Options	Before noon (Sydney time), Friday 24 November 2023
Trading (T+2) of New Shares expected to commence	Tuesday 28 November 2023

* The above dates are indicative only and subject to change. All dates and times are Australian Eastern Daylight Time (AEDT). The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Application Form, or to delay or withdraw the Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

Letter from the Chair

On behalf of the Board of HITIQ Limited (**Company**), I invite you to participate in the Company's non-renounceable pro-rata entitlement offer of 1 New Share for every 2 Shares at an Issue Price of 2.2 cents per New Share, plus 1 New Option for every 2 New Shares issued under the Offer (**Rights Issue Offer**) to raise up to maximum of approximately \$3.23 million.

On 16 October 2023, the Company announced to the ASX a strategic placement of approximately 27,284,246 Shares, plus 1 attaching option for every 2 Shares acquired also at 2.2 cents per Share (**Placement**). As part of the Placement, the Company received approximately \$600,253. The Placement investor will effectively complete its subscription before the Record Date for the Offers and as such Shares issued pursuant to the Placement will count towards the investor's shareholding for the purposes of determining their Entitlement to subscribe for Shares pursuant to the Offers.

The Offers may be summarised as follows:

- Eligible Shareholders may subscribe under the Rights Issue Offer for 1 New Share for every 2 Shares held as at the Record Date, which Rights Issue Offer includes the issue to the subscribers of 1 New Option for every 2 New Shares issued under the Rights Issue Offer (including 1 New Option for every 2 New Shares issued under any Shortfall).
- New Shares are priced at 2.2 cents per New Share.
- There is no minimum subscription to be raised under this Prospectus before the Rights Issue Offer can close.
- Eligible Shareholders may also subscribe for Additional Shares (and corresponding New Options) beyond their rights issue Entitlement on the basis that some other existing Shareholders will be either ineligible or may fail to fully take up their Entitlement (**Top-Up Offer**). This Top-Up Offer to apply for Additional Shares is restricted only to Eligible Shareholders (other than Directors and related parties of the Company).
- If there remains any Shortfall after allocation of Entitlements to Eligible Shareholders under the Rights Issue Offer and Top-Up Offer, the Directors also reserve the right for up to 3 months after the close of the Rights Issue Offer to place any Shortfall at the Board's discretion under this Prospectus but at a price no less than the Issue Price (**Shortfall Offer**). Any subscriptions under the Shortfall Offer will be allocated in the Board's absolute discretion.

Your Directors intended participation in respect of their Entitlements under the Rights Issue Offer is set out in section 7.8.

A copy this Prospectus has been lodged with ASIC and the ASX and can be accessed on the ASX website or via the HITIQ website: www.hitiq.com.

The funds from the Offer are important and will be applied to expand partnerships together with marketing and sales activities in North America, enhance product lines to generate additional recurring revenue streams and for general working capital purposes. For more information, please see section 2.4 of this Prospectus.

We look forward to your participation in the Offers.

Yours sincerely

Otto Buttula
Non-Executive Chair
HITIQ Limited

1. RIGHTS ISSUE OFFER OVERVIEW

1.1 Overview of the Offers

This Section is not intended to provide full information for investors intending to apply for New Shares and New Options offered pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
What is the Rights Issue Offer	Non-renounceable offer of New Shares, accompanied by attaching options (i.e. the New Options) as described below (Rights Issue Offer).	Sections 2.1 and 2.6
What are the terms of the Rights Issue Offer	1 New Share for every 2 Shares held on the Record Date at an issue price of 2.2 cents per Share, plus the grant to the subscribers of 1 New Option expiring on or before 31 October 2025 and an exercise price of 5 cents for every 2 New Shares issued under the Rights Issue Offer.	Section 2.1
Are the New Options to be Quoted on the ASX	Yes, the New Options will be quoted on the ASX.	Section 2.3 and Annexure A
Can I sell or transfer my Entitlements	No, the Rights Issue Offer is non-renounceable and, accordingly, you cannot offer to sell or transfer any of your Entitlement on ASX or via an off-market transfer.	Section 2.6
Am I an Eligible Shareholder	The Rights Issue Offer and Top-Up are made to Eligible Shareholders registered as a holder of Shares as at 7.00 pm (AEDT) on Tuesday, 24 October 2023 (Record Date).	Definition of Eligible Shareholder and Section 2.2
Can I purchase Additional Shares at the same price (Top-Up Offer)?	Yes, the Company is also offering a Top-Up Facility so Eligible Shareholders who fully subscribe for their entitlement under the Rights Issue Offer will also have the right to apply for Additional Shares (Shares not subscribed for by other Eligible Shareholders) at the same Issue Price (Top-Up Offer). For every 2 Additional Shares issued, subscribers will also receive 1 New Option.	Sections 2.1 and 2.10
How will the Additional Shares be allocated	The Company reserves the right to scale back any applications for Additional Shares in their absolute and sole discretion where the aggregate of New Shares applied for under the Top-Up Offers exceeds the available shortfall from Shareholders who have not	Section 2.10

Question	Response	Where to find more information
	<p>taken up, or are ineligible to take up, their Entitlement in full.</p> <p>When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Rights Issue Offer and the Record Date, as well as when the application was made.</p>	
Shortfalls – Shortfall Offer	<p>If there remains any Shortfall, the Directors reserve the right for up to 3 months from the close of the Rights Issue Offer to place any Shortfall at their discretion at a price no less than the Issue Price. The issue of Shares under a Shortfall (if any), if issued, will be allocated by the Board in its discretion. In each case, the issue of every 2 New Shares under the Shortfall will be accompanied by the issue of 1 New Option. Application may only be made under the Shortfall Offer pursuant to a Shortfall Application Form.</p>	Section 2.11
Is the Offer underwritten	<p>No, the Offers are not underwritten. However the Company reserves the right to pay cash commission of up to 6% of the amount subscribed by eligible new investors under the Shortfall Offer introduced by holders of an AFSL (or their authorized representatives). Any such commission costs would be paid from general working capital.</p>	Section 2.9
How do the New Shares rank in comparison to existing Shares	<p>All New Shares issued under the Rights Issue Offer will rank equally in all respects with existing Shares from the date of their issue.</p>	Sections 2.18 and 5.1
What are my choices?	<p>As an eligible Shareholder you may:</p> <ul style="list-style-type: none"> • take up all of your Entitlement under the Rights Issue Offer (and if you have taken up all your Entitlement, you may also apply for participation in the Top-Up Facility under the Top-Up Offer); or • exercise only a portion of your Entitlement and allow the balance to lapse; or • do nothing, in which case all of your Entitlements will lapse and you will receive no value for those lapsed Entitlements. 	Section 4.1

Question	Response	Where to find more information
What will be the effect of the Offers on control	The effect of the Offers on the control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders under the Offers and the issue of any Shortfall. The Board will not allocate any Additional Shares such that such an allocation would result in a Shareholder having an interest in the Company in excess of 19.9% on the completion of the Offers. In this regard, no Chapter 6 approvals under the Corporations Act will be sought.	Section 3.2
How do I apply for New Shares / Options under the Rights Issue Offer	Eligible Shareholders can apply for New Shares and New Options under the Rights Issue Offer by making payment by BPAY® or EFT in the amount of the Rights Issue Offer (and Top-Up Offer, if applicable) applied for. You do not need to return the Entitlement and Acceptance Form and the Company will assume that you have applied for that number of New Shares corresponding to the subscription monies paid. You may accept all or part of your Entitlement.	Sections 4.2 and 4.3
How do I apply for New Shares / Options under the Shortfall Offer	You can apply for New Shares and New Options under the Shortfall Offer by completing the relevant sections of the Shortfall Application Form accompanying this Prospectus, sending it to the Share Registry and making payment by BPAY® or EFT in the amount of the Shortfall Offer applied for.	Section 4.7
How can I obtain further information	Contact our Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia) at any time between 9:00am to 5:00pm Monday to Friday until the Closing Date. For advice, actively consult your broker, accountant or other professional adviser.	N/A
Risk Factors	There are many risks associated with an investment in the Company, including relating to the Company's business, its regulatory environment, its financial requirements generally. These risks will in part turn upon the Company's ability to: <ul style="list-style-type: none"> • develop and market its product lines; • ensure distribution of its product; • manage capital expenditure in producing and marketing the products; and • ensuring client acceptance of the products. Refer to Section 6 for a more detailed description of some of these Risk Factors.	Section 6

2. DETAILS OF THE OFFER

2.1 The Offers

The Rights Issue Offer:

The Company is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 2 Shares held at 7:00pm on the Record Date at an Issue Price of 2.2 cents per New Share, plus the grant of 1 New Option expiring on or before 31 October 2025 and an exercise price of exercise price of 5 cents for every 2 New Shares issued under this offer (**Rights Issue Offer**).

Your Entitlement under the Rights Issue Offer is shown on, and you may only make application for New Shares and New Options pursuant to, the terms of the accompanying Entitlement & Acceptance Form. Details on how to accept the Rights Issue Offer are set out in Section 4.

The Company has also announced the placement of approximately 27,284,246 Shares (**Placement Shares**) to an institutional investor who is also a current Shareholder of the Company which raised approximately \$600,253 (**Placement Amount**) at the same price as the Rights Issue Offer, namely 2.2 cents per Share (**Placement**).

Shares issued pursuant to the Placement will count towards a subscriber's Shareholding for the purposes of determining their Entitlement to subscribe for Shares pursuant to the Offers.

The Top-Up Offer:

Eligible Shareholders who fully subscribe for their entire Entitlement under the Rights Issue Offer may also apply under the Top-Up Facility for Additional Shares (and 1 New Option for every 2 Additional Shares issued), known as their **Top-Up Offer**.

The allocation of any Additional Shares will be limited to the extent that there are sufficient New Shares available (after all acceptances have been received under the Rights Issue Offer) which have not been taken up by some of the Eligible Shareholders and have therefore formed a "Shortfall".

The Shortfall Offer:

Subject to the Corporations Act and the Listing Rules, the Board reserves the right to offer any Shortfall (after the allocations of all New Shares under the Rights Issue Offer and the Top-Up Offer) to other eligible investors within a 3-month period after the close of the Rights Issue Offer. In each case, each issue of New Shares under any Shortfall will be accompanied by 1 New Option expiring on or before 31 October 2025 and an exercise price of exercise price of 5 cents for every 2 New Shares issued under any Shortfall.

Application may only be made under the Shortfall Offer pursuant to a Shortfall Application Form.

2.2 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date; and
- have an address on the Company's share register in Australia or New Zealand.

Shareholders who do not satisfy each of the above mentioned criteria are regarded as 'Ineligible Foreign Shareholders'. All Ineligible Foreign Shareholders will be sent a letter advising of their inability to participate in the Rights Issue Offer. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Offers, or an Ineligible Foreign Shareholder and is therefore unable to participate in the Rights Issue Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

2.3 Size and Nature of the Offers

As at the date of this Prospectus, the Company has on issue 294,063,535 Shares and 173,677,976 options.

Approximately 147.03 million New Shares and approximately 73.52 million New Options will be offered under the Offers to raise approximately \$3.23 million before the expenses of the Rights Issue Offer are taken into account. This is in addition to the funds raised under the Placement of approximately \$600,253.

There is no minimum subscription under the Rights Issue Offers before the Company may use the funds raised after the close of the Offers.

2.4 Use of Funds

The Company proposes to use the funds received* pursuant to the (i) Placement; and (ii) Offers (assuming the maximum amount is raised) as described below:

Indicative expenditure	Description	\$
USA expansion	Expansion of partnerships together with marketing and sales activities in North America.	up to \$1,700,000
Product enhancement	Enhancement of product lines to generate additional recurring revenue streams.	up to \$500,000
Continued R&D	Enhancement of the data and AI capability for applications along with continued studies for CoVR	up to \$900,000
European expansion	Continued expansion in rugby, football, and elite contact sports	up to \$465,000
General Working Capital and capital raising costs*	Day to day working capital requirements and capital raising costs for the Offer	up to \$270,000
Maximum funds raised under the Offers	-	\$3.83m

* Where less than the maximum amount of \$3.83 million is raised, the Company will apply the funds raised for general working capital requirements and product enhancement.

2.5 Opening and Closing Date

The Rights Issue Offer and the Top-Up Offer will open for receipt of acceptances on Friday, 27 October 2023. The Closing Date for acceptance of your Entitlement is 5.00pm, Friday 17 November 2023.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for the close of the Offers, or to delay or withdraw the Offers at any time without prior notice. Where an Offer is withdrawn, all Application Monies will be refunded (without interest) as soon as practicable by EFT to your bank account.

Any extension of the Closing Date will have a consequential effect on the issue date of New Shares and New Options.

2.6 Entitlements under the Rights Issue Offer

The Rights Issue Offer and the Top-Up Offer (i.e. the Rights Issue Offers) are non-renounceable and therefore Eligible Shareholders cannot offer to sell or transfer any of their Entitlement on ASX or via an off-market transfer (or any other exchange or privately transferred).

Shareholders who do not take up their Rights Issue Offer in full will have their percentage interest in the Company diluted as compared to that percentage as at the date the Rights Issue Offers are made.

Your Entitlement has been calculated and rounded up to the nearest whole number (at the offer ratio) and where the Company receives acceptances in aggregate in excess of the maximum number of available Shares – all acceptances will be pro rata reduced to that maximum available under the Rights Issue Offers.

As described in Sections 2.10 and 2.11, any New Shares not taken up by an Eligible Shareholder by the Closing Date will form part of the Shares available under the Top-Up Offer and Shortfall Offer.

2.7 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Rights Issue Offers will be determined on the Record Date. Your Entitlement is shown on the Entitlement & Acceptance form accompanying this Prospectus.

2.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been received.

2.9 No underwriting

The Rights Issue Offers are not underwritten.

2.10 Top-Up Facility

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for any number of Additional Shares in excess of their Entitlements by using the Top-Up Facility (**Top Up Offer**).

Additional Shares will only be available where the total number of New Shares the subject of all Applications received under the Rights Issue Offer is less than the aggregate Entitlements, being approximately 147,031,768 New Shares proposed to be issued under the Rights Issue Offer. Any Additional Shares issued will be at the same Issue Price of 2.2 cents per Share and include the issue of 1 New Option (at no additional cost to the Eligible Shareholder) for every 2 Additional Shares issued to the same Eligible Shareholder under the Top Up Facility.

There can be no guarantee that there will be any allocation of Additional Shares under the Top-Up Facility.

It is an express term of the Offer that Eligible Shareholders who apply for Additional Shares are bound to accept a lesser number of Additional Shares than they applied for, or that they may be allocated no Additional Shares at all. In both cases, excess Application Monies will be refunded without interest. The Company reserves the right to scale back any applications for Additional Shares in its absolute and sole discretion where the aggregate of New Shares applied for under the Top-Up Offers exceeds the New Shares available from Shareholders who have not taken up, or are ineligible to take up, their Entitlement in full. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Offers and the Record Date, as well as when the application was made.

2.11 **Shortfall Offer**

The Directors also reserve the right, subject to the Corporations Act and the Listing Rules, to place any Shortfall (which includes 1 New Option for every 2 New Shares issued under any Shortfall), at their discretion (other than to Directors and related parties of the Company) within 3 months after the close of the Rights Issue Offers at a price not less than the Issue Price of 2.2 cents per New Share (**Shortfall Offer**), but only after the issue of Additional Shares (if any) to Eligible Investors under the Top-Up Offer.

Application may only be made under the Shortfall Offer pursuant to a Shortfall Application Form.

2.12 **Issue and despatch**

The issue of New Shares and New Options offered by this Prospectus is expected to occur before noon on Friday 24 November 2023.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares without making such determination do so at their own risk.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their holdings statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or otherwise.

2.13 **ASX Listing**

The Company has made an application for official quotation by ASX of the New Shares and the New Options as offered under this Prospectus.

If the New Shares or the New Options are not quoted by ASX within 3 months after the date of this Prospectus, the Company will not issue any New Shares or New Options and all Application Monies received will be refunded (without interest) in full to the Applicants.

The fact that ASX may grant official quotation to the New Shares and the New Options is not to be taken in any way as an indication of the merits of the Company or the New Shares or New Options. Neither ASX nor any of its officers accepts or takes any responsibility for the contents of this Prospectus.

It is expected that normal trading on ASX will commence in relation to New Shares and the New Options on Tuesday 28 November 2023.

2.14 **CHESS**

The Company will apply to ASX to participate in CHESS for those Shareholders who have, or wish to have, a sponsoring stockbroker. Shareholders 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, Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Prospectus. The notice will also advise Shareholders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures for the New Shares under CHESS and issuer sponsorship.

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

2.15 **Ineligible Foreign Shareholders**

In accordance with ASX Listing Rule 7.7.1 and Section 9A of the Corporations Act, the Company has decided that it is unreasonable to make the Rights Issue Offer to any Shareholder who is not an Eligible Shareholder as at the Record Date (**Ineligible Foreign Shareholder**), having regard to:

- a) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- b) the number and value of the New Shares and New Options those Shareholders would be offered under the Offer; and
- c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

To the extent that there are any Ineligible Foreign Shareholders registered at the Record Date, the Company will send details of the Rights Issue Offer to each Ineligible Foreign Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares and New Options under the Rights Issue Offer.

2.16 **Overseas shareholders**

This Prospectus does not, and is not intended to, constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation.

This Prospectus does not constitute an offer of New Shares or New Options in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand). In addition, for Eligible Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

The New Shares and the New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares, the New Options and the shares underlying the New Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

2.17 Custodians and nominees

Eligible Shareholders who are nominees or custodians must comply with the following paragraph in relation to the participation of any underlying beneficial owners (**UBH**) of Shares in the Offers.

The offer to apply for Additional Shares under the Top-Up Facility will be available to the UBH of custodians / nominees to the extent the UBH is (i) resident in Australia or New Zealand; or (ii) is in such other jurisdiction as the Company may determine is permissible taking into account applicable laws. Due to legal restrictions, nominees and custodians may not send this Prospectus to any person outside Australia who is not permitted to participate in the Offers in accordance with the preceding sentence.

Custodians and nominees may not participate on behalf of UBHs who are resident in the United States unless those UBH's are "accredited investors" (as defined in Rule 501(a) under the US Securities Act) which sign and return a US investor certificate, together with their applicable application form, that is available from the Company.

Each custodian or nominee who is applying for Additional Shares on behalf of their individual UBH will need to submit a schedule showing the Record Date holding, the Entitlement and the amount of Entitlement and Additional Shares taken up for each UBH.

Each UBH will need to apply for their maximum Entitlement before applying for Additional Shares under the Top-Up Offer. Therefore, the requirement to fulfil a shareholders maximum Entitlement before applying for Additional Shares under the Top-Up Facility won't apply to the registered custodian / nominee holding – the Company intends to process the amount of New Shares as Rights Issue Offer acceptance and also the amount

of Additional Shares as additional acceptance under the Top-Up Offer (per schedule supplied by the Custodian).

2.18 Rights and liability attaching to New Shares / New Options

The New Shares issued under the Offers will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. You may also contact the Company's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) to request a copy of the Company's constitution.

A summary of the important rights attaching to the New Shares is contained in Section 5.1 of this Prospectus. The terms and conditions of the New Options are described in Annexure A to this Prospectus and are otherwise subject to the ASX Listing Rules. The Company will be making application for quotation of the New Shares and also the New Options (as a separate class of listed securities).

2.19 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by Eligible Shareholders on the issue of New Shares or New Options under this Prospectus.

2.20 Risks

There are a number of risks associated with an investment in New Shares and New Options in the Company. A brief overview of some of the key risks is outlined in Section 6. Failing to take up an Entitlement in full means that that Eligible Shareholders could therefore be diluted (and significantly, depending upon their holding size) as a result of the issue of the New Shares and New Options.

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The Offer Securities should be considered speculative.

The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares pursuant to this Prospectus.

Some of the key risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

3. EFFECT OF THE RIGHTS ISSUE OFFER

3.1 Effect of the Offer on the capital structure of the Company

The total number of New Shares to be issued under the Rights Issue Offers (the exact number depends on the level of acceptances), if the Maximum Subscription Amount is achieved, will be up to approximately 147,031,768 New Shares.

The table below sets out, for illustrative purposes only, the existing Share capital structure (before the Rights Issue Offers) together with the impact of the issue of the New Shares under the Rights Issue Offers and the Placement. It assumes that no existing options are exercised prior to the Record Date.

	Number of Options	Number of Shares
Existing Shares as at date of the Offers*	-	294,063,535
Existing Options as at date of the Offers**	173,677,976	-
Maximum number of New Shares issued under the Offers (approximately) including any New Shares which may be issued under any Shortfall, but excluding any shares to issue upon the exercise of the New Options	-	147,031,768
Maximum number of New Options issued under the Offers (approximately) including any New Options which may be issued under any Shortfall	73,515,884	-
Total Securities on issue following completion of the Rights Issue Offers (approximate) <u>assuming</u> maximum raising under this Prospectus and including Shares which may be issued under any Shortfall, but excluding any Shares issued on exercise of the New Options	247,193,860	441,095,303

* This includes the Shares issued as part of the Placement of 27,284,246.

** This includes Existing Options (unlisted at various expiry dates) as well as the attaching Placement options of 13,642,123.

The combined effect of the capital raising (including the Rights Issue Offers, if the Maximum Subscription Amount is achieved, and Placement) will be to increase the number of Shares on issue in the Company and increase the cash held by the Company (before taking into account the expenses of the Offer) by up to approximately \$3.83 million.

The cash expenses of the Offers are expected to be approximately \$82,571 plus any commissions paid by the Company (see section 7.11).

3.2 Potential effect on control of the Company

Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Offers.

The potential effect the Offers (including those New Shares which may be issued to take up a Shortfall) will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand, such as:

- a) If all Eligible Shareholders take up their Entitlements under the Rights Issue Offer, then the Rights Issue Offers will have no significant effect on the control of the Company.
- b) If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue Offer, then the interests of those Eligible Shareholders will be diluted.
- c) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Rights Issue Offer.
- d) Shareholders that apply for Additional Shares under the Top-Up Offer may increase their percentage interests beyond their Entitlement. This would result in the dilution of holdings of those who did not accept their Entitlements in full and those who did not apply for Additional Shares.
- e) There is no Shareholder who would on the completion of the Offers have an interest which would exceed 19.9% (unless in compliance with the provisions of the Corporations Act).
- f) If Eligible Shareholders do not take up all Entitlements under the Rights Issue Offer the Company has reserved the right to issue the Shortfall to eligible investors within 3 months after the close of the Offer. This placement of the Shortfall would result in new investors having interests in the Company. If there is a Shortfall, the Board may decide to issue Additional Shares and Shares to other investors. Depending on the size of any Shortfall, the Board may determine to issue all of the New Share under the Shortfall to the other investors (after allocating all Additional Shares applied for) and this may potentially result in a new investor having a substantial interest in the Company.

3.3 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the 3 months of trading up to and including 11 October 2023, and the respective dates of those sales, are:

Highest:	\$0.03 on 7-8 August 2023
Lowest:	\$0.018 on 5 September 2023, 26-29 September 2023, and 6-12 October 2023.

The Issue Price represents a premium of:

- 22.2% premium to the Company's closing price on 11 October 2023 of \$0.018;
- 22.0% premium to the Company's 10 day VWAP of \$0.018; and
- 17.6% premium to the Company's 30 day VWAP of \$0.0187.

Shareholders will note that the Issue Price is a significant premium to the above Share prices. Notwithstanding that the Issue Price is at a premium, it may still result in a material dilution to those Eligible Shareholders who do not apply for the New Shares (and accompanying New Options).

4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled (your **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 3.2 above).

As an Eligible Shareholder you may:

- take up all or part of your Entitlement (refer to Section 4.2 below);
- take up all of your Entitlement and apply for Additional Shares under the Top-Up Offer (refer to Section 4.3 below); or
- do nothing, in which case all of your Entitlements will lapse (refer to Section 4.4 below).

Eligible Shareholders who take no action in respect of their Entitlement may receive no benefit and their Entitlement will lapse.

The Company is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of securities. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

Ineligible Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.3.

4.2 Taking up all or part of your Entitlement

You may take up all or part of your Entitlement by

- a) making payment by Bpay® corresponding to the component (part or all) of your Entitlement you wish to accept; or
- b) making payment by EFT corresponding to the component (part or all) of your Entitlement you wish to accept.

by no later than 5:00pm (AEDT) on the Closing Date.

The Issue Price for each New Share accepted under your Entitlement is payable on application. If paying via Bpay® or EFT:

- (a) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through Bpay® or EFT by the date and time mentioned above;
- (b) you must follow the instructions for Bpay® or EFT set out in the Application Form;
- (c) you do not need to return the Entitlement & Acceptance Form but are taken to make each of the statements and representations on that form referred to in this Prospectus; and
- (d) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such

whole number of New Shares / New Options which is covered in full by your Application Monies.

4.3 Applying for Additional Shares

As referred to in Section 4.1 above, Eligible Shareholders (other than Directors and related parties of the Company, unless they secure prior shareholder approval) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements under the Top-Up Offer.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you must make the combined payment for your full Entitlement and the Additional Shares you are applying for (at the Issue Price of 2.2 cents for each Additional Share). If your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your 'excess' of Application Monies paid by Bpay® or EFT.

Where the aggregate of New Shares applied for under the Top-Up Offers exceeds the New Shares available from Shareholders who have not taken up, or are ineligible to take up, their Entitlement in full, Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application Monies will be refunded without interest.

4.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you currently hold and your rights attaching to those Shares (such as the number of votes) will not be affected should you choose not to accept any part of your Entitlement. If you do not participate in the Rights Issue Offers your percentage holding in the Company will be reduced.

4.5 Payment of Application Monies is binding

Payment of Application Monies pursuant to this Prospectus constitutes a binding offer to acquire New Shares and associated New Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. The Directors' decision whether to treat an acceptance of any Offer as valid is final.

4.6 Representations you will be taken to have made by accepting

By making a payment pursuant to this Prospectus, you will be deemed to have:

- a) fully read and understood this Prospectus and the Application Form in their entirety;
- b) agreed to be bound by the terms of the Rights Issue Offers, the provisions of this Prospectus and the Company's Constitution;
- c) declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the Rights Issue Offers and the s Form;
- d) authorised the Company to register you as the holder of the New Shares and New Options;
- e) acknowledged that once the Company receives any payment of Application Monies pursuant to this Prospectus, you may not withdraw your application or funds provided except as allowed by law;

- f) confirmed that you are an Eligible Shareholder as at the Record Date;
- g) confirmed that you were the registered holder at the Record Date of the Shares indicated in the Entitlement & Acceptance Form as being held by you on the Record Date;
- h) agreed to apply for and be issued up to the number of New Shares and New Options for which you have submitted payment of any Application Monies pursuant to this Prospectus, at the Issue Price per New Share;
- i) authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the New Shares and New Options to be issued to you;
- j) understood and acknowledged that the information contained in this Prospectus and the Entitlement & Acceptance Form is not investment advice nor a recommendation that the New Shares or New Options are suitable for you given your investment objectives, financial situation or circumstances;
- k) acknowledged that investment in the Company is subject to the risk factors outlined in Section 6 of this Prospectus;
- l) acknowledged that the Company or its related bodies corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;
- m) authorised the Company to correct any errors in the Entitlement & Acceptance Form or any other document provided to you;
- n) agreed to provide any requested substantiation of your eligibility to participate in the Offers and your holding of Shares on the Record Date; and
- o) represented and warranted that:
 - i. unless you are an employee of the Company or an “accredited investors” (as defined in Rule 501(a) under the US Securities Act), you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - ii. the New Shares or New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Shares, New Options and the shares underlying the New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - iii. you have not sent, and will not send, any materials relating to the Offers to any person in the United States.

4.7 Shortfall Offer

Investors may also apply for New Shares and associated New Options under the Shortfall by completing a Shortfall Application Form (also attached to this Prospectus) upon invitation by the Company. All New Shares issued under the Shortfall Offer will be issued at the same Issue Price of 2.2 cents per New Share (See Section 2.11 for further details).

Application for any of the Shortfall under the Shortfall Offer may only be made pursuant to a Shortfall Application Form accompanying this Prospectus. By completing and returning a Shortfall Application Form and making a payment pursuant to this Prospectus with respect to the Shortfall, the applicant will be deemed to have made the same representations as stated in sections 4.6(a) to 4.6(o) (other than sections 4(f) and 4(g) for

investors who are not already shareholders), with the necessary adjustment to refer to the Shortfall Application Form instead of the Entitlement & Acceptance Form.

To make an application under the Shortfall Offer you must either make payment by Bpay® or EFT corresponding to your application under the Shortfall Offer by no later than 5:00pm on the date being 3 months after the close of the Rights Issue Offers.

4.8 Privacy Act

If you complete an application for New Shares (or make payment pursuant to this Prospectus), you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder or investor, facilitate distribution payments and corporate communications to you as a Shareholder or investor and carry out administration.

The information may also be used from time to time and disclosed for purposes related to Shareholders' investments to the Company's agents and service providers, such as

- a) 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.
- b) the Share Registry for ongoing administration of the shareholder register;
- c) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and or New Options and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988* (Cth). 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), 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 New Shares, the Company may not be able to accept or process your application.

4.9 Brokerage Commission

No brokerage is payable by Shareholders who accept the Rights Issue Offer. No stamp duty is payable for subscribing under the Rights Issue Offer. The Company reserves the right to pay commission to AFSL holders or their authorised representatives based on the amount subscribed by investors introduced by those persons.

4.10 Queries concerning your Entitlement

If you have any queries concerning your Entitlement or the Offers, please contact the Company's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES AND NEW OPTIONS

5.1 Rights attaching to the New Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including New Shares) are described in the Constitution and are regulated by the Corporations Act, Listing Rules and the general law.

The New Shares will rank equally in all respects with, and have the same rights as, existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. In applying for New Shares, the Applicant agrees that the New Shares and the New Shares to issue upon the exercise of New Options are bound by the terms of the Constitution.

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

General Meetings and Notice

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders are entitled to be present in person (including by specified permitted electronic means), 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.

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:

- » each Shareholder entitled to vote may vote in person or by proxy, attorney or representative, or if a determination has been made by the Board in accordance with the Constitution, by direct vote;
- » on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote has one vote (even though he or she may represent more than one member);
- » on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) 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 being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited); and
- » different voting procedures may apply at a virtual meeting of Shareholders.

Dividend Rights

There is no guarantee of any dividends or distributions by the Company. Subject to and in accordance with the Corporations Act, the Listing Rules, 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 decide to pay a dividend 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 rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

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 or she 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.

Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

5.2 Terms and Conditions of the New Options

The terms and conditions of the New Options are described in Annexure A to this Prospectus.

6. RISKS

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the Offer Securities.

If any of the following risks actually occurs, our business, prospects, financial condition and results of operations could be materially and adversely affected, the trading price of the Shares could decline and you could lose all or part of your investment.

6.1 Speculative nature of investment

This section 6 identifies some (but not all) of the major risks associated with an investment in the Company. There may be other risks which the Directors and/or management of the Company are unaware which may impact upon the Company, its operations and/or the value and performance of the Offer Securities and the Company generally. This is not an exhaustive list of the relevant risks and the risks set out below are not in order of importance. Many of the risks below are outside the control of the Company and its directors. These risks and other risks not specifically referred to below, may in the future materially adversely affect the value of the Company's shares and their performance.

An investment in Offer Securities should be regarded as very speculative and involves many risks. The Offer Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Intending Applicants should carefully consider and evaluate the Company, its assets and its business and whether the Company's Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below. Applicants should also read the Company's prior continuous disclosure announcement to the ASX market in order to fully appreciate the risks particular to an investment in the Company and in particular the risks faced by the Company in the continued development and proposed commercialisation of its intellectual property rights.

6.2 Business risks associated with the Company

Sufficiency of funding: The Company has limited financial resources and will need to raise additional funds from time to time to finance the continued research, development and commercialisation of its technology / products and its other longer-term objectives. Depending on the amount of funds raised under the Offers, the Company may be required to raise additional funds within 12 months of the date of this Prospectus. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all. If for any reason the Company was unable to raise future funds, its ability to achieve its milestones, continue future development / commercialisation of its technology / product, and to continue as a going concern would be significantly affected.

Technology Risk: The Company relies upon a range of hosting providers to maintain continuous operation of its technology platforms, servers and hosting services and the cloud based environment in which it provides its products. There is a risk that these systems may be adversely affected by various factors to cause them to become unavailable. If a hosting provider ceased to offer its services to HITIQ, this could lead to disruption of service to the Company website and cloud infrastructure. This could lead to

potential loss in revenues, as well as adversely affecting the Company's reputation, financial position and performance.

Development and commercialisation of intellectual property: HITIQ relies on its ability to develop and commercialise its intellectual property. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of the HITIQ. Any third party developing superior technology with greater commercial appeal in the field may harm the future prospects of the Company. HITIQ's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by HITIQ to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others.

Protection of intellectual property: HITIQ may also suffer damage if former employees infringe its intellectual property rights or assert their moral rights. The granting of a patent does not guarantee that HITIQ's intellectual property is protected and that others will not develop similar technologies that circumvent such patents. There can be no assurance that any patents HITIQ owns, controls or licences, whether now or in the future, will give HITIQ commercially significant protection of its intellectual property. Additionally, monitoring unauthorised use of HITIQ's intellectual property rights is difficult and can be costly. HITIQ may not be able to detect all unauthorised use of its intellectual property rights. Changes in laws in Australia and other jurisdictions in which HITIQ operates may adversely affect HITIQ's intellectual property rights.

Third party intellectual property: Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by HITIQ, and other parties may allege that HITIQ's products incorporate intellectual property rights derived from third parties without their permission. Whilst HITIQ is not the subject of any claim that its products infringe the intellectual property rights of a third party, allegations of this kind may be received in the future and, if successful, injunctions may be granted against HITIQ which could materially affect the operation of HITIQ and HITIQ's ability to earn revenue, and cause disruption to HITIQ's services. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming, and their outcome is uncertain.

Manufacturing, supply chain and product quality risks: Although the Company manufactures its products at its own premises, HITIQ currently relies on a number of external suppliers for key components of its technologies. There has been a number of global shortages in semiconductor chips generally (including those used in the HITIQ products) and there is no guarantee that these suppliers will be able to meet the cost, reliability, volume, or lead times required for HITIQ to remain competitive in the future. These suppliers are also exposed to the regulatory and compliance requirements faced by HITIQ. There is no guarantee that the suppliers will adequately conform to these standards in the future. A failure to meet regulatory standards or supply chain disruptions could adversely impact on HITIQ's performance.

Regulatory approval: Laws and regulations in the jurisdictions in which HITIQ operates or has activities may impact HITIQ's ability to market or generate revenue from its products and services in relation to issues such as user privacy, data protection, intellectual property, information security, the content and quality of products and services. Regulators such as the Therapeutic Goods Administration (TGA) in Australia and the United States Food and Drug Administration (FDA) have regulations around how certain medical products and services are marketed. The requirement for certain approvals by these organisations may impact on the Company's ability to successfully market its product or

how it can market its products, or it may incur significant costs to ensure certain products can achieve regulatory approval.

Misuse of data: Data collected through the usage of the Company's products may not be owned by the Company and the Company may have limited control of the usage or decision making made by the holders of that data. There is a risk that users may make decisions, including in relation to the treatment or management of an individual, based on the data that is outside the Company's recommended protocols.

Product liability: HITIQ could be exposed to product liability claims or other lawsuits resulting from maltreatment and/or serious side effects or harm being caused to a patient. HITIQ has implemented controls and processes designed to mitigate these risks and maintains what it believes is adequate liability insurance whenever economic and prudent.

Future product development: HITIQ has developed its concussion technologies and continues to invest in the R&D of these systems. There is no guarantee that the further development of these systems will be successful. There are a number of inherent risks associated with developing technology systems and related products. HITIQ gives no guarantee that development milestones will be achieved or that intellectual property will be developed into further products that are commercially exploitable

Competition: HITIQ competes against other companies who are developing technologies which are aimed at competing with HITIQ's technology. HITIQ faces the risk that (amongst other things) existing competitors could gain market share through aggressive sales and marketing campaigns, product research and development or price discounting, HITIQ may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors or new market entrants into the industry could develop products which compete with HITIQ's products.

Delay or failure to achieve validation for Concussion Virtual Reality (CoVR): The failure to achieve clinical validation for CoVR would result in the inability for HITIQ to commercialise the product for its intended use. Collecting data from multiple clinical sites itself poses execution risk which may adversely affect the ability to collect sufficient data. Once the data is collected there is no guarantee HITIQ's underlying technologies and algorithms will perform to a standard which will be able to adequately identify concussion injury data to regulatory and scientific standards.

Commercial Risk: The Company may, from time to time, consider acquisition, licensing, partnership or other corporate opportunities for its product development programs. There can be no assurance that any such acquisition, licensing, partnership or corporate opportunities can be concluded on terms that are, or are believed by the Company to be, commercially acceptable. In the case of licensing and partnership opportunities, even if such terms are agreed there is a risk that the performance of distributors and the delivery of contracted outcomes by collaborators will not occur due to a range of unforeseen factors relating to environment, technology and market conditions.

Reliance on Key Personnel: The Company is reliant on key personnel employed or engaged by HITIQ. Loss of such personnel may have a material adverse impact on the performance of the Company. In addition, recruiting qualified personnel is critical to the Company's success. As the Company's business grows, it may require additional key financial, administrative, investor and public relations personnel as well as additional staff for operations. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. The loss of key personnel or the inability to attract suitably qualified additional personnel could have a material adverse effect on the Company's financial performance.

Insurance and Uninsured Risks: Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may

not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

Stock Market Volatility: The price of Shares or the New Options may rise or fall depending upon a range of factors beyond the Company's control and which are unrelated to the Company's operational performance. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors. Investors who decide to sell their New Shares or New Options after the Company's capital raising may not receive the entire amount of their original investment. The price of Shares or New Options listed on ASX may also be affected by multiple factors including the Company's financial performance and by changes in the business environment. The New Shares and the New Options carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX. No guarantee can be given that the Company's share price will be greater than the issue price.

Value of the New Options: The New Options that are being issued as part of the Offer are issued for no additional consideration but require the exercise price for each Option to be paid at the time of exercise. If the prevailing trading price of the Company's shares during the Option's exercise period is lower than the exercise price for the New Options, then it is likely that the New Options will not be exercised. In this case, for investors, the unexercised New Options will not have a value and will lapse on the respective expiry dates of the New Options. If the New Options are not exercised, or only some are exercised, then the Company may not receive the proceeds that would otherwise be generated if Option holders pay the Option exercise price. This possibility may reduce the amount of capital that the Company would receive if all of the New Options are exercised on or before the respective Option expiry dates.

Dilution Risk: Eligible shareholders that do not take up all or part of their entitlements will be diluted by not participating to the full extent in the Rights Issue Offer, but and will not be exposed to future increases or decreases in the Company's share price in respect of those shares which would have been issued to them had they taken up all of their Entitlement.

Economic Risks: The Company is exposed to economic factors in the ordinary course of business. A number of economic factors / conditions, both domestic and global, affect the performance of financial markets generally, which could affect the price at which the Company's Shares trade on ASX. . Trading prices can be volatile and volatility can be caused by general market risks such as those that have been mentioned. Shares in the Company may trade at or below the price at which they are currently commence trading on ASX including as a result of any of the factors that have been mentioned, and factors such as those mentioned may also affect the income, expenses and liquidity of the Company. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the Company.

Forward-Looking Statements: There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and estimates contained in materials published by the Company are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Company. Actual performance of the Company may materially differ from forecast performance.

7. ADDITIONAL INFORMATION

7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of securities (or options to acquire such securities) where those securities are of a class which have been quoted for 12 months before the date of that prospectus.

7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

7.3 Taxation

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

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any Offer Securities subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

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

7.4 Continuous Disclosure and Documents Available for Inspection

This Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which requires it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Eligible Shareholders intending to participate in the Offers should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: HIQ), and the Company's website, www.hitq.com

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.

Additionally, the Company is also required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report and an audit

review or report. These reports are released to ASX and published on the Company's and ASX's websites.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- a) the Annual Report for the financial year ended on 30 June 2023, being the annual financial report most recently lodged with ASIC by the Company;
- b) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph a) above and before the lodgement of this Prospectus with ASIC. Such notices are listed below under the heading "ASX Releases" in Section 7.6.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

7.5 Details of Substantial Shareholders

Based on publicly available information as at the date of this Prospectus 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	No of Shares	%
Harmil Angel Investments Pty Ltd*	27,284,246	9.28%

* Please note Harmil Angel Investments Pty Ltd has subscribed under the Placement and has also provided a statement of its intention to take up its entitlement under the Offers under this Prospectus up to a maximum interest of 19.9%

7.6 ASX Releases

ASX releases of the Company since the date of lodgement of the Company's latest annual report and prior to 18 October 2023 are listed below:

Date	ASX Announcement title
16/10/2023	Proposed Issue of securities - HIQ
16/10/2023	Proposed Issue of securities - HIQ
16/10/2023	Placement to Strategic Investor and Rights Offer
12/10/2023	Trading Halt
4/09/2023	Final Director's Interest Notice - Mike Vegar
4/09/2023	Leadership Transition
31/08/2023	Corporate Governance Statement 2023

The Company may make further ASX announcements after the date of this Prospectus. Copies of the abovementioned announcements (as well as any further announcements) will be available on the ASX website, www.asx.com.au under the Company's code "HIQ". You are advised to refer to the ASX's website and the Company's website for announcements or updates relating to the Company.

7.7 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would reasonably require in order to assess the Company's assets and liabilities, financial

position and prospects and the rights and liabilities attaching to New Shares and New Options in the Company.

7.8 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Shares or New Options; or
- c) the offer of New Shares or New Options, other than as ordinary Shareholders;

and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- d) to induce him or her to become, or to qualify him, as a Director; or
- e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares.

The current Directors' and their nominees' current shareholdings and interests in Shares and options (prior to the capital raising the subject of this Prospectus) are as follows:

	Otto Buttula	Philip Carulli	Glenn Smith	Aiden Clarke
Current Number of Shares	13,185,505	4,219,419	552,500	775,000
Current percentage holding	4.48%	1.43%	0.19%	0.26%
Current number of options	8,407,488	2,507,335	640,000	700,000
Entitlement	6,592,753	2,109,710	276,250	387,500
Maximum number of Shares following the Offer	19,778,258	6,329,129	828,750	1,162,500
Maximum percentage of Shares following the completion of the Offer (assuming there is no Shortfall)	4.48%	1.43%	0.19%	0.26%

The cash based remuneration currently paid (including superannuation and any cash bonus) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	FY 2022 \$	FY 2023 \$
Mr Otto Buttula	120,572	97,253
Mr Philip Carulli	56,591	33,619
Mr Glenn Smith	56,591	33,619
Mr Aidan Clarke	56,591	33,619

The Directors also received non cash based benefits under the Company's employee incentive scheme during this same 2 year period, which benefits are included in their securities listed in the shareholdings table above.

Your directors who are shareholders (see above table) have stated that they will take up their Entitlements in full for Messrs Buttula, Smith and Clarke (in respect of the entitlement of his personal superannuation fund) and Mr Carulli as to 60%, representing an aggregate further investment of approximately \$95,258.11.

7.9 Related Party Transactions

The Company outsources bookkeeping, accounting and taxation services to Optima Financial Group Pty Ltd, a director related entity of a Director, Mr Philip Carulli. Details in respect to the payments for those services are set out in the Company's financial statements for the years 30 June 2022 and 30 June 2023. There are no other related party transactions entered into that have not otherwise been disclosed in this Prospectus.

7.10 Restricted securities

The Company as at the date of this Prospectus does not have any of its issued securities classified as 'restricted securities' (as defined in the Listing Rules).

7.11 Estimated Costs of the Offer

If the Offers are fully subscribed, the expenses of the Offers (exclusive of GST and before any commissions paid by the Company) are estimated to be approximately as follows:

Expenses	\$
Legal (in the preparation of this Prospectus)	42,000
Additional ASX listing fees and CHESS issue fees	16,865
Registry costs (including printing and postage)	20,500
ASIC lodgement fees	3,206
Total	82,571

** The Company may pay commission of up to 6% of the amount subscribed by eligible new investors under the Shortfall Offer introduced holders of an AFSL (or their authorized representatives). Any such commission costs would be paid from general working capital.*

7.12 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this

Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Automic Pty Ltd has given and not withdrawn its written consent to be named herein as the Share Registry to the Company in the form and context in which it is so named. Automic Pty Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the 2 years before the date of this Prospectus, any interest in:

- » the formation or promotion of the Company;
- » property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Shares and New Options pursuant to this Prospectus; or
- » the offer of New Shares and New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares and New Options issued pursuant to this Prospectus.

7.13 Electronic Prospectus

A copy of the Prospectus can be downloaded from the website of the Company at the HITIQ website: www.hitiq.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Eligible Shareholder. You may obtain a hard copy of this Prospectus free of charge by contacting the Share Registry on 1300 288 664 (within Australia) during business hours or requesting it by email of hello@automicgroup.com.au.

7.14 Financial Forecasts

The Directors have considered the applicable laws and do not believe that they have a reasonable basis to forecast future earnings, on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast.

7.15 Directors' authorisation

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

8. DIRECTORS' STATEMENT

The Directors have made all reasonable enquiries in the preparation of this Prospectus and, on that basis, have reasonable grounds to believe that:

- any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors,

- other persons making the statement or statements in the Prospectus were competent to make such statements and that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares or New Options pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Otto Buttula
Non-Executive Chair
HITIQ Limited

9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

\$ or AUD means Australian dollar;

Additional Shares means New Shares applied for by an Eligible Shareholder under the Top-Up Facility that are in excess of that Eligible Shareholder's Entitlement;

AFSL Holders means a holder of an Australian Financial Services Licence;

Applicant refers to a person who submits an Application Form or makes payment pursuant to this Prospectus;

Application refers to the submission of an Application Form or making payment pursuant to this Prospectus;

Application Form means an Entitlement & Acceptance Form or a Shortfall Application Form, as the case may be;

Application Monies means monies payable by Applicants in respect of their Applications;

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context may require;

ASX Settlement Operating Rules means ASX Settlement Pty Limited's operating rules;

Board means the board of Directors;

Business Day has the meaning ascribed to it in the Listing Rules;

CHESS means Clearing House Electronic Subregister System;

Closing Date means the closing date of the Offer being 5.00 pm on Friday 17 November 2023 (subject to the right of the Company to vary the date without notice);

Company or HITIQ means HITIQ Limited ACN 609 543 213;

Constitution means the constitution of the Company;

Corporations Act means Corporations Act 2001 (Cth);

Directors means the directors of the Company;

EFT means electronic funds transfer, and if applicable, includes funds transfer using required SWIFT codes;

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand;

Entitlement means the entitlement to subscribe for 1 New Share for every 2 Shares held by an Eligible Shareholder on the Record Date (and to receive 1 New Option for every 2 New Shares issued under the Offer, including 1 New Option for every 2 New Shares issued under any Shortfall) as set out in the Entitlement & Acceptance Form, and **Entitlements** has a corresponding meaning;

Entitlement & Acceptance Form means the Entitlement & Acceptance Form accompanying this Prospectus;

FMC Act means Financial Markets Conduct Act 2013 (New Zealand);

Ineligible Foreign Shareholder means a Shareholder at the Record Date who is not an Eligible Shareholder;

Issue Price means 2.2 cents per New Share;

Listing Rules means the listing rules of the ASX;

Maximum Subscription Amount means the sum of approximately \$3.23 million;

New Option or **Option** means an option, subject to the Option Terms, to purchase a Share with an expiry date of on or before 31 October 2025 and an exercise price of 5 cents per Option;

New Shares means the Shares proposed to be issued pursuant to the Offers;

Offer Securities means collectively the New Shares and the New Options under this Prospectus;

Offers means collectively the Rights Issue Offer, the Top-Up Offer and the Shortfall Offer;

Opening Date means the opening date of the Offer being Friday, 27 October 2023 (subject to the right of the Company to vary the date without notice);

Option Terms means the terms applicable to the New Options, a copy of which terms is attached as Annexure A to this Prospectus;

Placement has the meaning as provided in section 2.1;

Record Date means 7.00 pm on Tuesday, 24 October 2023;

Related Bodies Corporate has the meaning as provided in the Corporations Act 2001;

Relevant Interest has the same meaning as provided in the Corporations Act;

Rights Issue Offer means non-renounceable pro rata offer of New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date at the Issue Price, plus 1 New Option for every 2 New Shares issued under the Offer, as described in section 2.1;

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

Shareholder means a holder of Shares;

Share Registry means Automic Pty Ltd ACN 152 260 814;

Shortfall means the aggregate amount by which all Eligible Shareholders do not apply for their full Entitlement under the Rights Issue Offer;

Shortfall Application Form means the application form for some or all of the Shortfall under the Shortfall Offer, which form accompanies this Prospectus;

Shortfall Offer means the offer by the Directors to place any Shortfall at their discretion (other than to Directors and related parties of the Company) within 3 months after the close of the Rights Issue Offers at a price not less than the Issue Price of 2.2 cents per New Share, as described in section 2.1;

Top-Up Facility means the mechanism by which Eligible Shareholders can apply for Additional Shares;

Top-Up Offer means the offer under the Top-Up Facility to Eligible Shareholders as described in section 2.1;

US Securities Act means the US Securities Act of 1933, as amended.

Please note that references in this Prospectus to "Sections" are to sections of this Prospectus.

10. CORPORATE DIRECTORY

Directors

Mr Otto Buttula	Non-Executive Chair
Mr Philip Carulli	Non-Executive Director
Mr Glenn Smith	Executive Director and Interim CEO
Mr Aidan Clarke	Non-Executive Director

Company Secretary

James Barrie

Registered office

C/o Optima Partners
Suite 3, 128 Main Street
Osborne Park WA 6017

Share Registry

Automic Pty Ltd
Level 5/126 Phillip Street, Sydney NSW 2000

Telephone: 1300 288 664 (within Australia)
Internet: www.automicgroup.com.au
Email: hello@automicgroup.com.au

Annexure A - Option Terms and Conditions

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **HITIQ Limited** ACN 609 543 213 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date, namely 5pm on 31 October 2025 (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options held at a particular time by the Option Holder giving written notice in the form set out below (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date together with payment in full of the exercise price of A\$0.05 per Option (**Exercise Price**).
3. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
 - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
5. The Options are transferable in accordance with the ASX Listing Rules.
6. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
7. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
8. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
9. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
10. The Options do not entitle the Option Holder to vote at any meeting of shareholders
11. To the extent (if any) that any of these Option Terms and Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms and Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
12. These Option Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

This is an application form for New Securities in HITIQ Limited ACN 609 543 213 (**Company**), at a subscription price of \$0.022 per New Share under the Shortfall Offer (**Application Form**). The Prospectus dated 19 October 2023 (**Prospectus**) contains information about the Shortfall Offer and you should carefully read the Prospectus before applying for New Securities under the Shortfall Offer. This Application Form should be read in conjunction with the Prospectus. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Application form, capitalised terms have the same meaning as defined in the Prospectus.

1. **Shares Applied For & Payment Amount** - Enter the number of New Shares & the amount of the application monies payable you wish to apply for. By applying for New Shares under the Shortfall Offer, you are also taken to have applied for one (1) New Option for every two (2) additional shares issued under the Top-up offer.

2. **Applicant Name(s) and Postal Address** - This Application Form must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one (1) address can be recorded against a holding.

3. **Contact Details** - Please provide your contact details for us to contact you between 8:30am and 8:00pm (AEDT) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>.
4. **CHESSE Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (**SRN**) will be allocated to you.

5. **Payment** - Payments for applications made using this application form can only be made by BPAY® or EFT, details below. Do not forward cash with this Application Form as it will not be accepted.

6. **TFN/ABN/Exemption** - If you wish to have your Tax File Number (**TFN**), ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.


DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have completed this Application Form in accordance with the instructions on the form;
- Declare that this Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- to the extent applicable, represent and warrant that you have read and understood the Prospectus and this Application Form and make the warranties and representations contained in the Prospectus and this Application Form;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

PAYMENT: You can pay by BY BPAY® or Electronic Funds Transfer "EFT"



Option A – BPAY®

Billers Code: XXXX

Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note:

You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares (including any Top Up Shares) electronically.

Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: [HolderId]-TBC-HIQ

Funds are to be deposited in AUD currency directly to following bank account:

Account name:

Account BSB:

Account number:

Swift Code:

Automic Pty Ltd

XXX

XXX

WPACAU2S

IMPORTANT:

You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

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Please return the completed form to submissions@automicgroup.com.au

You must be able to provide a copy of your payment receipt, that shows the unique reference, payment amount, sender, and date, if required.