

ROBO 3D LIMITED

ACN 009 256 535

PROSPECTUS

For the offer of up 400,000 Convertible Notes each at a purchase price of \$1.00
and a face value of \$1.10

THIS OFFER CLOSSES AT 5.00PM AEST ON FRIDAY 29 SEPTEMBER 2017

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

**Please read the instructions in this Prospectus and on the accompanying Application Form prior to
applying for Convertible Notes under the Offer.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE
READ IN ITS ENTIRETY.**

**THE CONVERTIBLE NOTES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU
ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER
WITHOUT DELAY.**

IMPORTANT INFORMATION

This Prospectus is dated 20 September 2017. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Convertible Notes will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 4, 100 Albert Road, South Melbourne VIC 3205 during normal business hours. The Company will also provide copies of other documents on request (see Section 5.5).

The Company will not apply to ASX for Official Quotation by ASX of the Convertible Notes offered by this Prospectus.

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities and securities which are convertible into continuously quoted securities (as defined in the Corporations Act) as permitted by ASIC Corporations (Offers of Convertibles Instrument 2016/83).

This Prospectus will be provided to the Investor during the Exposure Period. The Corporations Act prohibits the acceptance of an application for, or an issue of, the Convertible Notes in the seven calendar day period after the date of this Prospectus. This period is the Exposure Period. The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. The Company will not accept an application for nor will it issue any Convertible Notes on the basis of this Prospectus during the Exposure Period. Acceptance Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on an Acceptance Form received prior to the expiry of the Exposure Period.

Applications for Convertible Notes will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

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

No action has been taken to permit the Offer of Convertible Notes under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Convertible Notes in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, an Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. An Applicant should also consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Convertible Notes offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to AEST, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr Ryan Legudi
Mr Tim Grice
Mr Braydon Moreno
Mr Patrick Glovac

Company Secretary

Mr Justin Mouchacca

Registered Office

Level 4, 100 Albert Road
South Melbourne VIC 3205
Telephone: +61 (0)3 9692 7222
Facsimile: +61 (0)3 9077 9233

ASX Code: RBO

Website: www.robo3d.com

Share Registry*

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 (0)8 9389 8033
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Lawyers

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

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

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1. Details of the Offer

1.1 The Offer

The Company is seeking to raise \$400,000 by offering pursuant to this Prospectus 400,000 Convertible Notes each at an purchase price of \$1.00 and a face value of \$1.10, and maturing 12 months after the date of issue (**Offer**).

The minimum amount sought to be raised by the Offer is \$400,000. There is no provision for oversubscriptions.

The Offer is not underwritten.

The rights attaching to the Convertible Notes issued pursuant to this Prospectus are set out in Section 5.1. Upon conversion, the Convertible Notes will convert into Shares which will rank equally in all respects with all Shares currently on issue. A summary of the rights attaching to Shares issued on conversion of the Convertible Notes is set out in Section 5.2.

The Offer is conditional upon the matters detailed in Section 4.2(d) being satisfied. In the event that these matters are not satisfied, the Company will not proceed with the Offer and the Company will repay all application monies received.

1.2 Purpose of the Offer

On 11 September 2017, the Company announced that it:

- (a) had successfully entered into agreements in connection with a placement of 6,666,667 Shares, each at an purchase price of \$0.06 (**Placement Shares**) to raise approximately \$400,000 (before costs) (**Placement**). The Placement Shares are being issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act;
- (b) is proposing, subject to Shareholder approval, to issue 6,666,667 unlisted options (**Options**) to applicants through the Placement as a free attaching option for each Placement Share issued. Each option issued will be exercisable at \$0.06 on or before two years from the date of issue; and
- (c) has entered into a convertible note agreement (**Convertible Note Agreement**) with L1 Capital Global Opportunities Master Fund (**Investor**) which will allow the Company to receive \$400,000 from the issuance of a new convertible note (**First Convertible Notes**) and, at the Company's election and subject to Shareholder approval, up to an additional \$1,000,000 (subject to agreement with the Investor) under another convertible note (**Second Convertible Notes**).

The face value of convertible notes under the Convertible Note Agreement (ie, the number of convertible notes issued by the Company) is equal to 110%% of the purchase price (i.e. the amount the Company receives). Convertible bonds issued under the Convertible Note Agreement will mature 12 months after their relevant issue date. At maturity, the Company must repay all amounts outstanding on convertible notes in cash unless:

- (a) the Investor has converted some or all of the issued convertible notes at the applicable conversion price (and makes any payments due to the Investor where the applicable conversion price is lower than the conversion floor price under the Convertible Note Agreement); or

- (b) The Company elects to redeem some or all of the issued convertible notes by paying an amount equal to 120% of all amounts outstanding on convertible notes in cash.

The Investor has the right to exclude 50% of convertible notes from early redemption by the Company.

Under the Convertible Note Agreement, the Company will also grant the Investor the following Options:

- (a) for the First Convertible Notes, 2,256,410 Options, each exercisable at \$0.078 and expiring on the date that is 3 years after grant; and
- (b) for the Second Convertible Notes (if issued), such number of Options calculated using the Option Formula.

The issue of Options under the Convertible Note Agreement is subject to Shareholder approval.

The Company will dispatch a Notice of General Meeting to Shareholders shortly which will contain resolutions ratifying the issue of the First Convertible Notes (and the issue of Shares on conversion of the First Convertible Notes), approving the issue of the Second Convertible Notes (and the issue of Shares on conversion of the Second Convertible Notes) and approving the issue of Options to the Investor under the Convertible Note Agreement.

Refer to Section 4.2 for further details on the rights attaching to the convertible notes issued under the Convertible Note Agreement.

As announced by the Company on 15 September 2017, the Company has now completed the Placement. On 15 September 2017, the Company lodged a prospectus to facilitate the secondary trading of the Placement shares as they were issued without disclosure to investors under Part 6D.2 of the Corporations Act.

This Prospectus is being issued for the purposes of issuing the first tranche of Convertible Notes under the Convertible Note Agreement. Completion of the Placement and the issue of Convertible Notes offered by this Prospectus will result in the Company raising a total of approximately \$800,000 (before the costs of the Offer), following which the Company will have cash at bank of \$367,063 (net of creditors). Refer to Section 3.2 for details in relation to the use of funds raised under the Offer.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) allow the on-sale of any Shares issued on conversion of the Convertible Notes issued pursuant to this Prospectus as permitted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016.

1.3 Opening and Closing Dates

The Company will accept Application Forms from the Opening Date, being Thursday, 28 September 2017, until 5.00pm AEST on the Closing Date, being Friday, 29 September 2017, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

In addition, ASIC may extend the Exposure Period by up to seven calendar days in which case the Opening Date, the Closing Date and any other dates may be varied accordingly without notice.

1.4 Application for Convertible Notes

A copy of this Prospectus and the accompanying Application Form will only be provided to the Investor. If you wish to subscribe for Convertible Notes pursuant to the Offer, a completed Application Form and Application Monies must be received by the Company prior to 5.00pm AEST on the Closing Date. Cheques must be made payable to “Robo3D Limited – Application Funds Account” and crossed “Not Negotiable”. All cheques must be in Australian currency. Application Forms should be mailed or delivered to Robo 3D Limited, Level 4, 100 Albert Road, South Melbourne VIC 3205.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Convertible Notes accepted by the Company. The Application Form does not need to be signed to be a binding Application for Convertible Notes.

If the Application Form is not completed correctly it may still be treated as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies

All Application Monies received for the Convertible Notes will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Convertible Notes are issued. All Application Monies will be returned (without interest) if the Convertible Notes are not issued.

1.6 Issue of Convertible Notes

The Company will issue the Convertible Notes once an Application for all the Convertible Notes offered under this Prospectus are received and in any event, will issue all the Convertible Notes as soon as possible after the Closing Date.

1.7 ASX quotation

The Company will not apply to ASX for Official Quotation by ASX of the Convertible Notes offered by this Prospectus.

1.8 CHESSE

While the Company participates in the Clearing House Electronic Subregister System, known as CHESSE (operated by ASTC, a wholly owned subsidiary of ASX, operates CHESSE in accordance with the Listing Rules and Securities Clearing House Business Rules), the Company will not be issuing certificates in respect of the Convertible Notes.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Convertible Notes in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Convertible Notes. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Convertible Notes should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give an Applicant advice regarding the taxation consequences of subscribing for Convertible Notes under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to an Applicant. As a result, an Applicant should consult their professional tax adviser in connection with subscribing for Convertible Notes under this Prospectus.

1.12 Major activities and financial information

The Company completed the acquisition of Albion 3D Investments Pty Ltd which owned 100% of the issued capital of Robo 3D Inc in December 2016 (**Acquisition**). Details of the Acquisition are contained in the transaction documents lodged with the ASX, namely the Prospectus lodged on 18 November 2016.

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2016 is in the Annual Report which was lodged with ASX on 30 August 2016 and is available at www.asx.com.au.

A summary of activities relating to the Company for the half year ended 31 December 2016 is in the Half Year Financial Report, lodged with the ASX on 28 February 2017.

A summary of the preliminary financial results for the year ended 30 June 2017 is included in the Appendix 4E and Preliminary financial report, lodged with the ASX on 31 August 2017.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 August 2016 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)3 9692 7222.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, the Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

The Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Commercialisation Risk

The Company is now in the process of commercialising its products, and will look to do this by commercialising and integrating its 3D printing technology into wholesale, traditional bricks and mortar retail and online channels. There is a risk that the Company will not be able to successfully commercialise its 3D products by being unable to attract sufficient sales volume via these distribution channels.

(b) Competition and new technologies

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's business. For instance, FDM printing technology underpins the Company's printer models, however competing technologies including but not limited to SLA, DLP and SLS could overtake the advancements made by the Company's products. In that case, the Company's revenues and profitability could be adversely affected. Due to the differences in the capabilities of the different printing technologies, it may be that no single technology will become dominant in the market.

(c) Financing and funding risk

The Company's ability to effectively implement its business and operational plans in the future depends on the Company's ability to raise additional funds in the future and generate revenue from the sale of its products. Following completion of the Offer, the Company will have cash of \$367,063 (net of creditors). The Company will require additional working capital in the near future to continue its current operations and deliver on all current pre-orders.

The Company has the option to issue further convertible notes under the Convertible Note Agreement to receive up to an additional \$1,000,000 (before costs and fees and subject to Shareholder approval and agreement with the Investor) and make a further draw down of an additional \$250,000 under the Finance Facility Loan from Albion Capital Partners. If the Company and the Investor are unable to agree the terms of the further convertible note, the company will need to seek alternative sources of funding. The Company is also currently working on several other funding solutions. Further, the Company expects to continue receiving revenue from the sales of its products which will assist the Company with working capital management. Failure to receive revenue consistent with the Company's expectations may also cause a working

capital deficiency for the Company. There can be no guarantees that the Company will remain adequately funded through revenue generation and future raisings.

Failure to obtain sufficient financing for the Company's activities, including to fulfil orders received for the Company's products to date, may result in lost business and business opportunities and the Company's ability to continue as a going concern. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. Loan agreements and other debt financing agreements entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default could also result in the loss of assets.

(d) Scalability of 3D printer production

3D printing is limited in its scalability, which limits its application in some industries and it is a limitation inherent to the technology. Speed of production will only come from improvements in printing materials and increases in the speed of printers.

(e) Competitive marketplace

Competition in the 3D printing desktop segment space is dominated by several large businesses, with a growing number of newer market entrants. Newer entrants seek to gain market share via crowd funding campaigns, aggressive pricing strategies and focused digital marketing strategies.

(f) Research and collaboration agreements

The Company is likely to require the use of both internal and external expertise to improve, upgrade and refine the user experience for 3D printer users. The Company will need to carefully manage the issue of background intellectual property rights and any sharing of intellectual property as a result of R&D collaborations.

(g) Specific reputational risks

The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about the Company may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

(h) Reliance on key personnel

The recent development of the business of the Company has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of the Company's senior management. Although the Company has entered into service contracts with its key employees Messrs Ryan Legudi, Braydon Moreno, Jacob Kabili and Randall Waynick there is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term. In addition, there is no assurance that employment contracts for Mr Legudi, Mr Moreno, Mr Kabili and Mr Waynick will be renewed. If such contracts were terminated or breached, or if the relevant employees were no longer to continue in their current roles, the Company would need to employ alternative staff, and the Company's operations and business could be adversely affected.

(i) Customer service risk

Customers may need to engage with the Company's customer service personnel in certain circumstances. For instance, if a customer has a question about the services or products provided by the Company, or if there is a dispute between a customer and the Company. The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Company loses key customer service personnel, or fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on the Company's revenue.

(j) Risks associated with the regulatory environment

The Company's operating entities are based in the USA and are subject to the laws and regulations of the USA. The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance, could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to the Company and a consequent impact upon its revenue.

(k) Liquidity and dilution risk

Upon completion of the Acquisition and re-compliance, a significant portion of the Shares on issue were subject to escrow restrictions imposed by the Listing Rules. Some investors may consider there to be an increased liquidity risk if a large portion of the issued capital of the Company is unable to be traded freely for a period of up to 24 months.

(l) Supplier Risk

The Company currently utilises two contract manufacturers in China for the assembly of its R1+PLUS, Robo C2 and Robo R2 3D printers, operating under a non-exclusive manufacturing agreement. If our relationship with these manufacturers were to terminate or our manufacturing arrangements were to be disrupted, our business could be adversely affected. We purchase components and other consumables that are used in our production from third-party suppliers. We currently use only a limited number of suppliers, therefore our reliance on a limited number of vendors involves a number of risks, including:

- potential shortages of some key components or consumables;
- printed material performance or quality shortfalls, if traceable to particular consumables or other components, since the supplier of the faulty consumable or component cannot readily be replaced;
- discontinuation of a consumable or other components on which we rely;
- potential insolvency of these vendors; and
- reduced control over delivery schedules, manufacturing capabilities, quality and costs.

If certain suppliers were to decide to discontinue production, or the supply to us, of a consumable or other component that we use, the unanticipated change in the availability of supplies, or unanticipated supply limitations, could cause delays in, or loss of, sales,

increased production or related costs and, consequently, reduced margins, and damage to our reputation. In addition, because we use a limited number of suppliers, increases in the prices charged by our suppliers may have an adverse effect on our results of operations, as we may be unable to find a supplier who can supply us at a lower price. As a result, the loss of a limited source supplier could adversely affect our relationships with our customers and our results of operations and financial condition.

(m) Outsourcing Risk

The Company outsources to consultants for expert advice and contractors for research and development, marketing support, customer service support, quality control services, manufacturing, engineering and design and other services. There is no guarantee that such experts or organisations will be available as required or will meet expectations.

(n) Liability claims

The Company may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against the Company, it may be fined or sanctioned and its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

(o) Insurance coverage

The Company faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company maintains insurance coverage for its employees (as required by law in the USA), and general liability insurance up to US\$5,000,000. However, the Company may still incur substantial losses or liabilities if its insurance coverage is unavailable or inadequate to cover such losses or liabilities, which may adversely affect its financial position.

The Company is currently undergoing a review of its current insurances and does not currently maintain insurances for following risks: transit/cargo insurance, data breach, fiduciary liability, employment practices liability or fiduciary liability. Upon finalisation of the review, the Board will determine what further insurances should be implemented for the purpose of risk mitigation in respect of the Company's business.

(p) Acquisition and integration risks

We may engage in acquisitions or investments that could disrupt our business, cause dilution to our shareholders and harm our financial condition and results of operations. In connection with these acquisitions or investments, we may:

- issue forms of equity that would dilute our existing shareholders' percentage of ownership;
- incur debt and assume liabilities; and/or
- incur amortisation expenses related to intangible assets or incur large and immediate write-offs. If we complete an acquisition or investment, we cannot assure you that it will ultimately strengthen our competitive position or that it will be viewed positively by customers, suppliers, employees, financial markets or investors. Furthermore, future acquisitions or investments could pose numerous additional risks to our operations, including:
- problems integrating the purchased business, products, services or technologies;

- challenges in achieving strategic objectives, cost savings and other anticipated benefits;
- increases to our expenses;
- the assumption of significant liabilities that exceed the limitations of any applicable indemnification provisions or the financial resources of any indemnifying party;
- inability to maintain relationships with key customers, vendors and other business partners of our current or acquired businesses;
- diversion of management's attention from their day-to-day responsibilities;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- entrance into marketplaces where we have no or limited prior experience and where competitors have stronger marketplace positions;
- potential loss of key employees; and
- historical financial information may no longer be representative or indicative of our results as a combined company.

Alternatively, while certain acquisitions or investments may be of strategic importance for the execution of our business plan, we may not ultimately be able to complete such acquisitions or investments on favourable terms, or at all, which may in turn materially affect our ability to grow or even cause us to lose market share, and could have a material adverse effect on our business, financial condition and results of operations.

(q) Technology Rights and Protection of Rights

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of technology research and development, together with the protection and maintenance of existing rights and patents. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. Because the patent position of technology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in technology patents nor their enforceability can be predicted. There can be no assurance that any patents that the Company may own or control now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

Although the Company is not aware of any material third party interest in relation to the rights to the Company's technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been, or will be sufficient. Furthermore, the Company has a patent pending (i.e. an application for a patent has been made but the patent has not yet been granted). There is no guarantee that the applications for the patent will be successful, not any future applications for patents.

2.2 General Risks

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and Securities price may be affected by these factors, which are beyond the Company's control.

(b) Future Capital Needs and Additional Funding

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance.

(c) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(e) Exchange rate risk

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since the Company's financial statements are prepared in Australian dollars, this may impact its performance and position.

(f) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

(g) Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section could affect the performance valuation, financial performance and prospects of the Company.

(h) Unforeseen expenditure risk

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

(i) Sharemarket conditions

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Convertible Notes offered under this Prospectus. Therefore, the Convertible Notes to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Convertible Notes. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Convertible Notes pursuant to this Prospectus.

3. Effect of the Offer

3.1 Capital Structure on completion of the Offer

	Number of Shares	Number of Options	Number of Performance Rights	Convertible Notes
Balance at the date of this Prospectus	258,953,133 ⁽¹⁾	15,499,720 ⁽²⁾	13,999,720 ⁽³⁾	-
Capital raising fees	800,000	1,600,000 ⁽⁴⁾	-	-
To be issued under the Offer		-	-	400,000
Balance after the Offer (if fully subscribed)	259,753,133⁽⁵⁾	17,099,720⁽⁵⁾	13,999,720	400,000⁽⁴⁾

Notes:

1. Includes the Placement Shares issued on 15 September 2017 but does not include 1,000 Shares to be issued by the Company pursuant to a Prospectus dated 15 September 2017.
2. Comprises the following:
 - a. 13,999,720 unlisted Options exercisable at \$0.15 on or before 22 December 2019;
 - b. 500,000 unlisted Options exercisable at \$0.10 on or before 27 June 2021;
 - c. 500,000 unlisted Options exercisable at \$0.10 on or before 8 August 2021; and
 - d. 500,000 unlisted Options exercisable at \$0.10 on or before 23 August 2021.
3. Comprises the following:
 - a. 4,899,902 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Executive Performance Rights**).
 - b. 5,599,888 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Founder Performance Rights**).
 - c. 3,499,930 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Employee Performance Rights**).
4. Unlisted Options exercisable at \$0.09 on or before 3 years from grant date to be issued under a corporate advisor mandate (see section 4.3 for further details).
5. This number does not include the convertible notes to be issued to the Investor under the Convertible Note Agreement and also does not include Shares to be issued on conversion of such convertible notes or Options to be granted as part of the fees payable by the Company for making drawdowns under the Convertible Note Agreement.

3.2 Use of funds

Funds raised from the Offer will be used as follows:

Description	\$
Cash from Placement and issue of First Convertible Notes	\$800,000
Inventory purchases	\$500,000
Working capital including payment of existing creditors	\$300,000
Total use of funds	\$800,000

3.3 Pro forma statement of financial position

	Unaudited 30-Jun-17	Unaudited Proforma 30-Jun-17
Current Assets		
Cash and cash equivalents	1,051,283	2,322,793
Trade and other receivables	220,892	220,892
Other assets	101,737	101,737
Inventory	669,337	669,337
Total Current Assets	2,043,249	3,314,759
Non-Current Assets		
Intangibles	9,069,964	9,069,964
Plant & equipment	421,405	421,405
Other	-	-
Total Non-Current Assets	9,491,369	9,491,369
Total Assets	11,534,618	12,806,128
Current Liabilities		
Trade and other payables	2,103,129	2,103,129
Deferred revenue	403,244	403,244
Provisions	10,528	10,528
Borrowings	250,740	1,190,740
Total Current Liabilities	2,767,641	3,707,641
Total Liabilities	2,767,641	3,707,641
Net Assets	8,766,977	9,098,487
Equity		
Issued Capital	17,355,636	17,837,146
Share based payments reserve	1,162,861	1,222,734
Accumulated losses	(9,751,520)	(9,961,393)
Net Equity	8,766,977	9,098,487

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing non-IFRS Financial Information (issued December 2011).

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

The pro forma statement of financial position has been prepared using accounts which are in the process of being audited. The audited financial report is likely to contain an unmodified audit report with a material uncertainty paragraph relating to the consolidated entity's ability to continue as a going concern. In addition, the carrying value of certain assets in the Company's balance sheet, including intangibles, will need to be considered as part of the process of finalising the audit of the Company's accounts. In the event that there is an indicator for impairment, the carrying value may be adjusted accordingly.

The pro forma statement of financial position is based on the unaudited statement of financial position as at 30 June 2017 and has then been adjusted to reflect the following material transactions:

Pro-forma Adjustments

1. Issue of 6,666,667 Placement Shares at \$0.06 each to raise \$400,000 less costs of the Placement of \$32,550 with \$24,000 to be paid through the issue of fully paid ordinary shares.
2. Receipt of \$500,000 as part of Trade Finance Facility Loan from lender Albion Capital Partners as announced to the ASX on 19 June 2017 subsequent to 30 June 2017.
3. Issue of the first tranche of convertible notes under the Convertible Note Agreement with a total face value of \$440,000 less \$11,000 commitment fee costs payable in cash as deduction from the issue price and capital raising costs fees amounting to \$24,000 to be paid through the issue of fully paid ordinary shares.
4. Issue of 2,000,000 fully paid ordinary shares at a deemed issue price of \$0.055 (5.5 cents) in relation to a legal settlement, as announced to ASX on 14 September 2017, amounting to \$110,000.
5. Issue of 1,600,000 unlisted options in relation to corporate advisors with an exercise price of \$0.09 (9 cents) per option and expiring 3 years from the date of issue. A Black-Scholes valuation has been carried out and an expense amounting to \$59,873.

3.4 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.072 per Share on 21 August 2017.

Lowest: \$0.042 per Share on 11 July 2017.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.057 per Share on 19 September 2017.

3.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Material Contracts

4.1 Introduction

Set out below are summaries of the key provisions of contracts to which the Company is a party which are, or may be, material in terms of the Offers or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offers. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

4.2 Convertible Note Agreement

As outlined in Section 1.2 above, the Company and the Investor have entered into the Convertible Note Agreement. The Convertible Notes offered under this Prospectus are the First Convertible Notes to be issued under the Convertible Note Agreement and have the following terms and conditions.

(a) **Term**

Convertible Notes will mature on the date that is 12 months after the date of issue (**Maturity Date**).

(b) **Purchase Price and Face Value**

Each Convertible Note will have an purchase price of \$1.00 (**Purchase Price**) and a face value of \$1.10 (**Face Value**).

(c) **Tranches and Issue Dates**

The convertible notes issued under the Convertible Note Agreement will be issued as follows (**Issue Dates**):

- (i) 400,000 convertible notes (the First Convertible Notes) to be issued pursuant to this Offer; and
- (ii) subject to agreement with the Investor, up to 1,000,000 convertible notes (the Second Convertible Notes) will be issued within 2 business days of Shareholder approval.

(d) **Conditions to Issue of Convertible Notes**

Prior to the issue of convertible notes under the Convertible Note Agreement, the Company must:

- (i) have completed the Placement – which it has been completed;
- (ii) deliver the Investor:
 - (A) a board resolution approving the issue;
 - (B) a signed certificate of compliance with the Facility; and
 - (C) a signed purchase statement setting out the net Purchase Price; and
- (iii) have issued a prospectus in relation to the securities in respect of the Convertible Note,

unless waived in writing by the Investor before the issue.

(e) **Options**

The Company must grant the Investor the following number of Options on issue of Convertible Notes:

- (i) First Convertible Notes – 2,256,410 Options (each exercisable at \$0.078 and expiring on the date which is 3 years after grant); and
- (ii) Second Convertible Notes (if issued) – such number of Options (each exercisable at the Option Exercise Price and expiring on the date which is 3 years after grant) calculated using the Option Formula.

The issue of Options under the Convertible Note Agreement is subject to Shareholder approval.

The Option Formula means the number obtained by dividing 40% of the total Face Value of the Second Convertible Notes divided by the Option Exercise Price, rounded up to the next whole number.

The Option Exercise Price means the lower of: (a) \$0.078 and (b) 130% of the daily VWAP of Shares on the trading day immediately prior to the issue of the Second Convertible Note, subject to adjustments under the Convertible Note Agreement.

(f) **Interest**

No interest is payable on the Convertible Notes, other than if an Event of Default (as described below) occurs, in which case interest shall be payable at a rate of 10% per annum accruing daily and compounded monthly from the date of the Event of Default until the Company discharges the total Face Value of outstanding Convertible Notes and all other amounts payable by the Company to the holder in relation to outstanding Convertible Notes (**Amounts Outstanding**).

(g) **Security**

The Convertible Notes are unsecured.

(h) **Conversion**

Prior to the Maturity Date, the Convertible Note holder may elect to convert some or all of the issued Convertible Notes provided the Face Value of Convertible Notes being converted is \$25,000 or more. Following such an election, the Face Value of the Convertible Notes being converted will convert into Shares at the lower of:

- (i) 93% of the average of the two lowest VWAPs of Company Shares during the 7 trading days prior to the election (disregarding any trading days on which Convertible Note holder has traded 25% or more of the total volume of Shares traded); and
- (i) \$0.06 (being the issue price for Shares under the Placement),

(**Conversion Price**) rounded down to the nearest \$0.001 and is subject at all times to a conversion floor price of \$0.04 per Share (or \$0.005 per Share following Shareholder approval to vary to floor price) for the First Convertible Notes and \$0.005 per Share for the Second Convertible Notes (**Floor Price**).

If the Conversion Price would have been less than the Floor Price, then the Company must make a cash payment to the Convertible Note holder equal to the amount calculated using the following formula:

$$P = CP \times (CA/NCP - CA/FP)$$

Where:

P = the amount of the payment and is always an absolute value of the formula

CP = the closing price of the Shares on the Trading Day immediately prior to the Conversion Date, as reported by Bloomberg, L.P

CA = the Conversion Amount

NCP = the Natural Conversion Price

FP = the Floor Price

(i) **Early redemption by Company**

Prior to the date which is 6 months after the Issue Date, the Company may elect to redeem all of the issued Convertible Notes by paying to the Convertible Note holder Capital an amount equal to 120% of all Amounts Outstanding in cash.

Within 4 business days of receiving the Company's early redemption election, the Convertible Note holder may give notice to the Company excluding up to 50% of the Convertible Notes the subject of the Company's early redemption election.

(j) **Protective Provisions**

- (i) Upon the occurrence of a consolidation, sub-division or pro-rata cancellation of the Company's issued capital, or any payment of a dividend or distribution of Shares, the Conversion Price and Floor Price may be altered accordingly.
- (ii) If the Company issues Shares for cash at a price of less than \$0.06 per Share, or issues Options with an exercise price of less than \$0.06, then the price in paragraph (e)(ii) above will be reduced to that issue price or exercise price.

(k) **Commitment Fee**

A commitment fee of 2.5% of the Face Value of convertible notes issued under the Convertible Note Agreement is payable by the Company to the Investor by way of a deduction from the Purchase Price of the relevant convertible notes tranche.

(l) **Transferability**

The Convertible Note Agreement may be assigned or transferred by the Investor provided the assignee executes a deed of covenant in favour of the Company agreeing to be bound by the terms of the Convertible Note Agreement to the extent of the assignment.

(m) **Events of Default**

The Events of Default are set out below.

If an Event of Default occurs and either:

- (i) it is not capable of being remedied;
- (ii) it continues unremedied for a period of 10 business days; or
- (iii) there have been two or more previous Events of Default;

and the Event of Default has not been expressly waived by the Investor in writing then the Investor may:

- (i) declare at any time by notice to the Company that the Amount Outstanding and all other amounts payable by the Company to the Investor are immediately due and payable;
- (ii) terminate the Convertible Note Agreement; and/or
- (iii) exercise any other right, power or remedy granted to it under the Convertible Note Agreement or at law.

Events of Default are the following (defined terms used are as defined in the Convertible Note Agreement):

- (a) The Company fails to repay the Amount Outstanding in respect of the Convertible Securities to the Investor in cash on the Maturity Date.
- (b) The Company fails to repay 120% of the Amount Outstanding in respect of the number of Convertible Securities specified in the Early Redemption Notice on or before the day which is 5 Business Days after the date on which the Company gives the Early Redemption Notice.
- (c) The Company breaches or otherwise fails to comply in full with any of its material obligations under any Transaction Document (and does not cure that breach or failure within 5 Business Days of notice of it by the Investor) or any event of default (however described) occurs under any Transaction Document.
- (d) Any of the Materials is inaccurate, false or misleading in any material respect (including by omission), as of the date on which it is made or delivered.
- (e) A Group Company is, admits that it is, is declared by a court of competent jurisdiction to be, or is deemed under any applicable Law to be, insolvent or unable to pay its debts as and when they become due.
- (f) A Group Company is served with a statutory demand (in accordance with Division 2 of Part 5.4 of the Corporations Act) or a foreign equivalent that is not set aside within 15 Business Days.
- (g) A controller within the meaning of section 9 of the Corporations Act, administrator or similar officer is appointed over all or any of the assets or undertaking of any Group Company or any formal step preliminary to such appointment is taken.
- (h) An application or order is made, a proceeding is commenced, a resolution is passed or proposed in a notice of meeting, or an application to a court or other steps are taken, for the winding up or dissolution of any Group Company, or for any Group Company to enter an arrangement, compromise or composition with, or assignment for the benefit of, any of its creditors.
- (i) A Group Company ceases, suspends, or indicates that it may cease or suspend, the conduct of all or a substantial part of its business; or disposes, or indicates that it may dispose, of a substantial part of its assets.
- (j) A Group Company takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act.

- (k) Any Convertible Securities or Investor's Shares are not issued to the Investor within 2 Business Days of the Purchase Date or Conversion Date (as relevant), unless shareholder approval is required, in which case the Convertible Securities or Investor's Shares are not issued within 45 calendar days of the Purchase Date or Conversion Date (as relevant).
- (l) Any Investor's Shares are not quoted on ASX by the third Business Day immediately following the date of their issue.
- (m) The Company fails to comply with the Listing Rules in any material respect.
- (n) A stop order, cessation of quotation, or removal of the Company or the Shares from the ASX Official List is requested by the Company or requested or imposed by any Governmental Authority.
- (o) A Transaction Document or a Contemplated Transaction has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person other than the Investor or any of its Affiliates to be, wholly or partly void, voidable or unenforceable.
- (p) Any third person commences any action, investigation or proceeding against any person or otherwise asserts any claim which seeks to restrain, challenge, limit, modify or delay the right of the Investor or the Company to enter into any Transaction Documents or to undertake any of the Contemplated Transactions (other than in a vexatious or frivolous proceeding).
- (q) A Security Interest over an asset of a Group Company is enforced.
- (r) Any present or future liabilities, including contingent liabilities, of any Group Company for an amount or amounts totaling more than A\$1,000,000 are not satisfied on time, or become prematurely payable.
- (s) A Group Company is in default under a document or agreement (including a Governmental Authorisation) binding on it or its assets which relates to financial indebtedness.
- (t) A Material Adverse Effect occurs.
- (u) The Company does not obtain a shareholder approval to the extent required for the purposes of Listing Rule 7.4 so that a Contemplated Transaction may proceed without breaching Listing Rule 7.1.
- (v) Any Group Company grants any Security Interest over any of its assets, or a Security Interest comes into existence over any assets of any Group Company, without the prior written consent of the Investor.
- (w) The Company does not obtain Shareholder Approval (which includes the Company obtaining approval to issue Options in respect of the First Convertible Notes, to issue Convertible Notes and Options in respect of the Second Convertible Notes and to vary the Floor Price for the First Convertible Notes from \$0.04 to \$0.005) within 45 calendar days of the First Purchase Date.

4.3 Corporate Advisor Mandate

Hunter Capital has agreed to provide corporate and advisory services to the Company pursuant to a corporate services mandate (**Mandate**). Under the Mandate, Hunter Capital will receive fees in cash and shares (subject to shareholder approval) based on the Company completing:

- (a) the issue of the first tranche of convertible notes under the Convertible Note Agreement and the Placement (valued at 6% of the total amount raised paid in Shares at an issue price of \$0.06 per Share); and
- (b) for the second tranche of convertible notes under the Convertible Note Agreement (if any portion is drawn down) and any other capital raising agreed by the parties (valued at 6% of the total amount raised payable in cash).

The Company has also agreed to pay Hunter Capital a monthly retainer of \$10,000 for at least 6 months provided a minimum of \$3.0 million is raised. Hunter Capital will also receive 2 Options (each exercisable at 150% of the Placement price and exercisable within 3 years after the date of grant) for every \$1.00 raised under the first tranche of convertible notes issued under the Convertible Note Agreement, the Placement and the second tranche of convertible notes issued under the Convertible Note Agreement. Options will also be issued on the same basis for any further funds raised under a future capital raising.

5. Additional information

5.1 Rights attaching to Convertible Notes

The rights attaching to the Convertible Notes are set out in the summary of the Convertible Note Agreement in Section 4.2.

5.2 Rights attaching to Shares

If converted, the Convertible Notes will convert into Shares which will rank equally in all respects with Shares currently on issue.

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

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

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

5.3 Nature of this Prospectus

This Prospectus is a transaction specific prospectus issued and is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act as permitted by ASIC Corporations (Offers of Convertibles Instrument 2016/83). This enables listed disclosing entities, such as the Company, to issue a prospectus for an offer of continuously quoted securities and securities convertible into continuously quoted securities (as defined in the Corporations Act) with modified disclosure requirements if they satisfy certain requirements.

The Company is a disclosing entity for the purposes of the Corporations Act (see Section 5.4 below). As a result of the Company's disclosure obligations, a "transaction specific" prospectus is required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to securities offered under the prospectus, rather than general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below).

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2016, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;
- (b) the Half Year Financial Report for the half-year ended 31 December 2016 lodged by the Company with the ASX on 28 February 2017; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
15/09/2017	Appendix 3B
15/09/2017	Prospectus
14/09/2017	Legal Settlement Reached
11/09/2017	Capital Raising to fulfil \$2.0m Pipeline
07/09/2017	Trading Halt
31/08/2017	Preliminary financial results and Appendix 4E commentary
31/08/2017	30 June 2017 Appendix 4E – Preliminary financial report
28/08/2017	Distribution with colorFabb accelerates European expansion
24/08/2017	Appendix 3B
17/08/2017	Company Overview – August 2017
14/08/2017	Robo partners with CDW for education expansion in USA
09/08/2018	Robo 3D Investor Webinar Update
09/08/2017	Appendix 3B
07/08/2017	Robo signs major distributor for India
31/07/2017	Operational Update & June 2017 Appendix 4C
28/07/2017	Robo 3D Investor Webinar
12/07/2017	Robo R2 launches across retail partners
28/06/2017	Robo continues growth in education sector
23/06/2017	Prospectus

Date Lodged	Subject of Announcement
20/06/2017	First International Order Received & Distribution Update
19/06/2017	Reinstatement to Official Quotation
19/06/2017	Sales Growth to Accelerate with Completion of A\$1.8m Funding
15/06/2017	Voluntary Suspension
13/06/2017	Trading Halt
02/06/2017	Robo signs first major distributor in Europe
30/05/2017	Robo hosts in-store event at Microsoft store
29/05/2017	Update on Sale of Collurabbie project
29/05/2017	RXL: Collurabbie Project Acquisition
29/05/2017	Robo commencing delivery of Robo R2 pre-orders
11/05/2017	Significant Pre-Orders for Robo R2
28/04/2017	Operational Update & March 2017 Appendix 4C
19/04/2017	Robo and Promevo Partner to Expand 3D Printing in Education
07/04/2017	Major Retailers Expand Robo's Footprint in Canada
31/03/2017	Robo opens large distributor in Canada
27/03/2017	New re-seller agreement with Simplify3D
21/03/2017	Robo presents at TechKnow Invest Roadshow
17/03/2017	Education footprint expands with new major USA distributor
13/03/2017	Recording of Investor Webinar
06/03/2017	Change of Director's Interest Notice
28/02/2017	Amended December 2017 Appendix 4C
28/02/2017	Robo 3D Half-year Financial Report Commentary
28/02/2017	Appendix 4D and Half Year Financial Report
24/02/2017	Robo 3D Investor Webinar
07/02/2017	Investor Presentation – February 2017
31/01/2017	Operational Update & December 2016 Appendix 4C
16/01/2017	Robo 3D signs milestone manufacturing agreement with Foxconn
28/12/2016	Change of Address Details
22/12/2016	December 2016 Investor Presentation
22/12/2016	Robo 3D Limited Commences Trading on the ASX
20/12/2016	Appendix 3B - Amended
20/12/2016	Robo 3D Limited Pre-Quotation Disclosure
20/12/2016	Performance Rights Plan
20/12/2016	Robo 3D Limited – Financial Statements 2016
20/12/2016	Robo 3D Limited – Financial Statements 2014 & 2015
20/12/2016	Constitution
20/12/2016	Top 20 Holders
20/12/2016	Information Form and Checklist
20/12/2016	Appendix 1A
20/12/2016	Distribution Schedule
20/12/2016	Pre-Reinstatement Disclosure
20/12/2016	ASX Notice
20/12/2016	Reinstatement to Official Quotation
19/12/2016	Acquisition of Desktop 3D Printer Company Completed
19/12/2016	Amended Appendix 3X
16/12/2016	Ceasing to be a substantial holder - Smit
16/12/2016	Ceasing to be a substantial holder - Diermayer
16/12/2016	Becoming a substantial holder - Grist
16/12/2016	Becoming a substantial holder – Kabili
16/12/2016	Becoming a substantial holder - Moreno
16/12/2016	Initial Director's Interest Notice (x4)

Date Lodged	Subject of Announcement
16/12/2016	Final Director's Interest Notice (x3)
15/12/2016	Change of Director's Interest Notice (x3)
15/12/2016	Appendix 3B
13/12/2016	Successful Capital Raising & Transaction Update
09/12/2016	Change of Director's Interest Notice (x3)
22/11/2016	Update – Consolidation / Split - FCN
21/11/2016	Correction – Results of Annual General Meeting
21/11/2016	Prospectus – Indicative timetable for Offer
21/11/2016	Consolidation / Split - FCN
18/11/2016	Prospectus
18/11/2016	Results of Meeting – General Meeting
18/11/2016	Results of Meeting – Annual General Meeting
28/10/2016	Quarterly Activities & Cashflow Report – September 2016
20/10/2016	Sale of Collurabbie Project
20/10/2016	RXL: Rox Acquires Collurabbie Nickel-Gold Project
19/10/2016	Notice of General Meeting / Proxy Form
19/10/2016	Notice of Annual General Meeting / Proxy Form
19/10/2016	Letter to Shareholders
22/09/2016	Robo 3D launches new 3D printers
08/09/2016	Acquisition Update – Falcon to acquire 100% of Robo 3D
30/08/2016	Appendix 4G

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 4, 100 Albert Road, South Melbourne VIC 3205.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Convertible Notes under this Prospectus.

5.8 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	No. of Shares Held	No. of Options Held	No. of Performance Rights Held
Braydon Moreno	18,030,462 ⁽¹⁾	Nil	2,799,944 ⁽⁵⁾
Ryan Legudi	10,585,891 ⁽²⁾	Nil	2,449,951 ⁽⁶⁾
Tim Grice	7,699,846 ⁽³⁾	Nil	2,449,951 ⁽⁷⁾
Patrick Glovac	3,877,907 ⁽⁴⁾	Nil	Nil

Notes:

1. Braydon Moreno was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Moreno received 18,030,462 Shares as consideration for this sale.
2. Ryan Legudi was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Legudi received 10,528,360 Shares as consideration for this sale.
3. Tim Grice was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Grice received 7,699,846 Shares as consideration for this sale.
4. Patrick Glovac was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Glovac received 3,877,907 Shares as consideration for this sale.
5. Comprises 1,049,979 Tranche 1 Founder Performance Rights and 1,749,965 Tranche 2 Founder Performance Rights.
6. Comprises 874,983 Tranche 1 Executive Performance Rights, 874,983 Tranche 2 Executive Performance Rights, 262,494 Tranche 3 Executive Performance Rights and 437,491 Tranche 4 Executive Performance Rights.
7. Comprises 874,983 Tranche 1 Executive Performance Rights, 874,983 Tranche 2 Executive Performance Rights, 262,494 Tranche 3 Executive Performance Rights and 437,491 Tranche 4 Executive Performance Rights.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$100,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that each non-executive Director is entitled to receive fees of \$54,000 per annum (inclusive of superannuation). Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Mr Ryan Legudi currently receives an annual salary of \$225,000 (exclusive of superannuation) for his role as Managing Director of the Company. Mr Legudi is a former employee of the Company's wholly owned subsidiaries, Albion 3D Investments Pty Ltd and Robo 3D Inc, and has received or is entitled to receive remuneration of \$230,000 for employment services provided to these subsidiaries prior to completion of the Acquisition.

Mr Tim Grice currently receives an annual salary of \$150,000 (exclusive of superannuation) for his role as Director of Corporate Development of the Company. Mr Grice is a former employee of the Company's wholly owned subsidiaries, Albion Investments 3D Pty Ltd and Robo 3D Inc, and has received or is entitled to receive remuneration of \$152,500 for employment services provided to these subsidiaries prior to completion of the Acquisition.

Mr Braydon Moreno currently receives an annual salary of USD\$150,000 (plus bonuses) for his role as Director of Marketing of the Company. For the purposes of the below listed remuneration table his salary has been converted to AUD\$ at the average FX rate from 16 December 2016 to 30 June 2017.

All of the current Directors were appointed to the Board of the Company on 16 December 2016. The Directors have received, or are entitled to receive, the following remuneration for the period from their appointment until the date of this Prospectus.

Director	Salary & Fees \$	Superannuation \$	Share Based Payments \$	Total
Braydon Moreno	250,129	1,611	42,650	294,390
Ryan Legudi	178,613	16,968	48,460	244,041
Tim Grice	119,075	11,313	48,460	178,848
Patrick Glovac	67,500	-	-	67,500

5.9 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offers; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from,

any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

GTP Legal has given its written consent to being named as the lawyer to the Company in this Prospectus. GTP Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Neither Hunter Capital nor the Investor have made a statement in this Prospectus, nor is any statement in this Prospectus based on a statement by either Hunter Capital or the Investor, and neither Hunter Capital nor the Investor have provided a consent to being named in this Prospectus. Hunter Capital and the Investor take no responsibility for the contents of this Prospectus.

5.10 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

GTP Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay GTP Legal approximately \$7,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, GTP Legal has received or invoiced a total of \$36,627 in fees from the Company.

5.11 Expenses of the Offer

The estimated expenses of the issue are as follows:

	Offer
	\$
ASIC lodgement fee	2,400
ASX quotation fee	1,750
Legal expenses	<u>7,000</u>
Total	<u>11,150</u>

6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to be 'T. Grice', written over a horizontal line.

Timothy Grice
Executive Director

Dated: 20 September 2017

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acquisition has the meaning given in Section 1.12.

AEST means Australian Eastern Standard Time.

Amount Outstanding has the meaning in Section 4.2.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2016 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means the person who submits an Application Form.

Application means a valid application for Convertible Notes made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Convertible Notes received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHES means ASX Clearing House Electronic Subregister System.

Closing Date means 29 September 2017 or such later date as the Directors may determine.

Company means Robo 3D Limited ACN 009 256 535.

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

Convertible Notes means the convertible notes to be issue by the Company under this Prospectus and pursuant to the terms of the Convertible Note Agreement.

Convertible Note Agreement has the meaning in Section 1.2.

Conversion Price has the meaning in Section 4.2.

Corporations Act means Corporations Act (Cth) 2001.

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

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

First Convertible Notes has the meaning in Section 1.2.

Floor Price has the meaning in Section 4.2.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Investor has the meaning in Section 1.2.

Listing Rules means the Listing Rules of ASX.

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of securities of the Company on the Official List.

Opening Date means the opening date of the Offer which is 28 September 2017 or such later date as the Directors may determine.

Option means an option to acquire one Share.

Option Exercise Price means the lower of: (a) \$0.078 and (b) 130% of the daily VWAP of Shares on the trading day immediately prior to the issue of the Second Convertible Note, subject to adjustments under the Convertible Note Agreement.

Option Formula means the number of Options calculated by dividing 40% of the Face Value of the Second Convertible Note and dividing that number by the Option Exercise Price, rounded up to the next whole number.

Performance Right means performance rights which convert on a one for one basis to Shares upon achievement of certain performance milestones prior to the relevant expiry date.

Placement has the meaning in Section 1.2.

Placement Shares has the meaning in Section 1.2.

Prospectus means this prospectus dated 20 September 2017.

Section means a section of this Prospectus.

Second Convertible Notes has the meaning in Section 1.2.

Securities means Shares, Options and Performance Rights.

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

Shareholder means a holder of Shares.

VWAP means volume weighted average price.