



**Serpentine Technologies Limited**  
ACN 158 307 549

# Prospectus

## **Shortfall Offer**

The offer of 69,743,720 Shares at an issue price of \$0.002 per Share and 27,897,451 free attaching Options exercisable at \$0.004 each on or before 30 April 2021 to raise approximately \$139,487 before costs.

## **Cleansing Offer**

The offer of 100 Shares at an issue price of \$0.002 per Share and 40 free attaching Options exercisable at \$0.004 each on or before 30 April 2021 to raise approximately \$0.20 before costs.

Refer to Sections 1 and 2 of this Prospectus for more information in respect of the Offers.

## **IMPORTANT NOTICE**

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Forms regarding acceptance of each Offer. If you do not understand this document, you should consult your professional adviser. The Securities offered by this Prospectus should be considered as a speculative investment.

# Important information

## General

This Prospectus is dated 23 January 2018 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the Offer of shares and options to subscribe for continuously quoted securities (as defined in the Corporations Act), prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Securities will not be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## Electronic prospectus

This Prospectus may be viewed in electronic form at <http://investor.kabuni.com/> by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

## Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

## Applications

Applications for Shares by eligible participants may only be made on an Application Form attached to or accompanying the Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of the Offer. By returning an Application Form, lodging an Application Form with your stockbroker or otherwise arranging for payment for Shares in accordance with the instructions on the Application Form, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer to which the application applies and agreed to all of the terms and conditions as detailed in this Prospectus.

## Applicants from overseas

This Prospectus does not make the Offer to investors who reside outside of Australia. The distribution of this Prospectus and the Application Forms (including electronic copies) outside Australia may be restricted

by law. This Prospectus does not, and is not intended to, constitute the Offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such the Offer or invitation. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 2.14 for further information.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at [www.asx.com.au](http://www.asx.com.au)). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of the Offer unless otherwise expressly stated. 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. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest the Company or subscribe for Shares.

The Company has not authorised any person to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

## Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during the Offer Period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 9.

## Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

## Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

## Corporate Directory

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### Directors

Stuart Carmichael  
Non-executive Chairman

Colm O'Brien  
Non-executive Director

Michael Edwards  
Non-executive Director

### Company Secretary

Brett Tucker

### Registered and Principal Office

Ground Floor, 16 Ord Street  
West Perth WA, 6005

T: +61 8 9482 0555  
F: +61 8 9482 0505

Email: [ir@kabuni.com](mailto:ir@kabuni.com)

Web: <http://investor.kabuni.com/>

### Solicitors to the Offers

Jackson McDonald  
Level 17  
225 St Georges Terrace  
PERTH WA 6000

T: +61 8 9426 6611  
F: +61 8 9321 2002

### Auditors

Stantons International Audit & Consulting Pty Ltd  
Level 2, 1 Walker Avenue  
West Perth WA 6005

T: +61 8 9481 3188  
F: +61 8 9321 1204

### Lead Manager

ACNS Capital Markets Pty Ltd trading as Alto  
Capital  
16 Ord St, West Perth WA 6005

T: +61 8 9223 9888  
F: +61 8 9221 0488

### Share Registry

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

T: 1300 992 916  
F: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### ASX Code: S3R

## Contents

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	Page
Important information .....	i
1. Background .....	5
2. Details of the Offers .....	7
3. Effect of the Offers .....	12
4. Rights and liabilities attached to Offer Securities .....	17
5. Continuous disclosure documents .....	20
6. Risk Factors .....	22
7. Additional information .....	24
8. Directors' statement .....	29
9. Glossary, definitions and interpretation .....	30

## Timetable for the Offers

The indicative Timetable for the Offers is as follows:

Event	Date
Announcement of Offers	23 January 2018
Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX)	23 January 2018
Offers open (Opening Date)	23 January 2018
Closing Date of Shortfall Offer	31 January 2018
Issue date for new Securities under Shortfall Offer	2 February 2018
Quotation of new Securities issued under Shortfall Offer commences	5 February 2018
Closing Date of Cleansing Offer	1 March 2018
Issue date for new Securities under Cleansing Offer	5 March 2018
Quotation of new Securities issued under Cleansing Offer commences	6 March 2018

The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX before the Closing Date.

# 1. Background

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## 1.1 Shortfall Offer

The Company has recently conducted a capital raising by way of a rights offer, which closed on 8 December 2017 (**Rights Offer**). As announced to ASX on 11 December 2017, the shortfall to the Rights Offer comprised 94,718,570 Shares and 37,887,431 Options exercisable at \$0.004 on or before 30 April 2021 (**Free Attaching Options**).

As set out in the Company's prospectus dated 17 November 2017 (pursuant to which the Rights Offer was made) (**Rights Issue Prospectus**), the Directors, in consultation with ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099, have discretion as to how to allocate the remaining shortfall to the Rights Offer, which includes the Securities to be offered under the Shortfall Offer.

The Company has since placed 24,974,850 Shares and 9,989,940 Free Attaching Options from the shortfall to the Rights Offer to investors under exceptions to the requirement for prospectus disclosure provided by section 708A of the Corporations Act, including to sophisticated and professional investors.

Pursuant to the Shortfall Offer under this Prospectus, the Company is offering the remaining Securities that comprise the shortfall to the Rights Offer, at the same issue price, being \$0.002 per new Share, and ratio of Free Attaching Options, being two Free Attaching Options for every five new Shares issued, as was offered under the Rights Offer.

The total number of new Securities to be offered under the Shortfall Offer is 69,743,720 Shares, and 27,897,451 Free Attaching Options.

By offering and issuing the remaining shortfall under the Shortfall Offer, those Securities will be issued under a prospectus, and so may be issued to retail investors, and will not be subject to any secondary trading restrictions.

The Company will apply for quotation on ASX of all Free Attaching Options that are currently on issue, and any additional Free Attaching Options it may issue, including any that may be issued under the Shortfall Offer or the Cleansing Offer, described below.

## 1.2 Cleansing Offer

As set out in the Rights Issue Prospectus, the Company is conducting a placement of new Securities to its Directors on the same terms as the new Securities that were offered under the Rights Issue Prospectus, being new Shares at an issue price of \$0.002 each, with two Free Attaching Options exercisable at \$0.004 each on or before 30 April 2021 for every five new Shares issued (**Director Placement**).

The Securities under the Director Placement will be issued subject to Shareholder approval, which is being sought at a general meeting proposed to be held on or about 26 February 2018 (**General Meeting**).

The offer of new Shares and Free Attaching Options under the Cleansing Offer will remove any secondary trading restrictions that would otherwise apply to Shares and Free Attaching Options issued by the Company prior to the Closing Date of the Cleansing Offer. In addition to the Securities proposed to be issued pursuant to the Director Placement, the following Securities have been issued by the Company and will be cleansed by the Cleansing Offer:

- (a) 24,974,850 Shares and 9,989,940 Free Attaching Options, which comprised part of the shortfall to the Rights Offer, and were issued to investors under exceptions to the requirement for prospectus disclosure provided by section 708A of the Corporations Act; and
- (b) 40,000,000 Options exercisable at \$0.004 on or before 30 April 2021, which were issued to the Lead Manager at an issue price of \$0.0001 each on 3 January 2018.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;  
and
- (b) either:
  - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued;  
and

the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

## 2. Details of the Offers

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### 2.1 Shortfall Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 69,743,720 new Shares at an issue price of \$0.002 per new Share, with two Free Attaching Options exercisable at \$0.004 each on or before 30 April 2021 for every five new Shares issued, to raise up to \$139,487 (before expenses) (**Shortfall Offer**).

The Shortfall Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the new Shares offered under the Shortfall Offer will rank equally with Shares on issue at the date of this Prospectus.

A summary of the terms of the new Shares is set out in Section 4.1, and the terms of the Free Attaching Options are set out in Section 4.2.

### 2.2 Cleansing Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100 new Shares at an issue price of \$0.002 per new Share, with two Free Attaching Options exercisable at \$0.004 each on or before 30 April 2021 for every five new Shares issued, to raise up to \$0.20 (before expenses) (**Cleansing Offer**).

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the new Shares offered under the Shortfall Offer will rank equally with Shares on issue at the date of this Prospectus.

A summary of the terms of the new Shares is set out in Section 4.1, and the terms of the Free Attaching Options are set out in Section 4.2.

### 2.3 Use of funds

If fully subscribed, the Offers will raise approximately \$139,487 (before payment of costs associated with the Offers).

The Company intends to apply the funds raised under the Offers as follows:

Use of funds	Amount at half subscription	Amount at full subscription
Costs of the Offers	\$15,679	\$19,863
Working capital	\$54,065	\$119,624
<b>Total</b>	<b>\$69,744</b>	<b>\$139,487</b>

**Notes:**

1. If funds raised are less than full subscription, the Company will allocate those funds first towards the costs of the Offers, sales & marketing and then to working capital.
2. Working capital includes corporate administration, directors' fees, project evaluation, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The information in this table is a statement of present intention as at the date of this Prospectus. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

If the maximum amount is raised under the Offers, the Board believes the Company will have sufficient funds to achieve its objectives. If less than the maximum amount is raised under the Offers, the Board may consider additional financing in order to fund its business activities.

## 2.4 Key risks

In addition to risks specific to the Company as described in detail in Section 6, the risks set out below have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its securities.

- (a) **Future capital requirements:** The Company may require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the price under the Offers) or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

- (b) **Negative operating cash flow / going concern risk:** The Company has limited financial resources. To date, Serpentine has experienced negative operating cash flow. Serpentine expects to continue to incur losses unless and until such time as Serpentine generates sufficient revenues to fund its continuing operations. The Company has no history of earnings, and there is no assurance that Serpentine will generate earnings, operate profitably or provide a return on investment in the future.
- (c) **Potential acquisitions:** As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products or technologies.

## 2.5 Applications for Securities

Applications may be made by investors at the direction of the Company (in consultation with the Lead Manager), and must be made using the relevant Application Form accompanying this Prospectus.

Payment for Securities be made in full at the issue price of \$0.002 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company by the relevant Closing Date at the following address:

c/o The Company Secretary  
Serpentine Technologies Limited  
Ground Floor, 16 Ord Street  
West Perth WA, 6005

Cheques must be made payable to "Serpentine Technologies Limited" and crossed "Not Negotiable".

An original, completed and lodged Application Form constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in that Application Form. The Application Form does not need to be signed to be valid.

If an Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend or complete a form is final.

## **2.6 Timetable**

The Shortfall Offer will open for receipt of Applications on 23 January 2018 and will close at 5.00pm (WST) on 31 January 2018.

The Cleansing Offer will open for receipt of Applications on 23 January 2018 and will close at 5.00pm (WST) on 1 March 2018.

The Directors reserve the right to extend either Offer Period or close an Offer prior to the relevant Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

## **2.7 Issue of Offer Securities**

The Offer Securities offered under each Offer are expected to be issued on the date specified in the Timetable on page 1 of this Prospectus, and in any event as soon as practicable following the Closing Date for the relevant Offer.

The sale by an Applicant of any Offer Securities prior to the receipt of a Holding Statement is at the Applicant's own risk.

## **2.8 ASX quotation**

The Company will apply for Official Quotation on ASX of any Shares and Options to be issued pursuant to this Prospectus within 7 days of the date of this Prospectus.

If ASX does not grant Official Quotation of the Shares or Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

## **2.9 Minimum subscription**

Neither Offer is subject to any minimum subscription condition or requirement.

## **2.10 Underwriting**

Neither Offer is underwritten.

## **2.11 Withdrawal**

The Directors may decide to withdraw this Prospectus or an Offer at any time before issue of any Securities.

## **2.12 No brokerage**

No investor will pay brokerage as a subscriber for new Securities under the Offers

## **2.13 Application Moneys to be held on trust**

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the Shares to which the Application Money relates are issued under the Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus.

The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

## 2.14 Applicants outside of Australia

This Prospectus does not constitute the Offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Securities or either Offer, or otherwise to permit a public offering of Securities, in any jurisdiction outside Australia.

Prospective investors located outside Australia are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to them. Accordingly, prospective investors located outside Australia should consult with their own legal, financial and tax advisors concerning the information contained within the Prospectus and as to the suitability of an investment in the Shares in their particular circumstances.

## 2.15 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities (**CHESS Statement** or **Holding Statement**).

If you are broker sponsored, ASX Settlement will send you a CHESS Statement.

The CHESS Statement will set out the number of new Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Share Register and will contain the number of new Securities issued to you under this Prospectus and your security holder reference number.

A CHESS Statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## 2.16 Privacy

If you apply for new Securities you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, carry out appropriate administration and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules of ASX. If you do not provide the information required on the Entitlement and Acceptance Form or

Shortfall Application Form (as applicable), the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry at:

Security Transfer Australia  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: +61 1300 992 916  
Facsimile: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

## **2.17 Taxation implications**

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for new Securities under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

## **2.18 Enquiries**

This Prospectus provides information for potential investors in the Company and should be read in its entirety.

If after reading this Prospectus you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or financial advisor.

### 3. Effect of the Offers

#### 3.1 Principal effect of the Offers on the Company

The principal effects of the Offers, assuming the Offers are fully subscribed, will be to:

- (a) increase the number of Shares on issue from 621,157,407 Shares as at the date of this Prospectus to 690,901,127 Shares;
- (b) increase the number of Listed Options on issue from 82,567,146 as at the date of this Prospectus to 198,090,983 Listed Options; and
- (c) increase cash reserves by up to approximately \$119,624 immediately after completion of the Offers and payment of the costs and expenses of the Offers set out in Section 7.8, estimated at \$19,863 (for full subscription).

#### 3.2 Effect on capital structure

The capital structure of the Company following completion of the Offers (assuming the Offers are fully subscribed) is set out below:

Securities	Full subscription
<b>Shares</b>	
Shares on issue as at the date of this Prospectus	621,157,407
New Shares issued under the Offers	69,743,720
<b>Maximum total Shares on issue at completion of the Offers</b>	<b>690,901,127</b>
<b>Listed Options</b>	
Listed Options on issue as at the date of this Prospectus	82,567,146
Options exercisable at \$0.004 each on or before 30 April 2021, quotation of which is to be applied for, comprising:	
- Free Attaching Options to be issued pursuant to the Shortfall Offer	27,897,448
- Free Attaching Options to be issued pursuant to the Cleansing Offer	40
- Unlisted Options on issue to be quoted	87,626,349
<b>Maximum total Listed Options on issue at completion of the Offers</b>	<b>198,090,983</b>
<b>Unlisted Options</b>	
Unlisted Options on issue as at the date of this Prospectus	95,139,683
Unlisted Options exercisable at \$0.004 each on or before 30 April 2021, quotation of which is to be applied for	(87,626,349)
<b>Maximum total unlisted Options on issue at completion of the Offers</b>	<b>7,513,334</b>

### *Unlisted Options*

The Company currently has the following unlisted Options on issue:

- (a) 2,013,334 exercisable at \$0.18 on or before 31 March 2019;
- (b) 150,000 exercisable at \$0.13 on or before 6 November 2018;
- (c) 200,000 exercisable at \$0.13 on or before 31 October 2018;
- (d) 150,000 exercisable at \$0.05 on or before 30 September 2019;
- (e) 3,000,000 exercisable at \$0.06 on or before 30 June 2019;
- (f) 1,000,000 exercisable at \$0.06 on or before 31 March 2019;
- (g) 1,000,000 exercisable at \$0.06 on or before 30 June 2019; and
- (h) 87,626,349 exercisable at \$0.004 on or before 30 April 2021.

### *Listed Options*

The Company currently has the following listed Options on issue:

- (a) 12,000,000 exercisable at \$0.30 on or before 25 August 2018 (ASX: KBUO); and
- (b) 70,567,146 exercisable at \$0.05 on or before 30 June 2019 (ASX: KBUEA).

## **3.3 Pro forma statement of financial position**

Set out below is the:

- (a) audited consolidated statement of financial position of the Company as at 30 June 2017; and
- (b) unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2017 incorporating the effect of the Offers at full subscription.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 30 June 2017. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the following basis:

- (a) the maximum number of new Securities subscribed for under the Offers, being 69,743,720 new Shares at \$0.002 each and 37,887,431 Free Attaching Options, thereby raising up to \$139,487 of capital pursuant to the Prospectus;
- (b) subsequent to 30 June 2017, pursuant to the Rights Issue Prospectus, the Company issued 192,492,918 Shares at \$0.002 each, and 76,997,164 Free Attaching Options. Further, pursuant to the Shortfall Offer under the Rights Issue Prospectus, the Company issued 24,974,850 shares at \$0.002 each and 9,989,940 Free Attaching Options;
- (c) subsequent to 30 June 2017, 39,360,795 Shares were issued at \$0.004 each on the exercise of 39,360,795 unlisted Options, which were each exercisable at \$0.004 on or before 30 April 2021;
- (d) subsequent to 30 June 2017, 40,000,000 unlisted Options exercisable at \$0.004 on or before 30 April 2021 were issued to the Lead Manager, with a total valuation of \$139,106 and valued using the Black Scholes option pricing model;

- (e) the Held for Sale Assets and Held for Sale Liabilities of the Company at 30 June 2017 which relate to the assets and liabilities of Kabuni Technologies Inc. and Kabuni Technologies (India) Inc have been written off to the Profit & Loss Statement, which reflects the sale of these assets in October 2017 by the Company to Print The Future Inc.; and
- (f) subsequent to 30 June 2017 the Company issued 285,000 Convertible Notes with a face value of \$1.00 each, all of which have been converted to Shares. 234,313 of the Convertible Notes were converted to Shares at a deemed issue price of \$0.0024 per Share, and the remaining 50,687 Convertible Notes were converted to Shares at a deemed issue price of \$0.0016 per Share. The funds raised from the issue of the Convertible Notes have been applied against expenditure incurred in the course of business and therefore written off to the Profit & Loss Statement.

The unaudited consolidated pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Consolidated Entity between 30 June 2017 and the completion of the Offers except for those noted above.

Except as disclosed, no allowance has been made for expenditure incurred in the normal course of business from 30 June 2017 to the Closing Date.

## Pro Forma Statement of Financial Position

	Audited	Pro-forma Adjustments		Pro-forma balance as at 30-Jun-17	
	30-Jun-17	50% Subscription (\$69,744)	Maximum Subscription (\$139,487)	Pro-forma After Issue 50%	Pro-forma After Max Issue
	\$				
<b>Current assets</b>					
Cash and cash equivalents	134,352	629,134	694,693	763,466	829,045
Trade and other receivables	4,902	-	-	4,902	4,902
Prepaid expenses and deposits	31,350	-	-	31,350	31,350
Assets held for sale	548,309	-548,309	-548,309	-	-
<b>Total current assets</b>	<b>718,913</b>	<b>80,625</b>	<b>146,384</b>	<b>799,738</b>	<b>865,297</b>
<b>Non-current assets</b>					
Property and equipment	-	-	-	-	-
Intangible Assets	-	-	-	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>718,913</b>	<b>80,625</b>	<b>146,384</b>	<b>799,738</b>	<b>865,297</b>
<b>Current liabilities</b>					
Trade and other payables	149,033	-	-	149,033	149,033
Loans payable	-	-	-	-	-
Non-current liabilities related to assets held for sale	258,133	-258,133	-258,133	-	-
<b>Total liabilities</b>	<b>407,166</b>	<b>-258,133</b>	<b>-258,133</b>	<b>149,033</b>	<b>149,033</b>
<b>Net assets</b>	<b>311,747</b>	<b>338,958</b>	<b>404,517</b>	<b>650,705</b>	<b>716,264</b>
<b>Equity</b>					
Issued share capital	20,116,448	635,921	840,587	20,752,369	20,957,035
Reserves	4,254,139	278,213	278,213	4,532,352	4,532,352
Accumulated losses	-	-575,176	-714,282	-24,634,016	-24,773,122
<b>Total equity</b>	<b>311,747</b>	<b>338,958</b>	<b>404,517</b>	<b>650,705</b>	<b>716,264</b>

### **3.4 Effect on control**

The Company does not anticipate that either Offer will have a material impact on control of the Company.

### **3.5 Substantial holdings**

As at the date of this Prospectus, the Company has no substantial shareholders.

### **3.6 Effect of the Offers on activities of the Company**

The issue of new Securities under the Offers will provide funds for the purposes set out in Section 2.3.

## **4. Rights and liabilities attached to Offer Securities**

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### **4.1 Terms and conditions of Shares**

The new Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

(a) Share capital

All issued ordinary fully paid shares in the capital of the Company rank equally in all respects.

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend the Directors may declare such dividends out of profits as may appear to the Directors to be justified in accordance with the Corporations Act and may authorise the payment by the Company to the Shareholders of such a dividend. The Directors may authorise the payment to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Rights on winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or

other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) Transfer of Shares

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

(f) Further increases in capital

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine.

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may grant Options with rights of conversion to Shares or pre-emptive rights to any Shares, to any person, for any consideration, as the Directors resolve.

(g) Variation of rights attaching to Shares

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

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

(h) General meetings

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

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

## 4.2 Terms and conditions of Free Attaching Options

- (a) Each Option gives the holder (**Option Holder**) the right to subscribe for one Share.
- (b) The Options will expire at 5.00 pm (WST) on 30 April 2021 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.004 (**Exercise Price**).
- (d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and

- (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount on the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by payment of the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are freely transferrable.
- (i) All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with other Shares.
- (j) The Company will apply for official quotation of the Options on ASX.
- (k) The Company will apply for official quotation by the ASX of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) Subject to paragraph (l), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## 5. Continuous disclosure documents

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### 5.1 Continuous disclosure obligations

This is a Prospectus for the offer of continuously quoted securities (as defined in the Corporations Act), and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of the Company’, subject to certain exceptions.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

### 5.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2017 annual financial report to shareholders on 2 October 2017:

Date	Description of ASX Announcement
17 January 2018	Ceasing to be a substantial holder
12 January 2018	Appendix 3B - exercise of options
11 January 2018	Company Update
4 January 2018	Appendix 3B - exercise of options
3 January 2018	Appendix 3B
2 January 2018	Change in substantial holding
27 December 2017	Less Than Marketable Parcel Share Sale Facility
19 December 2017	Appendix 3B
15 December 2017	Change of Director's Interest Notice x 2
14 December 2017	Response to ASX Price and Volume query
13 December 2017	Appendix 3B & Cleansing Notice
11 December 2017	Notification of Rights Issue Shortfall
4 December 2017	Update on Transaction with PTF
1 December 2017	Trading Halt
30 November 2017	Change of Company Name and ASX Code
30 November 2017	Results of Annual General Meeting
27 November 2017	Dispatch of Rights Issue Offer Document
21 November 2017	Rights Issue Letter to Ineligible Shareholders
21 November 2017	Rights Issue Letter to Eligible Shareholders
17 November 2017	Notice of rights offer sent to convertible security holders
17 November 2017	Rights Offer Prospectus

Date	Description of ASX Announcement
17 November 2017	Appendix 3B
14 November 2017	Financial Statements and MD&A
14 November 2017	Selective Capital Reduction - ASIC Form
6 November 2017	Final Director's Interest Notice
6 November 2017	Initial Director's Interest Notice
3 November 2017	Cleansing Notice
3 November 2017	Appendix 3B – shares issued on convertible note conversion
3 November 2017	Kabuni Board Changes
31 October 2017	Quarterly Cashflow Report
31 October 2017	Completion of Selective Capital Reduction
27 October 2017	Notice of Annual General Meeting/Proxy Form
24 October 2017	Final Directors Interest Notice
24 October 2017	Director Resignation
18 October 2017	Completion of Transaction with PTF
16 October 2017	Results of Meeting

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

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website (<http://investor.kabuni.com>) or at ASX's website ([www.asx.com.au](http://www.asx.com.au) using ASX Code 'S3R').

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the date of this Prospectus until both Offers have closed:

- (a) the annual financial report of the Company for the financial year ended 30 June 2017, being the annual financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus; and
- (b) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in Section 5.2(a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

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

## 6. Risk Factors

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### 6.1 Introduction

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. There can be no guarantee that the Company will achieve its stated objectives.

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Prospectus and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code ASX:S3R) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in new Shares should be considered speculative. New Shares carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those new Shares.

Shareholders should consider the risk factors set out in Section 2.4 above and in Section 6.2 below which the Directors believe represent some of the key, specific and general risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. These risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

### 6.2 Additional risks relating to the Company

In addition to the key risks out in Section 2.4 above, the following risks have been identified as being risks relevant to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its listed securities.

- (a) **Key personnel:** The Company's future success will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, and user support representatives. The loss of any key member of senior management could have a material adverse effect on the Company's business, results of operations and financial condition.
- (b) **Stock market conditions:** As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the new Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia and changes in exchange rates.

- (c) **Liquidity risk:** There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offers.
- (d) **Securities investment risk:** Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of start-up technology companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such

companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

- (e) **Taxation:** There may be taxation implications arising from an application for Shares, the receipt of dividends (both franked and unfranked) from the Company, participation in any on-market Share buy-back and on the disposal of Shares.
- (f) **Other risks:** Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

### 6.3 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 securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities.

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

## **7. Additional information**

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### **7.1 Company Secretarial Services agreement with Ventnor Capital**

By agreement between Ventnor Capital Pty Ltd (**Ventnor Capital**) and the Company dated on or about 30 December 2017, the Company agreed to retain Ventnor Capital to provide to the Company, on the terms and conditions set out in the agreement, company secretarial services.

In consideration for the provision of the services set out above, the Company must pay a monthly fee of \$2,000 (plus GST) to Ventnor Capital, and reimburse Ventnor Capital for direct out of pocket expenses incurred and/or paid by Ventnor Capital on behalf of the Company. For services provided by Ventnor Capital to the Company that are not described above, Ventnor Capital is entitled to be paid additional fees, calculated on an hourly basis.

Ventnor Capital has provided services to the Company with respect to the preparation of this Prospectus, and is expected to be paid \$7,500 (plus GST) in respect of those services.

Ventnor Capital is a related party of the Company as Mr Stuart Carmichael, a Non-Executive Director of the Company, is also a director of Ventnor Capital.

### **7.2 Lead Manager Agreement with Alto Capital**

As set out in the Rights Issue Prospectus, on 16 November 2017, the Company entered into a mandate agreement with the Lead Manager, being ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099, pursuant to which the Lead Manager agreed to provide capital raising and corporate advisory services with respect to the Rights Offer, including assisting the Company with the placement of the shortfall to the Rights Offer (**Mandate Agreement**).

Pursuant to the Mandate Agreement, the Lead Manager agreed to provide ongoing corporate advisory services for a period of 6 months, which services include assisting the Company with investor relations and communication and equity capital markets strategy.

In consideration for the provision of these services, the Company has issued to nominees of the Lead Manager, 40,000,000 Options exercisable at \$0.004 each on or before 30 April 2021, at an issue price of \$0.0001 each. The issue of these Options is subject to ratification by Shareholders at the General Meeting. The Company raised a total of \$4,000 from the issue of these Options.

### **7.3 Litigation**

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

### **7.4 Interests of Directors**

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which a Director is a partner or director, has or has had in the 2 years before the date of this Prospectus, any interest in:

- (a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (b) the Offers,

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 Director or proposed director or to any entity in which such a Director or proposed director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

## 7.5 Security holding interests of Directors

At the date of this Prospectus the relevant interest of each of the Directors and in the Shares and Options of the Company are as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Stuart Carmichael	Nil	Nil	Nil	Nil
Colm O'Brien	Nil	570,000 <sup>1</sup>	Nil	1,108,000 <sup>2</sup>
Michael Edwards	Nil	63,333 <sup>3</sup>	10,000 <sup>4</sup>	152,000 <sup>5</sup>

**Notes:**

1. Shares held by Miss Fiona Elizabeth George & Mr Colm John O'Brien <The Douglas A/C>.
2. Unlisted Options exercisable at \$0.06 each on or before 30 June 2019, held by Miss Fiona Elizabeth George + Mr Colm John O'Brien <The Douglas A/C>, of which Mr O'Brien is a Director and beneficiary.
3. Shares held by Shadwick Nominees Pty Ltd, of which Mr Edwards is a director.
4. Listed Options exercisable at \$0.30 each on or before 25 August 2018 (ASX:KBUO).
5. Listed Options exercisable at \$0.30 each on or before 25 August 2018 (ASX:KBUO) held by Shadwick Nominees Pty Ltd, of which Mr Edwards is a Director.

Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Offers.

## 7.6 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by the Company in a general meeting. The aggregate maximum is presently set at \$150,000 per annum. The Managing Director may receive such remuneration as the Directors determine.

A Director may be reimbursed for out of pocket expenses incurred as a result of their directorship.

Details of remuneration provided to Directors and former Directors during the past two financial years is as follows:

Director	Financial year ended 30 June 2016	Financial year ended 30 June 2017
Michael Edwards (Appointed 3 November 2017)	N/A	N/A
Stuart Carmichael (Appointed 30 June 2017)	N/A	N/A
Ajai Sehgal (Appointed 1 August 2016)	N/A	\$45,350 (includes director fees of \$32,083 and share based payments of \$13,267)
Colm O'Brien (Appointed 18 July 2016)	N/A	\$46,668 (includes director fees of \$33,401 and share based payments of \$13,267)

Director	Financial year ended 30 June 2016	Financial year ended 30 June 2017
Nathan Sellyn (Resigned 2 November 2017)	\$13,367 (includes director fees of \$12,742 and non-monetary benefits of \$625)	\$46,600 \$ (includes director fees of \$33,333 and share based payments of \$13,267)
Tony King (Resigned 30 June 2017)	\$94,075 (includes salary of \$76,250, superannuation of \$14,088, and non-monetary benefits of \$3,737)	\$64,275 (includes salary of \$60,000, superannuation of \$4,275)
Neil Patel (Resigned 6 April 2017)	\$200,904 (includes salary of \$191,517, and non-monetary benefits of \$9,387)	\$177,292 (includes salary of \$177,292)
Nikolas Ajagu (Resigned 18 November 2016)	\$13,113 (includes director fees of \$12,500 and non-monetary benefits of \$613)	\$5,750 (includes director fees of \$5,750)
Matthew Hehman (Resigned 18 July 2016)	\$210,763 (includes director fees of \$11,849, share based payments of 198,333 and non-monetary benefits of \$581)	\$726 (includes director fees of \$726)
Cameron Pearce (Resigned 16 September 2015)	\$8,581 (includes director fees of \$7,500, non-monetary benefits of \$368 and superannuation of \$713)	N/A
Travis Schwertfeger (Resigned 25 August 2015)	\$5,149 (includes director fees of \$4,500, non-monetary benefits of \$221 and superannuation of \$428)	N/A

## 7.7 Director indemnity deeds

The Company has entered into a deed of indemnity with each of the Directors.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all Directors against all losses or liabilities incurred by each Director in their capacities as Directors.

## 7.8 Expenses of the Offers

The estimated expenses payable in cash by the Company in respect of costs associated with this Prospectus and the Offers, including offer management, broking fees, legal, accounting, corporate advisory, printing, ASIC and ASX fees and other costs will be approximately \$55,000 (assuming full subscription of the offer).

## 7.9 Interests of experts and advisers

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

- (c) the formation or promotion of the Company;
- (d) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (e) the Offers,

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 Offers.

Stantons International Audit & Consulting Pty Ltd (**Stantons**) is the Company's auditor. Stantons has provided other accounting and auditing services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$212,025.55 (including GST) for those other services.

ACNS Capital Markets Pty Ltd trading as Alto Capital was been engaged to act as Lead Manager with respect to the Rights Offer, which included assisting the Company with the placement of the shortfall to the Rights Offer, of which the Securities offered under the Shortfall Offer form part, and is entitled to be paid the amount set out in Section 7.2 (plus GST) in respect of these services. In addition, the Lead Manager has provided other services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$98,281.80 (including GST) for those other services.

Ventnor Capital Pty Ltd has provided assistance to the Company with respect to the preparation of this Prospectus, and is entitled to be paid \$5,000 (plus GST) in respect of these services. In addition, Ventnor Capital Pty Ltd has provided other services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$55,000 (including GST) for those other services.

Jackson McDonald has acted as solicitors to the Company in relation to the Offers and legal due diligence enquiries in respect of the Company and is entitled to be paid approximately \$7,500 (plus GST) in respect of these services. In addition, Jackson McDonald has provided other legal services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$67,890 (plus GST) for those other services.

## 7.10 Consents and liability statements

Jackson McDonald has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in the form and context in which it is named.

Security Transfer Australia Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Share Registry in the form and context in which it is named.

ACNS Capital Markets Pty Ltd trading as Alto Capital has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Lead Manager, in the form and context in which it is named.

Ventnor Capital Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus in the form and context in which it is named.

Stantons has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Company's auditor in the form and context in which it is named.

Each of Jackson McDonald, ACNS Capital Markets Pty Ltd trading as Alto Capital, Stantons, Ventnor Capital Pty Ltd, and Security Transfer Australia Pty Ltd:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section.

### 7.11 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 months period before the date of this Prospectus is set out in the table below.

	Price	Date
Highest	\$0.018	4 January 2018
Lowest	\$0.002	23 October 2017
Latest	\$0.011	22 January 2018

**Note:** trading data prepared by ASX, who has not consented to its use in this Prospectus.

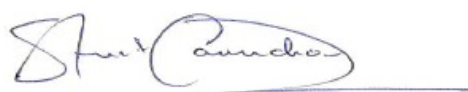
## 8. Directors' statement

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The Directors state that they have made all reasonable enquiries and that 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 of any other statements made in the Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements; those persons have given their consent before lodgement of this Prospectus with ASIC or, to the Directors' knowledge, before any issue of new Securities pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

A handwritten signature in blue ink, appearing to read 'Stuart Carmichael', with a horizontal line extending to the right.

**Stuart Carmichael**  
Non-Executive Chairman

for and on behalf of the Company

Dated: 23 January 2018

## 9. Glossary, definitions and interpretation

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The meanings of the terms used in this Prospectus are as set out below.

<b>A\$ or \$</b>	Australian dollars.
<b>Applicant</b>	A person who applies for Shares or Options under and in accordance with this Prospectus.
<b>Application</b>	A valid application for Shares or Options offered under this Prospectus.
<b>Application Form</b>	The application form for the Offer accompanying this Prospectus.
<b>Application Moneys</b>	Money received from an Applicant in respect of an Application.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ACN 008 504 532).
<b>ASX Settlement Rules</b>	The settlement rules of ASX Settlement.
<b>Board</b>	The board of Directors of the Company.
<b>Business Day</b>	Has the meaning given to it in the Listing Rules.
<b>CHESS</b>	Clearing House Electronic Sub-register System operated by ASX Settlement.
<b>Holding Statement</b>	A statement of shares registered in a CHESS account.
<b>Cleansing Offer</b>	The offer under this Prospectus of 100 Shares at an issue price of \$0.002 per Share and 40 Free Attaching Options to raise approximately \$0.20 before costs.
<b>Closing Date</b>	The closing date of an Offer as set out in the Timetable on page 1 of the Notice.
<b>Company or Serpentine</b>	Serpentine Technologies Limited (ACN 158 307 549).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company as at the date of this Prospectus.
<b>Executive Director</b>	An executive Director of the Company.
<b>Free Attaching Option</b>	An Option exercisable at \$0.004 on or before 30 April 2021, which Options were offered and issued under the Rights Issue Prospectus, and are offered under this Prospectus.

<b>General Meeting</b>	A general meeting of Shareholders proposed to be held on or about 26 February 2018.
<b>GST</b>	Goods and services tax.
<b>Lead Manager</b>	ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099.
<b>Listing Rules</b>	The official listing rules of ASX.
<b>Non-Executive Director</b>	A non-executive Director of the Company.
<b>Offer Period</b>	In relation to an Offer, the period commencing on the Opening Date and ending on the Closing Date for the Offer, as set out in the Timetable on page 1 of the Prospectus.
<b>Offers</b>	The Shortfall Offer and the Cleansing Offer.
<b>Official Quotation</b>	The admission of Securities to the official list of the ASX.
<b>Opening Date</b>	The opening date of an Offer, as set out in the Timetable on page 1 of the Prospectus.
<b>Option</b>	An option to subscribe for a Share.
<b>Performance Right</b>	A performance right which is exercisable into a Share subject to certain vesting conditions.
<b>Privacy Act</b>	<i>Privacy Act 1988</i> (Cth).
<b>Prospectus</b>	This document, including the Application Forms.
<b>Prospectus Date</b>	The date of lodgement of this Prospectus with ASIC, being 23 January 2018.
<b>Related Bodies Corporate</b>	Has the meaning given to it in the Corporations Act.
<b>Related Party</b>	Has the meaning given to it in the Listing Rules.
<b>Rights Issue Prospectus</b>	The Company's prospectus dated 17 November 2017 which included the Rights Offer.
<b>Rights Offer</b>	The entitlement issue offer set out under the Rights Issue Prospectus.
<b>Subsidiary</b>	Has the meaning given to that term in the Corporations Act.
<b>Section</b>	A section of this Prospectus.
<b>Securities</b>	Has the meaning given to that term in section 761A of the Corporations Act and includes a Share, an Option and a Performance Right.
<b>Securities Registry</b>	The Company's share registry, Security Transfer Australia Pty Ltd ACN 008 894 488.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	The holder of a Share.

<b>Shortfall Offer</b>	The offer under this Prospectus of the remaining shortfall to the Rights Offer, being 69,743,720 Shares at an issue price of \$0.002 per Share and 27,897,451 Free Attaching Options to raise approximately \$139,487 before costs.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.