iWebGate Limited
ACN 141 509 426

Prospectus

For the offer of 1 Share to the public at an issue price of $0.20 to raise $0.20 (**Offer**).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date.

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. If after reading this Prospectus, you have any questions about the Share being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Share being offered by this Prospectus should be considered speculative.

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IMPORTANT INFORMATION

General

The Prospectus is dated 22 March 2016 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

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. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

Please refer to **Section 1.1** for further information. No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

The Company has applied to ASX for quotation of the Share on ASX.

Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.iwebgate.com. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete and unaltered copy of the Prospectus.

Any person may obtain a hard copy of this Prospectus by contacting the Company prior to the Closing Date.

Risk factors

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. 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. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. 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 in Shares or the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

Offer restrictions

The Offer is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 6**.

All references in this Prospectus to **$**, **AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Sydney, Australia.

CORPORATE DIRECTORY

Directors

James Tsiolis (Executive Chairman)
Timothy Gooch (Executive Director)
Kathryn Foster (Non-Executive Director)
Kevin Greene (Non-Executive Director)

Company Secretary

Greg MacMillan

Registered Office

Level 24, 44 St Georges Terrace
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Auditor (for information purposes only)

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

ASX Code

IWG

Website

www.iwebgate.com

1. DETAILS OF THE OFFER

1.1 Summary of the Offer

The Company is making an invitation to apply for 1 Share to the public at an issue price of $0.20 to raise $0.20 before expenses of the Offer. The Offer is open to persons by invitation from the Company only.

1.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC and ASX	22 March 2016
Opening Date	22 March 2016
Closing Date	21 June 2016

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases. No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the Share is subject to confirmation from ASX.

1.3 Rights and liabilities attaching to Shares

The Share to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in **Section 4.2**.

1.4 Minimum subscription

There is no minimum subscription for the Offer.

1.5 No Underwriting

The Offer is not underwritten.

1.6 Applications

An Application under the Offer may only be made by persons on invitation from the Company.

Application Forms must be delivered or mailed together with a cheque on or before the Closing Date to Level 24, 44 St Georges Terrace, Perth WA 6000.

1.7 Issuance

The Share will be issued as soon as practicable after the Closing Date. In accordance with section 722(1) of the Corporations Act, until the issue of the Share, all application monies will be held in trust by the Company.

The Share will not issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

Application money will be refunded to unsuccessful applicants without interest as soon as reasonably practicable after the close of the Offer.

1.8 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of Shares offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

1.9 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

1.10 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry

1.11 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

1.12 Enquiries

This document is important and should he read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company on +61 8 9325 8888.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

By this Prospectus, the Company is making an Offer to certain persons by invitation only of 1 Share at an issue price of $0.20 to raise $0.20 before expenses. Accordingly, the primary purpose of the Offer is not to raise capital.

As described in section 4.2, Shares and Options have been issued or may be required to be issued by the Company without disclosure under the Lind Facility.

However, the Company is not able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its securities being suspended from trading on the ASX for more than 5 trading days within the last 12 months.

Accordingly, the primary purpose of this Prospectus is to remove any trading restrictions that may attach to Shares issued by the Company under the Lind Facility before the Closing Date.

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

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:
  - on or after the day on which the relevant securities were issued (section 708A(11)(b)(i)); or
  - 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 (section 708A(b)(ii)); and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

2.2 Financial position

The issue of 1 Share under this Prospectus will not have a material impact on the Company's financial position. For this reason a pro-forma statement of financial position of the company showing the financial effect of the Offer has not been included in this Prospectus.

2.3 The effect of the Offer on the capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue	630,828,425
Shares offered pursuant to the Offer	1
Total Shares on issue after completion of the Offer	**630,828,426**
Options	**Number**
Unlisted Options (exercisable at $0.25, expiring on 31 October 2017)	11,768,821
Unlisted Options (exercisable at $0.187, expiring on 4 November 2020)	2,139,036
Unlisted Options (exercisable at $0.1412, expiring on 8 March 2019)	1,500,000
Unlisted Options (exercisable at $0.1470, expiring on 14 March 2019)	8,500,000
Total Options on issue	**23,907,857**

2.4 Effect of the Offer on control

The Offer will not have a material impact on control of the Company.

3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This **Section 6** identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisor before deciding whether to apply for Shares.

3.1 Specific risks

(a) 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 projects and business. For instance, new technologies could overtake the advancements made by the Company's product. In that case, the Company's revenues could be adversely affected.

(b) Special reputational risks

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

(c) Data loss, theft or corruption

The Company provides its services through online and on-premise deployments. Hacking or exploitation of some unidentified vulnerability of the Company's services could lead to a loss, theft or corruption of data.

This could render the Company's services unavailable for a period of time while systems and data are restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users and regulatory scrutiny and fines. Although the Company has strategies and protections in place to try to minimise security breaches and to protect data these strategies might not be successful. In that event, disruption to the Company's services and unauthorised disclosure of user data could negatively impact on the Company's revenues and profitability.

(d) Hacker attacks

To some extent, the Company relies on the availability of its website to provide services to customers and attract new customers. Hackers could render the website unavailable through a disrupted denial of service or other disruptive attacks.

Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the website could lead to a loss of revenues while the Company is unable to provide its services. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(e) **Domain name risk**

To some extent, the Company's business depends on customers being attracted to its website. The Company has registered a domain name in Australia for the purposes of its website. However, should the Company not renew or otherwise lose control of its domain name, it would lose all website traffic direct to that domain. This would adversely affect the Company's revenue.

(f) **Attracting customers to the Company's website**

To some extent, the Company's revenues depend on sufficient customers being attracted to its website. The amount of visitors to its website directly affects its sales of the product. Various factors can affect the level of web traffic arriving at the Company's website including (but not limited to):

(i) marketing and promotions: if the Company's marketing and promotion efforts are not effective this will manifest itself in a lack of customers visiting the Company's website;

(ii) brand damage: should the Company suffer from reputational damage, web traffic could be affected;

(iii) search engine traffic: search engines such as Google, direct significant traffic to the Company's website. Should these search engines make changes to their algorithms and procedures that direct this traffic, the Company could see a substantial drop in customers visiting its website. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. The Company will attempt to follow Google's guidelines and online best practice to maintain the flow of traffic to the Company's website, but such changes could adversely affect the traffic to its website.

A decline in traffic to the Company's website could lead to a decline in its ability to attract customers. This could adversely affect the Company's revenue.

(g) **Customer service risk**

Customers may need to engage with the Company's customer service personnel in certain circumstances, such as if they have a question about the services 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, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, 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 and/or profits.

(h) **Risks associated with the regulatory environment**

The Company's main operating entities are based in Australia and subject to Australian laws and regulations. For example, the Company is required to comply with the

Corporations Act and the *Competition and Consumer Act 2010* (Cth). However the Company also intends to increase its operations in international jurisdictions such as the United States of America and Europe. Users, competitors, members of the general public or regulators could allege breaches of the legislation in the relevant jurisdictions, for example, if they considered an advertisement to be misleading or deceptive. This could result in remedial action or litigation, which could potentially lead to the Group being required to pay compensation or a fine. The Group'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 on the Company's profitability. In addition, if regulators took the view that a Group 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 Group and consequent impact on its revenue.

(i) **Foreign exchange risks**

The Company's costs and expenses in the United States of America are in US$. Accordingly, the depreciation and/or the appreciation of the US$ relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the US$ relative to the Australian currency may result in lower than anticipated revenue, profit and earning. The Company will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US$, and the Company will have to monitor this risk on an ongoing basis. The Company does not have any currency hedging policies in place at present and the Company will review and adopt any hedging of currencies as the business grows.

(j) **Future capital needs**

It is likely that the Company will require additional funding in the future in order to develop its business and support its ongoing activities and operations.

Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

Further, there can be no assurance that any such equity or debt funding will be available for the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, there is significant uncertainty as to whether the Company can continue as a going concern.

Accordingly, the Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(k) **Liability claims**

The Company's product is sold predominantly within Australia and the United States of America. The Company may be exposed to liability claims if its product is faulty and/or causes harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. The Company believes that such liability claim risks will increase as new technology is introduced to the market to circumvent sub-security systems such as included within the Company's product. If a successful claim is made against the Group, the Group may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(l) **Protection of intellectual property rights**

The Company believes that its intellectual property rights such as trademarks and patents are important to its success and competitive position and recognises the importance of registering patents and trademarks related to its product and brand. The Company is not aware of any material violations or infringements of its intellectual property rights. However, third parties may in the future attempt to challenge the ownership and/or validity of the Company's intellectual property rights. In addition, the business of the Company is subject to the risks of third parties counterfeiting the "iWebGate" brand or otherwise infringing intellectual property rights. Such unauthorised use of the "iWebGate" brand in counterfeit products could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities. The Company may not always be successful in securing protection for the Group's intellectual property rights, in preventing the production and sale of counterfeit products or preventing other infringements of its intellectual property rights.

Protections offered by foreign jurisdictions in respect of intellectual property may not be as effective as in Australia. The Company may need to resort to litigation in the future to enforce the Group's intellectual property rights. Any such litigation could result in substantial costs and a diversion its resources. The Company's failure to protect and enforce the Group's intellectual property rights could have a material adverse impact on its reputation, business and results of operations.

(m) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

The Company's operations in the United States of America are the responsibility of existing and future senior management and key personnel, including Tim Gooch, who has the experience and knowledge required to manage development and commercialisation in the United States of America.

The Company's operations in the Asia Pacific Region are the responsibility of existing and future senior management and key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel cease their employment. Further, there can be no assurance that appropriately qualified senior management and key personnel will be available for engagement by the Company as and when required and on terms acceptable to the Company.

(n) **Contractors and contractual disputes**

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

(i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;

(ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its activities; or

(iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. While best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such risks.

(o) **Government policy changes and legal risk**

Government action or policy changes (in particular, by the government of the United States of America) in relation to aspects such as access to internet security, export restrictions, and taxation may adversely affect the Company's operations and financial performance.

The Company's operations in the United States of America and other countries will be governed by a series of laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions of the United States of America and other countries (as may be or become relevant to the Company) and any changes thereto are outside the control of the Company.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

3.2 General Risks

(a) **Investment risk**

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Public Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital;

(vi) terrorism or other hostilities; and

(vii) other factors beyond the control of the Company.

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology including, but not limited to, the following:

(i) general economic conditions in Australia and its major trading partners;

(ii) changes in Government policies, taxation and other laws;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;

(iv) movement in, or outlook on, interest rates and inflation rates; and

(v) natural disasters, social upheaval or war in Australia or overseas.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

(i) general economic conditions in jurisdictions in which the Company operates;

(ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;

(iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

(v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

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

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

4. ADDITIONAL INFORMATION

4.1 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offer.

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

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

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the annual financial report of the Company for the financial year ended 30 June 2015;

    (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC; and

    (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

(a) would reasonably require for the purpose of making an informed assessment of:

    (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2015.

Date	Title
21 Mar 2016	Appointment of Company Secretary
17 Mar 2016	Appendix 3B
14 Mar 2016	Reinstatement
14 Mar 2016	iWebGate Secures Funding to Accelerate Customer Growth
11 Mar 2016	iWebGate Secures Bridge Funding
11 Mar 2016	S&P DJ Indices Announces March Quarterly Review
7 Mar 2016	Federal Defence White Paper & Partnership with Ubiquity
29 Feb 2016	iWebGate Half Year Results
29 Feb 2016	Appendix 4D and Half Year Accounts
29 Feb 2016	iWebGate Update
18 Feb 2016	Final Director's Interest Notice
17 Feb 2016	Suspension
17 Feb 2016	iWebGate Appoints Finance Expert as Executive Chairman
15 Feb 2016	Trading Halt
1 Feb 2016	iWebGate Update
29 Jan 2016	Appendix 4C - Quarterly
18 Dec 2015	iWebGate Gaining Traction Across APAC Region
10 Dec 2015	iWebGate Attains Highest Security Rating for its Products
9 Dec 2015	Final Director's Interest Notice
9 Dec 2015	Initial Director's Interest Notice
3 Dec 2015	Board Changes
27 Nov 2015	Results of Annual General Meeting
17 Nov 2015	Initial Director's Interest Notice x 2
11 Nov 2015	Board Appointments
4 Nov 2015	Appendix 3B
30 Oct 2015	Quarterly Review
30 Oct 2015	Appendix 4C - quarterly
27 Oct 2015	Notice of Annual General Meeting/Proxy Form

26 Oct 2015	Appendix 3B
23 Oct 2015	iWebGate Appoints EAS Advisors to Support US Strategy
16 Oct 2015	Prospectus
16 Oct 2015	Reinstatement to Official Quotation
16 Oct 2015	$3m Raised to Accelerate International Growth
30 Sep 2015	Update on Voluntary Suspension
15 Sep 2015	ASX Listing Rule 4.10.19 Confirmation
11 Sep 2015	Suspension from Official Quotation
9 Sep 2015	Trading Halt
8 Sep 2015	IWG to Expand Sales Force to Meet Demand
4 Sep 2015	iWebGate US Update
1 Sep 2015	iWebGate 2015 Full Year Results
1 Sep 2015	Appendix 4G
1 Sep 2015	Appendix 4E & Annual Report 2015

4.2 Debt facilities

On 26 February 2016, the Company entered into an additional $250,000 debt facility with the lenders under the debt facility announced on 16 October 2015. This debt facility may be converted into Shares at any time after 1 January 2017 or on an event of default at the lower of: (i) the lowest price per Share at which the Company undertakes a rights issue or placement of Shares before 31 December 2016; or (ii) 90% of the lowest volume weighted average price of Shares on ASX over the last 5 trading days on which Shares are traded immediately preceding the date of conversion; and before 1 January 2017 at 90% of the price per Share at which the Company undertakes the capital raising on which the conversion is based.

As announced on ASX on 14 March 2016, the Company entered into the Lind Facility, which comprises a US$1,920,000 convertible security and an equity funding facility of up to US$6,975,000. The Company has received proceeds of US$500,000 under the convertible security and will, upon lodgement of this Prospectus and satisfaction of various customary conditions precedent, receive a further US$1,100,000 under the convertible security and US$75,000 under the first drawdown under the equity funding facility.

The Company has issued 10,000,000 Shares to the lender under the Lind Facility as collateral, as well as 8,500,000 unlisted options.

Approximately A$1,000,000 of the proceeds under the Lind Facility have been or will be used to repay the Company's existing debt facilities.

The equity funding facility has a term of 24 months and will be funded monthly in the amount of US$75,000 per month or (a) upon mutual consent, between the Company and the investor may increase the amount of each tranche up to US$300,000 per month or (b) at the election of the Company, reduce the amount of each tranche to between US$50,000 and US$75,000. If advances under a tranche under the equity funding facility are not repaid within 28 days, the Company must issue Shares to the lenders (subject to floor price protection provisions). The Lind Facility contains provisions which determine the price and number of Shares to be issued in each tranche, with the price being (subject to floor price protection provisions) either, at the lender's election, (a) a 90% of three daily volume weighed average prices selected by the lender within the preceding 20 trading days or (b) 130% of three daily volume weighed average prices selected by the lender within either (i) the 20 trading days preceding the most recent suspension preceding 14 March 2016 or (ii) the 10 trading days after 14 March 2016, provided that (b) may only be selected a maximum of two tranches. At the lender's election, Shares which would have been issuable under the equity funding facility may be satisfied by a reduction in the number of collateral Shares.

The convertible security has a term of 18 months and is subject to monthly repayments, either in the form of cash (which is subject to a 5% premium) or Shares at a price equal to a 90% of three daily volume weighed average prices within the preceding 20 trading days. The convertible security is convertible into Shares at any time at the election of the lender. The conversion price is either, at the lender's election, 120% of three daily volume weighed average prices selected by the lender within either (i) the 20 trading days preceding the most recent suspension preceding 14 March 2016 or (ii) the 10 trading days after 14 March 2016. At the lender's election, Shares which would have been issuable in connection with the convertible security may be satisfied by a reduction in the number of collateral Shares.

If any collateral Shares remain outstanding at the end of the term of the Lind Facility, the lender must pay the Company for those Shares, with the price being a 90% of three daily volume weighed average prices selected by the lender within the 20 trading days preceding the payment date.

A condition subsequent under the Lind Facility is that certain major shareholders provide security to the lender over their Shares once those Shares are release from escrow.

The Lind Facility contains customary representations, warranties, undertakings and events of default. The equity funding facility is terminable by the Company at any time at no cost if at least six tranches have been drawn down.

4.3 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **Ranking of Shares**

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) **Voting rights**

Subject to any rights or restrictions, at general meetings:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every share held, upon a poll.

(c) **Dividend rights**

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

(d) **Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of shares upon which the Company has a lien.

(f) **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.

The Directors may convene a general meeting at their discretion.

(g) **Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

4.4 Interests of Directors, experts and advisors

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

- Director or proposed Director;

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

(b) Other than as set out in **Section 4.5** or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(i) to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or

(ii) for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offer.

4.5 Details of interests

(a) **Directors' security holdings**

The relevant interests of the Directors in Shares as at the date of this Prospectus are as follows:

Director	Shares
James Tsiolis (as a beneficiary of Macquarie Super Manager account James Tsiolis Superannuation Fund for which Macquarie Investment Management Limited is trustee and holder of the shares)	112,500
James Tsiolis (as a shareholder and director of Strategic Capital Management Ltd which holds the shares)	2,500,000
Timothy Gooch	84,138,951
Kathryn Foster	-
Kevin Greene	-

Subject to shareholder approval James Tsiolis will be issued 7,500,000 unlisted options expiring 3 years from issue with an exercise price to be determined.

Subject to shareholder approval Kathryn Foster will be issued 7,000,000 unlisted options expiring 3 years from issue with an exercise price to be determined.

Subject to shareholder approval Kevin Greene will be issued 10,000,000 unlisted options expiring 3 years from issue with an exercise price to be determined.

(b) **Director's remuneration**

Directors fees of $60,000 per annum are paid to Strategic Capital Management Ltd a company of which James Tsiolis is a Director.

Timothy Gooch is paid a remuneration of US$250,000 per annum inclusive of statutory superannuation and allowances of up to US$90,000 per annum in connection with Mr Gooch's relocation to the United States.

Kathryn Foster is paid directors fees of $80,000 per annum inclusive of superannuation.

Kevin Greene is paid directors fees of $100,000 per annum inclusive of superannuation.

(c) **Related party arrangements**

James Tsiolis has an interest in the following arrangements as a result of his shareholding interests and directorship in Strategic Capital Management Ltd. The Company has entered into an ongoing mandate with Strategic Capital Management in relation to the provision of corporate advisory and capital raising services to the Company. The Company has agreed to pay Strategic Capital Management a corporate advisory fee of $15,000 (excluding GST) per month, and a one off capital raising fee of $60,000 in connection with the services provided by Strategic Capital Management Ltd in respect of the Lind Facility. The Board expects to review the terms and scope of the services provided by Strategic Capital Management Limited in the near future.

Timothy Gooch has an interest in the following arrangements as a result of his shareholding interests, directorship and beneficiary interest in Talks One Pty Ltd ACN 168 064 640 as trustee for the Gooch Family Trust. As at 31 December 2015 $60,823 is owed to Talks One Pty Ltd as trustee for the Gooch Family Trust. For the period ending 31 December 2015 $2,253 interest has accrued on the loan.

(d) **Other**

James Tsiolis, a director of the Company, is also a shareholder and director of Strategic Capital Management Limited. Another director and shareholder of Strategic Capital Management Limited holds 11,250,000 Shares. Mr Tsiolis and the other shareholder of Strategic Capital Management Limited are not associates in relation to the Company as defined in the Corporations Act and therefore Mr Tsiolis does not have a relevant interest in that shareholder's Shares.

4.6 Consents

(a) **Consenting parties**

Computershare Investor Services Pty Limited has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as share registry to the Company in respect of the Offer in the form and context in which it is named.

BDO Audit (WA) Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as auditor to the Company in respect of the Offer in the form and context in which it is named.

(b) **Basis of consents**

Each of the persons named as providing consents above:

- did not authorise or cause the issue of this Prospectus;
- 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 4.6**; and
- 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 the consent of that party as specified in this **Section 4.6**.

4.7 Expenses of the Offers

The total expenses of the Offer including legal fees, ASX and ASIC fees and other miscellaneous expenses are estimated to be $17,500.

4.8 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 with the exception of potential action in relation to ASIC's investigations.

4.9 Governing law

The information in this Prospectus, the Offer, and the contracts formed on acceptance of the Offer are governed by the law applicable in New South Wales, Australia. Any person who applies for Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 22 March 2016.

James Tsiolis
Executive Chairman and Director
iWebGate Limited

6. DEFINITIONS

Definitions used in this Prospectus are as follows:

Application Form means an application form attached to and forming part of this Prospectus.

Application Monies means the amount of money in dollars and cents payable for Shares at $0.20 per Share pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the ASX Listing Rules published and distributed by the ASX.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the date that the Offer closes which is 5.00pm (Sydney time) on the date referred to as the Closing Date in Section 1.2 or such other time and date as the Directors determine.

Company means iWebGate Limited ACN 141 509 426.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Lind Facility means the share purchase and convertible security agreement between the Company and Lind Asset Management V, LLC, as described in the announcement released to ASX on 14 March 2016.

Listing Rules means the official listing rules of the ASX from time to time.

Offer means the invitation to the public to apply for 1 Share at an issue price of $0.20 each pursuant to this Prospectus to raise $0.20.

Official List means the official list of the ASX.

Opening Date means the first date for receipt of completed Application Forms which is 9:00am (Sydney time) on the date referred to as the Opening Date in Section 1.2 or such other time and date as the Directors determine.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Ltd ACN 078 279 277.

APPLICATION FORM AND INSTRUCTIONS
iWebGate Limited ACN 141 509 426

Share Registrars Use Only	
Broker reference – Stamp only	
Broker Code	Adviser Code

Please read all instructions on the reverse of this form

A Number of Shares applied for
(Maximum of 1 Share)

[ ] at $0.20 per Share A$ [ ]

You may be allocated all of the Shares above or a lesser number

B Total amount payable by cheque(s) for Shares

C Full name details, title, given name(s) (no initials) and surname or Company name

D Tax File Number(s)
Or exemption category

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

E Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Contact Details

Contact Name

Contact telephone number
( )

State/postcode

G Chess HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque is payable to "iWebGate Limited"

Drawer	Cheque Number	BSB Number	Account Number	Total amount of cheque
				$

You should read the prospectus dated [insert] (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

(a) I/we agree to the terms and conditions of the Prospectus and I/we are eligible to apply for Shares under the Prospectus having regard to all applicable securities laws;

(b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of iWebGate Limited; and

(c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares.

Return of this Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company under the Public Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Guide to the Application Form

This Application Form relates to the offer of Shares in iWebGate Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of iWebGate Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

A Insert the number of Shares you wish to apply for. The application must be for a minimum of 1 Share.

B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by $0.20.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.

E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.

G iWebGate Limited will apply to the ASX to participate in CHESS, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHESS subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested.

Make your cheque payable to "iWebGate Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in iWebGate Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form with cheque(s) attached to:

Delivered to:	**Posted to:**
iWebGate Limited Level 24, St Martin's Tower 44 St Georges Terrace PERTH WA 6000	iWebGate Limited Level 24, St Martin's Tower 44 St Georges Terrace PERTH WA 6000

Application Forms must be received no later than 5.00pm (Sydney time) on 22 March 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to iWebGate Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	**Correct form of Registrable Title**	**Incorrect form of Registrable Title**
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son