



23 March 2016

Merger with Woolwich Capital Limited

The Board of Cape Range Limited (**CAG** or the **Company**) advises that the proposed merger with Woolwich Capital Limited (**WOOLWICH**) will not proceed as a consequence of, inter alia, Woolwich failing to comply with the following two conditions precedent:

- (a) WOOLWICH lending to CAG not less than \$250,000 in clear funds, as per the Heads of Agreement; and
- (b) WOOLWICH raising not less than \$2,000,000 in equity capital (the **Issue**) and immediately following the Issue WOOLWICH demonstrating to CAG, to the reasonable satisfaction of CAG, that WOOLWICH has not less than \$2,000,000 in available and unencumbered cash at bank and has net tangible assets of not less than \$3,000,000.

In addition, both WOOLWICH and Kings Road Holdings Pty Limited (the owner of 100% of WOOLWICH) initially provided warranties to CAG that WOOLWICH owned 100% of Smile Right Pty Ltd (**Smile Right**). Subsequently, CAG discovered that this warranty was not true and CAG endeavoured to facilitate the establishment of a formal agreement between WOOLWICH and the shareholder of Smile Right. Unfortunately, a formal agreement was not put in place or the conditions to that formal agreement were unable to be satisfied or waived, hence WOOLWICH has not completed the Smile Right acquisition. As such, the offers under the Company's prospectus dated 24 December 2015 (**Prospectus**) could not proceed.

Furthermore, CAG has not received audited accounts for both WOOLWICH and Smile Right. As a consequence, the Prospectus did not contain any financial information in relation to the performance or position of Woolwich or Smile Right, or any independent review or comment on any financial information of the Company, Woolwich or Smile Right. As such, the offers under the Prospectus could not proceed.

The Company confirms that none of the securities disclosed in the 31 December 2015 Appendix 3B have been issued. The number of fully paid shares on issue is 51,296,812.

On 4 January 2016, the Company announced that, under ASX Guidance Note 33, ASX has granted CAG a three month extension from the 1 January 2016 deadline for automatic removal of long term suspended entities.

The extension was granted by ASX on the basis that the Company will be removed from the Official List if it is not reinstated by 24 March 2016.

Due to the failure of WOOLWICH to comply with the abovementioned Conditions Precedent, the failure by WOOLWICH to complete the Smile Right acquisition and the failure of WOOLWICH to provide audited financial statements, the Company was unable to proceed with the offers under the Prospectus and hence the Company was unable to comply with the requirements of ASX for the re-instatement of the Company on or before 24 March 2016. Accordingly, the Company will be de-listed by ASX on 24 March 2016.

Discussions with the Principals of WOOLWICH are ongoing with regard to a resolution, if any, of the outstanding matters discussed above.

The CAG Directors have diligently endeavoured to facilitate the merger with WOOLWICH in accordance with the shareholder approvals received and will advise shareholders of any progress made.

Michael Higginson
Company Secretary