



## **Non-renounceable Entitlement Offer of 1 New Share for every 10 Existing Shares**

**At an issue price of \$0.50 cents per New  
Share**

## **Offer Booklet**

**This Offer opens on 2 September 2014 and closes at 5:00pm  
(Sydney time) on 23 September 2014 (unless extended)**

**This document is important and requires your immediate attention.**

You should read this document and the accompanying Entitlement and Acceptance in their entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Booklet.

# Important information

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This Offer Booklet is dated 2 September 2014. This Offer Booklet has been prepared by Ironbark Capital Limited (**Ironbark**).

## **This Offer Booklet is not a prospectus**

The Entitlement Offer is made under section 708AA(2)(f) of the Corporations Act. This Offer Booklet is not a prospectus and it does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Booklet. It has not been and will not be lodged with ASIC. Neither ASIC, ASX nor their respective officers take any responsibility for the content of this Offer Booklet or for the merits of the investment to which this Offer relates.

## **As an Eligible Shareholder of Ironbark, this Offer Booklet is important and requires your immediate attention.**

You should read the entire Offer Booklet before deciding whether to invest in the New Shares. Please carefully read the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement under the Entitlement Offer. If you have any questions regarding your Entitlement or the Entitlement Offer, please contact your legal, investment or other professional adviser.

## **No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

## **Professional advice**

The information in this Offer Booklet is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. Ironbark is not licensed to provide financial product advice in respect of the New Shares. It is important that you read this Offer Booklet in its entirety before deciding whether to apply for New Shares. In particular, you should consider the risk factors that could affect the performance of Ironbark, some of which are outlined in Section 6. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to apply for New Shares. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

## **Foreign jurisdictions**

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The distribution of this Offer in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Offer outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer does not constitute an offer or invitation in any place outside Australia or New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of the New Shares outside Australia and New Zealand.

### *New Zealand*

The Entitlements and the New Shares being offered under this Offer Booklet are not being offered or sold to the public in New Zealand other than to Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### *United States*

This document may not be released or distributed in the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been,

and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

## **No Guarantee**

Neither Ironbark nor any other party makes any representation or gives any guarantee or assurance:

- (a) as to the performance or success of Ironbark;
- (b) as to the rate of income or capital growth from Ironbark; or
- (c) that there will be no capital loss or particular taxation consequence of investing in Ironbark.

An investment in Ironbark does not represent a deposit or any other type of liability of the above parties. An investment in Ironbark is subject to investment risk. These risks are discussed in Section 6.

Investors should note that the past share price and investment performance of Ironbark provides no guidance as to its future share price and investment performance.

## **No representations other than in this Offer Booklet**

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

## **Future performance**

Except as required by law, and only to the extent so required, neither Ironbark nor any other person warrants or guarantees the future performance of Ironbark or any return on any investment made pursuant to this Offer Booklet.

## **Privacy**

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing information to Ironbark (directly and/or via the Share Registry) that may constitute personal information for the purposes of the Privacy Act 1988 (Cth). Ironbark (and the Share Registry on its behalf) collects, holds and uses personal information provided on an Entitlement and Acceptance Form in order to assess your application and administer your holding of Shares.

If you do not provide the information requested in the Entitlement and Acceptance Form, Ironbark and the Share Registry may not be able to process or accept the form.

Access to your personal information may be provided to other companies within the Ironbark group and to Ironbark's agents and service providers on the basis that they deal with such information in accordance with this privacy disclosure statement. You have a right to request access to the personal information that Ironbark holds about you subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Ironbark's share registrar:

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

## **Defined terms and conditions**

Certain terms and abbreviations used in this Offer Booklet are defined in the Glossary in Section 8.

References to **Australian dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Offer Booklet are due to rounding.

All times and dates are a reference to Sydney time.

## Important dates

Event	Date
Announcement of Entitlement Offer	22 August 2014
Lodgement Date – Appendix 3B and cleansing notice lodged with ASX	22 August 2014
Despatch of notice to Shareholders containing the information required by Appendix 3B	25 August 2014
<i>Ex Date</i> – The date on which Existing Shares commence trading without the Entitlement to participate in the Entitlement Offer	26 August 2014
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer (7:00pm Sydney time)	28 August 2014
Entitlement Offer opens	2 September 2014
Entitlement Offer closes (5:00pm Sydney time)	23 September 2014
New Shares under the Entitlement Offer quoted on a deferred settlement basis	24 September 2014
Notification to ASX of under subscription	25 September 2014
Allotment Date – Allotment of New Shares under the Entitlement Offer	29 September 2014
Despatch Date – Anticipated despatch of holding statements for New Shares (Deferred settlement trading in Entitlement Offer shares ends)	29 September 2014
Expected commencement of normal trading in New Shares on ASX	30 September 2014

The above dates and times are indicative only and subject to change.

Ironbark reserves the right to vary any of the above dates and times, including closing the Entitlement Offer early or extending it subject to the Corporations Act, ASX Listing Rules and other applicable laws. In particular, Ironbark reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

## Key Offer statistics

Issue Price per New Share	\$0.50
Total number of New Shares available under the Entitlement Offer	15,571,548 <sup>1</sup>
Maximum total Shares on issue following the Entitlement Offer	171,287,026
Maximum gross proceeds of the Entitlement Offer (before expenses of the Entitlement Offer)	\$7,785,774

<sup>1</sup> The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.

## Corporate directory

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### **Issuer**

Ironbark Capital Limited  
Level 22, 44 Market Street  
Sydney NSW 2000  
Telephone: (02) 8917 0399  
Facsimile: (02) 8917 0377  
Website: [www.ironbarkcapital.com](http://www.ironbarkcapital.com)

### **Directors**

Mr Michael Cole (Chairman)  
Mr Ross Finley  
Mr Ian Hunter

### **Company Secretary**

Ms Jill Brewster

### **Investment Manager**

Kaplan Funds Management Pty Limited  
Level 22, 44 Market Street  
SYDNEY NSW 2000  
Telephone: (02) 8917 0300  
Facsimile: (02) 8297 0355  
Website: [www.kaplanfunds.com.au](http://www.kaplanfunds.com.au)

### **Accounting and Administration**

Kaplan Funds Management Pty Limited  
Level 22, 44 Market Street  
SYDNEY NSW 2000  
Telephone: (02) 8917 0300  
Facsimile: (02) 8917 0355

### **Registry**

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Telephone: 1300 737 760 (within Australia)  
+612 9290 9600 (outside Australia)  
Facsimile: 1300 653 459 (within Australia)  
+612 92790664 (outside Australia)  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### **Solicitors to the Entitlement Offer**

Ashurst Australia  
Level 36, Grosvenor Place  
225 George Street, Sydney NSW 2000  
Telephone: (02) 9258 6000  
Facsimile: (02) 9258 6999  
Website: [www.ashurst.com](http://www.ashurst.com)

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## 1. Chairman's letter

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2 September 2014

Dear Shareholder

On behalf of Ironbark, I am pleased to offer you the opportunity to participate in the Entitlement Offer.

Ironbark is undertaking a non-renounceable Entitlement Offer of 1 New Share for every 10 Existing Shares held. The issue price of each New Share is \$0.50, representing a discount of 12.3% to the closing price of the shares on the ASX on 21 August 2014, the day prior to the announcement of the Entitlement Offer, and a discount of over 16% to the net tangible asset backing per share as at 31 July 2014.

The Entitlement Offer will result in the issue of a maximum of 15,571,548 New Shares (subject to rounding) raising up to \$7,785,774 before expenses of the Entitlement Offer.

The net proceeds from the Entitlement Offer will be used by Ironbark for further investments consistent with Ironbark's income focussed low volatility investment strategy. It is our view there continues to be investor demand for a low volatility, absolute return and fully franked dividend focussed investment portfolio offered in a listed investment company structure. At the close of the current financial year IBC shareholders will be given access to the full NTA of their shares through a buy back offer. We anticipate shareholders will reserve their decision to participate for some or all their shareholding until much closer to the offer date. However in the absence of massive participation by the larger shareholders in that offer it is expected that IBC will continue to operate as an ASX listed investment company (LIC) in the following financial year.

The Entitlement Offer provides Eligible Shareholders with an opportunity to benefit from the future growth of Ironbark. The New Shares issued will participate in the previously declared fully franked dividend of 2 cents per share on the same basis as the Existing Shares, to be paid on 30 December 2014.

It is Ironbark's corporate policy to fully distribute to Shareholders franking credits held, by attaching them to corporate earnings recorded over the course of each financial year. Thus fully franked dividends will be declared as the generation of corporate profits creates the opportunity to do so. Whilst these dividends are declared on an irregular basis they will be paid twice a year at the end of December and June to be most cost efficient.

Eligible Shareholders may apply for all or part of their Entitlement under the Entitlement Offer and may also apply for additional Shares under the Shortfall Offer. To participate in the Shortfall Offer, you must apply at the same time as you apply for your Entitlement under the Entitlement Offer.

If there is a shortfall in applications for New Shares under the Entitlement Offer, Eligible Shareholders who have taken up their Entitlement in full and have applied for additional New Shares in the Shortfall Offer will be allocated additional Shares (provided that such allocation does not breach the Listing Rules or any applicable law). In the event of oversubscription for this Shortfall, applications will be scaled back pro-rata to holdings of Shares on the Record Date. See Section 3.6 for details.



Ironbark Directors, Mr Michael John Cole, Mr Ross James Finley and Mr Ian James Hunter, have entered into or procured their nominee entities to enter into Underwriting Agreements with the Company to partially underwrite the Entitlement Offer up to a maximum aggregate amount of \$1,307,560. No underwriting fee or commission is payable to the underwriters in respect of the Entitlement Offer. Details regarding the terms of the Underwriting Agreements are outlined in Section 3.5.

The Entitlement Offer closes at 5:00pm (Sydney time) on Tuesday, 23 September 2014 (unless extended). To participate, you need to ensure that you have lodged your Entitlement Acceptance Form with your Application Monies so that they are received before this time.

The Board urges you to read this Offer Booklet carefully before making a decision in respect to your Entitlement. You should consult your stockbroker, accountant or other professional adviser for advice in relation to the Entitlement Offer.

It is the intention of each of the Directors and the Investment Manager to subscribe for full share entitlements. I commend this Offer to you and thank you for your continued support of Ironbark.

Yours sincerely



**Michael Cole**  
**Chairman**  
**Ironbark Capital Limited**

## 2. Frequently asked questions

Question	Answer	Where to find more information
<b>Who is the issuer?</b>	Ironbark Capital Limited.	Section 3.1
<b>What is the Entitlement Offer?</b>	<p>A pro rata non-renounceable Entitlement Offer and Shortfall Offer to raise up to \$7,785,774 (before expenses of the Entitlement Offer). Eligible Shareholders may apply for all or part of their Entitlement under the Entitlement Offer and may also apply for additional New Shares under the Shortfall Offer.</p> <p>There is no broker to the Entitlement Offer.</p>	Section 3.2
<b>What are the terms of the Entitlement Offer?</b>	<p>1 New Share for each 10 Existing Shares at an issue price of \$0.50 per New Share.</p> <p>As the issue is non-renounceable, Eligible Shareholders do not have the right to sell their Entitlements on the ASX or privately. Eligible Shareholders who do not take up their Entitlements under the Entitlement Offer in full or in part will not receive any value in respect of those Entitlements that they do not take up.</p>	Section 3.3
<b>Who can invest?</b>	Eligible Shareholders of Ironbark as at 7:00 pm (Sydney time) on the Record Date (28 August 2014).	Section 3.4
<b>What are the terms of the Underwriting Agreements?</b>	<p>Each of Mr Michael John Cole, Mr Ross James Finley and Mr Ian James Hunter, have entered into or procured their nominee entities to enter into Underwriting Agreements with the Company to partially underwrite the Entitlement Offer up to a maximum aggregate amount of \$1,307,560.</p> <p>Under the terms of the Underwriting Agreements, the Underwriter will underwrite any shortfall remaining after acceptances under the Entitlement Offer have been satisfied in full, up to their maximum respective underwriting commitments. However, if the Shortfall Offer is oversubscribed, the number of New Shares to be issued to the Underwriter pursuant to the Underwriting Agreements will be scaled back pro-rata to their shareholding as at the Record Date on the same basis as the other Eligible Shareholders who have applied for additional New Shares under the Shortfall Offer.</p> <p>No underwriting fees will be payable to the Underwriters and Ironbark will not be under any obligation to reimburse the costs of the Underwriters.</p>	Section 3.5
<b>What are the terms of the Shortfall Offer?</b>	<p>Eligible Shareholders who take up their Entitlement in full also have the ability to apply for Shortfall Shares, by completing the Entitlement and Acceptance Form and paying the additional Application Monies.</p> <p>You may apply for up to the same number of additional New Shares under the Shortfall Offer equal to your Entitlement, provided that the issue of such additional New Shares to you would not result in a breach of the ASX Listing Rules or any applicable law.</p> <p>If the Shortfall Offer is over-subscribed, applications will be scaled back pro-rata to the shareholding of Eligible Shareholders applying for the Shortfall Shares as at the Record Date.</p> <p>There can be no certainty that there will be a Shortfall or that Eligible Shareholders will receive the number of additional New Shares applied for under the Shortfall Offer. Ironbark's decision on the number of New Shares to be allocated to Eligible Shareholders under the Shortfall Offer will be final.</p> <p>The Directors are not permitted to apply for additional New Shares under the Shortfall Offer.</p>	Section 3.6
<b>What are the rights of New Shares?</b>	New Shares rank equally in all respects with Existing Shares from their date of issue.	Section 3.7
<b>How will the proceeds be applied?</b>	Net proceeds of the Entitlement Offer will be used for further investments consistent with Ironbark's investment strategy.	Section 5.2
<b>What are the potential significant risks?</b>	Eligible Shareholders of Ironbark are exposed to a number of risks in acquiring and holding Shares. Key risks specific to Ironbark include:	Section 6

Question	Answer	Where to find more information
	<ul style="list-style-type: none"> <li>Market risk - by nature as a listed investment company, Ironbark will always carry investment risk because it must invest its capital in securities which are not risk free.</li> <li>Investment Manager risk - the success and profitability of Ironbark in part depends upon the ability of the Investment Manager to make investment decisions which result in increases in value over time, the retention of the Investment Manager as manager of the portfolio and the retention of key personnel within the Investment Manager.</li> </ul>	
<b>What are the expenses payable by Ironbark?</b>	The total expenses of the Entitlement Offer are expected to be approximately \$52,000 (exclusive of GST).	Section 7.1
<b>What are my alternatives?</b>	<p>You may either:</p> <ul style="list-style-type: none"> <li>take up all or part of your Entitlement;</li> <li>take up all your Entitlements and apply for additional New Shares under the Shortfall Offer;</li> <li>do nothing and allow the rights to acquire all of the New Shares representing your Entitlement to lapse.</li> </ul> <p>You should note that if you do not take up all of your Entitlement, your percentage shareholding in Ironbark will be diluted.</p>	Section 4
<b>How can further information be obtained?</b>	If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.	Section 3.13



### 3. Details of the Entitlement Offer

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#### 3.1 Description of the issuer

Ironbark is the issuer of New Shares under this Offer Booklet.

#### 3.2 Description of the Entitlement Offer

The Entitlement Offer consists of a total of 15,571,548 New Shares to be offered by Ironbark by way of a pro rata non-renounceable Entitlement Offer and the Shortfall Offer to raise up to \$7,785,774 (before expenses of the Entitlement Offer).<sup>2</sup> This takes the form of a 1 for 10 Entitlement Offer together with a right to apply for additional New Shares to meet the shortfall in applications under the Entitlement Offer (if any).

The Entitlement Offer is explained in more detail in this Section 3.

#### 3.3 Entitlement Offer

If you are an Eligible Shareholder, you are being offered an Entitlement to acquire 1 New Share for every 10 Existing Shares held as at the Record Date. Eligible Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares. New Shares will be issued on a fully paid basis and will rank equally with Existing Shares on issue.

The Issue Price per New Share is \$0.50.

The Entitlements are non-renounceable, meaning the entitlements to participate in the offer are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. Eligible Shareholders who do not take up their entitlements under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements that they do not take up.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. If the result is not a whole number your Entitlement will be rounded up to the nearest whole number. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

There is no broker to the Entitlement Offer.

#### 3.4 Eligible Shareholders

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 10 Existing Shares held as at the Record Date (7:00pm AEST on 28 August 2014), at the Offer Price of \$0.50 per New Share.

Eligible Shareholders are those Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date, being 7:00pm (AEST) on 28 August 2014;
- (b) as at the Record Date, have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Nominees and custodians which hold Shares on behalf of other persons will have received or will shortly receive, a letter from Ironbark. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is only being made to Eligible Shareholders and that when they are holding Shares on behalf of persons in a jurisdiction outside Australia and New Zealand they may participate on behalf of that person if that person is otherwise eligible under applicable securities laws to receive an offer, and be issued New Shares, under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered. Nominees and custodians should refer to "Foreign

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<sup>2</sup> The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.

Jurisdictions" contained in the "Important Information" section of this Offer Booklet. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

### 3.5 Partial Underwriting

Each of Mr Michael John Cole, Mr Ross James Finley and Mr Ian James Hunter have agreed to partially underwrite the Entitlement Offer up to a maximum aggregate amount of \$1,307,560, minus any New Shares applied for by the relevant Directors under the Entitlement Offer. The Director may, in its absolute discretion, nominate one or more of its nominees to be the recipient of the New Shares issued pursuant to the Underwriting Agreement (Underwriter).

Under the terms of the Underwriting Agreements, the Underwriter will underwrite any shortfall remaining after acceptances under the Entitlement Offer (but before applications under the Shortfall Offer) have been satisfied in full, up to their maximum respective underwriting commitments. However, if the Shortfall Offer is oversubscribed, the number of New Shares to be issued to the Underwriter pursuant to the Underwriting Agreements will be scaled back pro-rata to their shareholding as at the Record Date on the same basis as the other Eligible Shareholders who have applied for additional New Shares under the Shortfall Offer. The structure and cap on the underwriting commitment means that the Directors are in the same position as the other Eligible Shareholders in the distribution of any shortfall on a pro-rata basis.

The table below sets out the maximum underwriting commitments of the Directors and illustrates the maximum potential increase in their shareholdings as a consequence of partially underwriting the Entitlement Offer.

Underwriting Director <sup>1</sup>	Maximum underwriting commitment <sup>2</sup>	Maximum number of New Shares it will receive	Existing shareholding	Maximum potential shareholding following Entitlement Offer <sup>3</sup>
Mr Michael John Cole	\$900,000	1,800,000	9,000,000 (5.78%)	10,800,000 (6.82%)
Mr Ian James Hunter	\$243,560	487,120	2,435,596 (1.56%)	2,922,716 (1.85%)
Mr Ross James Finley	\$164,000	328,000	1,640,000 (1.05%)	1,968,000 (1.24%)

1. Each of the Directors has nominated one or more controlled entities to enter into the Underwriting Agreement with the Company.
2. The maximum underwriting commitment only applies if the Director does not take up any of his Entitlements under the Entitlement Offer. The Director's underwriting commitment will be reduced to the extent he has taken up its Entitlement under the Entitlement Offer. For example, if Mr Michael John Cole has taken up his Entitlement in full, his underwriting commitment under the Underwriting Agreement will be reduced to \$450,000.
3. The maximum shareholding of each Director will only occur in circumstances where no other person (other than the Underwriters) takes up New Shares under the Entitlement Offer and the Shortfall Offer. The percentages shown in this column will be lower to the extent other persons take up New Shares.

The Underwriting Agreement will only be terminable by the Underwriters in the event of a material breach of the agreement by Ironbark, at any time the S&P/ASX 300 Index published by ASX falls for at least two consecutive trading days by an amount that is 15% or more from the close of trading on 21 August 2014 (being the day immediately prior to the Announcement Date), insolvency of Ironbark, withdrawal of Entitlement Offer or Ironbark ceasing to be admitted to the official list of ASX.

No underwriting fees will be payable to the Underwriting Directors and Ironbark will not be under any obligation to reimburse the costs of the Underwriting Directors.

### 3.6 Shortfall Offer

ASX Listing Rule 7.11.4 and section 708AA(13)(a) of the Corporations Act (as modified by ASIC Class Order 08/35) permit the Company to make an additional offer of the New Shares that may be comprised in any shortfall. Accordingly, in addition to applying for their Entitlement, Eligible Shareholders may apply for additional New Shares out of any Shortfall. It is a condition of participating in the Shortfall Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Entitlement Offer. New Shares that might otherwise have been offered to persons outside Australia and New Zealand will not be included in the Shortfall Offer.

The Shortfall Offer is only open to persons to whom Offers were made under the Entitlement Offer (i.e. to Eligible Shareholders). Application may be made for these New Shares at the same time as applying for Entitlements under the Entitlement Offer by completing the relevant box in the Entitlement and Acceptance Form and including the appropriate Application Monies. The Shortfall Offer has the same closing date as the Entitlement Offer.

Each Eligible Shareholder may apply for up to such number of additional New Shares out of the Shortfall that is equal to their Entitlement under the Entitlement Offer, provided that the issue of such New Shares will not result in a breach of the ASX Listing Rules or any applicable law. To the extent the issue of such New Shares to any Eligible Shareholder would result in such a breach, the number of New Shares to be issued under the Shortfall Offer to that Shareholder will be reduced to ensure compliance with the ASX Listing Rules or any applicable law. There can be no certainty that there will be a Shortfall or that Eligible Shareholders will receive the number of additional New Shares applied for under the Shortfall Offer.

The Directors may not participate in the Shortfall Offer due to the restriction under ASX Listing Rule 10.11.

If there is no Shortfall, the Application Monies relating to the Shortfall will be returned to Eligible Shareholders as soon as practicable following the Closing Date without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by Ironbark.

If applications from Eligible Shareholders under the Shortfall Offer exceed the Shortfall, those applications will be scaled back pro-rata in proportion to each applicant's shareholding as at the Record Date, and the number of New Shares produced from that scaling back will be issued. If scaling back occurs, Application Monies relating to New Shares applied for but not issued will be returned to Shareholders as soon as practicable following the Closing Date without any interest. Any excess Application Monies of less than \$2.00 will be retained by Ironbark.

If there remain any unallocated New Shares following the issue of New Shares to the Underwriters and pursuant to the Shortfall Offer, subject to the requirements of the ASX Listing Rules, the Directors reserve the right to place those New Shares at their discretion.

### **3.7 Ranking of New Shares**

The New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.

The New Shares will be entitled to the dividend of 2 cents per share as announced on ASX on 13 June 2014 on the same basis as the Existing Shares. This dividend has a record date of 17 December 2014 and is payable on 30 December 2014.

### **3.8 Allotment and ASX quotation**

Ironbark expects to allot all New Shares on 29 September 2014. Subject to approval being granted, quotation of the New Shares is expected to commence on a normal basis on 30 September 2014.

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. Ironbark disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Ironbark or the Share Registry or otherwise.

### **3.9 Application Monies**

Until the time of allotment of New Shares, Ironbark will hold all Application Monies in relation to those New Shares in a purpose specific bank account. Interest earned on any Application Monies (whether or not allotment takes place) will remain the property of Ironbark.

Amounts received by Ironbark in excess of the Offer Price multiplied by your Entitlements may be treated as an Application to apply for as many additional New Shares as your excess amount will pay for in full under the Shortfall Offer.

Application has been made to ASX for quotation of the New Shares to be issued under the Entitlement Offer. If application is not so made or if quotation of the New Shares is not granted by ASX within 3 months of the date of this Offer, any allotment of New Shares in response to an application made under this Offer will be void, and all Application Monies received will be returned without interest.

### **3.10 No minimum subscription**

There is no minimum subscription for the Entitlement Offer.

### **3.11 Foreign Shareholders**

All Shareholders who are not Eligible Shareholders are ineligible Shareholders (Ineligible Shareholders). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

Ironbark is of the view that it is unreasonable to make the Entitlement Offer to the Ineligible Shareholders having regard to:

- the number of Ineligible Shareholders;
- the number and value of New Shares that would be offered to Ineligible Shareholders; and
- the cost of complying with overseas legal requirements.

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Ironbark is not required to make offers under this Offer to Ineligible Shareholders. Where this Offer has been despatched to Shareholders with registered address outside Australia or New Zealand, this Offer is provided for information purposes only.

Shareholders with registered address in Australia or New Zealand who are holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by Ironbark to constitute a representation that there has been no breach of such regulations.

As the Entitlement Offer is non-renounceable, Ineligible Shareholders will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to them if they were eligible to participate in the Entitlement Offer.

### **3.12 Taxation**

The taxation consequences of investing in the New Shares will depend on your particular circumstances. It is your responsibility, as a potential investor, to make your own enquiries concerning the taxation consequences of an investment in Ironbark. See Section 7.4 for a general discussion of taxation issues. If you are in doubt as to the consequences of an investment, you should consult with your taxation or other professional adviser before investing.

### **3.13 Enquiries**

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.

## 4. Action required by Eligible Shareholders

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### 4.1 Your Entitlement

Your entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Entitlement Offer, you should read this Offer Booklet in its entirety and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- take up all or part of your Entitlement;
- take up all of your Entitlement and apply for additional New Shares under the Shortfall Offer; or
- do nothing and allow the rights to acquire all of the New Shares representing your Entitlement to lapse.

### 4.2 What happens if I accept my full Entitlement?

If you take up your full Entitlement under the Entitlement Offer, you will not have your shareholding in Ironbark diluted by the Entitlement Offer.

### 4.3 What happens if I do not accept my full Entitlement?

If you do not take up your full Entitlement, your proportional shareholding in Ironbark will be diluted.

As the Entitlements are non-renounceable, if you decide not to take up all or part of your Entitlement, it will lapse on the Closing Date to the extent not taken up. Any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be sold under the Shortfall Offer or become part of the shortfall subscribed for by the Underwriters under the Underwriting Agreements.

### 4.4 How do I accept all, or part, of my Entitlement?

You may accept your Entitlement following the despatch of this Offer Booklet (2 September 2014). Ironbark will accept applications until the Closing Date (5:00pm on 23 September 2014), unless extended.

If you decide to take up all or part of your Entitlement, or apply for additional New Shares, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies OR pay your Application Monies via BPAY® by following the instructions set out on the Entitlement and Acceptance Form. Ironbark will treat you as applying for as many New Shares as your payment will pay for in full.

If you are paying by cheque, the relevant Entitlement and Acceptance Form must be accompanied by cheque or bank draft in Australian dollars drawn on an Australian branch of an Australian bank for the Issue Price of the New Shares for which application is made. All cheques must be made payable to "Ironbark Capital Limited – Entitlement Offer Account" and crossed "Not Negotiable". Do not forward cash. Receipts for Application Monies will not be issued.

Completed Entitlement and Acceptance Forms and accompanying cheques must be returned to the following address and received no later than 5:00 pm (Sydney time) on 23 September 2014 (unless extended).

Ironbark Capital Limited  
c/- Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

If you are paying by BPAY®, you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form. Please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for additional New Shares on the Entitlement to which that CRN

applies. If you are paying by BPAY® payment, you do not need to mail the personalised Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (Sydney time) on 23 September 2014 (unless extended). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

You should read this Offer Booklet in its entirety before deciding to take up your Entitlement.

#### **4.5 How do I accept the Shortfall Offer?**

To participate in the Shortfall Offer, you must accept your full Entitlement in the manner outlined in Section 4.4 and complete the relevant section on the Entitlement and Acceptance Form.

If you are paying by cheque, you must also mark on your Entitlement and Acceptance Form the number of additional New Shares for which you wish to apply under the Shortfall Offer and include Application Monies for those additional New Shares. You must then include the Application Monies and return the relevant Entitlement and Acceptance Forms in the manner outlined in Section 4.4.

If you are paying by BPAY®, you must also pay the additional Application Monies for the additional New Shares you are applying for under the Shortfall Offer in the same payment. You will be treated as having applied for a total number of New Shares under both the Entitlement Offer and the Shortfall Offer equal to the total amount you have paid divided by the Issue Price.

Your application for additional New Shares under the Shortfall Offer may not be successful (wholly or partially). The decision by the Directors in relation to the number of additional New Shares in excess of your Entitlement to be allocated to you under the Shortfall Offer will be final. If you are unsuccessful in the Shortfall Offer or your Application in respect of the Shortfall Offer is only part accepted, any excess Application Monies will be returned to you by cheque as soon as possible following the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by Ironbark.

#### **4.6 Acceptance of applications under the Entitlement Offer**

Completing and lodging an Entitlement and Acceptance Form for the Entitlement Offer or using the BPAY® facility referred to in the Entitlement and Acceptance Form for the Entitlement Offer is an offer by you to Ironbark to subscribe for the number of New Shares specified in the Entitlement and Acceptance Form, or the number of New Shares equal to the amount paid using the BPAY® facility divided by the Issue Price, at the Issue Price on the terms and conditions set out in this Offer and the Entitlement and Acceptance Form.

An application for New Shares may be accepted in respect of the full amount applied for, or any amount less than that amount, without further notice to the relevant Eligible Shareholder. Acceptance of an application will give rise to a binding contract with acceptance to take place after the quotation of the New Shares on ASX.

#### **4.7 No duty, brokerage or commission**

No stamp duty, brokerage or commission is payable by applicants.

#### **4.8 Effect of participating in the Entitlement Offer**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Entitlement Offer, you will be deemed to have represented to Ironbark that you are an Eligible Shareholder and:

(a) declare that:

- (i) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
- (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (iii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;

## (b) acknowledge that:

- (i) once Ironbark receives the Entitlement and Acceptance Form with the requisite Application Monies or payment by BPAY®, you may not withdraw it except as allowed by law;
- (ii) you have read and understood this Offer Booklet and the personalised Entitlement and Acceptance Form in their entirety;
- (iii) the information contained in this Offer Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (iv) you have read the statement of risks in the “Risk Factors” section that is included in Section 6 of this Offer Booklet;
- (v) investments in Ironbark are subject to risks;

## (c) agree to:

- (i) apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$0.50 per New Share; and
  - (ii) be bound by the terms of this Offer Booklet and the provisions of Ironbark's constitution;
- (d) authorise Ironbark to register you as the holder of New Shares and authorise Ironbark and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of Ironbark's Share Registry by using the contact details set out in the personalised Entitlement and Acceptance Form;
- (e) authorise Ironbark to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (f) represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Offer Booklet or making an application for New Shares;
- (g) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- (h) will be treated as having represented and warranted:
- (i) that you are not in the United States and are not applying for New Shares on behalf of, or for the account or benefit of, a person in the United States;
  - (ii) that you and each person on whose account you are acting are not engaged in the business of distributing securities;
  - (iii) that you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer, including this Offer Booklet and the Entitlement and Acceptance Form, to any person that is in the United States or that is acting for the account or benefit of a person in the United States; and
  - (iv) on your own behalf and on behalf of each person on whose account you are acting that (i) neither the Entitlements nor the New Shares offered in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction outside Australia or New Zealand, (ii) the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of a person in the United States), and (iii) the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

## 5. Purpose and effect of the Entitlement Offer

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### 5.1 Overview

If the Entitlement Offer is fully subscribed:

- the New Shares issued pursuant to the Entitlement Offer will constitute approximately 9% of the total number of issued Shares immediately after the allotment of the New Shares; and
- the total number of Shares on issue after the allotment will be 171,287,026.<sup>3</sup>

The Entitlement Offer will provide Ironbark with net proceeds of up to approximately \$7,733,774 after issue expenses of approximately \$52,000. Please refer to Section 5.3 for further information regarding the effect of the Entitlement Offer on the capital structure.

### 5.2 Use of funds

The proceeds raised from the Entitlement Offer will be used for further investments consistent with Ironbark's investment strategy.

### 5.3 Impact on capital structure

The table below shows the capital structure of Ironbark on completion of the Entitlement Offer:

	Number of Shares	Percentage of post-Offer Shares
Existing Shares	155,715,478	90.9%
New Shares (if fully subscribed)	15,571,548	9.1%
Total immediately after Offer (if fully subscribed) <sup>3</sup>	171,287,026	100.0%

### 5.4 Impact on control

The issue of New Shares under the Entitlement Offer is not expected to have a material effect on the control of Ironbark.

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<sup>3</sup> The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.



## 5.5 Pro forma balance sheet

Set out below is a pro forma balance sheet of Ironbark on successful completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed). It is based upon Ironbark's balance sheet as at 30 June 2014 contained in the Preliminary Final Report for Ironbark for the year ended 30 June 2014 as lodged with ASX on 22 August 2014.

The balance sheet has been prepared in accordance with the Corporations Act, the Corporations Regulations 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

The pro forma balance sheet reflects the impact of the Entitlement Offer and all transaction costs as if they had occurred on 30 June 2014.

	30 June 2014 (before the Entitlement Offer) \$'000	30 June 2014 (after the Entitlement Offer) \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	977	8,763
Trade and other receivables	3,792	3,792
Trading portfolio	86,820	86,820
Other assets	4	4
<b>Total current assets</b>	<u>91,593</u>	<u>99,379</u>
<b>Non- current assets</b>		
Deferred tax assets	27	27
<b>Total non-current assets</b>	<u>27</u>	<u>27</u>
<b>Total assets</b>	<u>91,620</u>	<u>99,406</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	336	388
Current tax liabilities	70	70
Provision for dividend	3,114	3,426
<b>Total current liabilities</b>	<u>3,520</u>	<u>3,884</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	754	754
<b>Total non-current liabilities</b>	<u>754</u>	<u>754</u>
<b>Total liabilities</b>	<u>4,274</u>	<u>4,638</u>
<b>Net assets</b>	<u>87,346</u>	<u>94,768</u>
<b>Equity</b>		
Issued capital	86,901	94,634
Profit reserve	4,561	4,250
Accumulated losses	(4,116)	(4,116)
<b>Total equity</b>	<u>87,346</u>	<u>94,768</u>

## 6. Risk factors

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### 6.1 Overview

There are a number of factors, both specific to Ironbark and of a general nature, which may affect the future performance of Ironbark and the outcome of an investment in Ironbark. There can be no guarantees that Ironbark will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This Section 6 describes certain, but not all, risks associated with an investment in Ironbark. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer or of which they are otherwise aware. Directors emphasise that the risk factors set out in this Section are not the only risk factors that could affect the operations of the Company, its financial position and the value of Shares.

Nothing in this Offer Booklet is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances. You should also consider consulting your financial or legal adviser so as to ensure you understand fully the terms of the Entitlement Offer and the inherent risks associated with Ironbark and the listed investment company industry before applying for New Shares.

### 6.2 Risks associated with your holding of Shares

The risks associated with a holding of Shares include the following:

#### (a) *Market risk*

By nature as a listed investment company, Ironbark will always carry investment risk because it must invest its capital in securities which are not risk free. However, Ironbark seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. The Investment Manager is required to act in the Board approved investment management agreement and reports to the Board quarterly on the portfolios performance, material actions of the Investment Manager during that quarter and explanation of the Investment Managers material proposed actions for the upcoming quarter. In addition, the Investment Manager is required to report half-yearly that the Investment Manager has invested Ironbark's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect to the current financial year all necessary declarations have been submitted to the Board.

#### (b) *Investment Manager risk*

The success and profitability of Ironbark in part depends upon the ability of the Investment Manager to make investment decisions which result in increases in value over time.

It also in part depends upon the retention of the Investment Manager as manager of the portfolio of Ironbark and the retention of key personnel within the Investment Manager with responsibility for managing the portfolio.

The ability of the Investment Manager to continue to manage Ironbark's portfolio is dependent upon the maintenance of its AFSL and its continued solvency. Maintenance of its AFSL depends, among other things, on the Investment Manager continuing to comply with the ASIC imposed licence conditions and the Corporations Act.

### 6.3 General risk factors

#### (a) *Share market conditions*

The market price of Ironbark shares may rise or fall between the date that the Entitlement Offer opens and the date that the shares are issued to you under the Entitlement Offer. This means that the issue price that you pay for the new shares under the Entitlement Offer may be either higher or lower than the share price at the time you apply for the shares under the Entitlement Offer or at the time the new shares are issued to you pursuant to the Entitlement Offer. There can be no guarantee that the price of the New Shares will increase.

The price at which the New Shares trade on ASX may be affected by the financial performance of Ironbark and by external factors over which Ironbark have no control. Ironbark does not warrant the future performance of New Shares or any return on investments in those securities.

(b) *Economic conditions*

The performance of Ironbark is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies and factors peculiar to the investment industry. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Ironbark's performance.

(c) *Dilution risks*

You should note that if you do not take up all of the Shares offered to you under the Entitlement Offer, then your percentage shareholding in Ironbark will be diluted. By not participating to the full extent in the Entitlement Offer you will not be exposed to future increases or decreases in Ironbark's share price in respect of those New Shares which would have been issued to you had you taken up all of your Entitlement.

## 7. Additional information

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### 7.1 Expenses of the Entitlement Offer

Expenses connected with the Entitlement Offer are being borne by Ironbark. The approximate expenses of the Entitlement Offer including legal fees, registry fees, printing fees and other general costs are estimated to be \$52,000 (exclusive of GST).

### 7.2 Disclosure

This Offer Booklet contains an Offer to subscribe for continuously quoted securities (as defined in the Corporations Act) of Ironbark and the Entitlement Offer has been made in accordance with Section 708AA(2)(f) of the Corporations Act.

In broad terms, Section 708AA relates to Entitlement Offers by certain listed companies that do not require the provision of a prospectus or other disclosure document to investors under Part 6D.2 of the Corporations Act. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus. This document does not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Ironbark. It does not contain all the information which would be required to be disclosed in a prospectus. Eligible Shareholders should therefore rely upon their own knowledge of Ironbark, refer to disclosures already made by it to ASX, and refer to their professional adviser before deciding to accept the Entitlement Offer.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC.

This Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Ironbark is not licensed to provide financial product advice in respect of the New Shares. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

### 7.3 Continuous disclosure and documents available for inspection

Ironbark is a disclosing entity within the meaning of the Corporations Act and is, and has for the past twelve months been, subject to regular reporting and disclosure obligations.

Ironbark believes that it has fully complied with the general and specific requirements as set forth by the ASIC and ASX in relation to continuous disclosure, which includes the provisions of Chapter 2M of the Corporations Act as they apply to Ironbark and Section 674 of the Corporations Act.

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

### 7.4 Taxation

Set out below is a summary of the Australian tax implications of the Entitlement Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. **Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.**

The summary below does not necessarily apply to Eligible Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of security trading, banking or investment. The summary below does not necessarily apply to Eligible Shareholders whose Shares are held as revenue assets or trading stock. The summary below is based on the law in effect as at the date of this Offer Booklet.

(a) *Issue of Entitlements*

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

(b) *Exercise of Entitlements*

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those shares with a cost base for capital gains tax (**CGT**) purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares.

(c) *New Shares*

Eligible Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends made in respect of those New Shares will be subject to the same taxation treatment as dividends made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal, the New Shares must have been held for at least 12 months from the date the Entitlements are exercised.

(d) *Other Australian taxes*

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

## **7.5 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Ironbark or any of their related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Ironbark or any other person, warrants or guarantees the future performance of Ironbark or any return on any investment made pursuant to this Offer Booklet.

## **7.6 Withdrawal of Entitlement Offer**

Ironbark reserves the right to withdraw all or part of the Entitlement Offer and this Offer Booklet at any time, subject to applicable laws, in which case Ironbark will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Ironbark will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Ironbark.

## **7.7 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## **7.8 Governing law**

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 8. Glossary

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<b>AFSL</b>	an Australian Financial Services Licence
<b>Application</b>	a valid application by way of an Entitlement and Acceptance Form made to subscribe for a specified number of New Shares under the Entitlement Offer
<b>Application Monies</b>	the monies received from applicants for New Shares in accordance with this Offer Booklet
<b>ASIC</b>	the Australian Securities and Investments Commission
<b>ASX</b>	the ASX Limited (ABN 98 008 624 691)
<b>ASX Listing Rules</b>	the listing rules of ASX
<b>Board</b>	the board of directors of Ironbark
<b>Business Day</b>	a day on which ASX is open for trading
<b>Closing Date</b>	5:00pm (Sydney time) on 23 September 2014, unless extended by Ironbark
<b>Constitution</b>	the constitution of Ironbark as amended from time to time
<b>Corporations Act</b>	the <i>Corporations Act</i> 2001 (Cth)
<b>Directors</b>	the directors of Ironbark
<b>Eligible Shareholder</b>	a person who is eligible to participate in the Entitlement Offer and satisfies the requirements set out in section 3.4.
<b>Entitlement</b>	the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 10 Existing Shares held at the Record Date
<b>Entitlement Offer</b>	the pro rata non-renounceable entitlement offer of 1 New Share for every 10 Existing Shares held at the Record Date at an Offer Price of \$0.50 per New Share
<b>Entitlement and Acceptance Form</b>	the personalised form attached to or accompanying this Offer Booklet
<b>Existing Shares</b>	Shares on issue immediately before the Record Date
<b>GST</b>	goods and services tax
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder
<b>Investment Manager</b>	Kaplan Funds Management Pty Limited (ACN 079 218 643)
<b>Ironbark</b>	Ironbark Capital Limited (ACN 008 108 227)
<b>Issue Price</b>	the issue price of \$0.50 per New Share
<b>Licensee</b>	a holder of an AFSL
<b>New Shares</b>	the Shares offered under this Offer Booklet
<b>Offer</b>	the Entitlement Offer and the Shortfall Offer

<b>Offer Booklet</b>	this document and any supplementary or replacement Offer Booklet in relation to this document
<b>Record Date</b>	the date for determining Entitlements under the Entitlement Offer, being 7:00pm (Sydney time) on 28 August 2014
<b>Shareholder</b>	a registered holder of Shares
<b>Share Registry</b>	Boardroom Pty Limited (ABN 14 003 209 836)
<b>Share</b>	a fully paid ordinary share in Ironbark
<b>Shortfall</b>	the shortfall in applications for New Shares under the Entitlement Offer (if any)
<b>Shortfall Offer</b>	the facility described in Section 3.6 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlements
<b>Shortfall Shares</b>	the New Shares for which applications are not received under the Entitlement Offer prior to the Closing Date
<b>Underwriter</b>	a Director who has entered into the Underwriting Agreement, or where a Director has nominated one or more nominees to enter into the Underwriting Agreement, that nominee(s)
<b>Underwriting Agreement</b>	each underwriting agreement between Ironbark and a Underwriter in which the Underwriter has partially underwritten the Entitlement Offer