

Wild Acre Metals Limited (ACN 125 167 133) to be renamed:

# Nuheara Limited



## Prospectus

### Offers

1. For an offer of up to 140,000,000 Shares at a price of \$0.025 each to raise up to \$3,500,000 before costs (**Public Offer**). The Public Offer is subject to a Minimum Subscription requirement to raise at least \$3,000,000.
2. For an offer of 201,250,000 Shares to the Nuheara Shareholders (**Vendor Offer**) for the acquisition of all the shares in Nuheara Pty Ltd.
3. For an offer of 24,802,321 Shares to the Facilitator (**Facilitation Offer**).

(Together, the **Offers**).

### Underwriting

The Public Offer is conditionally underwritten jointly by Oracle Securities Pty Ltd and Prosperion Wealth Management Pty Ltd for \$3,500,000.

### Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules following a change to the nature and scale of the Company's activities.

### Conditional Offers

The Offers are conditional upon certain events occurring. Please refer to Section 1.4 for further information.

### IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Prospectus. Any investment in the Company under this Prospectus should be considered speculative in nature and prospective investors should be aware that they may lose some or all of their investment.



PROSPERION  
WEALTH  
MANAGEMENT



oracle securities  
STRATEGIC PORTFOLIO MANAGEMENT

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## IMPORTANT INFORMATION

### Prospectus

This Prospectus is dated 25 January 2016 and was lodged with ASIC on that date. ASIC, ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

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

Persons wishing to apply for Shares pursuant to the Offers must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Shares;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

Any investment in the Company should be considered speculative. Refer to Section 7 of this Prospectus for details relating to risk factors. Applicants should read this document in its entirety and persons considering applying for Shares pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

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

The offer of Shares made pursuant to this Prospectus is not made to persons to whom, or places in which, it would not be lawful to make such an offer of securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers 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.

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intents', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

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

### Re-compliance with Chapters 1 and 2 of the Listing Rules

The ASX has advised the Company that the Proposed Acquisition will constitute a change to the nature and scale of the

Company's activities. Pursuant to Listing Rule 11.1.3, the ASX therefore requires the Company to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX.

Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer.

### Conditional Offer

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their application monies without interest.

Please refer to Section 1.4 for further details on the conditions attaching to the Offers.

The Offers remain conditional on, amongst other things, completion taking place under the Acquisition Agreement.

### Changes in activities and suspension from trading

The Company is currently listed on ASX. The Company's Shares were suspended from quotation on 11 September 2015 and remain suspended. At the General Meeting held on 19 January 2016, the Shareholders approved the change in the nature and scale of the Company's activities as a consequence of the Proposed Acquisition.

The Company's Shares may not be reinstated to ASX. For further information see Section 1.5.

### Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company at +61 8 9226 0111 and the Company will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at <http://www.wildacre.com.au>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### Risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Please refer to Section 7 for details relating to risk factors.

### Miscellaneous

All references to "\$", "A\$", "AUD", "dollar" and "cents" are references to Australian currency unless otherwise stated. All references to "US\$" and "USD" are references to the currency of the United States of America unless otherwise stated.

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

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 13.

## CORPORATE DIRECTORY

### Existing Board of Directors

Mr Grant Mooney  
Mr William Richard Brown  
Mr Jeffrey Moore

### Proposed Board of Directors

Mr Grant Mooney  
Mr Justin Miller  
Mr David Cannington  
Dr Michael Ottaviano

### Company Secretary

Mr Grant Mooney

### Registered Office

Suite 4, 6 Richardson Street  
WEST PERTH WA 6005  
Phone: +61 (8) 9226 0111  
Fax: +61 (8) 9226 0130

### Peru Office

Berlin 748  
Of. 202 Miraflores  
LIMA PERU  
Phone: (+511) 445 6804

### ASX Code

Current: WAC  
Proposed: NUH

### Website

Company: [www.wildacre.com.au](http://www.wildacre.com.au)  
Nuheara: [www.nuheara.com](http://www.nuheara.com)

### Share Registry\*

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

### Auditor to the Company

Hall Chadwick WA Audit  
(formerly Maxim Audit)  
243 Hay Street  
SUBIACO WA 6008

### Auditor to Nuheara

Hall Chadwick WA Audit  
(formerly Maxim Audit)  
255 Hay Street  
SUBIACO WA 6008

### Legal Advisor

Bellanhouse Legal  
Ground Floor, 11 Ventnor Avenue  
WEST PERTH WA 6005

### Investigating Accountant

Crowe Horwath Perth  
Level 6, 256 St Georges Terrace  
PERTH WA 6000

### Intellectual Property Expert

Williams & Hughes  
Ground Floor, 25 Richardson Street  
WEST PERTH WA 6005

### Joint Underwriters

Oracle Securities Pty Ltd  
Level 1, 143 Hay Street  
SUBIACO WA 6008

Prosperion Wealth Management Pty Ltd  
Level 1, 143 Hay Street  
SUBIACO WA 6008  
[www.prosperionwealth.com.au](http://www.prosperionwealth.com.au)

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

## LETTER FROM THE BOARD

Dear Investor,

On behalf of the board of directors of Wild Acre Metals Limited (**Company**), I am pleased to present this Prospectus to you.

As announced in May 2015, Wild Acre has entered into an agreement to acquire Nuheara Pty Ltd (**Nuheara**), the owner and developer of an intelligent 'wearable' hearing device that once developed, intends to allow the user to join the hearing experience between their physical and digital worlds using wireless earbuds hosting proprietary technology developed in conjunction with Curtin University of Western Australia.

Nuheara is developing intelligent earbuds, IQbuds™, which, if successful, will allow the user to 'hear what they want to hear' using processing techniques designed to blend the outside world with the ever expanding digital world. From improving hearing of surrounds in certain environs to enjoying your smartphone's music playlist while still being aware of your external surroundings, these are but a couple of examples of this exciting advancement in personal audio technology.

Nuheara completed its first Working Wearable Prototype of the IQbuds™ in January 2016 with the core functionality operating and other key functions to be delivered in coming months. Funds raised from this Prospectus will be applied towards completing the prototype for commercialisation and for working capital purposes.

With more than 70 years of combined experience in developing hearing and audio technologies, we are confident that the Nuheara team has the skillsets to deliver this exciting technology. Nuheara co-founders Mr Justin Miller and Mr David Cannington will join the Board as executive directors while Professor Kevin Fynn and Professor Sven Nordholm of Curtin University have assumed key management roles overseeing research, together with Nuheara's technology development executives Dr Alan Davis (Vice President - Product) and Mr David Ward (Chief Engineer - Operations).

Nuheara has established a presence in San Francisco, being based inside Wearable World, one of the world's largest wearables incubators, and has its technology development headquarters at Curtin University in Perth, Western Australia.

On 11 September 2015, the Company received shareholder approval pursuant to its notice of meeting for a number of resolutions to give effect to the acquisition of Nuheara. The Company lodged a prospectus on 26 August 2015 (**August Prospectus**) in connection with the acquisition of Nuheara and on 21 September 2015 the Company announced that ASIC had issued an interim stop order following concerns that the August Prospectus did not comply with the Corporations Act in certain respects. The Company chose to withdraw the August Prospectus, the investor presentation and previous statements made with respect to these matters (and consenting to a final stop order being imposed by ASIC on the August Prospectus). Accordingly, applicants to the August Prospectus, applicants under this Prospectus and prospective consumers of Nuheara's earbuds should not make an investment decision to subscribe for securities in the Company on the basis of the August Prospectus and previous disclosures, presentations, videos or news articles by Nuheara or the Company, but should do so only on the basis of this Prospectus. Current and prospective applicants and prospective consumers for the earbuds are cautioned to ensure that all information in the August Prospectus and previous disclosures, presentations, videos and news articles by Nuheara and the Company with respect to the availability of the earbuds and their proposed features is disregarded before making an investment decision.

The Company decided to put all resolutions previously put forward to Shareholders in connection with the proposed acquisition of Nuheara to Shareholders again at the general

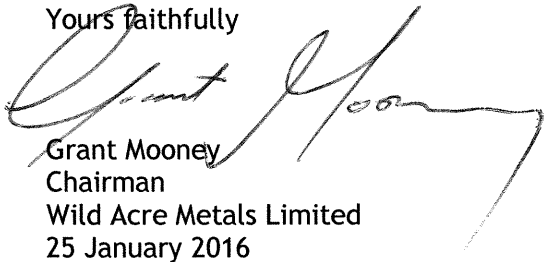
meeting on 19 January 2016. The Company is pleased to advise that all resolutions to give effect to the proposed acquisition of Nuheara were passed at that meeting.

The Offers pursuant to this Prospectus are subject to the conditions set out in Section 1.4.

Details about the risks of an investment of this type are contained in Section 7. It is recommended that you consider the terms of the Offers contained in this Prospectus.

If you then choose to invest in the Company, I welcome you as a Shareholder.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Grant Mooney', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke at the end.

Grant Mooney  
Chairman  
Wild Acre Metals Limited  
25 January 2016

## KEY OFFER DETAILS

Key financial information	
Offer Price per Share	\$0.025 per Share (for the Public Offer)
Shares to be offered under the Public Offer	
- assuming Minimum Subscription	120,000,000 Shares
- assuming Full Subscription	140,000,000 Shares
Cash raised under the Public Offer (before expenses)	
- assuming Minimum Subscription	\$3,000,000
- assuming Full Subscription	\$3,500,000
Securities to be offered pursuant to the Vendor Offer	201,250,000 Shares
Cash proceeds of the Vendor Offer	Nil
Securities to be offered pursuant to the Facilitation Offer	24,802,321 Shares
Cash proceeds of the Facilitation Offer	Nil
Total number of Shares on issue before the Offers	187,770,292 Shares
Total number of Shares on issue following the Offers <sup>(1)</sup>	
- assuming Minimum Subscription	533,822,613 Shares
- assuming Full Subscription	553,822,613 Shares

Note (1): Except where noted the figures shown above assume that none of the existing Options, Management Options or Underwriter Options are exercised. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company. On completion of the Proposed Acquisition 20,000,000 Management Options will be issued to Mr Justin Miller and Mr David Cannington with the terms set out in Section 11.3 and 30,000,000 Underwriter Options will be issued to RM Capital (or its nominees) with the terms set out in Section 11.2.

Indicative timetable	
Lodgement of this Prospectus with ASIC	25 January 2016
Opening Date for the Offers	25 January 2016
Closing Date for the Offers	19 February 2016
Dispatch of holding statements	25 February 2016
Expected date for Shares to be reinstated to trading on ASX	29 February 2016

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

## INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
<b>Introduction</b>		
Who is the Company and what does it do?	<p>Wild Acre Metals Limited ACN 125 167 133 (<b>Company</b>) (to be renamed "Nuheara Limited") is an Australian incorporated company listed on ASX.</p> <p>The Company is currently in the business of mining exploration.</p>	Section 2
What is the Proposed Acquisition?	<p>The Company intends to acquire 100% of the fully paid ordinary shares in Nuheara.</p> <p>Nuheara is a privately-held company incorporated in May 2015. Nuheara holds trade secrets relating to an intelligent hearing technology. Nuheara was formed to develop and commercialise this proprietary hearing and wearables technology platform that aims to combine unique speech augmentation software with spatial directionality and placement, Bluetooth connectivity and app software components.</p>	Section 2
What is the Company's strategy?	<p>Following the completion of the Proposed Acquisition, the Company's strategy is to continue prototype refinements during 2016 and progressively integrate additional software to function and control all of the core product features that will be available in the end product suitable for market.</p>	Sections 1.7 and 4.3
What are the Offers?	<p>By this Prospectus, the Company is undertaking three conditional offers of Shares as follows:</p> <ul style="list-style-type: none"> <li>(a) <b>Public Offer:</b> an offer inviting the general public to apply for up to 140,000,000 Shares at an issue price of \$0.025 each to raise up to \$3,500,000 before expenses of the Public Offer. The Public Offer is subject to a Minimum Subscription requirement to raise at least \$3,000,000;</li> <li>(b) <b>Vendor Offer:</b> an offer of 201,250,000 Shares to the Nuheara Shareholders as consideration for the acquisition of all the shares in Nuheara; and</li> <li>(c) <b>Facilitation Offer:</b> an offer of 24,802,231 Shares to the Facilitator.</li> </ul>	Section 1



Topic	Summary	More information
What are the conditions of the Offers?	<p>The Offers are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> <li>(a) the Company raising the Minimum Subscription, being \$3,000,000, under the Public Offer;</li> <li>(b) Shareholders approving the resolutions put to them at the General Meeting on 19 January 2016 (this condition has been satisfied);</li> <li>(c) completion of the Proposed Acquisition;</li> <li>(d) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such mandated restrictions in respect of the Consideration Shares and any other securities to be issued; and</li> <li>(e) the Company obtaining all regulatory approvals, including ASX approving the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules.</li> </ul> <p>If any of the conditions are not satisfied then the Offers will not proceed, any Shares issued under this Prospectus will be deemed void and the Company will repay all Application Monies.</p>	Section 1.4
Why are the Offers being conducted?	<p>The purposes of the Offers are to:</p> <ul style="list-style-type: none"> <li>(a) meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;</li> <li>(b) provide funding for the purposes outlined in Section 1.7;</li> <li>(c) provide Nuheara with access to equity capital markets for future funding needs; and</li> <li>(d) enhance the public and financial profile of Nuheara and the Company.</li> </ul>	Section 1.6
<b>Proposed Acquisition</b>		
What are the key terms of the Proposed Acquisition?	<p>The key terms of the Proposed Acquisition are as follows:</p> <p>Completion of the sale and purchase of 100% of the ordinary shares in Nuheara pursuant to the Acquisition Agreement is due to occur following the satisfaction or waiver of the latest condition to be satisfied or waived. The conditions to be satisfied or waived include:</p> <ul style="list-style-type: none"> <li>(a) the Company being satisfied with its due diligence enquiries with respect to Nuheara</li> </ul>	Sections 2.2 and 10.3(a)

Topic	Summary	More information
	<p>(this condition has been satisfied);</p> <p>(b) Nuheara being satisfied with its due diligence enquiries with respect to the Company (this condition has been satisfied);</p> <p>(c) the Company obtaining all required regulatory and Shareholder approvals;</p> <p>(d) the Company receiving conditional approval from ASX for the reinstatement of its securities to official quotation following completion of the Proposed Acquisition on conditions satisfactory to the Company;</p> <p>(e) the Company preparing audited accounts if and as required by the regulatory guidance (this condition has been satisfied);</p> <p>(f) the Company completing a capital raising as contemplated by the Public Offer in this Prospectus;</p> <p>(g) there being sufficient commitments from investors to complete the Public Offer in this Prospectus prior to the despatch of the General Meeting documents to Shareholders (this condition has been satisfied);</p> <p>(h) the Company executing employment and service agreements with Mr Justin Miller and Mr David Cannington and any other necessary employment and/or service agreements (this condition has been satisfied);</p> <p>(i) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such mandated restrictions in respect of the Consideration Shares and any other securities to be issued;</p> <p>(j) the Company obtaining the executed Curtin Agreement in a form satisfactory to the Company, and the Company being satisfied with Nuheara's intellectual property rights to conduct the Business and that there are no legal impediments to the conduct of the Business (this condition has been satisfied);</p> <p>(k) Nuheara providing the Company with a Working Wearable Prototype on or before 15 January 2016 (this condition has been satisfied); and</p> <p>(l) Nuheara receiving sufficient commitments for the Nuheara Raising via the issue of the Nuheara Convertible Notes, to be used in the development of its earbud technology, including the delivery of a Working Wearable Prototype (this condition has been satisfied).</p>	

Topic	Summary	More information
	<p>At completion of the Acquisition Agreement, the Company has agreed to issue:</p> <ul style="list-style-type: none"> <li>(a) the Consideration Shares to the Nuheara Shareholders;</li> <li>(b) the Facilitation Shares to the Facilitator; and</li> <li>(c) the Management Options to Mr David Cannington and Mr Justin Miller.</li> </ul> <p>In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Mr Jeffrey Moore and Mr William Richard Brown will resign as Directors.</p>	
Approvals sought at General Meeting	<p>In connection with the Proposed Acquisition, the following matters were approved by Shareholders on 19 January 2016:</p> <ul style="list-style-type: none"> <li>(a) <b>Change in nature and scale:</b> The Company changing the nature and scale of its activities as a result of the Proposed Acquisition, from a mining exploration company to an audio Wearables technology company.</li> <li>(b) <b>Issue of Consideration Shares:</b> The Company issuing the 201,250,000 Consideration Shares to the Nuheara Shareholders in consideration for acquiring 100% of the securities in Nuheara.</li> <li>(c) <b>Issue of Facilitation Shares:</b> The Company issuing the 24,802,321 Facilitation Shares to the Facilitator.</li> <li>(d) <b>Issue of Management Options:</b> The Company issuing 10,000,000 Management Options to Mr Justin Miller (or his nominee) and 10,000,000 Management Options to Mr David Cannington (or his nominee).</li> <li>(e) <b>Public Offer:</b> The Company offering up to 140,000,000 Shares to the public to raise up to \$3,500,000 before costs.</li> <li>(f) <b>Change of name:</b> The Company changing its name from "Wild Acre Metals Limited" to "Nuheara Limited".</li> <li>(g) <b>Appointment of Directors:</b> The appointment of Dr Michael Ottaviano, Mr Justin Miller and Mr David Cannington as Directors of the Company.</li> </ul> <p>Shareholders also approved the following resolutions at the same meeting:</p> <ul style="list-style-type: none"> <li>(a) <b>Issue of Convertible Note Shares:</b> The Company issuing up to 62,500,000 Convertible Note Shares.</li> </ul>	Section 2.3

Topic	Summary	More information
	<p>(b) <b>Ratification of placement:</b> The Company ratifying the issue of 9,375,000 Shares via a share placement to raise \$150,000 for general working capital.</p> <p>(c) <b>Ratification of Teck Shares:</b> The Company ratifying the issue of 2,500,000 Teck Shares to Teck Resources Limited pursuant to the Teck Agreement.</p>	
Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules?	<p>The Company received in-principle advice from the ASX that the Proposed Acquisition will constitute a change in the nature and scale of the Company's activities under Listing Rule 11.1.</p> <p>As a result, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules, being the admission requirements of the ASX, in addition to seeking the approval of Shareholders to the Proposed Acquisition.</p> <p>The Offers are therefore conditional on the Company receiving approval from the ASX that it has re-complied with the admission requirements under Chapters 1 and 2 of the Listing Rules. If the ASX does not approve the Company's re-compliance with the ASX's admission requirements, the Offers will not proceed, no Shares will be issued pursuant to this Prospectus and the Company will repay all Application Monies received.</p>	Section 1.5
<b>Summary of key risks</b>		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 7, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 7 for a more detailed summary of the risks.</p>		
Reinstatement of securities to quotation on ASX	<p>The Company's securities were suspended on 11 September 2015 and remain suspended. It is anticipated that the Company's securities will remain suspended until completion of the Proposed Acquisition, Offers, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from quotation.</p>	Section 7.1(a)
Dilution risk	<p>On completion of the Proposed Acquisition, the Company proposes to issue securities pursuant to the Acquisition Agreement and the Public Offer which would result in existing Shareholders retaining approximately 33.9% of the issued capital of the</p>	Section 7.1(b)

Topic	Summary	More information
	Company, with the Nuheara Shareholders holding 36.3%, the Facilitator holding 4.5% and the investors under the Public Offer holding 25.3% (assuming the Full Subscription is reached). There is a risk that Shareholders' interest will be further diluted by future capital raisings.	
Liquidity risk	The Shares to be issued to the Nuheara Shareholders and the Facilitator in accordance with the Acquisition Agreement will be subject to escrow restrictions in accordance with the Listing Rules. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.	Section 7.1(c)
Limited trading history and commercialisation risk	Nuheara is a start-up company with a very limited trading history and there is therefore uncertainty in relation to the business of Nuheara and investors should consider Nuheara's prospects in light of its limited financial history. In addition, Nuheara is still in the development phase of both its software and hardware and is yet to reach the commercialisation phase of the business cycle. Accordingly no assurance can be given that Nuheara will achieve commercial viability through the implementation of its business plan.	Section 7.2(a)(i)
Timing, technology and product development	<p>Whilst Nuheara has completed a Working Wearable Prototype, there are risks in Nuheara's time-to-market of an end product suitable for market. Viable productisation risks are involved in the ability to translate the developed ideas and technologies into a solution that provides adequate hearing performance across a range of inputs and environments. The main factors that introduce risk are software design, optimisation to minimise power consumption (i.e. battery life) to provide a reasonable rechargeable battery life that the consumer desires and acceptable levels of spatial awareness and placement without a cabled connection.</p> <p>Further, there are risks in Nuheara's time-to-market in respect of contracting and "bringing up" a suitably qualified and experienced contract manufacturer. As a consequence of any delay in time-to-market, Nuheara could experience an adverse effect and delay to revenue and associated added cost in bringing the product to market.</p>	Sections 3.3, 4.5 and 7.2(a)(ii)
Patent rights	Nuheara has undertaken research into the potential for patenting technologies in the field it intends to develop technologies but has yet to pursue lodgement of any patents. While Nuheara does expect to lodge patents related to products and technologies it develops, the prospect of attaining	Section 7.2(a)(iii)

Topic	Summary	More information
	<p>patent protection is highly uncertain, complex and takes considerable time. Accordingly there is some risk that Nuheara may not succeed in obtaining certain patents, or still in the event that it does, there is some risk that its patents could be partially or wholly invalidated following challenges by third parties. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing intellectual property that circumvents such patents. Nuheara's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.</p>	
Intellectual Property	<p>Nuheara may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement or to establish validity of its rights. Any litigation, whether or not successful, could result in significant expense to Nuheara and cause a distraction to management. In addition, unauthorised use of the Nuheara brand in counterfeit products may result in potential revenue loss and have an adverse impact on Nuheara's brand value and perceptions of its product qualities.</p> <p>Although Nuheara has advised the Company that it is not aware of any third party interests in relation to the intellectual property rights of its intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties alleging that their intellectual property rights have been infringed. If such a claim were to arise, it could adversely affect the Company.</p>	Section 7.2(a)(iv)
Trademark	<p>Nuheara has filed trademark applications as set out in Section 4.12(a).</p> <p>There is a risk that the trademark applications may not be successful and Nuheara may not be able to obtain trademark protection in the future. If any trademarks are granted in the future, they may not provide Nuheara with any competitive advantages or may be challenged by third parties.</p>	Section 7.2(a)(v)
Reliance on key personnel	<p>It is anticipated that the future development of Nuheara will be in large part due to the talents, efforts and experience of Mr Justin Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward Professor Sven Nordholm and Professor Kevin Fynn. Mr Justin Miller and Mr David Cannington have signed employment agreements to join the Company as Directors on completion of the Proposed Acquisition.</p>	Section 7.2(a)(vii)

Topic	Summary	More information
	<p>Professor Sven Nordholm and Professor Kevin Fynn form part of the research team pursuant to the Curtin Agreement. Dr Alan Davis and Mr David Ward have both signed employment contracts to join the Company on completion of the Proposed Acquisition.</p> <p>There is no assurance that the contracts of Mr Justin Miller, Mr David Cannington, Dr Alan Davis or Mr David Ward will not be terminated or will be renewed on the expiry of their terms. In addition, there is no assurance that Mr Justin Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward, Professor Sven Nordholm, and Professor Kevin Fynn will remain healthy and able to continue in their roles. If their contracts were terminated or breached, or if Mr Justin Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward, Professor Sven Nordholm, or Professor Kevin Fynn were no longer to continue in their roles, Nuheara would need to employ alternative staff, and Nuheara's operations and Business would be adversely affected.</p>	
Reliance on Curtin University and Wearable World Inc	<p>Nuheara has entered into the Curtin Agreement with Curtin University to fund the research and further development of audio Wearables technology. If the Curtin Agreement were terminated or breached, the Company would need to find alternative means of performing ongoing research and the Company's operations and business would be adversely affected.</p> <p>Nuheara has entered into the Wearable World Agreement with Wearable World Inc to provide U.S. based incubation services, such as office space, marketing assistance and general Wearables industry market guidance. If the Wearable World Agreement were terminated or breached, the Company would need to find alternative means of incubation services and the Company's operations and business would be adversely affected.</p>	Section 7.2(a)(viii)
Liability claims	<p>Nuheara may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. As a result, Nuheara may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against Nuheara, Nuheara 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.</p>	Section 7.2(a)(x)
Foreign exchange risk	<p>If Nuheara has costs and expenses in other jurisdictions, such as the United States of America or Europe, then they will likely be denominated in</p>	Section 7.2(a)(xii)

Topic	Summary	More information
	<p>foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. Nuheara could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.</p>	
Sale of existing mineral assets	<p>The Company is currently undertaking an assessment of its mineral assets with a view that these assets will be divested upon completion of the Proposed Acquisition. However, if the Company fails to undertake a successful divestment of these assets, the Company may need to continue to fund the maintenance of these assets for the foreseeable future or risk forfeiting these assets and not receive proceeds or future revenue streams from any agreement for sale.</p>	Section 7.2(c)
Competition and new technologies	<p>Nuheara is confident that its product development will provide a unique offering in the Australian and global marketplace. However, the Wearables market is undergoing rapid growth with the expected entrance into hearing-related Wearables from new and existing Wearable or technology-driven companies. Accordingly this could include companies (competitors) with significantly greater financial, technical, human, research and development, and marketing resources than currently available to Nuheara. Nuheara's competitors could develop products in advance of Nuheara that are more effective or have greater market acceptance. As a consequence, Nuheara's proposed products could become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.</p> <p>The cost and time for a competitor to develop a competing technology may not be significant (particularly for a larger competitor with access to funding and resources), and may be substantially less than the implied market capitalisation of the Company based on the issue price of Shares of \$0.025. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.</p>	Section 7.3(a)



Topic	Summary	More information
Unforeseen expenditure risk	Expenditure may need to be incurred that has not been taken into account in the Company's estimates. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.	Section 7.3(b)
Additional requirements for capital	<p>The funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to Nuheara) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programs. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>	Section 7.4(a)
<b>Proposed use of funds and other key terms of the Offer</b>		
What is the proposed use of funds raised under the Offer?	The Company intends to apply the funds raised from the Offer as set out in Section 1.7.	Section 1.7
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.	Section 1.7
What are the key dates of the Offer?	<p>Lodgement of this Prospectus with ASIC: 25 January 2016</p> <p>Opening Date for Offer: 25 January 2016</p> <p>Closing Date for Offer: 19 February 2016</p> <p>Dispatch of holding statements: 25 February 2016</p>	"Key Offer Details"

Topic	Summary	More information
	<p>Expected date for Shares to be reinstated to trading on ASX: 29 February 2016</p> <p>The above dates are indicative only and may change without notice.</p>	
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 11.1.	Sections 1 and 11.1
Is the Public Offer underwritten?	The Public Offer is conditionally underwritten by the Joint Underwriters for \$3,500,000, being the Full Subscription.	Section 1.9
Will the Shares issued under the Offers be listed?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of the Shares on the ASX under the new code, "NUH".	"Important Information"
What are the tax implications of investing in Shares under the Offers?	<p>The tax consequences of any investment in Shares will depend upon your particular circumstances.</p> <p>Prospective investors should obtain their own tax advice before deciding to invest.</p>	Section 1.20
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the Nuheara Business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 1.17
How do I apply for Shares under the Offers?	Applications for Shares under the Offers must be made by completing an Application Form and, for the Public Offer, must be accompanied by a cheque in Australian dollars for the full amount of the application being the number of Shares applied for multiplied by \$0.025 per Share. Cheques must be made payable to "Wild Acre Metals Limited" and should be crossed "Not Negotiable".	Section 1.10
When will I receive confirmation that my application has been	It is expected that holding statements will be sent to successful applicants by post on or about 25 February 2016.	Section 1.11

Topic	Summary	More information
successful?		
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and applications for Shares can be directed to the Company on +61 8 9226 0111.	Section 1.21
<b>Board and management</b>		
Who are the Directors of the Company?	<p>The Existing Directors of the Company are:</p> <ul style="list-style-type: none"> <li>(a) Mr Grant Mooney;</li> <li>(b) Mr William Richard Brown; and</li> <li>(c) Mr Jeffrey Moore.</li> </ul> <p>On completion of the Offers, changes will be made to the Board, with the retirement of Mr William Richard Brown and Mr Jeffrey Moore and the appointment of the Proposed Directors, so that the Board will then comprise:</p> <ul style="list-style-type: none"> <li>(a) Mr Grant Mooney;</li> <li>(b) Dr Michael Ottaviano;</li> <li>(c) Mr Justin Miller; and</li> <li>(d) Mr David Cannington.</li> </ul>	Sections 9.2 and 9.3
Who are the key management personnel?	<p>From completion of the Proposed Acquisition, the key management personnel of the Company will include:</p> <ul style="list-style-type: none"> <li>(a) Mr Justin Miller - Managing Director and Chief Executive Officer;</li> <li>(b) Mr David Cannington - Executive Director &amp; Executive Senior Vice President - Sales eMarketing;</li> <li>(c) Professor Sven Nordholm - Chief Scientist;</li> <li>(d) Professor Kevin Fynn - Chief Technologist;</li> <li>(e) Dr Alan Davis - Vice President - Product; and</li> <li>(f) Mr David Ward - Vice President - Operations.</li> </ul>	Section 9.7
What are the significant interests of Directors?	<p>The interests of the Existing Directors and Proposed Directors are detailed in Section 9.4.</p> <p>The security holdings of the Existing Directors and Proposed Directors are set out in Section 9.5.</p> <p>The remuneration of the Existing Directors is detailed in Section 9.6.</p>	Sections 9.4, 9.5 and 9.6
<b>Miscellaneous</b>		
What material contracts are the Company and	<p>The material contracts of the Company comprise:</p> <ul style="list-style-type: none"> <li>(a) Acquisition Agreement with Nuheara;</li> </ul>	Section 10

Topic	Summary	More information
Nuheara a party to?	<p>(b) employment agreements with Mr Justin Miller, Mr David Cannington, Dr Michael Ottaviano, Dr Alan Davis and Mr David Ward; and</p> <p>(c) deeds of access, indemnity and insurance.</p> <p>The Company has also entered into an Underwriting Agreement with the Joint Underwriters.</p> <p>Nuheara is party to the following material contracts:</p> <p>(a) Curtin Agreement where Curtin is engaged to join a collaborative research and development effort to deliver processing techniques and intellectual property for augmented hearing with communication capabilities; and</p> <p>(b) Wearable World Agreement where Nuheara has partnered with Wearable World Inc to assist with Nuheara's market development program.</p>	
What is the financial position of the Company and Nuheara?	<p>Following the change in the nature of its activities, the Company will be focused on developing the Nuheara Business. Therefore, the Company's past operational and financial performance will not be of significant relevance to future activities.</p> <p>Sections 5 and 6 contain historical financial information for Nuheara.</p>	Sections 5 and 6
Will any Shares be subject to escrow?	<p>No Shares issued under the Public Offer will be subject to escrow.</p> <p>Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares and Options in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement.</p>	Section 1.13

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## 1. Details of the Offers

### 1.1 Public Offer

By this Prospectus, pursuant to the conditionally underwritten Public Offer the Company offers up to 140,000,000 Shares at an offer price of \$0.025 per Share to raise funds of up to \$3,500,000 (before expenses). The Public Offer is open to the general public.

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 11.1 of the Prospectus.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.10 for further details and instructions.

The minimum level of subscription for the Public Offer is 120,000,000 Shares to raise \$3,000,000. No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription of the Public Offer has not been achieved within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies in accordance with the Corporations Act.

### 1.2 Vendor Offer

This Prospectus also includes the Vendor Offer, under which the Company offers 201,250,000 Consideration Shares to the Nuheara Shareholders for the acquisition of all the shares in Nuheara.

The Shares to be issued pursuant to the Vendor Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 11.1 of the Prospectus.

Applications for Shares under the Vendor Offer may only be made by the Nuheara Shareholders on the Vendor Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date, and for the following respective numbers of Shares:

Nuheara Shareholders	Nuheara Shares	Consideration Shares
David Cannington	39	63,142,857
Wasagi Corporation Pty Ltd <sup>(1)</sup>	39	63,142,857
Alan Davis	5	8,095,238
Kellie Davis	5	8,095,238
Kevin Fynn	5	8,095,238
Sven Nordholm	5	8,095,238

<b>Nuheara Shareholders</b>	<b>Nuheara Shares</b>	<b>Consideration Shares</b>
Wearable World	2	3,238,096
Power Edge Pty Ltd <sup>(2)</sup>	5	8,095,238
<b>Holders of Nuheara Convertible Notes<sup>(3)</sup></b>		<b>31,250,000</b>
<b>TOTAL</b>	<b>105</b>	<b>201,250,000</b>

Note (1): Mr Justin Miller is a director and shareholder of Wasagi Corporation Pty Ltd.

Note (2): Mr David Ward is a director and shareholder of Power Edge Pty Ltd.

Note (3): Refer to Section 10.3(a) for further details on the Nuheara Convertible Notes.

Persons wishing to apply for Shares under the Vendor Offer should refer to Section 1.10 for further details and instructions. No Application Monies are payable under the Vendor Offer.

### **1.3 Facilitation Offer**

The Prospectus also includes the Facilitation Offer.

The Shares to be issued pursuant to the Facilitation Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 11.1 of this Prospectus.

Applications for Shares under the Facilitation Offer may only be made by the Facilitator and/or his nominee(s) for 24,802,321 Facilitation Shares on the Facilitation Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Facilitation Offer should refer to Section 1.10 for further details and instructions. No Application Monies are payable under the Facilitation Offer.

### **1.4 Conditional**

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription, being \$3,000,000, under the Public Offer (refer to Section 1.1);
- (b) Shareholders approving the resolutions put to them at the General Meeting held on 19 January 2016 (refer to Section 2.2) (this condition has been satisfied);
- (c) completion of the Proposed Acquisition (refer to Section 2.2);
- (d) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement as required by ASX imposing such restrictions on trading of those securities mandated by the Listing Rules in respect of the Consideration Shares and any other securities contemplated to be issued; and
- (e) the Company obtaining all regulatory approvals, including ASX providing the Company with a list of conditions which, when satisfied, will result in ASX

reinstating the Shares to quotation on ASX upon the satisfaction of Chapters 1 and 2 of the Listing Rules (refer to Section 1.5).

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.

## **1.5 Re-compliance with Chapters 1 and 2 of the Listing Rules**

At the General Meeting, the Company obtained Shareholder approval for, among other things, a change in the nature and scale of the Company's activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company's Shares were suspended from quotation on 11 September 2015 and will not be reinstated until the Company has satisfied the conditions to the Offers, including re-compliance with Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received.

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

## **1.6 Purpose of the Offers**

The purposes of the Offers are to:

- (a) meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;
- (b) provide funding for the purposes outlined in Section 1.7;
- (c) provide Nuheara with access to equity capital markets for future funding needs; and
- (d) enhance the public and financial profile of Nuheara and the Company.

## **1.7 Proposed use of funds**

The Company has current cash reserves of approximately \$110,000 as at the date of this Prospectus.

The Company intends to apply the current cash reserves aggregated with the proposed Public Offer funds raised under the Minimum Subscription and Full

Subscription, giving total cash reserves respectively of \$3,110,000 or \$3,610,000, over the next two years as follows:

	<b>Minimum Subscription \$3,000,000 plus existing cash</b>	<b>Full Subscription \$3,500,000 plus existing cash</b>
Existing cash	\$110,000	\$110,000
Proceeds from Public Offer	\$3,000,000	\$3,500,000
<b>Total cash on completion of re-compliance</b>	<b>\$3,110,000</b>	<b>\$3,610,000</b>
<b>Use of funds</b>	<b>Minimum Subscription \$3,000,000 plus existing cash</b>	<b>Full Subscription \$3,500,000 plus existing cash</b>
Engineering	\$775,000	\$975,000
Research & Development (Curtin <sup>(1)</sup> )	\$261,480	\$261,480
Sales & marketing	\$900,000	\$1,075,000
Intellectual property protection	\$150,000	\$175,000
Prototyping, product development & certification	\$245,000	\$245,000
Corporate & administration	\$400,000	\$450,000
Working capital and existing activities	\$132,520	\$152,520
Costs associated with the Proposed Acquisition and the Public Offer	\$246,000	\$276,000
<b>TOTAL</b>	<b>\$3,110,000</b>	<b>\$3,610,000</b>

Note (1): This amount assumes that Nuheara has paid Curtin University the first instalment of \$37,354.25 under the Curtin Agreement.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific project.



It is possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to any required Shareholder approvals).

## 1.8 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Proposed Acquisition is as follows:

<b>Shares</b>	<b>Minimum Subscription (\$3,000,000)</b>	<b>Full Subscription (\$3,500,000)</b>
Shares on issue prior to the Offers <sup>(1)</sup>	187,770,292	187,770,292
Shares to be issued to Nuheara Shareholders under the Vendor Offer	201,250,000	201,250,000
Shares to be issued under the Public Offer	120,000,000	140,000,000
Shares to be issued to the Facilitator under the Facilitation Offer	24,802,321	24,802,321
<b>Total Shares on issue following completion and re-compliance</b>	<b>533,822,613</b>	<b>553,822,613</b>
<b>Options</b>	<b>Minimum Subscription (\$3,000,000)</b>	<b>Full Subscription (\$3,500,000)</b>
Options on issue prior to the Offers <sup>(2)</sup>	20,719,445	20,719,445
Management Options to be issued to Mr Justin Miller and Mr David Cannington	20,000,000	20,000,000
Underwriter Options to be issued to RM Capital (or its nominees) pursuant to the Underwriting Agreement <sup>(3)</sup>	30,000,000	30,000,000
<b>Total Options on issue following completion and re-compliance</b>	<b>70,719,445</b>	<b>70,719,445</b>

Notes (1): Assumes that no Options are exercised and no further securities are issued.

Note (2): The unquoted Options consist of:

- (a) 2,000,000 unquoted Options exercisable at \$0.20 each and expiring 28 October 2016;
- (b) 7,900,000 unquoted Options exercisable at \$0.15 each and expiring 31 January 2017;
- (c) 2,000,000 unquoted Options exercisable at \$0.10 each and expiring 27 May 2017;
- (d) 8,319,445 unquoted Options exercisable at \$0.10 each and expiring 15 September 2017; and
- (e) 500,000 unquoted Options exercisable at \$0.10 each and expiring 20 November 2017.

Note (3): The issue of the Underwriter Options is subject to Shareholder approval and the Company obtaining a waiver from the ASX in respect of Listing Rule 1.1 condition 11.

## 1.9 Underwriting

Oracle Securities Pty Ltd and Prosperion Wealth Management Pty Ltd have been appointed as joint underwriters (**Joint Underwriters**) to conditionally underwrite the Public Offer up to the Full Subscription, being 140,000,000 Shares, in consideration of:

- (a) a 6% fee (excluding GST) payable by the Company to RM Capital on up to 140,000,000 Shares issued under the Public Offer; and
- (b) the issue of 30,000,000 Options to RM Capital (or its nominees) on the terms set out in Section 11.2 (**Underwriter Options**).

The Joint Underwriters hold a corporate authorised representative license from RM Capital.

The Company has the right to issue up to 20,000,000 Shares to investors via the Chairman's List to raise up to \$500,000. A management fee of 2% (as opposed to 6%) is payable by the Company to RM Capital on Shares issued under the Chairman's List.

The issue of the Underwriter Options is subject to Shareholder approval and the Company obtaining a waiver from ASX in respect of Listing Rule 1.1 condition 11.

A conditional formal underwriting agreement has been agreed between the Joint Underwriters and the Company (**Underwriting Agreement**). A summary of the Underwriting Agreement is contained in Section 10.4.

## 1.10 Applications

Applications for Shares under the Offers can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Public Offer must be for a minimum of 80,000 Shares (\$2,000) and then in increments of 20,000 Shares (\$500). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "Wild Acre Metals Limited" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to, or posted to, the following address:

By hand or by post		
Wild Acre Metals Limited Suite 4, 6 Richardson Street West Perth WA 6005	OR	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153

Applicants are urged to lodge their Application Forms as soon as possible as the Public Offer may close early without notice.

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated

by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final, however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

### **1.11 Allocation and allotment of Shares**

The Directors reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Public Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk.

### **1.12 Application Monies to be held in trust**

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

### **1.13 Escrow arrangements**

Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The securities likely to be subject to escrow are the Facilitation Shares, the Management Options, the Underwriter Options and the Shares to be issued to Nuheara Shareholders and promoters of the Company (as defined in the Listing Rules).

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

### **1.14 Chess and issuer sponsorship**

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

### **1.15 Risks**

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 7 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

### **1.16 Overseas investors**

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers 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 such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

### **1.17 Dividend policy**

The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the Nuheara Business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

### **1.18 Forecasts**

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

### **1.19 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.

### **1.20 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

### **1.21 Enquiries**

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 9226 0111.

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## 2. Overview of the Company and the Proposed Acquisition

### 2.1 The Company

The Company is an Australian company listed on ASX that was incorporated on 1 May 2007. The Company was admitted to the official list on 5 March 2010. The Company's most recent primary activity has been mineral exploration.

Since incorporation, the Company has been focused on mineral exploration for gold and base metals in Australia and Peru. Its principle exploration assets are the Mt Ida gold and nickel project in Western Australia and the Sambalay high grade silver-gold project in Southern Peru. Via its subsidiary company Terrace Gold Pty Ltd, the Company also retains an 80% interest in a 0.5% net smelter royalty over the El Molino Gold Project and part of the El Galeno Copper Project located in Northern Peru, currently owned under joint venture by China Minmetals Corporation and Jiangxi Copper Corporation.

On 10 December 2015 the Company announced that its wholly owned subsidiary, Wild Acre Metals (Peru) SAC (**Wild Acre Peru**), had entered into an acquisition agreement to acquire the Salvador exploration project from Teck Peru S.A., a subsidiary of Teck (**Teck Agreement**). Pursuant to the Teck Agreement, on 9 December 2015 the Company issued 2,500,000 Shares to Teck as part consideration for Wild Acre Peru acquiring a 100% interest in the Salvador project (**Teck Shares**). Please refer to the Company's announcement dated 10 December 2015 for further details on the Teck Agreement.

### 2.2 Proposed Acquisition

On 18 May 2015 the Company announced that it had entered into a binding agreement (**Acquisition Agreement**) with Nuheara Pty Ltd (**Nuheara**) pursuant to which the Company will acquire 100% of the issued capital of Nuheara (**Proposed Acquisition**). The Acquisition Agreement was amended and restated on or about 30 June 2015 and amended by a variation deed on or about 29 October 2015. A summary of the Acquisition Agreement is contained in Section 10.3(a).

Nuheara is an independent audio Wearables technology development company, which was founded in Perth, Western Australia. Nuheara is developing proprietary hardware and software to deliver multi-functional audio Wearables technology that augments a user's hearing and facilitates cable-free connection to smart devices.

On 11 September 2015, the Company received shareholder approval pursuant to its notice of meeting (**September NOM**) in connection with the Proposed Acquisition.

The Company's Shares were suspended from quotation on 11 September 2015 and remain suspended.

On 26 August 2015 the Company lodged a prospectus (**August Prospectus**) to satisfy the conditions precedent under the Acquisition Agreement. On 21 September 2015 the Company announced that ASIC had issued an interim order in respect of the August Prospectus.

On 19 October 2015 the Company announced that:

- (a) ASIC was concerned that the Company's disclosure in the August Prospectus, the investor presentation released on 10 September 2015 and Nuheara's promotional materials made available on the internet did not disclose reasonable grounds that the Nuheara intelligent earbud technology with the

described specifications could be produced at all or within the indicated time frames and sold at a profit for the stated price; and

- (b) the Company had chosen to withdraw the August Prospectus, the investor presentation and previous statements made with respect to these matters, consenting to a final stop order being imposed by ASIC on the August Prospectus.

As such, the Company decided to put all resolutions previously put forward to the Shareholders in the September NOM in connection with the Proposed Acquisition forward to Shareholders again (with some variations as set out in Section 2.3).

The Company held a General Meeting on 19 January 2016 to seek the approval of its Shareholders to, among other things, the acquisition of Nuheara and the change in the nature and scale of the Company's business and operations to enable the Company to focus on the development of the audio Wearables technology. All resolutions required to facilitate the Proposed Acquisition of Nuheara were passed at that meeting.

As a result of the Proposed Acquisition, the Company will change the nature of its activities from mining exploration to audio Wearables technology. Accordingly, ASX has determined that, in order to complete the Proposed Acquisition, the Company must re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX. A primary purpose of this Prospectus is therefore to re-comply with the admission requirements under the Listing Rules.

## 2.3 General Meeting

At the General Meeting on 19 January 2016, Shareholders approved the following resolutions:

- (a) **Change in nature and scale:** The Company changing the nature and scale of its activities as a result of the Proposed Acquisition. Upon completion of the Proposed Acquisition, the Company will effectively change from a mining exploration company to an audio Wearables technology company.
- (b) **Issue of Consideration Shares to the Nuheara Shareholders:** The Company issuing the 201,250,000 Consideration Shares to the Nuheara Shareholders in consideration of acquiring 100% of the securities in Nuheara. The Nuheara Shareholders together will hold more than 20% of the voting Shares in the Company upon being issued the Consideration Shares. However, it is not considered that the Nuheara Shareholders will be associates of one another in relation to the Company following completion and therefore takeover approval was not sought.
- (c) **Issue of Facilitation Shares to the Facilitator:** The Company issuing 24,802,321 Facilitation Shares to the Facilitator (or his nominee) under this Prospectus.
- (d) **Issue of Management Options to Mr Justin Miller and Mr David Cannington:** The Company issuing 10,000,000 Management Options to Mr Justin Miller (or his nominee) and 10,000,000 Management Options to Mr David Cannington (or his nominee). Please refer to Section 11.3 for the terms of the Management Options.
- (e) **Public Offer:** The Company offering up to 140,000,000 Shares at \$0.025 to the public to raise up to \$3,500,000 before costs.

- (f) **Change of name:** The Company changing its name from "Wild Acre Metals Limited" to "Nuheara Limited". The change of name will take effect from the date ASIC records the details of the change. This resolution is further conditional on completion of the Proposed Acquisition.
- (g) **Appointment of Dr Michael Ottaviano, and Messrs Justin Miller and David Cannington as Directors:** The appointment of Dr Michael Ottaviano, Mr Justin Miller and Mr David Cannington as Directors of the Company.
- (h) **Issue of Convertible Note Shares:** The Company issuing up to 62,250,000 Convertible Note Shares.
- (i) **Ratification of placement:** The Company ratifying the issue of 9,375,000 Shares via a share placement to raise \$150,000 for general working capital.
- (j) **Ratification of Teck Shares:** The Company ratifying the issue of 2,500,000 Teck Shares to Teck pursuant to the Teck Agreement.



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## 3. Industry Overview

### 3.1 Introduction

With the recent launch of the Apple Watch, the successful initial public offering of Fitbit and the development of other consumer and enterprise facing hardware devices, the Wearables market is forecast to substantially increase in the next three years.

As Wearables technology evolves from the wrist to clothing and other parts of the body, the Hearables segment, Wearables worn on or in the ear, has been forecast to grow at a similar rate.

Nuheara intends to be a best-of-breed hearing platform in a voice-enabled world by working closely with the software development community to facilitate the strong growth of voice-recognition solutions to improve people's lives. Utilising cutting edge proprietary audio technology and world-class industrial design, Nuheara's objective is to be a leading brand in the Hearables market by enabling consumers "to hear what they want to hear" and provide a foundation for Hearables to be a significant part of the global Wearables market.

Please refer to Section 4 for further information.

### 3.2 Overview of market

Wearables devices and the industry are still in their infancy. Accordingly, in the short term, forecasting growth will remain somewhat difficult. However as a category and in contrast to other consumer devices before it, like feature phones, which were disrupted by smartphones, and notebook computers, which were disrupted by tablets, Wearables are expected to have far-reaching impact by creating a new category *and* by potentially disrupting or accelerating change within industries outside of technology.

### 3.3 Wearables growth triggers

In order to sustain growth, Nuheara believes that Wearables must overcome the following growth triggers:

- (a) provide function with and without Smartphones - Nuheara's objective is to connect to voice-enabled digital devices and deliver advanced levels of hearing in the physical world;
- (b) be considered "cool" or "fashionable" - Nuheara's objective is to expand the mass consumer adoption of wearing ear buds and headphones in daily life; and
- (c) be useful to people's daily lives by solving real world problems - Nuheara's objective is to augment hearing in multiple situations to deliver real time benefit to users.

### 3.4 Competitive landscape

Nuheara was incorporated in May 2015. Being an early-stage business on its proposed path to commercialisation, Nuheara currently holds no market share. However, Nuheara's intended multi-functionality has the potential to impact the headphone market, which is estimated to be worth US\$8 billion per annum (2014).

Following the completion of the Proposed Acquisition Nuheara will look to accelerate its technology development towards commercialisation of the proposed products. Please refer to Section 4 for further information.

The market and industry are highly competitive and under rapid development. Key competitors include:

- (a) **Bluetooth headphone and headset manufacturers:** Bluetooth headphone and headset manufacturers market wireless Bluetooth products to a wide range of users. These companies have broad product portfolios including consumer recreation-orientated headphone products, and wireless consumer and enterprise headset products. These companies have broad, established distribution channels that have global reach and in the past have regularly released new products to market.
- (b) **Wireless ear bud start ups:** these organisations include small start-up companies that have announced wireless ear bud products but have not yet completed development or commercialisation of their products. Typically these companies market products that are not yet developed or available with the intention of developing the product if a pre-sales campaign is successful.
- (c) **Assisted listening device manufacturers and providers:** assisted listening device companies offer products to assist hearing in specific scenarios such as watching TV or listening in a noisy social setting. These companies employ a wide range of channels and techniques to reach end users.

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## 4. Overview of Nuheara and its Business

### 4.1 Background to Nuheara

Nuheara was incorporated in Australia in May 2015 and prior to this (between September 2014 and May 2015) was run as a private research project by its co-founders, Mr Justin Miller and Mr David Cannington. Nuheara was founded to change the way consumers listen, communicate and connect to their digital and physical world, or more specifically, to allow a user to hear what they want to hear, when they want to hear it - intelligent hearing.

The co-founders and management team have over 70 combined years of experience commercialising hearing technology devices and represent world-class audio technologists and experienced global business executives.

Nuheara's main asset is its intellectual property, which consists of trade secrets relating to intelligent hearing technology and trade mark applications. The Proposed Acquisition of Nuheara also incorporates the employment by the Company of the core management team, with Messrs Justin Miller, David Cannington, Dr Alan Davis and David Ward executing employment agreements with the Company.

At the heart of its business, Nuheara is building a proprietary hearing technology platform that upon completion will combine unique hearing intelligence software with spatial directionality and placement, Bluetooth connectivity and app software components. Nuheara's goal is to realise this platform in two stylish Hearables, IQbuds™ (ear buds), to be empowered by a smart phone app and will be accompanied by a small convenient charging case. Nuheara's intelligent hearing solution proposes to allow the user to control, either individually or in combination, the connection of the ear buds to compatible:

- (a) entertainment devices;
- (b) Internet of Things; and
- (c) communication devices such as smartphones,

with the ability to control and mix these digital devices' audio with hearing awareness for a range of day-to-day consumer situations.

The Nuheara product is not intended to be a hearing aid and will not be marketed as a hearing aid.

### 4.2 Nuheara team

Nuheara has assembled a highly connected team of experts to deliver the next evolution in Wearables.

- (a) Justin Miller (Co-Founder and Chief Executive Officer)

Mr Miller is a serial entrepreneur who has developed a thorough knowledge of the global technology and innovation marketplace during his 25-year executive career. Throughout the course of his career, Justin has successfully founded and managed the aggressive and profitable growth of technology, manufacturing and service related companies. This includes strategic acquisitions, capital raisings, research & development, product development & onshore/offshore manufacture, significant staff growth and multi-million dollar sales deals involving both direct & channel sales models.

Justin founded ASX-listed IT services company Empired and most recently was the founder and CEO of industrial hearing and communication company, Sensear Pty Ltd, where he was responsible for growing the global business from the San Francisco bay area.

(b) David Cannington (Co-Founder and Director of Marketing)

Mr Cannington has over 25 years' global sales and marketing experience. He has held senior positions in sales and marketing for companies spanning consumer packaged goods (Cadbury Schweppes), advertising (McCann Erickson) data analytics (Neochange) and hearing technology (Sensear Pty Ltd). He has advised many startups on go-to-market and growth strategies and was the founding CEO of ANZA Technology Network, a leading cross-Pacific technology entrepreneurs network. David has been recognised as one of the most influential Australian technology executives in Silicon Valley and brings a global perspective to technology commercialisation.

(c) Professor Sven Nordholm (Chief Scientist)

Professor Nordholm (SM IEEE) received a Ph.D. degree in Signal Processing from Lund University, Sweden in 1992. Since 1999, he has been a full professor at Curtin University, Perth, Australia, and founding member of Hearmore Pty Ltd and Sensear Pty Ltd. His research activities over the past 30 years focus on signal processing and communication in acoustic media and speech processing. He is the holder of 7 patents and has contributed more than 200 technical papers. Professor Nordholm was the technology inventor and co-founder of Sensear Pty Ltd in 2006. He was a 2012 Eureka finalist and is a member of the IEEE SPS Technical Committee on Audio and Acoustic Signal Processing. Professor Nordholm forms part of the research team of Nuheara pursuant to the terms of the Curtin Agreement.

(d) Professor Kevin Fynn (Chief Technologist)

Kevin Fynn is Professor and Head of the School of Electrical Engineering and Computing at Curtin University of Technology. Professor Fynn is a distinguished research engineer, engineering manager, and electrical engineering practitioner. He has been closely associated with industry and engineering research and development for over 25 years, and has an outstanding record of design leadership and of building major research and development facilities. As director of the Western Australian Telecommunications Research Institute (**Institute**) he was responsible for its overall strategic direction and its corporate performance. At an operational level, he was responsible for commercialisation and management functions. His success in running a commercially focused centre is evidenced by the funding the Institute received including: Cooperative-Research Centres, WA State Government Centres of Excellence in Industry Focused Research, an AusIndustry Technology Diffusion grant, ARC grant funding, and industry consultancies. Kevin has 8 patent registrations and over 50 publications in diverse fields in electrical engineering. His commercial experience includes providing technology systems and services to the resources industry, establishing strategic relationships with leading information communication technology corporations, and being involved in numerous industry projects including international companies such as Boeing (USA). He is the co-founder of Xelor, Sensear Pty Ltd., TheBuzz Corp Pty Ltd., Hearmore Pty Ltd and MobiRoam Pty Ltd. Professor Fynn forms part of the research team of Nuheara pursuant to the terms of the Curtin Agreement.

(e) Dr Alan Davis (Vice President - Product)

Dr Davis is an experienced audio product developer who has spent more than 12 years developing innovative audio technologies for consumer electronics and audio communication markets. He holds a Bachelor Degree with Honours in Electronic Engineering and a PhD in Signal Processing from Curtin University, Australia. Subsequently he has held management positions at Dolby Laboratories and industrial communications company Sensear Pty Ltd. Over his career he has successfully grown product development teams, managed intellectual property and brought to market multiple products in the audio space. He is also a published author of multiple technical papers and is a member of the Institute of Electrical and Electronics Engineering.

(f) David Ward (Vice President - Operations)

Mr Ward is an electronic engineer and has been involved in the hearing aid and hearing protection industries for over 8 years.

Most recently Mr Ward was Managing Director and co-founder of Hearmore and was instrumental in setting up its new hearing aid distribution model through pharmacies and several audiology support clinics. Mr Ward successfully negotiated agreements with a major health fund (HBF), pharmacy chains and major hearing aid manufacturers.

Prior to his work at Hearmore, Mr Ward was Engineering Manager at Sensear for 5 years, managing the product development of Sensear's hearing protection range of smart communication products.

Mr Ward has over 30 years' experience in the electronics industry. He has been engineering manager or consulting engineer for several successful technology start-ups, including Mobilarm, Quicktrack and Sensear. He graduated from the University of Western Australia with a Bachelor of Engineering with Honours.

### 4.3 Development status

(a) Historical

The idea relating to the Business that would become Nuheara was initially commenced as a research project in September 2014 by the co-founders, Justin Miller and David Cannington. The co-founders drew on their previous hearing technology commercialisation experience and conducted significant technical and market research, conceptual analysis and design modelling in an effort to determine preliminary product specifications to suit the expected consumer needs. As part of this process, start-up technical advice was sought from Professors Nordholm and Fynn in their respective fields of Digital Signal Processing and Electronics. This early engagement with Professors Nordholm and Fynn has resulted in a formal research agreement between Nuheara and Curtin University of Technology (for more information see Section 4.10). Nuheara's technical and development team has been bolstered with the appointments of Dr Alan Davis, Vice-President of Product, and David Ward, Vice-President of Operations.

(b) Current

Nuheara is currently in prototype development stage, having produced a Working Wearable Prototype based on the preliminary ear-bud design set out below. For the avoidance of doubt, the current physical prototypes (i.e. the

Working Wearable Prototype) contain all componentry and electronic circuitry required to deliver the proposed product features outlined in Section 4.5, including:

- (i) industrial design and moulding of all plastic housing components;
- (ii) integration of intelligent software - in collaboration with Curtin University, software to provide hearing boost functionality (the ability to hear more clearly in challenging consumer environments); and
- (iii) electronic design, layout and manufacture of all key components have now been populated on multilayer electronic boards. For each prototype earbud, these major components now include:
  - (A) 3 x multi-layer electronic boards;
  - (B) 3 x microprocessors;
  - (C) 3 x microphones;
  - (D) 2 x antenna;
  - (E) 1 x battery;
  - (F) 1 x speaker; and
  - (G) 1 x tap touch controller.



*Figure 1 - Nuheara preliminary ear-bud hardware design*

(c) Next steps

The next step in Nuheara's technology product development cycle is for the current Working Wearable Prototype to be further developed and refined by progressively integrating additional software to function and control all of the core product features that will be available in the end product suitable for market, as detailed in Section 4.5.

The key steps and activities required to produce an end product ready for market will include:

- (i) ongoing software development and optimisation with revisions on the Working Wearable Prototype;
- (ii) ongoing development and optimisation of the industrial and electronic design suitable for volume manufacturing;
- (iii) final product tooling and revisions;
- (iv) product testing and certifications; and
- (v) pilot and ongoing production runs.

Contract manufacturers are currently being identified and a qualified shortlist produced. Over the course of the coming months it is proposed that, via a Company-driven selection process, this will result in a preferred manufacturer being selected and subsequently engaged.

Investors should note that, whilst a Working Wearable Prototype has been developed integrating several of the core functions and componentry to be provided in the end product, there are risks involved in creating an end product that provides adequate hearing performance across a range of inputs and environments (as set out in Section 4.5).

#### 4.4 Product Portfolio

Based on the current design modelling, current available technology to Nuheara and the experience of the management team, the Nuheara proposed product portfolio (**Product Portfolio**) will consist of the following components:

- (a) 2 x IQbuds™ (ear-buds);
- (b) carrying case/charging unit; and
- (c) Nuheara app (Mobile platforms).

#### 4.5 Product features and steps to produce an end product

Nuheara's proposed product features of its IQbuds™ are set out below.

##### *Current design product features*

- (a) **Noise reduction:** based on noise reduction techniques available today, the ear-buds will provide the ability to switch to noise reduction to allow users to enjoy audio streams by suppressing background noise.
- (b) **Awareness control:** utilising multiple external microphones, this feature will allow users to be aware of their external surroundings.
- (c) **Tap touch control:** based on Nuheara's chosen tap-touch electronic control, proposed tap touch controls will allow users to control the IQbuds™ range of proposed features. This is designed to include such functions as: powering on/off, answering phone calls, starting/stopping noise reduction or music, and switching between physical and digital worlds.

- (d) **Hearing boost:** based on current technology development available today and the digital signal processing experience of the Curtin and Nuheara teams, which is available for refinement under the Curtin Agreement, multiple microphones and processing techniques are proposed to provide the user with the ability to hear more clearly in challenging consumer environments. Further refinement and optimisation of the processing techniques and final software production will be an ongoing process throughout the course of development of a market-ready product.
- (e) **Hands-free calls:** based on Nuheara's chosen Bluetooth processor available from a third party provider, Bluetooth capability and no wires are proposed to enable hands-free phone calls.
- (f) **Stereo music:** stereo sound quality for music, podcasts, audiobooks and other audio streams is proposed to be available utilising the same Bluetooth processor above.
- (g) **Personalised hearing:** based on pre-programmed hearing profiles, Nuheara proposes to create an app to allow the user to control and save their hearing settings from their smartphone based on their individual hearing preferences.
- (h) **Stylish, comfortable design:** Nuheara has engaged extensive third party industrial design in the development of ear-buds purposely designed to fit comfortably and appeal to consumers' preferences.
- (i) **Internal battery life:** The Working Wearable Prototype currently has an internal battery life of up to six and a half (6.5) hours. This internal battery life is a result of continuous usage of all enabled product features to date with the exception of hands free calls and stereo music which are likely to reduce this battery life.

Based on the Working Wearable Prototype, the remaining features to be enabled and the desktop modelling of all powered components and circuitry in the current design of the ear-buds, Nuheara's expectation is that the internal battery life will be up to approximately 4 hours. However, the investor should be aware that ongoing revisions, software development and optimisation may alter the expected battery life before an end product is market-ready.

- (j) **Convenient charging case:** Nuheara's proposed dual purpose storage and charging case has been designed to be small enough to fit in a user's pocket or purse and with its own internal battery may allow charging of the IQbuds™ on-the-go.

The Working Wearable Prototype currently provides functionality for the features described above in paragraphs (a), (b), (d) and (h) and partial functionality for features (c), (g) and (i).

All hardware to enable the proposed product features has been identified, is available from third party providers and has now been incorporated into the Working Wearable Prototype for ultimate inclusion in the end product.

The initial software development has been completed for the Working Wearable Prototype.

The table below illustrates which product features and functions are currently enabled in the Working Wearable Prototype for the IQbuds™ and which proposed



product features (as outlined in this Section 4.5) are either partially enabled or not yet enabled:

Working Wearable Prototype feature / function	Supporting hardware embedded	Functions currently enabled	Notes
(a) Noise reduction	Yes	Yes	
(b) Awareness control	Yes	Yes	
(c) Tap touch control	Yes	Partial	Controls only those functions / software that are currently enabled as set out in this table and Section 4.5.
(d) Hearing boost	Yes	Yes	
(e) Hands free music	Yes	No	Software necessary is under development.
(f) Stereo music	Yes	No	Software necessary is under development
(g) Personalised hearing	Yes	Partial	This feature can currently only be set or adjusted via desktop software.
(h) Stylish design	Yes	Yes	
(i) Internal battery life	Yes	Partial	Software under development for hands free calls and stereo music.
(j) Charging case	Partial	N/A	Currently rechargeable via a custom-manufactured charging board. However, this board is not currently in the form of an end product.
Apps	N/A	Partial	Currently desktop software control only, i.e. there is no app based smart phone interface currently available.

Ongoing hardware revisions, software development and optimisation are required, with these revisions deployed on further iterations of the Working Wearable Prototype, before an end product of suitable quality is market-ready. This will include the functionality described in paragraphs (c), (e), (f), (g), (i) and (j) above which are not yet enabled or are only partially enabled, including the current internal battery life of the Working Wearable Prototype which will likely reduce as the revisions and optimisation process develops. During this process new technology or products may also become available that Nuheara may choose to include in the end product.

The time period in which an end product is suitable for market will be dependent on a number of factors as set out in Section 4.3 and 4.5 and as with any new technology product development process, multiple iterations, ongoing testing and optimisation occurs up to product launch and will continue post-launch to continually improve product performance.

Nuheara (and the Company) has a reasonable expectation that there is unlikely to be significant variations to the product features during the software optimisation process. This expectation is based on:

- (a) the progress made to date with the Working Wearable Prototype;
- (b) the existing technology available to Nuheara; and
- (c) the executive and management team's experience and previous track record in producing new hearing technology related products with a similar product development cycle.

Investors should note that there are risks involved in the ability to translate the developed ideas and technologies into a solution that provides adequate hearing performance across a range of inputs and environments. The main factors that introduce risk in creating a product with suitable performance and ready for market are software design, product realisation in a desired form factor, optimisation to minimise power consumption (i.e. battery life) to provide a reasonable rechargeable battery life that the consumer desires and acceptable levels of spatial awareness and placement without a cabled connection. See Section 7.2 for further information on specific risks.

#### **4.6 Third Party Software**

It is envisaged that once Nuheara's audio Wearables device (ear-bud) is complete, a Nuheara-provided software development kit will allow third party app developers with the ability to deliver software solutions which may operate on the ear-bud, such as voice recognition on a range of smart devices, and Internet of Things platforms.

#### **4.7 Market positioning and opportunity**

Nuheara seeks to capitalise on the growth in the global Wearables market by commercialising its intelligent Hearables (IQbuds™) technology that allows consumers to control what they want to hear.

At the heart of its business, Nuheara is building a proprietary hearing technology platform that combines unique hearing intelligence software with spatial directionality and placement, Bluetooth connectivity and app software components. Embedded in two stylish IQbuds™ (ear buds), to be empowered by a smart phone app and will be accompanied by a small convenient charging case, Nuheara's proposed intelligent hearing solution represents a new way to listen, communicate and connect.

Nuheara is taking an innovative approach to consumer hearing technology. By evaluating what was happening in the headphone market, the Bluetooth earpiece market and the hearing assistance markets Nuheara concluded that it could build something unique for the growing Wearables consumer market.

Nuheara plans to provide the consumer with a product that incorporates an assisted listening device (but not a hearing aid device), a Bluetooth earplug and a noise-cancelling headset all in the one product. The real benefit of Nuheara's product is

that it aims to give the consumer the control to orchestrate their hearing experience via the proposed Nuheara app and with the tap touch functionality on the IQbud™.

With so many demands on consumers' hearing, Nuheara's goal is to allow consumers to seamlessly listen, communicate and connect to their digital and physical worlds with one smart Hearables device.

Nuheara will attempt to tap into the consumer market of headset and earpiece users who are looking for the latest wireless hearing technology to enhance their connected lifestyle.

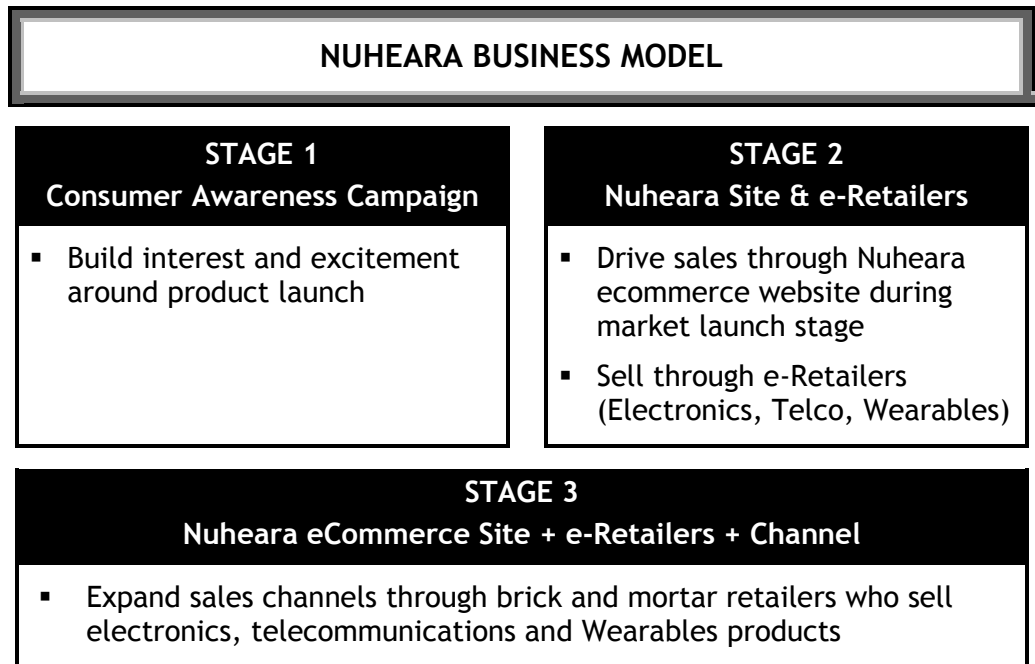
The opportunity for Nuheara to build a significant business can be summarised as follows:

- (a) the Wearables market is projected to rapidly grow over the next 5 years with many industry research bodies predicting strong consumer and enterprise adoption;
- (b) Wearables innovation is expected to move from the wrist to other parts of the body including the ear (i.e. Hearables);
- (c) according to independent market research company eMarketer Inc, it is anticipated that approximately 2.56 billion smartphones will be in circulation by 2018 and many consumers will require a hearing device to connect to their smartphone;
- (d) Nuheara's opportunity is global in scale and not restricted to any particular geography. Nuheara has the added benefit of its co-founders being co-located in Australia and the USA;
- (e) technology adoption is moving rapidly to a voice-enabled world where consumers interact with their smart devices with their voice - Nuheara is placed to be one of the best-of-breed hearing platforms to enable this adoption;
- (f) Nuheara's aim is to make its IQbuds™ the platform of choice for the world's voice enabled software developers. Nuheara expects to release a software development kit to third party app developers. For example, this could include Hearables apps such as translating languages on the fly and personal tour or sightseeing guides;
- (g) the technology team at Nuheara are world class audio digital signal processing technologists and have a proven background in inventing and building complex audio technology devices; and
- (h) the co-founders of Nuheara have a history of building global technology companies and this will be the second hearing technology business they have developed.

#### **4.8 Business model**

- (a) Consumer product

Nuheara plans to build out its business model with a staged consumer-facing product go-to-market approach.



Nuheara has proposed a staged approach to their consumer product market entry:

**Stage One** -Nuheara is building interest around the product launch through advertising, social media and tradeshow to generate interest and excitement around the product launch.

**Stage Two** - Product launch campaign via Nuheara website and potential e-retailers such as electronic, telecommunication and Wearables product e-retailers anticipated to commence three months prior to product availability. While Wearables are relatively new to the broader retail market, it is significant to note that a number of e-retailers already have a classification for "Wearables" within their product categories.

**Stage Three** - Selling through leading brick and mortar retailers who sell electronic, telecommunication and Wearables products anticipated to commence within the first 12 months of product availability.

(b) Enterprise/commercial applications

Although enterprise applications will not be the primary focus of the business model, Nuheara could be opportunistic in its consideration of commercial applications.

As enterprises that rely on mobile communication move to hands-free applications, Nuheara's proposed innovative "hands-free, voice-enabled" product capability could be attractive to workers with these requirements.

(c) The platform

Nuheara plans to open up its application programming interface to developers around the globe who are building speech recognition solutions for the voice-enabled world. These applications are expected to be both consumer and enterprise solutions.

It is foreseeable that Nuheara could develop partnerships with speech recognition software developers who are looking to deliver their solutions on a best-of-breed hearing platform like Nuheara is planning.

## **4.9 Marketing strategy**

### **(a) Positioning**

Nuheara will be positioned as an innovative intelligent hearing device that allows consumers to hear what they want to hear. The unique proposition is that Nuheara enables consumers to listen, communicate and connect to their digital and physical world with two stylish IQbuds™ (ear-buds) with no wires.

### **(b) Target audience**

People who own and carry a smart device and who are looking for an innovative Hearables device that allows them to connect to their digital world.

### **(c) Advertising/promotion**

Nuheara will be using the following strategic marketing channels to drive consumer awareness and trial:

- (i) social media advertising: Facebook, Twitter and LinkedIn;
- (ii) public relations: strategically timed for the pre-order launch and product launch; and
- (iii) trade shows: Consumer Electrics Show, Mobile Congress and other Wearables, telecommunication and electronic trade shows.

## **4.10 Partnerships**

Nuheara has established partnerships with leading organisations to support its goal of successful commercialisation, including Curtin University of Technology (**Curtin**) and Wearable World Inc (**Wearable World**).

Curtin and Nuheara have executed a collaborative research and development agreement to deliver new processing techniques and intellectual property for intelligent hearing with communication capabilities for a range of consumer applications. See Section 10.2(a) for further information on the agreement.

Nuheara has also partnered with Wearable World under an agreement to assist with Nuheara's market development program. See Section 10.2(b) for further information on the agreement with Wearable World.

## **4.11 Financial history**

Nuheara is a start-up company with a presence in Perth, Australia and San Francisco, USA. Nuheara was incorporated in Australia in May 2015 and prior to this was run as a private research project. Accordingly Nuheara has a limited trading history. Nuheara's activities since incorporation have predominantly involved hardware and software research & development, industrial design, development of a technology & product roadmap, and extensive market analysis and strategic business planning.

Other than the funds raised pursuant to the Nuheara Convertible Notes (as set out in Section 10.3(a)), Nuheara is yet to receive any revenue and given that its Business is

at an early stage of development (start-up), it is difficult to make an evaluation of Nuheara's Business or its prospects. Accordingly, the Company can provide no assurance that it will achieve commercial viability through the acquisition of Nuheara and the implementation of its business plan.

## 4.12 Intellectual Property

### (a) Trademarks

Nuheara has applied for the following trademarks in order to provide itself with an exclusive right to use the brand in the marketplace:

Trade Mark Application	Mark	Class	Applicant
Australian Trade Mark Application No. 1702493	NUHEARA	09	Nuheara Pty Ltd
Australian Trade Mark Application No. 1736292	IQbuds	09	Nuheara Pty Ltd
U.S. Trademark Application Serial Number 86738905	NUHEARA	009	Nuheara Pty Ltd

### (b) Patents

Nuheara's intellectual property currently consists of trademarks and trade secrets (obtained when the private research project moved to an incorporated vehicle in Nuheara). However, as a result of its ongoing development process, Nuheara is expecting to finalise and lodge any patent applications prior to pilot production runs.

As mentioned above, Nuheara has entered into a partnership with Curtin which has a proven background in research, development and testing of advanced audio digital signal processing technologies. This collaborative research and development effort by Nuheara with Curtin will deliver new processing techniques and intellectual property for intelligent hearing with communication capabilities for a range of consumer applications. Nuheara retains 100% ownership rights to any co-developed intellectual property under the terms of the Curtin Agreement. The Company confirms that Professors Nordholm and Fynn were not involved in the development of any intellectual property for the private research project before the acquisition of Nuheara. Please refer to Section 7.2(a)(viii) in relation to the risks associated with the Curtin Agreement.

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## 5. Financial Information

### 5.1 Introduction

This Section sets out the Historical Financial Information and Proforma Financial Information. The basis for preparation and presentation is set out below.

The Directors are responsible for the inclusion of all Financial Information in the Prospectus. Crowe Horwath Perth has prepared an Investigating Accountant's Report in respect of the Historical and Proforma Financial Information. A copy of this report is set out in Section 6 of the Prospectus. Investors are urged to read the Investigating Accountant's Report in full.

The Financial Information has been prepared by management and adopted by the Directors of the Company. The Financial Information comprises the consolidated group of the Company and Nuheara on the basis as set out below.

### 5.2 Basis of Preparation

The Historical Financial Information and Proforma Financial Information has been prepared for illustrative purposes and has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies of the Company and Nuheara, on the assumption that the proposed acquisition occurred on 30 June 2015.

The accounting policies comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. They also comply with International Financial Reporting Standards. The Historical and Proforma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Both the Company's and Nuheara's financial statements for the year ended 30 June 2015 have been audited by Hall Chadwick WA Audit. While both audit opinions for 30 June 2015 are unmodified, the Company's audit report contains an Emphasis of Matter paragraph in relation to its ability to continue as a going concern.

The Historical Financial Information provided in this Prospectus comprises a Proforma consolidated statement of financial position as at 30 June 2015, which is based upon:

- (a) the Company's and Nuheara's audited statements of financial position as at 30 June 2015 (**Historical Financial Information**); and
- (b) relevant proforma adjustments required to present the consolidated group, (together with the Historical Financial Information, **Proforma Financial Information**).

Nuheara was incorporated in Australia in May 2015 and prior to this was run as a private research project. As a result the Historical Financial Information of the consolidated group contains financial information from date of incorporation to 30 June 2015. The Proforma Financial Information includes the acquisition of Nuheara.

The information in this Section is presented on a proforma basis only, and as a result it is likely that this information will differ from the actual financial information for the consolidated group as at completion of the proposed acquisition.

### **5.3 Accounting under AASB 3 'Business Combinations' to determine the acquirer**

Australian Accounting Standards require an entity to determine whether a transaction is a business combination by applying the definition in AASB 3 Business Combinations, which requires that the assets acquired and liabilities assumed to constitute a business. If the assets acquired are not a business, then the transaction is accounted for as an asset acquisition.

The transaction contemplated in the Acquisition Agreement does not meet the definition of a business combination under AASB 3 Business Combinations as the current activities conducted by Nuheara do not constitute a business as defined in AASB 3 Business Combinations.

Nuheara does not currently own either tangible or intangible assets (as defined by Australian Accounting Standards) and as such the transaction contemplated in the Acquisition Agreement has been accounted for under AAS2- Share-based Payment.

The Company is the legal acquirer and will be the reporting entity of the consolidated group. The accounting policies of the consolidated group used in the compilation of the Proforma Financial Information are based on those of the Company. A summary of the significant accounting policies of the Company is disclosed in the audited financial statements of the Company for the year ended 30 June 2015, available on ASX's website at [www.asx.com.au](http://www.asx.com.au).

Upon completion of the Proposed Acquisition, the business of the Company will have changed to that of the consolidated group resulting in the need to consider and/or adopt new accounting policies. Significant new accounting policies to be adopted by the consolidated group are outlined below.

No adjustments have been made in the Proforma Financial Information for any one-off or non-recurring costs, other than those set out in the proforma adjustments.

The functional and presentation currency of the Company (the reporting entity) is Australian dollars. The Proforma Financial Information is presented in Australian dollars.

### **5.4 New accounting policies of the consolidated group**

#### **(a) Revenue and other income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be



performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

(b) Intangible assets

(i) Research phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when incurred.

(ii) Development phase

An intangible asset arising from development (or from the development of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (A) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (B) the intention to complete the intangible asset and use or sell it;
- (C) the ability to use or sell the intangible asset;
- (D) how the intangible asset will generate probable future economic benefits;
- (E) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (F) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs include costs directly attributable to the development activities.

Following initial recognition, the consolidated entity will adopt the cost model. As a result, any development costs carried forward will be carried forward at its cost less any accumulated amortization and any accumulated impairment losses.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries from the date control was obtained. The Company controls another entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is fully transferred. They are deconsolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest without a loss of control, is accounted for as an equity transaction.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the financial statements. Losses incurred by the consolidated entity are attributed to the non controlling interests in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary, together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gains or loss in profit or loss.

## 5.5 Proforma Financial Information

This Section contains the Proforma Financial Information for the consolidated group, reflecting the combined business of the Company and Nuheara. The Proforma Financial Information is presented to provide shareholders with an indication of the consolidated group's financial position as if the proposed acquisition had been implemented as at 30 June 2015.

As the proposed acquisition, if implemented, will be effected at a future date, the actual financial position of the consolidated group post completion will differ from that presented below.

References to notes in the table presented below refer to the notes to proforma adjustments set out below.

	Company audited \$	Nuheara audited \$	Proforma Minimum Subscription (\$3m) Unaudited \$	Proforma Full Subscription (\$3.5m) Unaudited \$	Note Reference
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	374,038	100	3,204,138	3,674,138	<b>1</b>
Other assets	9,268		9,268	9,268	
<b>Total current assets</b>	<b>383,306</b>	<b>100</b>	<b>3,213,406</b>	<b>3,683,406</b>	
<b>Non-current assets</b>					
Property, plant & equipment	12,947		12,947	12,947	
<b>Total non-current assets</b>	<b>12,947</b>		<b>12,947</b>	<b>12,947</b>	
<b>TOTAL ASSETS</b>	<b>396,253</b>	<b>100</b>	<b>3,226,353</b>	<b>3,696,353</b>	
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	109,353	1,406	110,759	110,759	

	Company audited \$	Nuheara audited \$	Proforma Minimum Subscription (\$3m) Unaudited \$	Proforma Full Subscription (\$3.5m) Unaudited \$	Note Reference
Provisions	143,257	-	-	-	2
Total current liabilities	252,610	1,406	110,759	110,759	
TOTAL LIABILITIES	252,610	1,406	110,759	110,759	
NET ASSETS / (LIABILITIES)	143,643	(1,306)	3,115,594	3,585,594	
EQUITY					
TOTAL EQUITY	143,643	(1,306)	3,115,594	3,585,594	3&4
Net Asset Value Per Share (Cents per share)			0.58	0.67	

**Note 1:**

	Proforma Minimum Subscription (\$3m) \$	Proforma Full Subscription (\$3.5m) \$
Opening cash	374,138	374,138
Company - rights issue raising (May 2015 prospectus)	100,000	100,000
Company - Share issue raising (November 2015)	150,000	150,000
Company - administrative and exploration expenditure since 30 June 2015	(247,000)	(247,000)
Company - due diligence expenses since 30 June 2015	(77,000)	(77,000)
Nuheara - issue of Nuheara Convertible Notes (converting to 31,250,000 shares on completion of Acquisition)	500,000	500,000
Nuheara research expenditure since 30 June 2015	(350,000)	(350,000)
Capital raising net of costs of the Offers	2,754,000	3,224,000
<b>Closing Cash</b>	<b>3,204,138</b>	<b>3,674,138</b>

The Proforma Financial Information assumes that the minimum amount of the Offers will be fully subscribed. This pro forma adjustment reflects the net impact of the proposed \$3 million capital raising (and fully subscribed \$3.5 million) and associated Consideration Shares, Facilitator Shares and Management Options issued as part of the proposed acquisition. These transactions include:

- (a) 31,250,000 shares issued on conversion of \$500,000 Convertible Notes issued by Nuheara on 29 October 2015;

- (b) a capital raising of 120,000,000 Shares at \$0.025 each to raise \$3,000,000, less transaction costs of \$246,000 (Minimum Subscription) and a capital raising of 140,000,000 Shares at \$0.025 each to raise \$3,500,000, less transaction costs of \$276,000 (Full Subscription);
- (c) 170,000,000 Consideration Shares to be issued as part of the transaction at \$0.025 each will be expensed in accordance with AASB 2 - Share-based Payment;
- (d) 20,000,000 Management Options and 30,000,000 Underwriter Options to be issued as part of the Proposed Acquisition. These have been valued but not included in the Proforma Financial Information as the expense will be recognised progressively over the vesting period in accordance with AASB 2 (refer Note 6 below for valuation details and assumptions); and
- (e) 24,802,321 Facilitator Shares to be issued as part of the transaction at \$0.025 per share. Issued to Inkling Capital Pty Ltd (a related party of Dr Michael Ottaviano, a proposed Director) for acting as the lead facilitator in the acquisition, and expensed in accordance with AASB 2 - Share-based Payment.

The expense or cost to be offset against equity to be raised under item (b), (c) and (d) will be determined by reference to the market price per Share at the issue date. For the purposes of the Proforma Financial Information, this is assumed to be \$0.025 per Share (being the capital raising price post-acquisition).

**Note 2:**

On 9 December 2015 the Company issued 2,500,000 Shares to Teck for a 100% interest in the Salvador Gold-Silver Project in Southern Peru. Under the terms of the Share issue the provision for payment of exploration expenditure shortfall of \$143,257 is extinguished.

**Note 3:**

The Company is in discussions with interested parties regarding the sale of its existing mineral assets in Western Australia. The Company is actively seeking part or all cash consideration for the sale of these assets.

The Company has entered into an Acquisition Agreement to acquire 100% of the issued capital of Nuheara in consideration for the issue of 201,250,000 Shares in the Company. Further details of the Acquisition Agreement are outlined in Section 10.3(a).

Nuheara was incorporated on 7 May 2015 and prior to this date was run as a private research project. Since date of incorporation Nuheara has applied for three trade marks (Australian Trade Mark Application Numbers 1702493 and 1736292, and US Trademark Application Serial Number 86738905).

As Nuheara is not a business as defined in AASB 3 - Business Combinations, nor does it possess any identifiable intangible assets as defined by AASB 138 - Intangible Assets, the transaction has been treated as a share based payment and accounted for in accordance with AASB 2 - Share-based Payment.

In accordance with AASB 2- Share-based Payment, the equity instruments issued have been valued at \$0.025 per share based on the Offer price. The \$4,250,000 share based payment (170,000,000 x \$0.025) has been expensed.

**Note 4:**

	<b>Proforma Minimum Subscription (\$3m) \$</b>	<b>Proforma Full Subscription (\$3.5m) \$</b>
Opening equity	143,643	143,643
Rights issue raising (May 2015 Prospectus)	100,000	100,000
Share issue - November 2015	150,000	150,000
Share issue - December 2015	143,257	143,257
Administrative and exploration expenditure since 30 June 2015	(247,000)	(247,000)
Due diligence expenses since 30 June 2015	(77,000)	(77,000)
Nuheara research expenditure since 30 June 2015	(350,000)	(350,000)
Consolidation entries	(1,306)	(1,306)
Nuheara Convertible Note conversion	500,000	500,000
Capital raising net of costs of the Offers	2,754,000	3,224,000
Consideration Shares*	-	-
Facilitator Shares**	-	-
Options***	-	-
<b>Closing Equity</b>	<b>3,115,594</b>	<b>3,585,594</b>

\* The Consideration Shares (proforma value \$4,250,000) will be expensed on issue as required under AASB2 -Share-based Payment

\*\* The Facilitator Shares (proforma value of \$620,058) will be expensed on issue as they vest immediately as required under AASB 2 - Share-based Payment

\*\*\* Options expense (proforma value of \$206,000 and \$255,000) will be recognised progressively over the vesting period as required under AASB2 - Share-based Payment

**Note 5:**

The valuation of the Options, as detailed below, has been completed for illustrative purposes only. In accordance with the requirements of AASB 2 - Share-based Payment, the value attached to the options is required to be allocated over the vesting period, which is 3 years from the date of grant. As the grant of the Options is subject to shareholder approval, AASB 2 would deem the date of such approval to be the grant date. Accordingly, the recognition of any amounts in relation to the grant of the performance rights would commence from the date of grant, which has yet to occur. As a result, the Options have been excluded from the Proforma Financial Information.

### Options valuation:

Item	Note	Management Options	Underwriter Options
Underlying Security spot price	a	\$0.025	\$0.025
Exercise price		\$0.03	\$0.05
Valuation date		21 January 2016	21 January 2016
Expiration date		21 January 2019	31 May 2019
Life of the Option (years)		3	3.3
Volatility	b	100%	100%
Risk free rate	c	2.00%	2.00%
Number of Options		20,000,000	30,000,000
Valuation per Option		\$0.0103	\$0.0085
Valuation		\$206,000	\$255,000

#### Note a - Underlying Share Price

The valuation has assumed the underlying spot price to be \$0.025 per share-the Capital Raising Price post-Acquisition.

#### Note b- Expected Volatility of Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods that can be used outlined below:

- (i) the square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
- (ii) the exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future; and
- (iii) the generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average

level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

The Company will be changing its focus and company operations. Therefore, it was more relevant to review the volatility of comparable technology companies than to review the historical trading patterns of the Company as a mining exploration company.

Based on a review of the one and two year volatility of comparable companies, an estimated volatility level of 100% was adopted in the pricing model.

**Note c- Risk-free Rate of Interest**

The Australian Government 2-year bond rate of 2.00% as at the valuation date as input to the pricing model.

**Note 6:**

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.

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## 6. Investigating Accountant's Report



22 January 2016

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The Directors

Wild Acre Metals Limited

Suite 4, 6 Richardson Street

West Perth WA 6005

Dear Directors

**Investigating Accountant's Report****Independent Limited Assurance Report on Wild Acre Metals Limited (to be renamed Nuheara Limited) Historical and Proforma Historical Financial Information**

We have been engaged by Wild Acre Metals Limited (to be renamed Nuheara Limited) (the Company) to report on the historical financial information and pro forma historical financial information of the Company and Nuheara Pty Limited (Nuheara) as at 30 June 2015 for inclusion in a Prospectus dated on or about 22 January 2016 in connection with the proposed offers of:

- between 120,000,000 and 140,000,000 shares in the Company to the general public (Public Offer);
- 201,250,000 shares in the Company to the current shareholders of Nuheara as consideration for the acquisition of all the shares in Nuheara ( Vendor Offer);and
- 24,802,231 shares in the Company to the facilitator of the acquisition transaction ( Facilitation Offer)

The Public Offer will raise a minimum of \$3.0 million and a maximum of \$3.5million (before costs of the Offer).

Expressions and terms defined in the Prospectus have the same meaning in this report.

## Scope

**Historical Financial Information**

You have requested Crowe Horwath Perth to review the following historical financial information included in the Prospectus:

- The audited Statement of Financial Position of Wild Acre Metals Limited as at 30 June 2015;and
- The audited Statement of Financial Position of Nuheara Pty Limited as at 30 June 2015

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the accounting policies adopted by the Company and Nuheara. The historical financial information has been extracted from:

- The financial report of the Company for the year ended 30 June 2015, which was audited by Hall Chadwick WA Audit in accordance with the Australian Auditing Standards. Hall Chadwick WA

Audit issued an unmodified (with Emphasis of Matter on going concern) audit opinion on the financial report.

- The financial report of Nuheara for the period ended 30 June 2015, which was audited by Hall Chadwick WA Audit in accordance with the Australian Auditing Standards. Hall Chadwick WA Audit issued an unmodified audit opinion on the financial report.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to financial reports prepared in accordance with the Corporations Act 2001.

### **Pro Forma Historical Financial Information**

You have requested Crowe Horwath Perth to review the following pro forma historical financial information of the Company included in the Prospectus:

- the pro forma Statement of Financial Position of the Consolidated Group as at 30 June 2015,

which includes the completion of a number of pre Offer equity raisings, adjustments for material administration and exploration expenditure incurred since 30 June 2015, the completion of the Offers, and the proposed acquisition.

The pro forma historical financial information has been derived from the historical financial information detailed above after adjusting for the effects of pro forma adjustments described in section 6 of the Prospectus as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Consolidated Group's actual or prospective financial position.

### **Directors' responsibility**

The directors of the Company are responsible for the preparation of the historical financial information of the Company and pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit report on any financial information used as a source of the financial information.

## Conclusions

### Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information as described in section 6 of the Prospectus, and comprising:

- the audited Statement of Financial Position of Wild Acre Metals Limited as at 30 June 2015; and
- the audited Statement of Financial Position of Nuheara Pty Limited as at 30 June 2015.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the adopted accounting policies.

### Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information of the Company as described in section 6 of the Prospectus, and comprising:

- the pro forma Statement of Financial Position of the Consolidated Group as at 30 June 2015

including completion of a number of pre Offer equity raisings, adjustments for material administration and exploration expenditure incurred post 30 June 2015, the completion of the Offers, and the proposed acquisition is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information.

## Restriction on Use

Without modifying our conclusions, we draw attention to section 6 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## Consent

Crowe Horwath Perth has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

## Liability

The liability of Crowe Horwath Perth is limited to the inclusion of this report in the Prospectus. Crowe Horwath Perth makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

## Independence and Disclosure of Interest

Crowe Horwath Perth does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Yours sincerely

**CROWE HORWATH PERTH**



**SEAN MCGURK**

Partner

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## 7. Risk Factors

As with any share investment, there are risks involved. This Section 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 advisers before deciding whether to apply for Shares.

### 7.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of securities to quotation on ASX

The acquisition of Nuheara constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX.

The Company's securities were suspended from quotation on 11 September 2015 and remain suspended. It is anticipated that the Company's securities will remain suspended until completion of the Proposed Acquisition, Offers, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation of its Shares and Options. Should this occur, the Shares and quoted Options will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares and quoted Options should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) Dilution risk

The Company currently has 187,770,292 Shares on issue. On completion of the Proposed Acquisition, the Company proposes to issue Shares and Options as required pursuant to the Acquisition Agreement and Underwriting Agreement, and issue Shares as part of the Public Offer.

On issue of the consideration under the Proposed Acquisition and the subscription of the Shares under the Public Offer (assuming the Full Subscription is reached and no Options are exercised), the existing Shareholders will retain approximately 33.9% of the issued capital of the Company, with the Nuheara Shareholders holding 36.3%, Dr Michael Ottaviano holding 4.5%, and the investors under the Public Offer holding 25.3%.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the business.

(c) Liquidity risk

The Shares to be issued to the Nuheara Shareholders and the Facilitator in accordance with the Acquisition Agreement will be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) Contractual risk

Pursuant to the Acquisition Agreement (summarised above) the Company has agreed to acquire 100% of the issued share capital of Nuheara subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

## 7.2 Specific risks

(a) Acquisition of Nuheara

There are a number of specific risks involved for the Company, and consequently its Shareholders, in the acquisition of Nuheara, including risks specific to the Business and assets of Nuheara, which include the following non-exhaustive list:

(i) Limited trading history

Nuheara is a start-up company with a very limited trading history and there is therefore uncertainty in relation to the Business of Nuheara and investors should consider Nuheara's prospects in light of its limited financial history. In addition, Nuheara is still in the development phase of both its software and hardware and is yet to reach the commercialisation phase of the business cycle. Accordingly no assurance can be given that Nuheara will achieve commercial viability through the implementation of its business plan.

(ii) Timing, technology and product development

(A) Viable Productisation

Whilst Nuheara has completed a Working Wearable Prototype, there are risks in Nuheara's time-to-market of an end product suitable for market.

Viable productisation risks are involved in the ability to translate the developed ideas and technologies into a solution that provides adequate hearing performance across a range of inputs and environments. The main factors that introduce risk are software design, optimisation to minimise power consumption (i.e. battery life) to provide a reasonable rechargeable battery life that the consumer desires and acceptable levels of spatial awareness and placement without a cabled connection.

(B) Time-To-Market and Manufacturer Risk

Nuheara is confident in its abilities and experience to deliver a commercial product within a reasonable

timeframe. Notwithstanding this, there are some risks in Nuheara's time-to-market in addition to risks associated with "Viable Productisation"; these include contracting and "bringing up" a suitably qualified and experienced contract manufacturer. Nuheara intends to outsource the manufacture of its proposed products to one or more third party suppliers. There is no guarantee that such third parties will be available as required or will meet expectations. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of Nuheara. It is not possible for the Company to predict or protect Nuheara against all such risks.

As a consequence of any delay in time-to-market, Nuheara could experience an adverse effect and delay to revenue and associated added cost in bringing the product to market.

(iii) Patent rights

Nuheara has undertaken research into the potential for patenting its technologies but has yet to pursue lodgement of any patents. While Nuheara does expect to lodge patents related to its products and technologies, the prospect of attaining patent protection by Nuheara is highly uncertain, complex and takes considerable time. Accordingly there is some risk that Nuheara may not succeed in obtaining certain patents, or still in the event that it does, there is some risk that its patents could be partially or wholly invalidated following challenges by third parties.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing intellectual property that circumvents such patents. Nuheara's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

As an alternative to patents, Nuheara may choose other forms of intellectual property protection including:

- (A) further trademarks;
- (B) copyrights for software source code and technical documentation; and
- (C) trade secrets.

(iv) Nuheara's intellectual property

Nuheara may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement or to establish validity of its rights. Any litigation, whether or not successful, could result in significant expense to Nuheara and cause a distraction to management.

In addition, there can be no guarantee that unauthorised use or copying of the Nuheara brand in counterfeit products will be prevented or that those employees that have access adhere to their confidentiality obligations. Any significant failure or inability to adequately protect and control Nuheara's intellectual property rights may result in potential revenue loss and have an adverse impact on Nuheara's brand value and perceptions of its product qualities.

Although Nuheara has advised the Company that it is not aware of any third party interests in relation to the intellectual property rights of its intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties alleging that their intellectual property rights have been infringed. If such a claim were to arise, it could adversely affect the Company. The Company has sought to mitigate this risk by seeking independent legal advice.

(v) Trademark

Nuheara has filed trademark applications as set out in Section 4.12(a).

There is a risk that the trademark applications may not be successful and Nuheara may not be able to obtain trademark protection in the future. If any trademarks are granted in the future, they may not provide Nuheara with any competitive advantages or may be challenged by third parties.

There is a risk that the trademark applications may not be accepted, and subsequently registered. While this will not prevent Nuheara from trading using the ASX code "NUH" or continuing to trade under its current branding, it may limit the Company's ability to prevent a competing product being made available by another party using the same or similar branding, and may also give rise to a greater risk of a claim of trademark infringement being made against the Company. Accordingly, if any of the trademark applications are not accepted, the Company may be required to "rebrand" the Nuheara Business, which may result in costs being incurred, a potential loss of goodwill and delays in the development of the Nuheara Business.

(vi) Special reputational risks

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

(vii) Reliance on key personnel

It is anticipated that the future development of Nuheara will be in large part due to the talents, efforts and experience of Mr Justin



Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward, Professor Sven Nordholm and Professor Kevin Fynn. Mr Justin Miller and Mr David Cannington have signed employment agreements to join the Company as Directors on completion of the Proposed Acquisition. Professor Sven Nordholm and Professor Kevin Fynn form part of the research team pursuant to the Curtin Agreement. Dr Alan Davis and Mr David Ward have both signed employment contracts to join the Company on completion of the Proposed Acquisition.

There is no assurance that the contracts of Mr Justin Miller, Mr David Cannington, Dr Alan Davis or Mr David Ward will not be terminated or will be renewed on the expiry of their terms. In addition, there is no assurance that Mr Justin Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward, Professor Sven Nordholm, and Professor Kevin Fynn will remain healthy and able to continue in their roles. If their contracts were terminated or breached, or if Mr Justin Miller, Mr David Cannington, Dr Alan Davis, Mr David Ward, Professor Sven Nordholm, or Professor Kevin Fynn were no longer to continue in their roles, Nuheara would need to employ alternative staff, and Nuheara's operations and business would be adversely affected.

(viii) Reliance on Curtin University and Wearable World Inc

Nuheara has entered into the Curtin Agreement with Curtin University to fund the research and further development of audio Wearables technology. If the Curtin Agreement were terminated or breached, the Company would need to find alternative means of performing the development work and the Company's operations and business would be adversely affected.

Nuheara has entered into the Wearable World Agreement with Wearable World Inc to provide US-based incubation services, such as office space, marketing assistance and general wearable industry market guidance. If the Wearable World Agreement were terminated or breached, the Company would need to find alternative means of incubation services and the Company's operations and business would be adversely affected.

(ix) Outsourcing

The Company and Nuheara outsource to consultants for expert advice and contract organisations for research, clinical and manufacturing services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

(x) Liability claims

Nuheara may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. As a result, Nuheara may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against Nuheara, Nuheara 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.

(xi) Customer service risk

Customers may need to engage with Nuheara'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 Nuheara. Nuheara 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 Nuheara loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on Nuheara's revenue.

(xii) Foreign exchange risks

If Nuheara has costs and expenses in other jurisdictions, such as the United States of America or Europe, then they will likely be denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. Nuheara could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.

(b) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed.

(c) Sale of existing mineral assets

The Company is currently undertaking an assessment of its mineral assets with a view that these assets will be divested upon completion of the Proposed Acquisition. However, if the Company fails to undertake a successful divestment of these assets, the Company may need to continue to fund the maintenance of these assets for the foreseeable future or risk forfeiting these assets and not receive proceeds or future revenue streams from any agreement for sale.

### **7.3 Industry specific risks**

#### **(a) Competition and new technologies**

Nuheara is confident that its product development will provide a unique offering in the Australian and global marketplace. However, the Wearables market is undergoing rapid growth with the expected entrance into hearing-related Wearables from new and existing Wearables- or technology-driven companies. Accordingly this could include companies (competitors) with significantly greater financial, technical, human, research and development, and marketing resources than currently available to Nuheara. Nuheara's competitors could develop products in advance of Nuheara that are more effective or have greater market acceptance. As a consequence, Nuheara's proposed products could become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

The cost and time for a competitor to develop a competing technology may not be significant (particularly for a larger competitor with access to funding and resources), and may be substantially less than the implied market capitalisation of the Company based on the issue price of Shares of \$0.025. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.

#### **(b) Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the estimates summarised in Section 1.7 above. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

### **7.4 General Risks**

#### **(a) Additional requirements for capital**

The funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to Nuheara) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programs. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programs, as well as on their ability to fund those activities.

(c) Insurance risks

The Company intends to insure its operations and those of Nuheara (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) Litigation risks

The Company is exposed to possible litigation risks including, but not limited to, product liability claims, intellectual property claims and claims relating to supplier or distributor agreements. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor Nuheara are currently engaged in any litigation.

(e) Dependence on outside parties

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(f) Market conditions

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to

Shareholders arising from the transactions the subject of this Prospectus or otherwise.

(g) 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.

(h) 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.

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## 8. Intellectual Property Expert's Report

Our ref: DS:CT::28338:751686v1

18 January 2016

Mr Grant Mooney  
Executive Chairman  
Wild Acre Metals Limited  
Suite 4, 6 Richardson Street  
WEST PERTH WA 6005

Dear Grant

**IP Due Diligence Report for RTO (Nuheara Pty Ltd)**

**Introduction**

1. We have been instructed by Bellanhouse Legal, acting for and on the behalf of Wild Acre Metals Limited, to provide an intellectual property law due diligence report in the acquisition of Nuheara Pty Ltd.
2. This report identifies:
  - a. material intellectual property rights; and
  - b. various intellectual property rights under development.

**Trade Secrets and Confidential Information**

3. Nuheara is in possession of confidential information and trade secrets which are each critical to its business.

Trade Secrets

4. A trade secret is confidential information of a commercial character, relying on specific indications of secrecy, and is dependent upon its commercial context.
5. In our view, following discussions with Nuheara's directors and its advisors, Nuheara is in possession of proprietary trade secrets and has taken proactive and proportionate steps to preserve its trade secrets.

Confidential information

6. Confidential information is information which is confidential in character and which has been imparted in circumstances importing an obligation of confidence. The essential attribute of confidential information is what has been described as "relative secrecy". Whether this attribute exists in any given case will often be a question of degree and a variety of criteria listed below:

Perth Office  
Ground Floor, 25 Richardson Street  
West Perth, Western Australia 6005  
t +61 8 9481 2040  
f +61 8 9481 2041  
e office@whlaw.com.au

Geraldton Office  
288 Foreshore Drive  
Geraldton, Western Australia 6530  
t +61 8 9921 2344  
f +61 8 9921 2243  
e office@whlaw.com.au

whlaw.com.au

- a. whether the information in question widely known, or publicly available in the relevant industry or trade;
  - b. whether the confider made the information public by using it in its manufactured products and placing it on the market, or whether the ascertainment of the information from the manufactured product by reverse engineering or otherwise requires the expenditure of time, effort, money or experimentation;
  - c. whether the confider produced or obtained the information only after the expenditure of time and/or money by way of research or in the application of skill and ingenuity;
  - d. whether the confider has taken steps to preserve the secrecy of the information and to prevent it becoming public knowledge;
  - e. whether the information is intrinsically valuable, or valuable to the confider or to a competitor or other interested party; and
  - f. whether a reasonable person would, in all the circumstances, recognise that the information is the "property" of the confider.
7. Having discussed this issue with the directors of Nuheara and its advisors, we have formed the view that Nuheara possesses confidential information other than trade secrets, and has taken proactive and proportionate steps to preserve its confidential information.
8. We are instructed that Nuheara has engaged technology experts who have considerable experience in augmented hearing devices and solutions. To that end, Nuheara has taken commercially ordinary and sensible steps to mitigate the risk of technology experts utilising the trade secrets of its technology experts' former employers. In our view Nuheara has demonstrable confidentiality procedures and processes proportionate to its commercial risks.

### Trade Marks

9. Trade marks are in essence statutory monopoly rights in a brand bestowed by trade mark registrars in various jurisdictions. Trade marks are important for a number of legal reasons, primarily because trade marks serve to protect the goodwill and reputation in a brand within a specific legal marketplace.

### Applications

10. We are instructed that Australian trade mark applications have been filed on behalf of Nuheara as set out below.
11. On or around 24 June 2015 Australian trade mark application 1702493 for the mark 'NUHEARA' (**Nuheara Mark**) was filed by Griffith Hack, on behalf of Nuheara, in class 9 for the following goods:
- Class 9:** Apparatus for recording, transmission or reproduction of sound or images; audio equipment and instruments; headphones; earphones (other than hearing aids for the deaf); computer software; application software
12. The Nuheara Mark was advertised as accepted for registration on 19 November 2015. In this regard, unless an opposition is filed against the Nuheara Mark by 19



**January 2016**, the Nuheara Mark will progress to registration and Nuheara will obtain (renewable) monopoly rights in the Nuheara Mark until 24 June 2025.

13. On or around 20 November 2015, Australian trade mark application 1736929 for the mark 'IQbuds' (**Buds Mark**) was filed by Griffith Hack, on behalf of Nuheara, in class 9 for the following goods:

**Class 9:** Apparatus for recording, transmission or reproduction of sound or images; audio equipment and instruments; headphones; earphones (other than hearing aids for the deaf); computer software; application software

14. The Buds Mark has not yet been examined.

15. We are instructed that on or around 27 August 2015, a trade mark application was filed in the United States on the basis of the Australian application for the Nuheara Mark. As such, the United States application to register 'NUHEARA' as a trade mark will obtain the benefit of a priority date of 24 June 2015. The application was filed in class 9 with the following specifications:

Apparatus for recording, processing, transmitting or reproducing of sound or images; earphones; headphones; computer software, namely, software for the control of wireless listening devices; application software for mobile devices, namely, software for the control of wireless listening devices

16. The United States application has not yet achieved registration, and the application will only remain valid so long as the Australian application remains valid.
17. While a trade mark application does not guarantee that registration will be granted, we consider it likely that registration will be granted for the Australian trade mark applications in due course. Our reasons for this are set out below.

#### Relative grounds of rejection

18. The prior application or registration of a competing trade mark by any third party can trigger "relative grounds of objection" by a trade mark examiner. Preliminary searches of the Australian trade mark register, the United States trade mark register, and the European Union trade mark register (each being three major markets for Nuheara's goods, and includes the world's largest consumer market being the United States) suggest that any application for a trade mark for "NUHEARA" in respect of the provision of technological devices will not encounter any relative grounds of objection. We note that even if any substantive issues existed, these can be addressed in various ways so as to significantly mitigate the risk of the trade mark applications not proceeding to registration.

#### Absolute Grounds for Objection

19. Absolute grounds of objection are objections by trade mark registries on the basis that the mark which is the subject of the trade mark application is inherently incapable of registration.
20. As "NUHEARA" and "IQBUDS" are coined terms without any immediate or obvious meaning, visually or phonetically, in our view no objection is likely to be raised by an examiner on this basis.

### Entitlement

21. In respect of entitlement, under Australian law, the principle is that *"an application to register a trade mark so far unused must, equally with a trade mark the title to which depends on prior user, be founded on proprietorship. The basis of a claim to proprietorship in a trade mark so far unused has been found in the combined effect of authorship of the mark, the intention to use it upon or in connection with the goods and the applying for registration... Authorship ... involves the origination or first adoption of the word or design as and for a trade mark."*
22. To that end, we are instructed that the brand "NUHEARA" was first coined by Justin Miller, and the brand 'IQBUDS' was first coined by David Cannington, both directors of Nuheara, and so on that basis there is no issue in respect of entitlement to the brands.

### **Domain Names**

23. Online domain name registry records confirm that:
  - a. nuheara.com and nuheara.co are presently registered in the name of Justin Miller, a director of Nuheara. We are instructed that this has occurred in trust for Nuheara, and which we are instructed will be assigned to Nuheara pre-acquisition; and
  - b. no other organisation or individual has applied to register domain names consisting solely of Nuheara's brand and which might therefore interfere in Nuheara's business.

### **Patents**

24. Nuheara does not as yet have any patents in place to protect its intellectual property. We are instructed that Nuheara will give consideration to filing patents post-acquisition. Given the effort and financial cost of searching patent registries and filing and prosecuting a patent portfolio, the timing of this is an unexceptional commercial decision which has been made by Nuheara's directors, particularly in circumstances where we are instructed that the subject matter of any such patent applications will remain, until any relevant patent application is filed, trade secrets. Accordingly, however, at this stage we cannot be certain that third parties have no rights in Nuheara's technology, nor that unauthorised use or access of intellectual property relevant to Nuheara's business will not be undertaken by third parties to the detriment of Nuheara, its operations and business. No enquiries have been made by the Report authors or anyone else engaged by Nuheara or the Company. However, some form of rights which will impact upon the intellectual property will exist, but are typical and manageable risks. In addition, there can be no guarantee that unauthorised use or copying of Nuheara's software, data, specialised technology or algorithms will be prevented. Any infringement of third party rights, or unauthorised use, access or copying of Nuheara's intellectual property could impact adversely on Nuheara's margins and revenue.

### **Copyright**

25. Copyright is not capable of registration in Australia. Issues particular to Australia can arise in relation to the copyright created by employees, especially university academics. We are instructed that Nuheara has engaged university academics to

assist in Nuheara's business, but that the employment contracts of these university academics address these particular Australian issues.

26. We are instructed that copyright registration in those jurisdictions which permit copyright registration will be considered and attended to, if necessary, post-acquisition, the timing of which is, in our experience, an ordinary business practice.

### **Credentials**

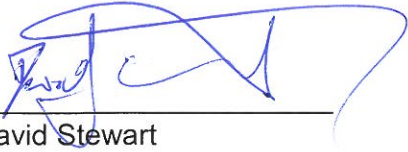
27. The author of this report is an Australian intellectual property lawyer who has:
- a. been in practice for 22 years, of which the last 15 years have been exclusively in the field of intellectual property law;
  - b. is experienced in the provision of intellectual property advice and has previously provided intellectual property due diligence reports in Australia.

### **Disclaimer**

28. This report is:
- a. not based on any strategic audit, which would propose a strategy for the intellectual property rights that is in line with the company's 5-year global strategy; to analyse the existing portfolio of intellectual property rights and identify discrepancies between the actual and the desired situation; to draw up a report with recommendation for actions (additional filings, withdrawals, changing of owner, central management, licensing systems, user guidelines for licensees, renewals, geographic expansions, and so forth). We are instructed that such an audit will be forthcoming after the completion of the acquisition of Nuheara, and the timing of which, in our experience, is an ordinary business practice;
  - b. not an analysis of any part of the patent landscape relating to the technology forming part of the assets of Nuheara's business;
  - c. provided in reliance upon the advice of lawyers located in markets of interest to Nuheara. Such advice is likely to be esoteric to each jurisdiction of interest to Nuheara. We are instructed that any such advice will be obtained upon Nuheara planning to enter that particular market post-acquisition, and the timing of which, in our experience, is an ordinary business practice; and
  - d. to be considered solely in the context of the related prospectus.
29. This report has been prepared solely with reference to:
- a. books and records made available to us by Bellanhouse Legal, and which we are instructed are accurate and complete;
  - b. various trade mark registries including IP Australia's trade mark register, the United States Patent and Trademark Office online trade mark register, and the European Union's trade mark register;
  - c. domain name registry resources;
  - d. advice from patent attorneys relating to the essence of Nuheara's technology;

- e. interviews with Nuheara's directors, specifically, Justin Miller; and
- f. Nuheara's website located at [www.nuheara.com](http://www.nuheara.com).

Yours faithfully



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David Stewart  
Principal

[david.stewart@whlaw.com.au](mailto:david.stewart@whlaw.com.au)

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## 9. Directors, Key Management and Corporate Governance

### 9.1 Board of Directors

In accordance with the terms of the Acquisition Agreement and with effect from completion of the Proposed Acquisition, Mr William Richard Brown and Mr Jeffrey Moore will resign as Directors of the Company and two nominees of Nuheara, Mr Justin Miller and Mr David Cannington, will be appointed to the Board of the Company and Dr Michael Ottaviano will also be appointed to the Board as an independent Non-Executive Director. Mr Grant Mooney will remain as the Executive Chairman of the Company and Company Secretary.

Upon completion of the Proposed Acquisition, the new Board of the Company will comprise:

- (a) Mr Grant Mooney (Non-Executive Chairman & Company Secretary);
- (b) Mr Justin Miller (Executive Director);
- (c) Mr David Cannington (Executive Director); and
- (d) Dr Michael Ottaviano (Non-Executive Director).

### 9.2 Director profiles for the Existing Board

Details of the Directors comprising the Board until completion of the Proposed Acquisition are set out below.

(a) **Mr Grant Mooney**

Executive Chairman & Company Secretary

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners which specialises in corporate compliance administration to public companies. Since commencing Mooney & Partners in 1999 he has gained extensive experience in the areas of corporate and project management, extending to advice on capital raisings, mergers and acquisitions and corporate governance. Currently, Mr Mooney serves as a director and company secretary to several ASX-listed companies across a variety of industries, including technology and resources. He is a director of ASX listed exploration companies Barra Resources Limited, Phosphate Australia Limited, Talga Resources Limited and renewable energy Group Carnegie Wave Energy Limited. He is also a member of the Institute of Chartered Accountants in Australia. Mr Mooney was appointed as Director and Company Secretary on 1 May 2007.

(b) **William Richard Brown**

Non-Executive Director

Mr Brown is a geologist with over 40 years' experience in both mineral and petroleum exploration. Since the mid-90s he has lived in South America, where he has principally worked as country manager for TSX and ASX listed companies and has been a key player in a number of successful property acquisitions in Peru, Argentina and Brazil.

(c) **Jeffrey Moore**

Non-Executive Director

Mr Moore is a geologist with extensive technical, managerial and project finance experience in exploration and mining for publicly listed companies. During his career, Mr Moore has generated and managed projects for commodities including precious metals, base metals, diamonds, nickel and industrial minerals throughout Australia, Central and South America, Africa and Asia.

Mr Moore is currently the Managing Director of Riedel Resources Limited, an executive director of Virtual Curtain Limited and has held previous directorships with Allied Gold Limited from 2004 to 2008, Great Australian Resources Limited from 2005 to 2007 and Abra Mining Limited from 2006 to 2011. He is also a corporate member of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia.

### 9.3 Director profiles for the Proposed Board

Details of the Directors who will comprise the Board upon completion of the Proposed Acquisition are set out below.

(a) **Grant Mooney**

Non-Executive Chairman & Company Secretary

Please refer to Section 9.2 above for Mr Mooney's profile.

(b) **Justin Miller**

Executive Director

Please refer to Section 4.2(a) above for Mr Miller's profile.

(c) **David Cannington**

Executive Director

Please refer to Section 4.2(b) above for Mr Cannington's profile.

(d) **Dr Michael Ottaviano**

Non-Executive Director

Dr Ottaviano has been employed by Carnegie Wave Energy Ltd (**Carnegie**) since January 2006 and was made Managing Director in March 2007. Dr Ottaviano oversees all activities that Carnegie undertakes including all commercial and technical aspects of Carnegie's operations, engineering and design, intellectual property and finance and administration. During his time as CEO Dr Ottaviano has lead Carnegie's development of its CETO Wave Energy technology from proof of concept, through a pilot plant phase and into the initial commercial demonstration stages and has been responsible for raising \$77m in equity, \$35m in Government grant funding and \$20m in a loan facility.

Dr Ottaviano has previously worked in research and development and was a divisional manager for a private Australian engineering company. Prior to

joining Carnegie, he was a senior manager specialising in technology and innovation consulting at a global accounting and advisory firm. He has advised companies on new product development, intellectual property, innovation portfolio management and technology commercialisation across various industries and ranging from start-ups to ASX-listed companies with market capitalisation in excess of \$1 billion. He has also been a board member of the Clean Energy Council, Australia's clean energy peak industry group, and a member of the Australian Government's Energy White Paper High Level Consultative Committee.

## 9.4 Directors' interests

Other than as disclosed in this Prospectus, no Existing Director or Proposed Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

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

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Existing Director or Proposed Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

## 9.5 Directors' security holdings

Directors are not required to hold any Shares under the constitution of the Company.

Set out in the table below are details of the anticipated relevant interests of the Existing Directors and Proposed Directors in the Shares of the Company upon completion of the Offers.

Director	Existing Shares	% interest - existing	Shares at completion <sup>(1)</sup>	% interest at completion
Grant Mooney <sup>(2)</sup>	21,334,604	11.36%	21,334,604	3.85%
William Brown	5,056,875	2.69%	5,056,875	0.91%
Jeffrey Moore <sup>(3)</sup>	2,499,375	1.33%	2,499,375	0.45%
Michael Ottaviano <sup>(4)</sup>	Nil	0%	24,802,321	4.48%
Justin Miller <sup>(5)</sup>	Nil	0%	63,142,857	11.40%
David Cannington	Nil	0%	63,142,857	11.40%

Note (1): The above figures assume that the Public Offer is fully subscribed and that there are 553,822,613 Shares on issue at completion.

Note (2): Mr Mooney is the sole director of Mooney & Partners Pty Ltd, a beneficiary of OceanFlyers Pty Ltd <S&G Mooney Super Fund> and a director and shareholder of Shoal Capital Pty Ltd. Shares are also held indirectly by the spouse and children of Mr Mooney.

Note: (3) Mr Moore is a director and shareholder of Manyhills Pty Ltd and a beneficiary of The Jeffrey John Moore Family Trust.

Note (4): Dr Ottaviano is a director and shareholder of Inkling Capital Pty Ltd.

Note (5): Mr Miller is a director and shareholder of Wasagi Corporation Pty Ltd.

Set out in the table below are details of the anticipated relevant interests of the Existing Directors and Proposed Directors in other securities of the Company upon completion of the Offers.

Director	Existing Options <sup>(1)</sup>	Management Options
Grant Mooney <sup>(2)</sup>	1,751,389	-
William Brown	1,366,667	-
Jeffrey Moore <sup>(3)</sup>	500,000	-
Michael Ottaviano	-	-
Justin Miller <sup>(4)</sup>	-	10,000,000
David Cannington	-	10,000,000

Note (1): The above figures assume that no existing Options are exercised prior to completion.

Note (2): Mr Mooney is the sole director of Mooney & Partners Pty Ltd, a beneficiary of OceanFlyers Pty Ltd <S&G Mooney Super Fund> and a director and shareholder of Shoal Capital Pty Ltd.

Note (3): Mr Moore is a director and shareholder of Manyhills Pty Ltd and a beneficiary of The Jeffrey John Moore Family Trust.

Note (4): Mr Miller is a director and shareholder of Wasagi Corporation Pty Ltd.

## 9.6 Directors' remuneration

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The Constitution provides that non-executive Directors may collectively be paid the aggregate maximum of \$250,000 per annum which has been set by the Company in general meeting.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Existing Directors have received the following remuneration for the preceding two financial years:



		Directors' fees & salary	Share-based payments		Super-annuation	Total
			Shares	Options		
Grant Mooney	2015	18,404	20,080	-	3,656	42,140
	2014	30,000	-	-	2,775	32,775
William Brown	2015	23,530	12,500	-	-	36,030
	2014	30,000	47,000	11,130	-	88,130
Jeffrey Moore <sup>(1)</sup>	2015	17,158	12,500	1,365	2,817	33,840
	2014	-	-	-	-	-

Note (1): Mr Jeffrey Moore was appointed on 9 September 2014.

Mooney & Partners Pty Ltd, a company associated with Mr Grant Mooney, has a services contract with the Company to provide secretarial and administrative services to the Company for \$48,000 per annum plus GST. The Company has also entered into lease and sub-lease arrangements with Mr Mooney pursuant to which Mr Mooney has been paid \$39,150 (including GST) for the last two financial years.

Summaries of the Proposed Directors' employment agreements are set out in Section 10.3(b). During the 24 months preceding lodgement of this Prospectus with ASIC, Mr Justin Miller and Mr David Cannington have received \$24,000 and \$27,000 (excluding GST) respectively in consultancy fees, from the Company.

## 9.7 Key Management Personnel

Professor Sven Nordholm and Professor Kevin Fynn form part of the research team of Nuheara pursuant to the terms of the Curtin Agreement.

Details of the research team and key management personnel who will join the Company upon completion of the Proposed Acquisition are set out below.

(a) **Professor Sven Nordholm**

Chief Scientist

Please refer to Section 4.2(c) above for Professor Nordholm's profile.

(b) **Professor Kevin Fynn**

Chief Technologist

Please refer to Section 4.2(d) above for Professor Fynn's profile.

(c) **Dr Alan Davis**

Vice President - Product

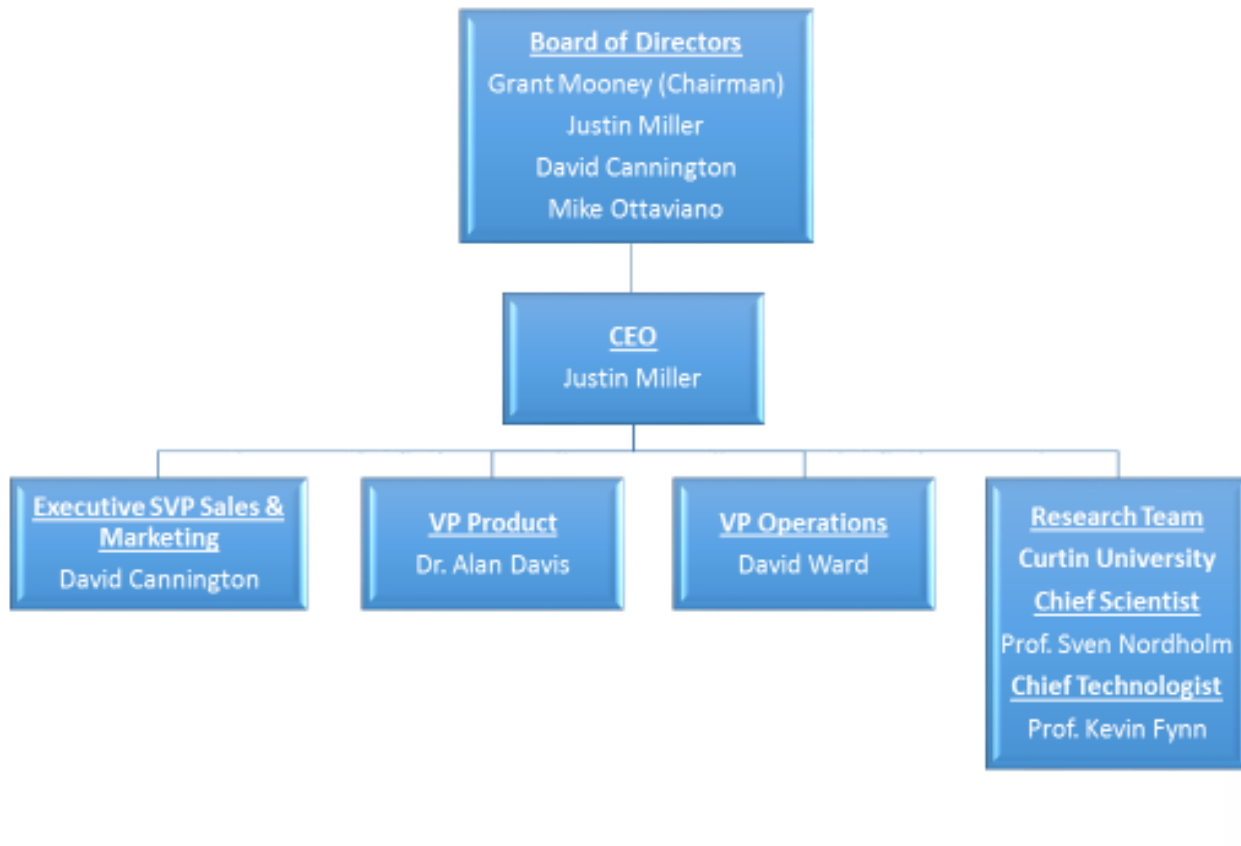
Please refer to Section 4.2(e) above for Dr Davis' profile.

(d) **Mr David Ward**

Vice President - Operations

Please refer to Section 4.2(f) above for Mr Ward's profile.

## 9.8 Organisational Chart



## 9.9 Corporate Governance

(a) **General**

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 9.9. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

In accordance with Listing Rule 1.1 Condition 13, the corporate governance statement set out in this Section 9.9 discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the

recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.wildacre.com.au](http://www.wildacre.com.au), under the tab "Sustainability" and within the section marked "Corporate Governance":

- (i) Board Evaluation Policy;
- (ii) Code of Conduct;
- (iii) Continuous Disclosure Policy;
- (iv) External Auditor Selection Policy;
- (v) Independent Advice Procedure;
- (vi) Matters Reserved for Board Approval;
- (vii) Non-Executive Directors Remuneration Policy;
- (viii) Policy for Selection and Appointment of New Directors;
- (ix) Summary of Risk Management Policy;
- (x) Security Trading Policy;
- (xi) Senior Executives Remuneration Policy; and
- (xii) Shareholder Communication Policy.

(b) Corporate Governance Statement

(i) The Board of Directors

The primary responsibility for the Board is to represent and advance Shareholder's interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Company has adopted the ASX Corporate Governance Principles and Recommendations with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration. A summary of the Company's key policies follows.

(ii) Board and Senior Executive Evaluation

The Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The

Board will undertake an annual evaluation of its effectiveness as a whole. The Chairman will review the individual performance of each Board member annually.

The Chairman's performance is evaluated by the Board annually. All senior executives of the Company are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position.

(iii) Code of Conduct

The Board, management and all employees of the Company are committed to implementing the Company's core principles and values as stated in the Code of Conduct when dealing with each other and with customers, suppliers, government authorities, creditors and the wider community.

The Company is dedicated to delivering the best performance possible for investors and employees using its resources. The Company aspires to be a leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility the Company will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

(iv) Continuous Disclosure

In accordance with the Listing Rules, the Company will immediately notify the ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The only exception to this requirement is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, the Company will post all information disclosed to ASX on its website.

(v) Selection of External Auditor

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or the Company in general meeting. The appointment is made in writing.

Subject to the application of section 324DAA of the Corporations Act, the external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the Company's accounts for a year of more than five consecutive years. Further, once rotated off the Company's accounts, no partner of the external auditor may assume any responsibility in relation to the Company's accounts for a period of five consecutive years.

The Company has appointed, with their consent, Hall Chadwick WA Audit (formerly Maxim Audit) as its auditors.

(vi) Senior Executives' Remuneration

The Company is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. Consequently, senior executives' remuneration consists of a fixed salary, statutory superannuation and, subject to the terms of their engagement, a fully serviced motor vehicle and mobile phone expenses.

All reasonable out-of-pocket expenses incurred by the senior executive in connection with the performance of duties on behalf of the Company will be reimbursed.

(vii) Non-Executive Directors' Remuneration

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board from time to time. Additional fees may be paid for participation on Board Committees however, the total fees paid to Non-Executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders. At present the maximum aggregate remuneration of Non-Executive Directors is \$250,000 per annum.

(viii) Selection and Appointment of New Directors

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

(ix) Risk Management

Risk recognition and management are viewed by the Company as integral to the Company's objectives of creating and maintaining shareholder value, and the successful execution of the Company's business operations.

There are a range of specific risks that have the potential to have an adverse impact on the Company's business. The Company has developed a framework for a risk management policy and internal compliance and control system which covers organisational, financial and operational aspects of the Company's affairs.

Management reports to the Board annually in relation to the key business risks, the control system in place to manage such risks and how effective the risk management system is operating.

(x) Security Trading

The Company recognises that directors, officers and employees may hold securities in the Company and that most investors are encouraged by these holdings. It is the responsibility of the individual director, officer or employee to ensure that any trading by the director, officer or employee complies with the Corporations Act, the Listing Rules and Company policy.

A breach of this policy may lead to disciplinary action. It may also be a breach of the law.

The Company has established procedures and protocols to be complied with if a director, officer or employee wishes to trade in the Company's securities.

(xi) Shareholder Communication Policy

The Board aims to ensure that shareholders are informed of all major developments affecting the Company. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports. The Board also encourages full participation of shareholders at the Company's annual general meeting.

In addition, the Company maintains a website at [www.wildacre.com.au](http://www.wildacre.com.au) which is regularly updated.

(xii) Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(xiii) Matters for approval by the Board of Directors

The Board has adopted a list of matters required to be brought before the Board of Directors for approval. This provides an important means of dividing responsibility between the Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the senior executives.

(xiv) Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of its people. As such, the Board has adopted a policy to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

- (xv) Explanations for departure from best practice recommendations

During the reporting year from the Company has complied with each of the Essential Corporate Governance principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council (ASX Principles and Recommendations), other than in relation to the matters specified below.

- (c) Compliance with Corporate Governance Principles and Recommendations

**Principle 1: Lay solid foundations for management and oversight**

***Recommendation 1.1***

*The listing entity should disclose:*

- (a) *the respective roles and responsibilities of its board and management; and*
- (b) *those matters expressly reserved to the board and those delegated to management.*

The Company complies with this recommendation.

A policy on matters reserved for the Board is outlined in the "Matters Reserved for Board Approval" document and is available on the Company's website.

The Company has established clear details of the roles and responsibilities of each of its board management members.

***Recommendation 1.2***

*A listed entity should:*

- (a) *undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- (b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company complies with this recommendation.

The Company has a policy for the evaluation of the Board and Senior Executives in accordance with the Board and Senior Executives Evaluation Policy.

The appointment of any director is subject to subsequent approval by shareholders at the next Annual General Meeting of the Company. Meeting materials for such meeting incorporates all relevant details to assist shareholders in deciding whether or not to elect or re-elect that director.

### **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company complies with this recommendation.

Prior to the formal appointment of any director, a written agreement is entered into between the Company and the director setting out the terms and conditions of their appointment.

### **Recommendation 1.4**

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company complies with this recommendation.

While the Company Secretary fills the role and also as Chairman of the Company, he has significant experience in financial and corporate governance matters enabling him to suitably advise the Board on these areas.

### **Recommendation 1.5**

*A listed entity should:*

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) disclose that policy or a summary of it; and*
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either;*
  - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
  - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.*

The Company does not comply with this recommendation. The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set objectives for gender diversity. The Company currently employs (including on a consulting basis) 8 staff (4 females and 4 males).



Upon completion of the acquisition of Nuheara the Company will employ (including on a consulting basis) 11 staff (3 females and 8 males).

#### **Recommendation 1.6**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluation the performance of the board, its committees and individual directors; and*
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the Board, its committees and individual directors which is confirmed in the Annual Report.

#### **Recommendation 1.7**

*A listed entity should:*

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the senior executives which is confirmed in the Annual Report.

### **Principle 2: Structure the board to add value**

#### **Recommendation 2.1**

*The board of a listed entity should:*

- (a) have a nomination committee which:*
  - (1) has at least three members, a majority of whom are independent directors; and*
  - (2) is chaired by an independent director; and disclose:*
  - (3) the charter of the committee;*
  - (4) the members of the committee; and*
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Company does not comply with this recommendation. Given the Company's size, it is not considered necessary to have a separate Nomination Committee.

In addition to the above, the following information is provided:

- (a) the skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report;
- (b) the Board, in consultation with external advisers where required, undertakes this role; and
- (c) a separate policy for Selection and Appointment of New Directors has been adopted by the Board which provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

## ***Recommendation 2.2***

*A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Company complies with this recommendation.

The skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report.

## ***Recommendation 2.3***

*A listed entity should disclose:*

- (a) *the names of the directors considered by the board to be independent directors;*
- (b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

The Company complies with this recommendation.

Non-Executive Directors Jeff Moore and Rick Brown are considered Independent Directors.

However, upon completion of the acquisition of Nuheara, the Company will not comply with principle 2 as the Board will comprise Justin Miller and David Cannington who will both be Executive Directors and Substantial Shareholders.

Upon the acquisition of Nuheara, Mr Grant Mooney will cease to be a substantial Shareholder but shall remain as the Company's Chairman and company secretary.

The length of service of each Director is set out in the Annual Report.

#### ***Recommendation 2.4***

*A majority of the board of a listed entity should be independent directors.*

The Company currently complies with this recommendation but will not comply with this recommendation post acquisition of Nuheara. Refer above.

#### ***Recommendation 2.5***

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The Company does not comply in full with recommendation 2.5 in that the chair should be an independent director. However, upon acquisition of Nuheara, the Company will comply with recommendation 2.5 in that the chair will not be the same person as the Chief Executive Officer.

#### ***Recommendation 2.6***

*A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors efficiently.*

The Company complies with this recommendation.

The Company has established a process for induction of new directors and where possible, provides each director with opportunities for professional development such that they can improve their effectiveness as directors of the Company.

### **Principle 3: Act ethically and responsibly**

#### ***Recommendation 3.1***

*A listed entity should:*

- (a) have a code of conduct for its directors, senior executives and employees; and*
- (b) disclose that code or a summary of it.*

The Company complies with this recommendation.

The Company has established a code of conduct for all directors, senior executives and employees which is summarised in the Company's Annual Report.

## **Principle 4: Safeguard integrity in corporate reporting**

### ***Recommendation 4.1***

*The board of a listed entity should:*

- (a) have an audit committee which:*
  - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
  - (2) is chaired by an independent director, who is not the chair of the board,*
- and disclose:*
  - (3) the charter of the committee;*
  - (4) the relevant qualifications and experience of the members of the committee; and*
  - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company and the relatively small number of directors, it is not practical to have an Audit Committee. The Board undertakes this role.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being Company risk, controls and general and specific financial matters.

The Company has a separate policy for the Selection and Appointment of External Auditors. A copy of this policy is provided on the Company's website.

### ***Recommendation 4.2***

*The board of the listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Company complies with this recommendation. The Board receives assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company also has a separate policy in relation to Risk Management which is available on the Company's website.

#### ***Recommendation 4.3***

*A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company complies with this recommendation.

The Company's auditor attends the annual general meeting of the Company and is available to answer any question in relation to the audit.

### **Principle 5: Make timely and balanced disclosure**

#### ***Recommendation 5.1***

*A listed entity should:*

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Continuous Disclosure policy which is set out on the Company's website.

### **Principle 6: Respect the rights of security holders**

#### ***Recommendation 6.1***

*A listed entity should provide information about itself and its governance to investors via its website.*

The Company complies with this recommendation.

A summary of the Company's Corporate Governance policies is set on the Company's website.

#### ***Recommendation 6.2***

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company complies with this recommendation.

The Company has established an investor relations program to ensure effective communications between the Company and shareholders and investors.

### **Recommendation 6.3**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Company complies with this recommendation.

The Company has a Shareholder Communication Policy which is set out on the Company website.

### **Recommendation 6.4**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company complies with this recommendation.

The Company provides the option to shareholders to receive communications electronically, notification of this option is provided by the Company registry.

## **Principle 7: Recognise and manage risk**

### **Recommendation 7.1**

*The board of a listed entity should:*

- (a) *have a committee or committees to oversee risk, each of which:*
  - (1) *has at least three members, a majority of whom are independent directors; and*
  - (2) *is chaired by an independent director;*
- And disclose:*
  - (3) *the charter of the committee;*
  - (4) *the members of the committee; and*
  - (5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company does not comply with this recommendation.

The Directors are of a view that given the size of the Company, it is not necessary to have a separate committee to oversee risk and this function is

undertaken directly by the Board and senior management at regular intervals.

### **Recommendation 7.2**

*The board or a committee of the board should:*

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

The Company complies with this recommendation.

As stated above, in the forum of board meetings the board regularly addresses certain risks that may affect the Company's business interests and confirmation of these risks being addressed are noted in the Corporate Governance Policies within the Annual Report.

### **Recommendation 7.3**

*A listed entity should disclose:*

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company, it is not practical to have an internal audit function and that risk management is undertaken by the Board and senior management.

### **Recommendation 7.4**

*A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company does not comply with this recommendation.

The Directors are of the view that given the Company's size, risks are addressed directly by the Board and senior management and are not disclosed externally.

## **Principle 8: Remunerate fairly and responsibly**

### **Recommendation 8.1**

*The board of a listed entity should:*

- (a) have a remuneration committee which:*

- (1) *has at least three members, a majority of whom are independent directors; and*
  - (2) *is chaired by an independent director;*
- and disclose:*
- (3) *the charter of the committee;*
  - (4) *the members of the committee; and*
  - (5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company does not comply with this recommendation.

The Company does not presently have a remuneration committee.

The Directors are of the view that given the size of the Company, the relatively small number of directors it is not practical to have a remuneration committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

#### ***Recommendation 8.2***

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company complies with this recommendation.

The Company has separate policies relating to the remuneration of non-executive directors as opposed to senior executives.

These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

#### ***Recommendation 8.3***

*A listed entity which has an equity-based remuneration scheme should:*

- (a) *have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) *disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Securities Trading Policy which, among other things, sets out the Company's policy on trading the Company's securities. A copy of this policy is on the Company's website.



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## 10. Material Contracts

### 10.1 Introduction

The Directors consider that certain contracts entered into by the Company and Nuheara are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares under the Offers. The provisions of such material contracts are summarised in this Section. As this Section is a summary only, the provisions of each contract are not fully described. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

### 10.2 Nuheara Agreements

#### (a) Curtin Agreement

Nuheara has partnered with Curtin which has a proven background in research, development and testing of advanced audio digital signal processing technologies. Curtin seeks to join a collaborative research and development effort with Nuheara to deliver new processing techniques and intellectual property for intelligent hearing with communication capabilities for a range of consumer applications. The two Curtin-based researchers (Professor Sven Nordham and Professor Kevin Fynn) form part of the research team of Nuheara pursuant to the terms of the Curtin Agreement.

The key terms of the Curtin Agreement include:

- (i) Curtin is engaged to join a collaborative research and development effort to deliver processing techniques, intellectual property for augmented hearing with communication capabilities, developed for a range of consumer or socially focussed environments (**Project**).
- (ii) The deliverables include: software implementations of processing techniques, technical reports, evaluation protocol reports and product testing reports.
- (iii) The research on the Project will include, but not limited to, processing techniques suited to blend a user's listening and communication capabilities, as well as a user's ability to spatially control the placement of these varying audio streams.
- (iv) In consideration of Curtin's services in connection with the research and development of the Project, Nuheara shall pay Curtin a fee of \$298,834 (which is payable in accordance with a payment schedule over approximately 21 months).
- (v) Any co-developed intellectual property shall be owned and shall vest with Nuheara from the date of its creation. In consideration of the assignment of such intellectual property, Nuheara agrees to pay Curtin a 2% royalty of net revenues up to a maximum of \$1,000,000.
- (vi) The Curtin Agreement may be terminated by a party where:
  - (A) any payment due remains unpaid for a period of 60 days;
  - (B) the other party breaches the agreement and such breach is not remedied within 30 days;

- (C) the other party becomes, threatens resolves to become or is in jeopardy of becoming subject to any form of insolvency administration;
  - (D) the other party ceases or threatens to cease conducting its business in the normal manner; or
  - (E) by agreement in writing at any time.
- (vii) Both parties agree to treat all confidential information (broadly defined as the confidential subject matter of financial information and other commercially valuable or private information in whatever form, whether written or oral) in confidence, obtain the consent of the other party before disclosing any confidential information and ensure that their employees, agents, contractors and students do the same. Professors Nordholm and Fynn are employees of Curtin.

(b) **Wearable World Agreement**

Nuheara has also partnered with Wearable World Inc ([www.wearableworld.co](http://www.wearableworld.co)), one of the world's leading incubators of Wearables technology companies based in San Francisco, to assist with Nuheara's market development program. Wearable World has been instrumental in incubating over 50 Wearable technology companies over the last two years. Nuheara is already working closely with Wearable World via an agreement under which Wearable World provides Nuheara with US-based incubation services, such as office space, marketing assistance and general Wearable industry market guidance (**Wearable World Agreement**). The Wearable World Agreement expires in March 2016, but Nuheara expects to renew the arrangements. Wearable World is a Nuheara Shareholder.

### 10.3 Company Agreements

(a) **Acquisition Agreement**

The Company entered into the Acquisition Agreement following the execution of a conditional binding terms sheet with the shareholders of Nuheara on or about 18 May 2015, which was amended and restated on or about 30 June 2015 and further amended by a variation deed on or about 29 October 2015. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in Nuheara, and the Nuheara Shareholders agreed to sell all of their ordinary shares in Nuheara to the Company.

(i) **Conditions of the Acquisition Agreement**

Completion of the sale and purchase of 100% of the ordinary shares in Nuheara pursuant to the Acquisition Agreement is due to occur 5 business days following the satisfaction or waiver of the latest condition to be satisfied or waived. The conditions to be satisfied or waived include:

- (A) the Company being satisfied with its due diligence enquiries in respect of Nuheara (this condition has been satisfied);
- (B) Nuheara being satisfied with its due diligence enquiries in respect of the Company (this condition has been satisfied);

- (C) the Company obtaining all regulatory and Shareholder approvals;
- (D) the Company receiving conditional approval from ASX for the reinstatement of its securities to official quotation following completion of the Proposed Acquisition on conditions satisfactory to the Company;
- (E) the Company preparing audited accounts if and as required by the regulatory guidance from the date of incorporation of the Company (this condition has been satisfied);
- (F) the Company completing a capital raising as contemplated by the Public Offer in this Prospectus;
- (G) there being sufficient commitments from investors to complete the Public Offer in this Prospectus prior to the despatch of the General Meeting documents to Shareholders (this condition has been satisfied);
- (H) the Company executing employment and service agreements with Mr Justin Miller and Mr David Cannington (this condition has been satisfied);
- (I) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement as required by ASX imposing such restrictions on trading of those securities mandated by the Listing Rules in respect of the Consideration Shares and any other securities contemplated to be issued;
- (J) the Company and Curtin executing the Curtin Agreement (in a form satisfactory to the Company) and the Company being satisfied with Nuheara's intellectual property rights to conduct the Business and that there are no legal impediments to the conduct of the Business (this condition has been satisfied);
- (K) Nuheara providing the Company with a Working Wearable Prototype on or before 15 January 2016 (this condition has been satisfied); and
- (L) Nuheara receiving sufficient commitments for a capital raising of \$500,000 via the issue of convertible notes (which will ultimately convert to Shares) (**Nuheara Convertible Notes**), to be used in the development of its earbud technology, including the delivery of a Working Wearable Prototype (**Nuheara Raising**) (this condition has been satisfied).

The Company, Nuheara and the Nuheara Shareholders must use their respective best endeavours to procure the satisfaction of the above conditions precedent.

(ii) Completion

At completion of the Acquisition Agreement, the Company has agreed to issue Shares to the Nuheara Shareholders under this

Prospectus and to issue the Management Options to Mr Justin Miller and Mr David Cannington. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Mr William Richard Brown and Mr Jeffrey Moore will resign as Directors.

(iii) Warranties and indemnities

The Acquisition Agreement contains additional provisions, including warranties and indemnities in respect of the status of Nuheara and the Company, which are considered standard for agreements of this kind.

(b) **Employment agreements**

(i) **Justin Miller**

Executive Director

Mr Justin Miller will be engaged as an Executive Director of the Company pursuant to an employment and services agreement between the Company and Mr Miller (**Miller Agreement**).

The total annual remuneration payable to Mr Miller under the Miller Agreement is a salary of \$210,000 per annum. Mr Miller will also be issued 10,000,000 Management Options under the Miller Agreement which he may exercise within 3 years of the date of issue. Shareholders approved the issue of these Management Options at the General Meeting. Mr Miller will also be entitled to participate in short term and long term incentives agreed between the Company and Mr Miller.

The Miller Agreement will commence upon the date the Company's Shares are reinstated to quotation on the ASX. Mr Miller's employment under the Miller Agreement will continue until terminated in accordance with the Miller Agreement (**Term**). During the Term, the Miller Agreement may be terminated by the Company at any time:

- (A) by 6 months' written notice to Mr Miller;
- (B) by 3 written months' notice to Mr Miller in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Miller neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Miller Agreement may be terminated by Mr Miller at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Miller may also terminate the Miller Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Miller Agreement.

As Executive Director, Mr Miller shall (amongst other things):

- (A) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall

devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and

- (B) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Designs, ideas, processes, methods, formulas, scientific and mathematical models, reports, programs, software, systems, notes, records, drawings, inventions, improvements, developments and trade secrets (**Inventions**) which are made, discovered or suggested by Mr Miller in connection with his employment by the Company will be the property of the Company.

Mr Miller is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Miller Agreement contains additional provisions considered standard for agreements of this nature.

(ii) **David Cannington**

Executive Director

Mr David Cannington will be engaged as an Executive Director of the Company pursuant to a letter of appointment between the Company and Mr Cannington, and the Company and Mr Cannington shall enter into an executive services agreement upon completion of the Proposed Acquisition (together, the **Cannington Agreement**).

The total annual remuneration payable to Mr Cannington under the Cannington Agreement is a salary of US\$175,000 per annum and a health care allowance of US\$750 per month. Mr Cannington will also be issued 10,000,000 Management Options under the Cannington Agreement which he may exercise within 3 years of the date of issue. Shareholders approved the issue of these Management Options at the General Meeting. Mr Cannington will also be entitled to participate in short term and long term incentives as agreed between the Company and Mr Cannington.

The Cannington Agreement will commence upon the date the Company's Shares are reinstated to quotation on the ASX. Mr Cannington's employment under the Cannington Agreement will continue until terminated in accordance with the Cannington Agreement (**Term**). During the Term, the Cannington Agreement may be terminated by the Company at any time:

- (A) by 6 months' written notice to Mr Cannington;

- (B) by 3 months' written notice to Mr Cannington in cases of prolonged illness or incapacity (mental or physical); or
- (C) by summary notice in circumstances where Mr Cannington neglects to perform his duties or comply with reasonable or proper direction or engages in serious misconduct.

Otherwise, the Cannington Agreement may be terminated by Mr Cannington at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Miller may also terminate the Miller Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Cannington Agreement.

As Executive Director, Mr Cannington shall (amongst other things):

- (A) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct; and
- (B) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Inventions which are made, discovered or suggested by Mr Cannington in connection with his employment by the Company will be the property of the Company.

Mr Cannington is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Cannington Agreement contains additional provisions considered standard for agreements of this nature.

(iii) **Michael Ottaviano**

Non-Executive Director

Dr Michael Ottaviano will be engaged as a Non-Executive Director of the Company pursuant to non-executive service letter agreement between the Company and Dr Ottaviano (**Ottaviano Agreement**).

The total annual remuneration payable to Dr Ottaviano by the Company under the Ottaviano Agreement is a salary of \$30,000 per annum plus statutory superannuation for services provided to the Company as a Non-Executive Director.

Pursuant to the Acquisition Agreement and with the approval of Shareholders at the General Meeting, the Company has also agreed to issue the Facilitation Shares to Dr Ottaviano (or his nominee) as Facilitator for the acquisition of Nuheara and assisting with capital raising activities.

(iv) **Alan Davis**

Chief Engineer - Product

Dr Alan Davis will be engaged by the Company as Chief Engineer of Product pursuant to an employee services agreement between the Company and Dr Davis (**Davis Agreement**).

The total annual remuneration payable to Dr Davis under the Davis Agreement is a salary of \$150,000 per annum. Dr Davis may be entitled to other incentives such as training and education, bonus schemes and employee share option plans.

The Davis Agreement has no fixed term and may be terminated:

- (A) by Dr Davis with 3 months' notice;
- (B) by the Company without cause with 3 months' notice and payment of 3 months' salary;
- (C) by the Company, in cases of prolonged illness or incapacity, with 1 month's notice; or
- (D) by either party immediately for cause.

Similar to the Miller and Cannington Agreements, Inventions which are made, discovered or suggested by Mr Davis in connection with his employment by the Company will be the property of the Company.

Mr Davis is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 6 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Davis Agreement contains additional provisions considered standard for agreements of this nature.

(v) **David Ward**

Chief Engineer - Operations

Mr David Ward will be engaged by the Company as Chief Engineer of Operations pursuant to an employee services agreement between the Company and Mr Ward (**Ward Agreement**).

The total annual remuneration payable to Mr Ward under the Ward Agreement is a salary of \$150,000 per annum. Mr Ward may be

entitled to other incentives such as training and education, bonus schemes and employee share option plans.

The Ward Agreement has no fixed term and may be terminated:

- (A) by Mr Ward with 1 month's notice;
- (B) by the Company without cause with 3 months' notice and payment of 3 months' salary;
- (C) by the Company, in cases of prolonged illness or incapacity, with 1 month's notice; or
- (D) by either party immediately for cause.

Similar to the Miller and Cannington Agreements, Inventions which are made, discovered or suggested by Mr Ward in connection with his employment by the Company will be the property of the Company.

Mr Ward is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 6 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Ward Agreement contains additional provisions considered standard for agreements of this nature.

In addition to the confidentiality restrictions contained in the employment agreements above, Nuheara has also adopted strict confidentiality policies and processes which are applicable to each of its employees.

(c) **Deeds of Access, Indemnity and Insurance**

The Company has entered into deeds of access, indemnity and insurance with each of the Existing Directors (**Indemnity Deeds**). Upon the appointment of the Proposed Directors to the Board, the Company intends to also enter into Indemnity Deeds with the Proposed Directors.

Pursuant to these Indemnity Deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to company records.

#### **10.4 Underwriting Agreement**

By an agreement between the Joint Underwriters and the Company (**Underwriting Agreement**) dated 22 January 2016, the Joint Underwriters agreed to conditionally underwrite the Public Offer for up to the Full Subscription, being \$3,500,000.



Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay a 6% fee (excluding GST) to RM Capital on up to 140,000,000 Shares issued under the Public Offer; and
- (b) issue 30,000,000 Underwriter Options to RM Capital (or its nominee) on the terms set out in Section 11.2.

The Joint Underwriters hold a corporate authorised representative license from RM Capital.

The Company has the right to issue up to 20,000,000 Shares to investors via the Chairman's List to raise up to \$500,000. A management fee of 2% (as opposed to 6%) is payable by the Company to RM Capital on Shares issued under the Chairman's List.

The issue of the Underwriter Options is subject to Shareholder approval and the Company obtaining a waiver from ASX in respect of Listing Rule 1.1 condition 11.

The obligation of the Joint Underwriters to underwrite the Public Offer is subject to certain events of termination. The Joint Underwriters may terminate their obligations under the Underwriting Agreement in the event of any of the following termination events:

- (c) **(repayment of Application Money)**: any circumstance arises after this Prospectus is lodged a consequence of which is either that the Company is required to repay the money received from applicants or to offer applicants an opportunity to withdraw their applications and receive a refund of their Application Monies;
- (d) **(S&P ASX 300 Index)**: the S&P ASX 300 Index as determined at close of trading falls to less than 10 per cent below their respective levels at the close of trading on 22 January 2016 for 3 trading days.
- (e) **(misleading statement)**: a court finds that there is a serious question to be tried as to whether a material statement in this Prospectus is untrue, misleading or deceptive, or contains a material omission;
- (f) **(false or misleading information)**: any material information supplied by the Company to the Joint Underwriters in respect of any aspect of the Company or any of its subsidiaries or the Public Offer is or becomes misleading or deceptive in a material sense;
- (g) **(injunction, stop order or notice)**: a court grants an injunction, ASIC issues a final stop order or gives notice of intention to hold a hearing, or any person gives a notice in respect of this Prospectus pursuant to the Corporations Act;
- (h) **(supplementary prospectus)**: when a supplementary or replacement prospectus is required to be lodged under the Corporations Act and the Company fails to lodge such in a form acceptable to the Joint Underwriters;
- (i) **(change in prospects)**: in the reasonable opinion of the Joint Underwriters any material and adverse change occurs in the condition or financial position or prospects of the Company;
- (j) **(breach of Underwriting Agreement)**: the Company is in breach of any material provision of the Underwriting Agreement or any warranty given by

the Company under the Underwriting Agreement is not or has ceased to be materially true;

- (k) **(breach of constitution or material contract):** the Company or any of its subsidiaries (if any) breaches its constitution, or any material contract set out in this Prospectus is breached or altered by any person or is terminated without the Joint Underwriters' prior consent, or any such contract is found to be void, voidable or unenforceable;
- (l) **(breach of law):** the Company or any of its subsidiaries is found by a court to have contravened any provision of the Corporations Act or the Listing Rules or any other Australian legislation in a manner that is materially adverse to the Joint Underwriters;
- (m) **(prescribed occurrence):** a prescribed occurrence (as defined by the Corporations Act) occurs in relation to the Company or any of the Company's subsidiaries;
- (n) **(scheme of arrangement):** the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intention of endeavouring to do so;
- (o) **(insolvency, administration or receivership):** the Company suspends payment of its debts, is insolvent or is placed under official management, voluntary administration or into receivership;
- (p) **(appointment of inspector):** an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Company;
- (q) **(conviction of officers):** any officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
- (r) **(unapproved alteration of capital):** the Company alters, or announces an intention to alter, its capital structure or its constitution without the Joint Underwriters' prior consent (not to be unreasonably withheld);
- (s) **(encumbrances):** outside the ordinary course or business, the Company gives security in favour of any person who is not a security holder;
- (t) **(commencement of hostilities):** an outbreak of hostilities not presently existing or major escalation of hostilities occurs involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, the Peoples Republic of China, the Russian Federation, Indonesia, Japan, North Korea or South Korea;
- (u) **(changes of law or regulation):** the Australian Government adopts or announces any change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in shares in Australia or a material change in any regulation to the Company or the Public Offer is made or announced;
- (v) **(quotation on ASX):** ASX has not granted conditional approval for the Shares to be reinstated to official quotation on ASX within eight weeks of the date of issue of the Prospectus or such other period agreed by the Joint Underwriters acting reasonably and having regard to ASX processing times;

- (w) **(statements issued)**: a breach of the restrictions regarding statements to be issued occurs under the Underwriting Agreement;
- (x) **(Prospectus withdrawn)**: the Company withdraws the Prospectus without the Joint Underwriters' consent;
- (y) **(change to management or board)**: there is a significant change to the composition of the senior executives of the Company or of the Board without the Joint Underwriters' approval (not to be unreasonably withheld); or
- (z) **(judgment)**: a judgment in an amount exceeding \$100,000 is obtained against the Company or any subsidiary and is not set aside or satisfied within 5 Business Days.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

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## 11. Additional Information

### 11.1 Rights and liabilities attaching to Shares

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

(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

Every holder of shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a fraction of a vote for every partly paid share, registered in such Shareholder's name on the Company's share register.

A poll may be demanded by the chairperson of the meeting, by at least five Shareholders present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the shares of all those Shareholders having the right to vote.

(c) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(d) Transfer of shares

A Shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of shares, other than a market transfer, where permitted by the Listing Rules or the ASX Settlement Operating Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper ASX Settlement transfer of securities in a manner contrary to the Listing Rules or ASX Settlement Operating Rules.

(e) Meetings and notice

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

(f) Liquidation rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders, divide the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

(g) Shareholder liability

As the shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(h) Alteration to the Constitution

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

## 11.2 Terms of Underwriter Options

The terms of the Underwriter Options to be issued are as follows:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Expiry Date

The Options are exercisable at any time on or before 31 May 2019 (**Expiry Date**).

(c) Exercise Price

The exercise price of the Options is \$0.05 each (**Exercise Price**).

(d) Transferability

Subject to the Corporations Act, the Constitution and the Listing Rules, the Options are fully transferable.

(e) Exercise notice and payment

The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder to exercise a specified number of Options (Notice of Exercise), accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the Option holder's right to exercise the balance of any Options remaining.

(f) Shares issued on exercise

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the subscription monies due:

- (i) issue the Shares;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Option.

(g) Pari passu

All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company does not intend to seek quotation of the Options.

(h) Participation in new issues

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Options to Shareholders during the currency of the Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, Option holders will be notified of the proposed issue at least seven (7) Business Days before the record date of any proposed issue. This will give Option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue.

(i) Adjustments for reorganisation and rights issues

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date, all rights of the Option holder will be varied in accordance with the Listing Rules.

There will be no change to the exercise price of the Options in the event the Company makes a pro rata rights issue of securities or other issue of securities to the holders of ordinary shares in the Company (other than for a bonus issue).

(j) Bonus issues

If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**).

The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class at the date of issue of the Bonus Shares.

### 11.3 Terms of Management Options

The terms of the Management Options to be issued are as follows:

(a) Entitlement

Each Management Option entitles the Employee to subscribe for one Share upon exercise of the Management Option.

(b) Conditions and milestones

The Management Options are subject to the following conditions and milestones:

- (i) 1/3rd upon completion of the Product Portfolio (**Milestone 1**);
- (ii) 1/3rd upon delivery of a Working Wearable Prototype by 15 January 2016 (**Milestone 2**); and
- (iii) 1/3rd upon commencement of commercial production by December 2016 (**Milestone 3**).

(c) Expiry Date

The Management Options are exercisable at any time on or before the date that is 3 years from the date of issue (**Expiry Date**).

(d) Exercise Price

The exercise price of the Management Options is \$0.03 each (**Exercise Price**).

(e) Transferability

Subject to the Corporations Act, the Constitution and the Listing Rules, the Management Options are fully transferable.

(f) Exercise notice and payment

The Management Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder to exercise a specified number of Management Options (**Notice of Exercise**), accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion

of the Management Options held does not affect the Option holder's right to exercise the balance of any Management Options remaining.

(g) Shares issued on exercise

After a Management Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the subscription monies due:

- (i) issue the Shares;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Management Option.

(h) Pari passu

All Shares issued upon exercise of the Management Options will rank pari passu in all respects with the Company's then issued Shares. The Company does not intend to seek quotation of the Management Options.

(i) Participation in new issues

There are no participating rights or entitlements inherent in the Management Options and holders will not be entitled to participate in new issues of Options to Shareholders during the currency of the Management Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, Option holders will be notified of the proposed issue at least four (4) Business Days before the record date of any proposed issue. This will give Option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustments for reorganisation and rights issues

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date, all rights of the Option holder will be varied in accordance with the Listing Rules.

There will be no change to the exercise price of the Management Options in the event the Company makes a pro rata rights issue of securities.

#### 11.4 Summary of the Company's Employee Option Plan

The Wild Acre Metals Limited Employee Option Plan (**Plan**) was approved by Shareholders at the Company's annual general meeting on 28 October 2013. A summary of the Plan is set out below:



- (a) the Board may offer to eligible persons the opportunity to subscribe for such number of Options in the Company as the Board may decide and on the terms set out in the rules of the Plan;
- (b) the eligible persons under the Plan are full time or part time employees or consultants of the Company and any of its subsidiaries;
- (c) the Plan is administered by the Board, which may:
  - (i) make such regulations and establish such procedures for the administration and management of the Plan as it considers appropriate;
  - (ii) appoint any persons and delegate to those persons such powers and authorities as may be necessary or desirable for the administration and management of the Plan; and
  - (iii) resolve any disagreement or dispute with respect to the interpretation of the rules of the Plan or the terms of grant of any Options;
- (d) each Option entitles the holder, on exercise, to one Share in the Company;
- (e) Shares issued on exercise of Options will, upon issue, rank equally with other Shares of the Company;
- (f) an Option may only be exercised after that Option has vested, if any vesting conditions are imposed, after any conditions associated with the exercise of the Option are satisfied and before its expiry date. The Board may determine whether any vesting period should apply and what those vesting conditions should be. On the grant of an Option the Board may in its absolute discretion impose other conditions on the exercise of an Option.
- (g) the exercise price of each Option issued under the Plan will be determined by the Board when it resolves to offer the Options, and will be not less than 80% of the average closing sale price of the Shares on ASX over the five trading days immediately preceding the day of the announcement of the issue of Options by the Board;
- (h) the expiry date of an Option will be determined by the Board, and will be no later than 5 years after the date of issue;
- (i) an Option will lapse immediately upon the first to occur of its expiry date or voluntary resignation of the employee or voluntary termination of the consultancy contract, or the holder acting fraudulently or dishonestly in relation to the Company, or after the Board considers that a change of control event has occurred or is likely to occur;
- (j) an Option will lapse after 6 months of a participant's death, permanent illness or physical or mental incapacity or a participant's redundancy or termination of consulting contract initiated by the Company, other than as a direct result of change sale of the Company;
- (k) if the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an

Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse;

- (l) Options may not be transferred other than to a nominee of the participant, within the meaning prescribed under tax legislation in Australia. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options;
- (m) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 business days after the issue is announced;
- (n) if the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (**Bonus Issue**), each Option holder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options, the number of Shares which would have been issued under the Bonus Issue (**Bonus Shares**) to a person registered as holding the same number of Shares as that number of Shares to which the Option holder may subscribe for, pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise); and
- (o) in the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option holder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

## 11.5 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

	Shareholder	Existing Shares	% existing Shares	% Shares post-transaction (Minimum Subscription)	% Shares post-transaction (Full Subscription)
1.	Grant Mooney	21,334,604	11.36%	4.00%	3.85%
2.	Meriwa Street Pty Ltd	16,907,197	9.00%	3.17%	3.05%

Note: The table above assumes that the existing Options, the Management Options and the Underwriter Options are not exercised and that the Convertible Note Shares are converted to shares.

On completion of the Proposed Acquisition, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder		New Shares	% Shares post-transaction (Minimum Subscription)	% Shares post-transaction (Full Subscription)
1.	Justin Miller	63,142,857	11.83%	11.40%
2.	David Cannington	63,142,857	11.83%	11.40%

Note: The table above assumes that the existing Options, the Management Options and the Underwriter Options are not exercised.

## 11.6 Interests of experts and advisers

### (a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity 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 holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

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

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

### (b) Legal Advisors

Bellanhouse Legal has acted as the solicitors to the Offers and the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Bellanhouse Legal \$25,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Bellanhouse Legal invoiced fees in the amount of \$70,072.50 (excluding GST).

### (c) Investigating Accountants

Crowe Horwath Perth has acted as the Investigating Accountant and has prepared the Investigating Accountant's Report, which is included at Section 6. The Company estimates it has and will pay Crowe Horwath Perth a total of \$4,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Crowe Horwath Corporate Finance (Aust) Ltd has received \$8,800 in fees including GST, from the Company.

### (d) Auditor

Hall Chadwick WA Audit has been appointed as Auditor of the Company for which it will be paid usual commercial rates. During the 24 months

preceding lodgement of this Prospectus with ASIC, Hall Chadwick WA Audit has received fees from the Company in the amount of \$54,000 (excluding GST).

(e) Intellectual Property Expert

Williams & Hughes Lawyers has prepared the Intellectual Property Expert's Report which is included at Section 8. Total fees payable to Williams & Hughes Lawyers for work done in relation to this Prospectus are approximately \$1,500 (excluding GST). During the 24 months preceding lodgement of this Prospectus, Williams & Hughes has not received any other fees from the Company.

(f) Joint Underwriters

Oracle Securities Pty Ltd and Prosperion Wealth Management Pty Ltd are acting as Joint Underwriters for the Public Offer and for this are entitled to the fees set out in Section 10.4. During the 24 months preceding the lodgement of this Prospectus, the Joint Underwriters have received fees from the Company in the amount of \$20,790 (excluding GST).

## 11.7 Consents

Each of the parties referred to below:

- (a) does not make the Offers;
- (b) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility 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 below; and
- (d) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

Bellanhouse Legal has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Australian legal adviser to the Company in the form and context in which it is named.

Crowe Horwath Perth has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

Hall Chadwick WA Audit (formerly Maxim Audit) has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of each of the Company and Nuheara in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

Security Transfer Registrars Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Share Registry to the Company in the form and context in which it is named. Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry.

Williams & Hughes Lawyers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Intellectual Property Expert to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Expert's Report in the form and context in which it is included.

Oracle Securities Pty Ltd and Prosperion Wealth Management Pty Ltd have given, and have not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as Joint Underwriters to the Public Offer under this Prospectus in the form and context in which they are named.

RM Capital Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as the Australian Financial Services Licensee to the Joint Underwriters under this Prospectus in the form and context in which it is named.

The Proposed Directors have each given their written consent to being named as the proposed directors of the Company and to all other information relevant to them in this Prospectus. The Proposed Directors have not withdrawn their consents prior to the lodgement of this Prospectus with the ASIC.

## 11.8 Expenses of the Offers

The expenses of the Offers (excluding GST) are estimated to be approximately \$276,000 (assuming Full Subscription) and are expected to be applied towards the items set out in the table below.

Items of expenditure	Amount (Minimum Subscription)	Amount (Full Subscription)
Offers and underwriting fees <sup>(1)</sup>	\$180,000	\$210,000
Legal fees	\$25,000	\$25,000
Accounting and Independent Accountant's Report	\$4,000	\$4,000
ASIC fees	\$2,320	\$2,320
ASX fees	\$30,000	\$32,500
Other miscellaneous expenses	\$4,680	\$2,180
<b>Total estimated expenses</b>	<b>\$246,000</b>	<b>\$276,000</b>

Note (1): An allowance has been made for the Company to pay fees on funds raised of up to 6% to the Joint Underwriters.

## **11.9 Continuous disclosure obligations**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it will be 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.

## **11.10 Litigation**

To the knowledge of the Directors, the Company is not involved in any litigation that is material for the purposes of this Prospectus. The Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

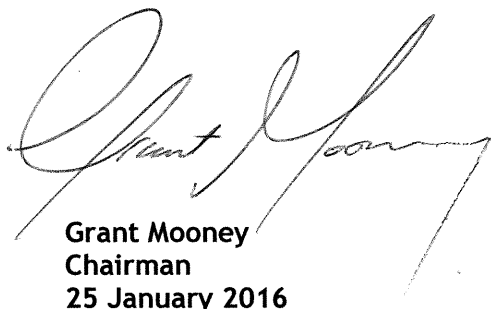
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## 12. Directors' Authorisation

The 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 Existing Director and Proposed 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.



Grant Mooney  
Chairman  
25 January 2016

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## 13. Definitions

**Acquisition Agreement** means the amended and restated binding terms sheet dated on or about 30 June 2015 and varied on or about 29 October 2015 between the Company, Nuheara and the Nuheara Shareholders.

**Application Forms** means the Public Offer Application Form and/or the Vendor Offer Application Form and/or the Facilitation Offer Application Form, as the context requires - see Sections 14, 15 and 16.

**Application Monies** means the amount of money in dollars and cents payable for Shares at \$0.025 per Share pursuant to the Public Offer. No application monies will be payable pursuant to the Vendor Offer or the Facilitation Offer.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means the settlement and operating rules of ASX Settlement.

**August Prospectus** has the meaning given in Section 2.2.

**Board** means the board of Directors of the Company.

**Business** means the development of an ear-bud listening device with multi-functionality and an enabling platform for app developers to deliver solutions and provide functions such as noise reduction, voice enhancement, interface with digital devices and biometrics.

**Business Day** means Monday to Friday except for any day that ASX declares is not a business day.

**Cannington Agreement** has the meaning given in Section 10.3(b)(ii).

**Chairman's List** means applicants for Shares by way of valid Public Offer Application Forms that are nominated by the Chairman of the Company to participate in the Public Offer up to an amount of \$500,000.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** means the date that the Offers close which is 5.00pm (WST) on 19 February 2016 or such other time and date as the Board determines.

**Company** means Wild Acre Metals Limited (ACN 125 167 133).

**Consideration Shares** means the 201,250,000 Shares offered to the Nuheara Shareholders under this Prospectus pursuant to the Vendor Offer.

**Convertible Note Shares** means up to 62,500,000 Shares to be issued pursuant to the Nuheara Convertible Notes under the Nuheara Raising.

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



**Curtin** means Curtin University of Technology in Western Australia.

**Curtin Agreement** means the agreement between Curtin and Nuheara dated 20 August 2015 and amended on 28 October 2015 as summarised in Section 10.2(a).

**Director** means a director of the Company.

**Existing Directors** means Mr Grant Mooney, Mr William Richard Brown and Mr Jeffrey Moore, further details of whom are provided at Section 9.2.

**Facilitation Offer** means the offer of a total 24,802,321 Facilitation Shares under this Prospectus to the Facilitator (or his nominee) for facilitating the Proposed Acquisition.

**Facilitation Offer Application Form** means the Application Form attached to and forming part of this Prospectus at Section 16.

**Facilitation Shares** means the Shares offered to the Facilitator (or his nominee) under this Prospectus pursuant to the Facilitation Offer.

**Facilitator** means Dr Michael Ottaviano.

**Full Subscription** means the raising of \$3,500,000 by the acceptance of applications for 140,000,000 Shares at \$0.025 each pursuant to the Public Offer.

**General Meeting** means the general meeting of Shareholders held on 19 January 2016.

**Hearables** means audio Wearables for the ear.

**Inventions** has the meaning given in Section 10.3(b)(i).

**Investigating Accountant** means Crowe Horwath Perth (ABN 95 001 508 363).

**IQbuds™** means the proprietary Hearables (ear-buds) proposed to be developed by Nuheara based on the Working Wearable Prototype.

**Joint Underwriters** means Oracle Securities Pty Ltd (ABN 88 328 468 957) and Prosperion Wealth Management Pty Ltd (ABN 90 604 665 170).

**Listing Rules** means the listing rules of ASX.

**Management Options** means the 10,000,000 Options to be issued to Mr Justin Miller and the 10,000,000 Options to be issued to Mr David Cannington, on the terms set out in Section 11.3.

**Miller Agreement** has the meaning given in Section 10.3(b)(i).

**Minimum Subscription** means the raising of \$3,000,000 by the acceptance of applications for 120,000,000 Shares at \$0.025 each pursuant to the Public Offer.

**Nuheara** means Nuheara Pty Ltd (ACN 605 704 096).

**Nuheara Convertible Notes** has the meaning given in Section 10.3(a)(i)(L).

**Nuheara Raising** has the meaning given in Section 10.3(a)(i)(L).

**Nuheara Shareholders** means the existing holders of all the issued capital of Nuheara (prior to the acquisition by the Company of shares in Nuheara), details of which are set out in Section 1.2, and, where applicable, includes the holders of the Nuheara Convertible Notes.

**Offer Price** means \$0.025 per Share under the Public Offer.

**Offers** means each of the Public Offer, the Facilitation Offer and the Vendor Offer.

**Opening Date** means the first date for receipt of completed Application Forms which is 9.00am (WST) on 25 January 2016.

**Option** means the right to acquire one Share in the capital of the Company.

**Ottaviano Agreement** has the meaning given in Section 10.3(b)(iii).

**Plan** means the Wild Acre Metals Limited Employee Option Plan summarised at Section 11.4.

**Product Portfolio** has the meaning given in Section 4.4.

**Proposed Acquisition** means the proposed acquisition of shares in Nuheara pursuant to the Acquisition Agreement, as described in Section 2.2.

**Proposed Directors** means Dr Michael Ottaviano, Mr Justin Miller and Mr David Cannington, further details of whom are provided at Section 9.3.

**Prospectus** means this prospectus dated 25 January 2016.

**Public Offer** means the offer of up to 140,000,000 Shares to the public at an offer price of \$0.025 each pursuant to this Prospectus to raise up to \$3,500,000 before costs.

**Public Offer Application Form** means the Application Form attached to and forming part of this Prospectus at Section 14.

**RM Capital** means RM capital Pty Ltd (ACN 065 412 820) (Australian Financial Services Licensee 221938).

**September NOM** has the meaning given in Section 2.2.

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

**Share Registry** means Security Transfer Registrars Pty Ltd (ACN 008 894 488) of 770 Canning Highway, Applecross, Western Australia.

**Shareholder** means a holder of one or more Shares.

**Teck** means Teck Resources Limited.

**Teck Agreement** has the meaning given in Section 2.1.

**Teck Shares** has the meaning given in Section 2.1.

**Underwriter Options** means 30,000,000 Options to be issued to RM Capital (or its nominees) pursuant to the Underwriting Agreement on the terms set out in Section 11.2.

**Underwriting Agreement** means the underwriting agreement between the Company and the Joint Underwriters dated 22 January 2016.

**Vendor Offer** means the offer of 201,250,000 Shares to the Nuheara Shareholders under this Prospectus.

**Vendor Offer Application Form** means the Application Form attached to and forming part of this Prospectus at Section 15.

**Wearable World** means Wearable World Inc.

**Wearable World Agreement** has the meaning given in Section 10.2(b).

**Wearables** means a technology device worn on the body.

**Working Wearable Prototype** means a working wearable prototype provided by Nuheara to the Company's satisfaction, demonstrating an agreed specified functionality.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

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## 14. Public Offer Application Form

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## 15. Vendor Offer Application Form

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## 16. Facilitation Offer Application Form