

ANGEL SEAFOOD HOLDINGS LTD

ACN 615 035 366

REPLACEMENT PROSPECTUS

For an offer of:

Up to 40,000,000 Shares at issue price of \$0.20 per Share to raise up to \$8,000,000 (**Offer**).

Lead Manager:
EverBlu Capital Pty Ltd (AFSL 499 601)

Legal Adviser:
Steinepreis Paganin



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. There are risks associated with an investment in the Company.

The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

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1. Corporate Directory

Current Directors

Mr Michael Porter
Executive Chairman

Mr Isaac Halman
Executive Operations Director

Mr James Rogalski (to resign)
Non-Executive Director

Proposed Directors

Mr Tim Goldsmith
Independent Chairman

Mr Isaac Halman
Executive Operations Director

Mr Ashley Roff
Non-Executive Director

Mr Michael Porter
Non-Executive Director

Company Secretary

Ms Christine Manuel

Proposed ASX Code

AS1

Solicitors to the Offer

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Registered Office

19 Adelaide Place
Port Lincoln, SA 5606
Email: info@angelseafood.com.au
Website: www.angelseafood.com.au

Solicitors to the Company

Thomson Geer
Level 7, 19 Gouger Street
Adelaide SA 5000

Auditor for the Company

William Buck
Level 6, 211 Victoria Square
Adelaide SA 5000

Investigating Accountant

William Buck Corporate Advisory Services
(SA) Pty Ltd
Level 6, 211 Victoria Square
Adelaide SA 5000

Lead Manager

EverBlu Capital Pty Ltd
Level 39, Aurora Place 88 Phillip Street
Sydney NSW 2000

Australian Financial Services Licence
Number 499 601

Share Registry*

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

Phone: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)

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

2. Important Notice

2.1 Lodgement and Listing

This is a replacement prospectus dated 13 December 2017 which replaces a prospectus dated 1 December 2017. This replacement prospectus was lodged with the ASIC on 13 December 2017. For the purposes of this document, this replacement prospectus will be referred to as “this Prospectus”.

ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered speculative.

2.2 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.3 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and 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. 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.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

2.4 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.angelseafood.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Lead Manager

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by phone on +61 2 8249 0000 during office hours or by emailing the Company at info@angelseafoods.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.

2.5 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.6 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 11 as well as Section 6 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

2.7 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. 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 and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 6 and 11.

2.9 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

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2.10 Enquiries

If you have any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

2.11 Definitions

Terms used in this Prospectus are defined in the Glossary in Section 19.

2.12 Replacement Prospectus

The differences between this Prospectus and the original prospectus dated 1 December 2017 are:

- (i) additional disclosure in relation to Angel's business model at Sections 6, 8.3 and 8.4
- (ii) additional disclosure in relation to Angel's leases and licences at Sections 6, 8.5 and 11.2;
- (iii) additional disclosure in relation to spat mortality and supply at Sections 6 and 11.2;
- (iv) additional disclosure in relation to Options on issue at Sections 9 and 13.6, 16.2; and
- (v) additional disclosure in relation to Everblu at Section 6.

3. Key Offer Information

3.1 Key Dates: Indicative Timetable

Lodgement of Prospectus with the ASIC:	13 December 2017
Opening Date of Offer:	18 December 2017
Closing Date of Offer:	19 January 2018
Issue of Shares under Offer:	25 January 2018
Dispatch of holding statements:	31 January 2018
Expected date for quotation on ASX:	6 February 2018

Notes:

- (a) The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice.
- (b) Applicants are encouraged to submit their Applications as early as possible after the Offer opens.
- (c) The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.

4. Key Offer Details

	Minimum Subscription	Maximum Subscription
Current Shares on issue	80,702,900	80,702,900
Shares to be issued under the Offer	30,000,000	40,000,000
Additional Shares to be issued to the Company Founder and Lead Manager separate to the Offer	1,750,000	1,750,000
Shares to be issued on conversion of Convertible Notes	3,125,000	3,125,000
Offer Price per Share	\$0.20	\$0.20
Gross proceeds from the Offer	\$6,000,000	\$8,000,000
Undiluted total number of Shares on issue at completion of the Offer	115,577,900	125,577,900
Undiluted indicative market capitalisation at completion of the Offer	\$23,115,580	\$25,115,580
Performance Shares on issue at completion of the Offer	1,500,000	1,500,000
Total number of Shares and Performance Shares on issue at completion of the Offer	117,077,900	127,077,900
Options on issue at completion of the Offer (over Shares)	12,000,000	12,000,000
Performance Rights on issue at completion of the Offer	4,000,000	4,000,000
Total number of securities and Performance Rights on issue at completion of the Offer on a fully diluted basis	133,077,900	143,077,900
Fully Diluted Indicative market capitalisation at completion of the Offer	\$26,615,580	\$28,615,580

Notes:

- (a) The indicative market capitalisation is determined by multiplying the applicable number of Shares on issue by the Offer Price per Share. Investors should be aware that the Shares may not trade at the Offer Price after listing on the ASX (**Listing**). If the Shares trade below the Offer Price after Listing, the market capitalisation may be lower.
- (b) Refer to Sections 9 and 16.2 for more detail in respect of the Options on issue. Refer to Section 16.3 for the full terms and conditions of the Performance Shares and Section 16.4 for the full terms and conditions of the Performance Rights.

4.1 How to invest

Completing and lodging an Application Form is the only way to apply for Shares. Instructions on how to apply for Shares are set out in Section 7.7 and on the back of the Application Form attached to this

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Prospectus.

4.2 Questions

If you have any questions about this Prospectus or how to apply for Shares, please contact the Company's share registry, Computershare, on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) from 9.00am to 5.00pm (Melbourne time) Monday to Friday.

5. Angel Seafood Holdings Ltd – Chairman’s Letter

Dear Investor,

On behalf of the Directors and existing Shareholders of Angel Seafood Holdings Ltd (**ASH, Angel** or the **Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

Under the Offer, Angel is seeking to raise a minimum of \$6 million to a maximum of \$8 million through the issue of Shares at an issue price of \$0.20 per Share. The purpose of the Offer is to provide funds to implement the Company’s business strategies as set out in Sections 6 and 8.

Since its inception, Angel has steadily grown into a premium, organic and sustainable aquaculture company providing world class oysters to our domestic and overseas customers. Angel’s business plan is executed by our highly skilled, innovative, professional and knowledgeable team who have a passion and immense respect for the crystal-clear waters we farm in. Angel’s team has extensive regional know-how of the environment and ecosystem along with the training to ensure best industry practice at all times. The Company prides itself on its organic and sustainable certifications which the Board believe give Angel a unique and disruptive advantage over our competitors.

This combination of passion, respect, knowledge and innovation that Angel has shown within the industry has already ensured a degree of success for the Company, proving the value of our farming methods, which can be seen through the traction we are receiving both domestically and internationally for our world class product.

The Company believes the time is right for consolidation of the oyster industry in Australia, and specifically South Australia, where the industry is still in its infancy. In turn, we anticipate that significant opportunity awaits us, and that our first mover advantage places Angel at the forefront of what we see as a revolutionary step forward for the oyster industry in Australia.

The development and expansion of the business comes at a topical time in world markets as global demand for food, and in particular seafood, continues to increase. The demand for Angel’s product from our existing domestic and export customers is ever increasing and we are preparing the Company to satisfy part of this increasing demand, for what is considered to be a world class product, through the expansion of the business.

Angel’s value proposition, our domestic and export networks and relationships, combined with the above mentioned current and future product demand have led the Company to pursue a dynamic growth strategy.

Additionally, acquisitions have always been core to Angel’s growth and it is through these past, current and future acquisitions that the Company will be able to increase production and its footprint within the industry. The Company will continue to evaluate acquisition opportunities going forward, and where it is thought to add to Shareholder value and advance the Company’s position, it will continue to make acquisitions.

This Prospectus provides more detail on the Company and its proposed operations and growth. I encourage you to read it thoroughly. I look forward to you joining us as a Shareholder and sharing in what lies ahead.

Yours sincerely,



Michael Porter
Executive Chairman
Angel Seafood Holdings Ltd

6. Investment overview

The information contained in this Section 6 is a summary only. You should read this Section in conjunction with the information set out in the remainder of this Prospectus.

ITEM	SUMMARY	FURTHER INFORMATION
	The Company	
Who is the issuer of this Prospectus?	Angel Seafood Holdings Ltd (ACN 615 035 366).	Section 8
Who is Angel Seafood Holdings Ltd?	<p>Angel Seafood Holdings Ltd (Angel, ASH or the Company) is a South Australian based aquaculture company currently operating out of Coffin Bay, Haslam, Smoky Bay and Cowell.</p> <p>Angel farms clean, green, organic and sustainable oysters which it sells domestically and internationally. The Company currently owns or leases 41.08 hectares of oyster production licenses and leases in South Australia and has agreed to acquire a further 10.00 hectares of oyster production licenses and leases.</p> <p>The Company believes it has identified a unique opportunity to rapidly expand operations through the aggregation of a number of smaller oyster farms into one entity. Angel plans to become the largest producer of organic and sustainable Pacific oysters in Australia.</p>	Section 8
When was the Company Incorporated?	The Company was incorporated on 27 September 2016.	
What is the Company's business?	<p>Angel grows oysters in multiple bays on South Australia's Eyre Peninsula.</p> <p>Angel is one of only three certified sustainable oyster producers in the world who have been certified by the "Friends of the Sea" and is also one of only two certified organic oyster producers in Australia who have been certified by the National Association for Sustainable Agriculture Australia (NASAA). These qualities form the framework that enable the Company to farm clean, green, organic and sustainable oysters, which the Company sells domestically and internationally.</p>	Section 8
What are the key facts about Angel?	<p>Angel's business exists in an industry environment where demand for the product far outstrips supply.</p> <p>Domestic and export demand for Australia's Coffin Bay oysters is experiencing tremendous growth. Exported oysters attract a price premium over domestic pricing; yet this export market is still relatively untapped.</p> <p>Angel is growing in a unique industry that is still in its infancy in South Australia having been established less than 30 years ago on the Eyre Peninsula. The Board believes that the local industry is currently fragmented and under capitalised which presents a</p>	Section 8

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	compelling case for acquisitions and future efficiency.																
What will the capital structure of the Company be on quotation of its Shares on the ASX?	<p>Following completion of the Offer and upon Listing on the ASX, the Company will have the following securities on issue:</p> <table border="1"> <thead> <tr> <th>Security</th><th>Min Subscription</th><th>Max Subscription</th></tr> </thead> <tbody> <tr> <td>Shares</td><td>115,577,900</td><td>125,577,900</td></tr> <tr> <td>Performance Shares</td><td>1,500,000</td><td>1,500,000</td></tr> <tr> <td>Performance Rights</td><td>4,000,000</td><td>4,000,000</td></tr> <tr> <td>Options</td><td>12,000,000</td><td>12,000,000</td></tr> </tbody> </table>	Security	Min Subscription	Max Subscription	Shares	115,577,900	125,577,900	Performance Shares	1,500,000	1,500,000	Performance Rights	4,000,000	4,000,000	Options	12,000,000	12,000,000	Section 9
Security	Min Subscription	Max Subscription															
Shares	115,577,900	125,577,900															
Performance Shares	1,500,000	1,500,000															
Performance Rights	4,000,000	4,000,000															
Options	12,000,000	12,000,000															
Why does the company have Performance Shares and Performance Rights on issue and what are the key terms?	The Performance Shares will be issued to the Company founder Isaac Halman as part of his incentive package and the Performance Rights will be issued to Angel Oysters Pty Ltd as trustee for the Halman Family Trust (a trust controlled by Mr Halman) as part consideration for the Company's acquisition of the Smoky Bay Business. Shares will be issued on the conversion of the Performance Shares and Performance Rights upon the Company reaching key business milestones.	Sections 16.3 and 16.4															
	Business Model																
What is the Company's strategy?	<p>The Company believes it has identified a unique opportunity to rapidly expand operations through the aggregation of a number of smaller oyster farms into one entity. The Company will be operationally led and managed by Mr Isaac (Zac) Halman, the founder of Angel.</p> <p>The Company initially acquired the Smoky Bay Business and has also acquired oyster production leases and related assets at Coffin Bay pursuant to the Coffin Bay Acquisition.</p> <p>Further, the Company has agreed two further acquisitions of oyster production leases and related assets in Haslam and Streaky Bay (Haslam Acquisition) and Cowell (Cowell Acquisition), all in South Australia. As part of these acquisition agreements, Angel has already gained access and is currently farming the waters at Haslam, Cowell, Smoky Bay and Coffin Bay. Angel's four geographic areas, currently being farmed, are termed the 'multi-bay solution'.</p> <p>The growing areas and movement of oysters on the Eyre Peninsula is proven and well established. However, traditionally this movement of stock would be by way of one farmer selling to another, each in a different bay. Farmers have traditionally found it difficult to access capital to fund a move into multiple bays. By</p>	Section 8															

	<p>moving to a multi-bay Company, Angel will both break with tradition and gain other scale benefits.</p> <p>The Company has identified a number of ways to benefit from the aggregation of these oyster farms as an entity using the multi-bay solution (refer to Section 8.4 for further details). One benefit that comes with aggregation is scale. The Company has already invested in larger boats to carry a greater quantity of oysters from the sea to the processing point.</p> <p>The Offer will fund further investment in capital items such as a state of the art processing plant in Coffin Bay which it is intended will have 250% of the capacity of the current plant. This scale allows the capital to be invested to allow the Company to benefit from the aggregation opportunities.</p> <p>The Company may also focus on the expansion into other states of Australia at the appropriate time.</p> <p>The Company has also identified the benefits of vertical integration within the business and will endeavour to explore these options as the business grows.</p> <p>The Company will also focus on increasing export sales throughout the world, and specifically into Asia, which has shown increasing demand for Angel's clean, organic and sustainable product. The price per oyster achieved through export is currently greater than what is achieved through selling oysters domestically hence the reason the Company will focus on increasing export sales going forward.</p>	
How will the Company make money?	<p>The Company's primary source of revenue will be generated through the sale of oysters to both the domestic and export markets.</p> <p>The Company has long term established markets for selling oysters to primarily domestic wholesalers, which underpin the current sales and anticipated growth of the Company.</p> <p>The Company intends to grow its export sales over time.</p>	Section 8
What are the key dependencies affecting the Company?	<p>If the Offer is completed, the success of the Company will be subject to the following key dependencies:</p> <ul style="list-style-type: none"> (a) successful growth and production of the Company's oyster stock; (b) maintaining relationships with the Company's current customer base; (c) maintaining the Company's key personnel to run the day to day operations of the business; (d) identification of suitable acquisition opportunities to support the expansion of the business; (e) establishing and maintaining the reputation of the existing Angel Oysters Australia and Angel Seafood brand; (f) the Company's oysters remaining disease free and avoiding an outbreak that impacts upon their health and wellbeing; (g) obtaining and maintaining Government approvals and quotas. In order to meet business plan outcomes, the Company will need to be able to control and farm these 	Section 8

	<p>government approved leases and licenses. A failure to obtain such approvals, or significant delays in obtaining approvals, may limit the Company's ability to meet its business and production goals;</p> <p>(h) the ability to remain competitive. The industry in which the Company is involved is subject to domestic and global competition. The Company has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business;</p> <p>(i) to the extent the future growth of the Company is dependent on external capital, maintaining a good relationship with Australian and global capital markets,</p> <p>(j) maintaining and/or further developing relationships with major customers, suppliers and distributors in order to successfully expand the Company's export and domestic oyster sales. The Company will need to supply or service customers to generate revenue and this will require customer engagement and the execution of relevant contracts; and</p> <p>(k) the Company relies on contracted spat (hatchery grown juvenile oysters) supply being delivered, and future required spat being available and supplied.</p>	
What are the key business objectives of the Company?	<p>The proposed activities and business model of the Company on completion of the Offer are to:</p> <p>(a) implement its development and expansion plans, initially targeting the development and expansion of production assets within South Australia, followed potentially by expanding production into other states of Australia.</p> <p>(b) continue to seek vertical integration acquisitions that will potentially assist in streamlining the business, increasing revenues and reducing costs.</p> <p>(c) focus on increasing domestic sales and supplying into existing demand.</p> <p>(d) grow export sales, which enable the Company to achieve a higher sales price per oyster.</p>	Section 8
What are the key acquisitions?	<p>Approximately 80% of the funds raised (assuming the maximum amount is raised) under the Offer will be used to enact the key acquisition strategy of the Company. Water acquisition (i.e. the acquiring of oyster leases), and the acquisition of associated capital items required to farm the water, is paramount to the success of the Company's business plan.</p> <p>Oyster production leases are governed by the number of lines that can be placed on each hectare of water which differs from region to region throughout South Australia. In turn, the number of oyster baskets that can be placed on each hectare is determined by the number of lines that can be placed on the leases. In order to ensure the Company has the necessary amount of nutrient rich water to reach its production forecasts the Company has agreed the acquisitions described below.</p> <p>\$4,000,000 of the funds raised will go towards payment of the</p>	Section 7.6, 8, 15.2 and 15.3

	<p>respective purchase prices and anticipated incidental costs for the Cowell Acquisition and Haslam Acquisition. These acquisitions are the subject of executed acquisition agreements. Details of these acquisitions can be found in Sections 8.11, 15.2 and 15.3</p> <p>It is intended that \$1,641,500 (20.52%) of the funds raised will be reserved for future acquisitions of oyster leases and related assets.</p> <p>\$800,000 (10.00%) of the funds raised are allocated to expenditure on the conversion of the current Coffin Bay processing shed into a fully compliant export facility that will be able to process the anticipated throughput of the Company's business model once matured.</p>	
	Key Advantages and Key Risks	
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> (a) Seven years' experience in oyster farming from the founder, and Executive Operations Director, Isaac Halman. He has contributed to the ongoing development and refinement of the Company's farming practices to ensure a high-quality product is produced with the best interests of the environment in mind and the lowest possible cost. (b) The Company has acquired some of the best, and proven, water available for growing oysters in Australia. (c) The Company is already operating and selling produce into domestic and export markets. (d) Vast global market potential, driven by increasing population, changing diets and food security concerns. (e) The Company is an organically and sustainably certified oyster producer; organically certified through the internationally recognised National Association for Sustainable Agriculture, Australia (NASAA) and sustainably certified with the internationally recognised 'Friends of the Sea' organisation. Angel is also a multi-award-winning oyster producer. (f) A unique industry that is still in its infancy in South Australia which presents an attractive opportunity to obtain first mover advantage. (g) Investment with significant potential social and environmental benefits. (h) Subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its expansion strategy. (i) A highly skilled, innovative and experienced management team. 	Section 8
What are the key risks of an investment in the Company?	<p>Key risk factors include:</p> <ul style="list-style-type: none"> (a) Limited History: The Company was only incorporated on 27 September 2016 and has limited operating history and limited historical financial performance. Further, the Company operated at a loss for the financial year ended 30 June 2017 (being a loss of approximately \$1,667,519 for the period). 	Section 11

	<p>Please refer to the Financial Information in Section 12 for further details. No assurance can be given that the Company will maintain or improve commercial viability through its business or otherwise. Achievement of the Company's objectives will depend on the Board's and the executive team's ability to successfully implement its development and growth strategy. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.</p> <p>(b) Aquaculture Operational Risks: The Company operates an oyster production business in the ocean. The growing cycle takes approximately 18 months. Such a business needs to manage risks inherent in such an aquaculture operation including disease, theft, environmental change, predation and severe weather events.</p> <p>(c) Business Failure: There is a risk of business failure, including that Angel will fail to attract new customers, fail to retain existing customers, or that sufficient revenue will otherwise not be achieved. Further, there are risks associated with the Company's business model to increase exports of its products abroad. If the Company is unable to obtain necessary export licenses and approvals, or if the granting of such licenses and approvals is delayed, the operating and financial performance of the Company will be adversely affected.</p> <p>(d) Competition Risks: The industry in which the Company is involved is subject to domestic and global competition. The Company has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.</p> <p>(e) Contract Risk: The Company's success is reliant in part on contractual relationships with third parties.</p> <p>(f) Dependence on Key Personnel: The Company's prospects depend in part on the ability of management, and in particular Isaac Halman, to manage the operations. Loss of key personnel may have an adverse impact on the Company's performance.</p> <p>(g) Supply or Service contracts/customer engagement risk: In order to successfully expand export/domestic oyster sales, the Company will need to supply or service customers to generate revenue and this will require customer engagement and the execution of relevant contracts. Subsequently, the production of oysters is reliant on current contracted spat (juvenile oysters) being supplied (and continuing to be supplied) in good size and free from genetic modification. The Company experienced a spat mortality event in 2017 caused by the size of the spat being supplied to industry at that time. This mortality event may adversely impact sales by the Company in the first half of the 2018 calendar year. Industry is now providing larger spat to customers but if the Company was to have another such event, then this would reduce the number of oysters produced by the Company and thereby</p>	
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	<p>have an adverse effect on the Company's performance. Industry reports have suggested that the previous mortality event was due to oyster producers being provided spat of 2mm in size. Future spat sourced by the Company will be larger and more viable due to current industry production.</p> <p>(h) Disease Risk: There is a risk that the Company suffers a disease outbreak that impacts on the health and wellbeing of its oyster stocks. This includes a disease such as Pacific Oyster Mortality Syndrome (POMS) which affects mainly juvenile (<12 months old) Pacific oysters. To date, POMS has not occurred in South Australia and the South Australian Government and the Company has measures in place to mitigate the risk of any such disease.</p> <p>(i) Title and Renewal Risk: As noted in Section 8.5 of this Prospectus, the water leases and licences held by the Company are issued through the South Australian state government body called Primary Industries and Regions South Australia (PIRSA). The licence and lease holder must abide by a number of PIRSA regulations and guidelines that are monitored and enforced through mandatory periodic PIRSA officer inspections; Angel is subject to these inspections. The Company cannot guarantee additional applications for licences and leases made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of currently valid licences and leases will be granted on a timely basis, or at all. The licences and leases constituting the Company's business model are subject to applications for renewal. The renewal or grant of the terms of each licence and lease are usually at the discretion of the relevant government authority. Additionally, licences and leases are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or lease or restrict its ability to be renewed. If a licence or lease is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and utilise the benefits of that licence or lease.</p> <p>(j) Reduction in Demand for Oysters: There is a risk that a change in economic conditions could cause consumers to reduce their consumption of oysters. Changes in consumer dietary preferences or sentiment towards seafood and oysters could also result in lower demand for oysters. Such lower demand could reduce the price at which ASH is able to sell its oysters, resulting in an adverse effect on ASH's financial performance.</p> <p>(k) Customer Credit Risk: ASH will conduct its business with its customers on normal commercial terms. These terms include varying periods from payment up front to standard settlement of up to 30 days after dispatch of oysters. There is a risk that debtors default or make payment late, which could have a material adverse impact on ASH's financial performance, including cash flow and working capital.</p> <p>(l) Food Safety and Sanitation: As with all food producers, ASH is exposed to the risk of product contamination and</p>	
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	<p>product recalls. There is also a risk that the product could cause a serious food poisoning incident as a result of an operational lapse in food safety or sanitation procedures or malicious tampering. There is also the risk that actions of ASH's wholesale customers could compromise the hygiene and safety of ASH's products after they have left ASH's processing facility.</p> <p>(m) Brand and Reputation Calamity: There is a risk that some incident beyond the control of the ASH could occur which would have the effect of reducing consumer confidence or preferences for oysters generally or ASH's products specifically. The consequences of such an incident could be very significant for the Company, with impacts potentially including reduced revenues, loss of consumer trust in the relevant brand or product, and reduced prominence of the brand in customers' minds.</p> <p>(n) Security of Supply Chain: There is a risk that the supply chain for ASH could be materially disrupted with the result that sufficient quantities of oysters are not delivered on time. This could result from the occurrence of a natural disaster that affects the delivery of oysters to customers. The occurrence of such an event could result in the inability to sell some or all products, with an associated loss of revenue and (potentially) brand damage, increased costs flowing from alternative transport and delivery arrangements, or a combination of both.</p>													
	Key people, interests, benefits and contracts													
Who are the Directors?	<p>At Listing, the Board will consist of:</p> <p>(a) Mr Tim Goldsmith - Independent Non-Executive Chairman</p> <p>(b) Mr Isaac Halman – Executive Operations Director and Founder</p> <p>(c) Mr Ashley Roff – Non-Executive Director</p> <p>(d) Mr Michael Porter – Non-Executive Director</p> <p>The profiles of each of the Directors are set out in Section 13.</p>	Section 13												
What are the significant interests of Directors in the Company?	Each Director's interests in the Company is set out at Section 13.	Section 13												
What are the significant benefits payable to the Directors?	<p>The Directors are entitled to the following remuneration and fees (which are all exclusive of superannuation):</p> <table border="1"> <thead> <tr> <th>Director</th><th>Remuneration</th><th>Options*</th></tr> </thead> <tbody> <tr> <td>Mr Tim Goldsmith</td><td>\$50,000</td><td>1,500,000</td></tr> <tr> <td>Mr Ashley Roff</td><td>\$40,000</td><td>Nil</td></tr> <tr> <td>Mr Michael Porter</td><td>\$40,000</td><td>500,000</td></tr> </tbody> </table>	Director	Remuneration	Options*	Mr Tim Goldsmith	\$50,000	1,500,000	Mr Ashley Roff	\$40,000	Nil	Mr Michael Porter	\$40,000	500,000	Section 13
Director	Remuneration	Options*												
Mr Tim Goldsmith	\$50,000	1,500,000												
Mr Ashley Roff	\$40,000	Nil												
Mr Michael Porter	\$40,000	500,000												

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

	<table border="1"> <tr> <td>Mr Isaac Halman**</td><td>\$140,000</td><td>Nil</td></tr> </table> <p>*To be issued on the terms and conditions set out in Section 16.2.</p> <p>** Mr Halman will also be issued 1,500,000 Performance Shares and the Halman Family Trust will be issued 4,000,000 Performance Rights on the terms and conditions set out in Sections 16.3 and 16.4 respectively.</p> <p>Further information on Director benefits is set out in Section 13.</p>	Mr Isaac Halman**	\$140,000	Nil	
Mr Isaac Halman**	\$140,000	Nil			
Who are the significant existing shareholders of the Company and what will their interests be after completion of the Offer?	Details of significant shareholders both before and after the Offer are set out in Section 10.	Section 10			
Existing Shareholders and arrangements that will be in place as at completion of the Offer?	<p>Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, certain securities on issue 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 Official Quotation. 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.</p> <p>It is estimated that 48,708,502 Shares, 1,500,000 Performance Shares, 4,000,000 Performance Rights and 12,000,000 Options will be subject to escrow as follows:</p> <ul style="list-style-type: none"> (a) 1,500,000 Options, 4,000,000 Performance Rights and 18,612,502 Shares held by Angel Oysters Pty Ltd as trustee for the Halman Family Trust for 24 months commencing on Listing; (b) 1,500,000 Performance Shares held by Company founder Isaac Halman for 24 months commencing on Listing; (c) 4,387,500 Shares held by vendors of Shares previously held by the Halman Family Trust for 24 months commencing on Listing; (d) 12,231,750 Shares and 6,500,000 Options held by other Directors, related parties and promoters of the Company for 24 months commencing on Listing; (e) 1,483,000 Shares issued to professionals and consultants in lieu of services provided to the Company for 24 months commencing on Listing; (f) 1,250,000 Shares and 4,000,000 Options to be issued to the Lead Manager for 24 months commencing on Listing; and (g) 10,743,750 Shares held by seed capitalists for 12 months from the date of issue. <p>Additionally, at the date of this Prospectus certain existing</p>				

	<p>Shareholders of the Company have indicated a willingness to enter into voluntary restriction agreements in respect of an additional approximately 10,290,000 Shares for 12 months.</p> <p>Given the number of Shares estimated to be restricted from trading, there is expected to be liquidity with respect to approximately 49% of the Shares on issue at completion of the Offer (assuming the Minimum Subscription is raised) and therefore the Company's free float will be not less than 20% at the time of Listing.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.</p>	
What material contracts is the Company a party to?	The Company is party to the material contracts set out in Section 15 including the acquisition agreements for the Haslam Acquisition and Cowell Acquisition.	Section 15
What Corporate Governance Policies does the Company have in place?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's departures from the Recommendations as at the date of this Prospectus are outlined in Section 14.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.angelseafood.com.au).</p>	Section 14
	Financial Information	
How has the Company been performing?	<p>ASH was incorporated on 27 September 2016 and, as such, only has limited historical financial activity. In October 2016, the Company acquired an oyster production business based in Smoky Bay, South Australia from the Halman Family Trust (a trust controlled by the Company founder Isaac Halman) (Smoky Bay Business).</p> <p>In October 2016, the Company also acquired oyster production leases and related assets in Coffin Bay, South Australia from unrelated third party vendors (Coffin Bay Acquisition) in line with the Company's objective to rapidly expand the business' geographic footprint. The Board believes that this rapid expansion is the primary reason for the Company's operating loss for the financial year ended 30 June 2017 which was approximately \$1,667,519.</p> <p>Financial information based on the audited financial statements of the Company (including its subsidiaries) as at 30 June 2017 is set out in Section 12. Also contained in Section 12 is historical financial information of the Smoky Bay Business for prior periods.</p> <p>This Prospectus includes financial information as contained in the audited annual financial statements of the Smoky Bay Business for the financial periods ended 30 June 2015 and 30 June 2016 (together, the Included Documents) which are incorporated by reference in accordance with section 712 of the Corporations Act. The Included Documents were lodged with ASIC on the date of this</p>	Section 12

	Prospectus. The Company will give a copy of the Included Documents free of charge to any investor who asks for a copy before the Closing Date. Any such request should be made by contacting the Company at its registered office during normal business hours. The Company will also announce the Included Documents to the ASX prior to the Shares commencing trading on ASX.	
What is the financial outlook for the Company?	<p>Given the current status of the Company and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 17.9
	Summary of Offer	
What is being offered under the Offer?	The Offer is an offer of a minimum of 30,000,000 Shares and a maximum of 40,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$6,000,000 and a maximum of \$8,000,000 (before costs).	Sections 4 and 7
What is the purpose of the Offer?	<p>Implement the business model and objectives of the Company as stated above and satisfy Chapters 1 and 2 of the ASX Listing Rules.</p> <p>Notes:</p> <p>(a) The satisfaction of Chapters 1 and 2 of the ASX Listing Rules is sought for the purpose of seeking ASX's approval for the Company's admission to the Official List of ASX.</p> <p>(b) The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 7 & 8
What rights and liabilities attach to the Shares being offered?	The Shares will rank equally with the Shares currently on issue in the Company.	Section 16.1
Is the Offer underwritten?	The Offer is not underwritten.	Section 7.4
Who is the lead manager to the Offer?	<p>The Company has appointed EverBlu Capital Pty Ltd (Lead Manager) as lead manager to the Offer. The Lead Manager is a holder of an Australian Financial Services Licence (Number: 499 601).</p> <p>EverBlu Capital Pty Ltd was incorporated on 3 June 2016 and is an Australian boutique investment firm focused on providing clients with capital markets and corporate advisory services. The EverBlu team includes members with over a decade's experience at Macquarie Bank as well as other investments banks including ABN AMRO.</p> <p>The Lead Manager will receive a management fee of 2% (excluding GST) in cash of the total funds raised under the Offer, a capital raising fee of 4% (excluding GST) of funds raised, a corporate advisory fee</p>	Section 7.5

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

	<p>capped at \$170,000, and will be issued 4,000,000 Options and 1,250,000 Shares.</p> <p>Some or all of the fees payable to the Lead Manager may be required to be passed on to other brokers or advisers who assist with the Offer.</p> <p>Specifically, the Lead Manager has agreed to pass on a 2.5% Offer referral fee, a \$20,000 corporate advisory fee, 2,000,000 Options and 250,000 Shares to Corpus Capital Pty Ltd, of which Mr Michael Porter is a Director and owns 50% of, as an introduction fee.</p> <p>Further details of the mandate entered with the Lead Manager are set out in Sections 7.5 and 15.4.</p>	
What is the allocation policy applicable to the Offer?	The Directors will determine the allocation of Shares in consultation with the Lead Manager. The Company, together with the Lead Manager, has absolute discretion regarding the level of scale-back and the allocation of Shares under the Offer (if any).	Section 7.9
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 7.7
How do I apply for the Shares?	If you wish to apply for Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.	Section 4.1
When will I know if my application has been successful?	A holding statement confirming your allocation under the Offer will be sent to you if your application is successful. It is currently expected that initial holding statements will be dispatched by post on or about 23 January 2018.	
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 16.1.	Section 16.1

Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.	Section 7.13
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 7.8
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section of this Prospectus.	Section 3
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 7.14
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	
Use of Funds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for: (a) implementing the Company's business objectives as set out in Section 8; (b) payment of the purchase price for the Haslam Acquisition and Cowell Acquisition; (c) expenses of the Offer; (d) administration costs; (e) capital expenditure on improvements to the Company's processing facility; (f) working capital; and (g) funds set aside for future acquisitions.	Section 7.6 & 8
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 objectives as stated in this Prospectus.	Section 7.6

	Additional Information	
What are the tax implications of investing in Shares?	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs and taxation residency of each investor.</p> <p>It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants.</p> <p>All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>	Section 7.13
What is the Company's dividend policy?	The policy of the Company will be to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for the foreseeable future following the Company's Listing.	Section 8.16
Where can I find more information?	<p>(a) By speaking to your share-broker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Lead Manager, EverBlu, on + 61 2 8249 0000; or</p> <p>(c) By contacting the Share Registry, Computershare, on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia)</p>	

The Section presented above is a summary only and 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.

7. Details of the Offer

7.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 40,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000 (**Maximum Subscription**) (**Offer**).

The Shares offered under the Offer will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 16.1.

7.2 Minimum subscription

The minimum amount which must be raised under the Offer is \$6,000,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within four months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

7.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

7.4 Underwritten

The Offer is not underwritten.

7.5 Lead Manager and Corporate Adviser

The Company has appointed EverBlu Capital Pty Ltd (**Lead Manager**) as lead manager and corporate adviser to the Company's sales, marketing and equity capital markets initiatives, including the Offer. In consideration for its role as Lead Manager, EverBlu will be entitled to a monthly retainer fee of \$5,000 capped at \$170,000 for corporate advisory services until the Company is admitted to the Official List, a 4% sales commission on funds raised under the Offer and a management fee of 2% of the total funds raised under the Offer. Further, upon the Company being admitted to the Official List, the Lead Manager will be issued 1,250,000 Shares and 4,000,000 Options on the terms and conditions set out in Section 16.2. For further details relating to the appointment of the Lead Manager, please refer to Section 15.4. Any broker fees payable to other brokers or intermediaries will be paid from the sales commission payable to the Lead Manager.

7.6 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Assuming Minimum \$6,000,000 Raised	Amount	%
Purchase, anticipated incidental costs and deposits for Cowell Acquisition and Haslam Acquisition	\$4,000,000	66.67
Capital Expenditure on Conversion of Processing Shed	\$562,000	9.37
Working Capital (including salaries and overheads)	\$700,000	11.66
Expenses of the Offer#	\$738,000	12.30
Funds for future acquisitions	\$0	0
Total funds used	\$6,000,000	100.00

Assuming Maximum \$8,000,000 Raised	Amount	%
Purchase, anticipated incidental costs and deposits for Cowell Acquisition and Haslam Acquisition	\$4,000,000	50.00
Capital Expenditure on Conversion of Processing Shed	\$800,000	10.00
Working Capital (including salaries and overheads)	\$700,000	8.75
Expenses of the Offer#	\$858,500	10.73
Funds for future acquisitions	\$1,641,500	20.52
Total funds used	\$8,000,000	100.00

Refer Section 17.6 for further details.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from the Company's initial operations following listing on ASX. This will involve an ongoing assessment of the Company's activities.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Board considers that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 11. It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should also be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

As noted above, the Company intends to use approximately \$562,000 of the capital raised under the Offer (assuming Minimum Subscription), or approximately \$800,000 (assuming Maximum Subscription), toward capital expenditure aimed at converting the Company's current processing facilities at Coffin Bay into a fully compliant export facility which is able to process the anticipated throughput of the Company's business model once matured and to optimise the Company's in-house exporting ability. Assuming only the Minimum Subscription is raised, the modifications to be made to the processing facilities will be prioritised to ensure that the throughput and export capability is capable of meeting the anticipated oyster volumes which the Company's business model is based on.

The Company also intends to use approximately \$1,641,500 of the capital raised under the Offer (assuming Maximum Subscription) to fund potential future acquisitions including oyster production licences and leases and associated assets.

In the event the Company raises more than the Minimum Subscription of \$6,000,000, the additional funds raised will be first applied towards increased expenses of the Offer, then towards capital expenditure and then toward funds for future acquisitions.

7.7 Applications

Applications for Shares under the Offer must be made using the Application Form.

By completing an Application Form, each Applicant under the Offer will be taken to have declared that all details and statements made by it are complete and accurate and that it has personally received the Application Form together with a complete and unaltered copy of the Prospectus.

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to “**Angel Seafood Holdings Ltd**” and crossed “**Not Negotiable**”, must be received by the Share Registry, Computershare Investor Services Pty Limited, by no later than 5:00pm (ACDT) on the Offer Closing Date.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company’s decision to treat an application as valid, or how to construe, amend or complete it, will be final.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institution’s cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY.

The Company reserves the right to close the Offer early.

7.8 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

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

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

7.9 Issue

Subject to the Minimum Subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Offer Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in consultation with the Lead Manager. There is no guaranteed allocation of Shares under the Offer. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Offer Closing Date.

The Company’s decision on the number of Shares to be allocated to an Applicant will be final.

Holding statements for Shares issued to the issuer sponsored sub-register and confirmation of issue for Clearing House Electronic Sub-register System (**CHES**) holders will be mailed to Applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

7.10 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. 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.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the 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 you that all relevant approvals have been obtained.

(a) Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

The following applies to persons in Singapore. This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore. Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(b) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a Prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of (CWUMP) Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" (as defined in the SFO) or (b) in other circumstances which do not result in the document being a "Prospectus" as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP.

No advertisement, invitation or document relating to the Shares has been or will be issued, or This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Shares.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

7.11 Clearing House Electronic Sub-Register System (CHES) & Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHES holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.12 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under their mandate with the Company.

7.13 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.

7.14 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

8. Company & Industry Overview

8.1 Our vision

The Company's vision is to become Australia's largest producer of fresh, clean, green, organic and sustainable oysters.

The current oyster industry in South Australia consists of many small, often family run, producers. The Board has identified potential cost reductions and significant efficiencies to be gained through the implementation of the Company's strategic growth based business plan to aggregate oyster farms into one entity.

In addition to its existing oyster leases and assets in Smoky Bay and Coffin Bay, Angel has agreed to acquire oyster leases and related assets in Haslam, Streaky Bay and Cowell under the Haslam Acquisition and Cowell Acquisition. These acquisitions (and other potential future acquisitions), will be funded through the utilisation of funds raised under the Offer.

Currently South Australian oyster production is estimated to be worth around \$35-40 million per year which makes up less than 1% of the world's production. The upside potential to increased production of the Company's world class oysters is intended to be realised through the Company's aggressive expansion plans going forward.

From there, further aggregation of the market and vertical integration within the industry may be undertaken to target increasing revenues while decreasing cost of production. Through the implementation of Angel's systemised farming techniques, the Company will look to increase production. Any increased production will be sold into an expected growing export market.

Angel prides itself on being an industry leader which also boasts both an organic and sustainable certification. It is intended that the Company's entrepreneurial spirit will continue to develop new innovations in its operations to support growth and profitability.

8.2 Company Structure

The Company has two wholly owned (100%) subsidiaries, being:

Angel Seafood Infrastructure Pty Ltd: This Company is primarily used to own all the infrastructure assets of the Company which include the water leases, sheds, tenders and oyster bed (leases) infrastructure.

Angel Oysters Australia Pty Ltd: This company is the trading entity for the purchase and sale of oysters and for the running of the day-to-day operations of the Company.

This structure allows Angel to simply 'bolt on' acquisitions identified in the future.



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8.3 Current Business

Angel is an innovative company situated in the heart of one of the world's most renowned seafood growing regions, Eyre Peninsula in South Australia. In October 2016, the Company acquired an oyster production business based in Smoky Bay, South Australia from the Halman Family Trust (a trust controlled by the Company founder Isaac Halman) (**Smoky Bay Business**). The Company acquired the Smoky Bay Business for an issue of 22,500,000 Shares and deferred consideration of \$800,000. The deferred consideration was later replaced by the issue of 4,000,000 Performance Rights in the Company on the terms and conditions set out in Section 16.4.

The Smoky Bay Business was known as Angel Oysters Australia (formerly Angel Oysters), and has been in operation since 2010 when Isaac Halman and his family took over an existing oyster farm in Smoky Bay and re-branded the business. Zac, and the Company's employees, have gained extensive knowledge of the industry. They demonstrate a passion for the environment which shines through, as proven by the organic and sustainable certification the Company has been able to achieve after passing a number of rigorous audits. Producing premium oysters in a rugged, wild and remote location in a sustainable business model continues to be at the forefront of the Company's business plan. The Company is one of only three certified sustainable oyster producers in the world who have been certified by the "Friends of the Sea" and is also one of only two certified organic oyster producers in Australia who have been certified since 2012 through the internationally recognised National Association for Sustainable Agriculture Australia (**NASAA**). This reinforces Angel's commitment to the nutrient rich ecosystems that help Angel consistently deliver high quality, award-winning oysters. Angel distributes oysters weekly to domestic and export markets and prides itself on outstanding customer service, product quality and consistency.

To date, the Company has raised approximately \$5,500,000 via capital raisings. This capital was utilised to fund an aggressive expansion into the waters of Coffin Bay, and has allowed Angel to expand its operational areas whilst maintaining oyster sales. Only 0.7% of money raised to date has been utilised for working capital, which has instead been funded from the Company's cash flows.

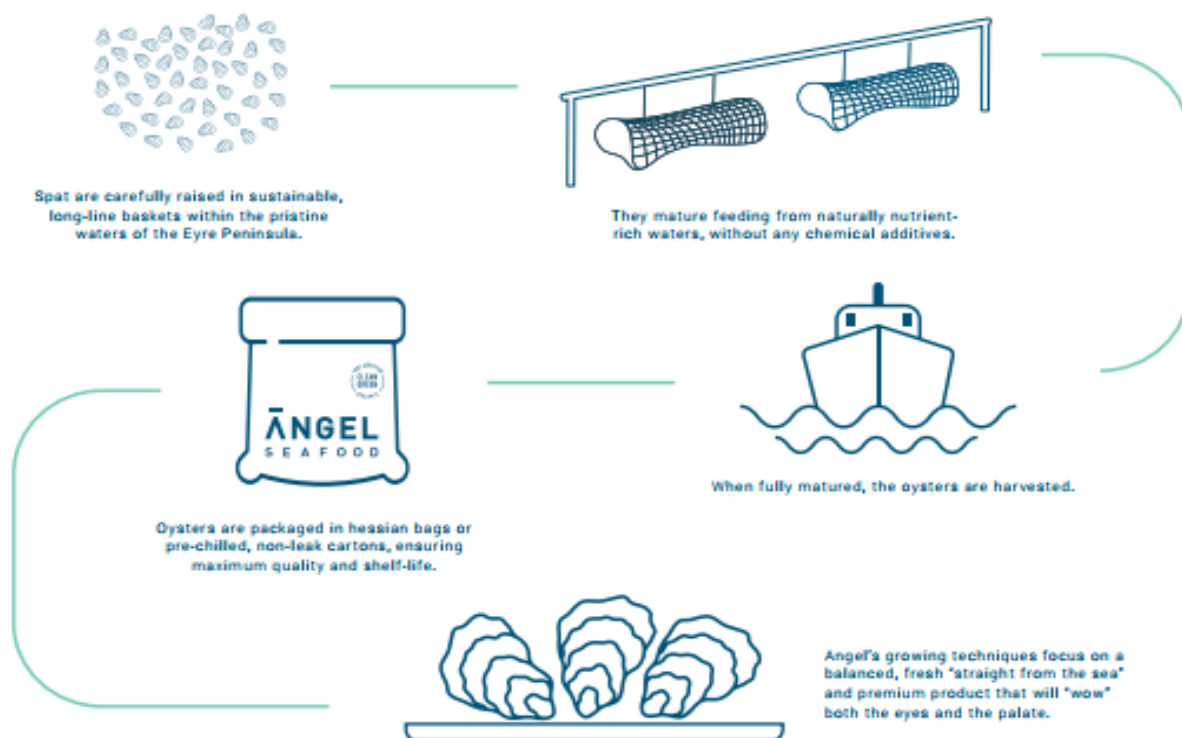
In October 2016, the Company acquired its oyster production leases and related assets in Coffin Bay, South Australia from unrelated third party vendors for consideration of \$1,903,328 cash pursuant to the Coffin Bay Acquisition.

Angel currently operates out of four specific geographical locations on the Eyre Peninsula, being Coffin Bay, Haslam, Smoky Bay and Cowell. Rights to farming in Cowell and Haslam are provided for under the terms of the respective acquisition agreements (refer to Sections 8.11, 15.2 and 15.3 for further details). This access allows Angel's business plan to be enacted through this multi-bay farming platform. Whilst Angel is currently farming in these multiple bays they are not yet operating at full capacity. All of the Angel farming locations are within an easy drive from each other. All locations have pristine waters that provide for ideal conditions for the stock to grow.

The Board believes that geographical diversification offers the Company a significant advantage when it comes to risk management and the ability to relocate stock when necessary depending on the growth and conditioning phase of the product.

Angel's 'mutli-bay solution' funnels the oysters it grows in the northern bays down to the nutrient rich waters of Coffin Bay allowing a constant supply of market ready oysters to be produced. This movement of the oysters between locations at the right time of the growth cycle is intended to enable the Company to produce the highest quality oysters that boast the most desirable meat to shell ratio all year round.

BUSINESS PROCESS



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8.4 Angel's Multi-Bay Solution (Explained)

To ensure Angel's oysters are of world class quality, the Company moves them into different locations during their life to ensure they are getting the nutrients they need and when they need it. This process allows the oysters to always exist in the best quality water for each specific stage of their life. The growing areas and movement of oysters on the Eyre Peninsula is proven and well established. However, traditionally this movement of stock would be by way of one farmer selling to another in a different bay. Often the reason that stopped farmers expanding into a multiple bay solution was access to capital to fund acquisitions.

The Company believes that utilising its multi-bay solution is ideal as all locations offer different growing patterns that match the oysters' lifecycle. This 'geographic diversity' enables the Company to move the stock around to the best growing water throughout the year and is aimed at optimising both production and oyster health. Only by farming across multiple bays can these advantages and efficiencies be gained.

The multi-bay solution is far removed from the traditional oyster production model. Traditionally, farmers have farmed in one location and then on sold their oysters to other farmers in other single bays; this doubles (and sometimes triples) handling, thereby adding inefficiencies and cost. Traditionally and despite these inefficiencies the movement of oysters, through farmer to farmer selling, still meant that oysters are invariably finished in the waters of Coffin Bay.

In turn, most bays, other than Coffin Bay, are subject to swings in quality, derived from nutrient levels, throughout the year. These swings mean guaranteeing a consistent product is difficult; the consistency of Coffin Bay is what the Company believes sets it apart.

Angel's diverse geographical areas allow the baby spat to be placed in a habitat which enables it to fast track its growth to a healthy and strong product. Spat is predominately held in Cowell, Smoky Bay and Haslam where the waters are ideal for nurturing the juveniles in early development.

Once the product has matured to market specifications, the oyster is then transferred to the nutrient rich Coffin Bay waters to condition the product for market. Each oyster features a premium meat to shell ratio, clean shell and a mouth-watering ocean flavour.

The Company believes that its multi-bay solution is what will allow it to grow the best oysters possible and although the initial costs of setting up a multi-bay production are high, the long-term benefits are believed to be well worth the short term one off costs associated with such a setup.

Once the business model is matured, and the multi-bay waters are all at maximum capacity, the Board believes that Angel will be able to grow oysters quicker and of higher quality than other local oyster producers, and this is in part what makes Angel unique. Angel's system based approach to farming also lowers the cost of production per oyster potentially revealing a higher gross margin. The Company currently sources spat from four suppliers which helps ensure their required supply is met. If any one supplier was to suffer a significant mortality event, Angel would be able to source more spat from the three remaining suppliers. Angel currently has 5.8 million spat at a size of 20mm with another 2 million spat sized between 3-4mm having been recently delivered. This current supply of spat is more than sufficient to meet the requirements of the business model.

To move the stock between bays it is first inspected and then graded in one of the Company's processing facilities. The oysters ready to be moved are then placed in large plastic bins and simply trucked between locations. As oysters spend a considerable amount of time out of the water during low tide they can survive out of the water in the heat for an extended period of time. Consequently, the period in which the oysters are out of the water due to transport has no negative impact on them.

Typically, where the oysters will be located and when:

Location	Growth Phase	Conditioning Phase
Angel - Smoky Bay	Spat-14 months	
Angel - Haslam	Spat-14 months	
Angel - Cowell	Spat-14 months	
Angel - Coffin Bay		14-18 months

8.5 Angel's Water Licenses and Leases

Angel operates a number of licences and leases spread across the multiple bays that the Company farms in. This geographical diversification offers the Company a significant advantage when it comes to risk management and the ability to relocate product to align with growth and conditioning.

These leases and licences are issued through the South Australian state government body called Primary Industries and Regions South Australia (**PIRSA**). The licence and lease holder must abide by a number of PIRSA regulations and guidelines that are monitored and enforced through mandatory periodic PIRSA officer inspections; Angel is subject to these inspections.

To maintain its licence or lease Angel must firstly comply with a number of relevant legislative instruments, including; *Environmental Protection Act 1993* (SA); *Aquaculture Act 2001* (SA); *Aquaculture Regulations 2016* (SA); Environmental Protection (Water Quality) Policy 2015; *Livestock Act 1997* (SA); and the Livestock (Restrictions on Entry of Aquaculture Stock) Notice 2008. In addition, the Company must provide regular reporting to PIRSA, pertaining to water quality and the environment in which the Company farms and processes its oysters. The Company must also abide by set quotas detailed through line length or baskets and racking per hectare, as well as meeting set farming practices.

Angel, which holds 21 licences and farms 51.08 hectares, is also required to pay an annual lease and licence fee to PIRSA to ensure renewal of its water assets. Each of Angel's licences and leases have a term that PIRSA has provided to the Company for the use of the water assets. Between 30-60 days before the term is up, the licence and lease holder must apply for a renewal through PIRSA, with each renewal costing \$653. The *Aquaculture Act 2001* (SA) provides for the provisions of renewal for a lease holder. Under this legislation, a production lease is granted for up to 20 years and is renewable for successive terms.

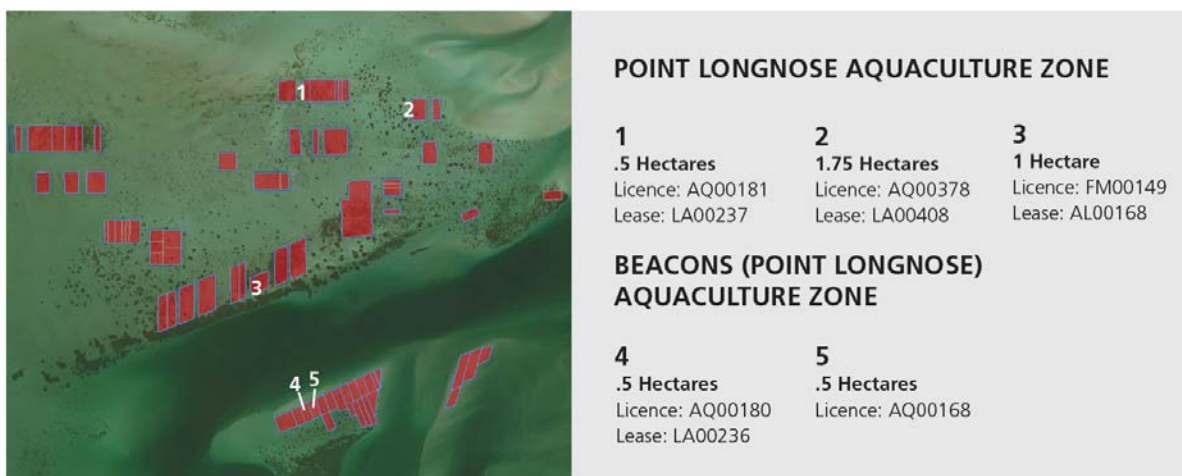
The terms of Angel's water assets, currently being operated, are shown in the table below:

Where	Ha	Licence Number	Renewal Date	Lease Number	Renewal Date
Coffin Bay	0.50	AQ00181	30/06/2023	LA00237	30/06/2023
Coffin Bay	1.75	AQ00378	30/06/2023	LA00408	30/06/2023
Coffin Bay	1.00	FM00149	30/06/2023	AL00168	30/06/2023
Coffin Bay	0.50	AQ00180	30/06/2023	LA00236	30/06/2023
Coffin Bay	1.00	FM00156	30/06/2023	AL00175	30/06/2023
Coffin Bay	0.50	AQ00168	30/06/2023	LA00226	30/06/2023
Smoky Bay	2.00	FM00546	30/06/2023	AL00097	30/06/2023
Smoky Bay	2.00	FM00117	30/06/2023	AL00140	30/06/2023
Smoky Bay	1.00	FM00459	30/06/2023	AL00102	30/06/2023
Smoky Bay	0.33	FM00460	30/06/2023	AL00102	30/06/2023
Haslam	2.50	AQ00012	30/03/2018	LA00012	30/03/2018
Haslam	2.50	AQ00013	30/06/2029	LA00013	30/06/2029
Haslam	2.50	AQ00014	30/06/2029	LA00014	30/06/2029
Haslam	2.50	AQ00134	30/06/2019	LA00172	30/06/2019
Haslam	2.50	AQ00135	30/06/2019	LA00173	30/06/2019
Haslam	5.00	AQ00133	30/06/2021	LA00171	30/06/2021
Haslam	1.00	FM00504	30/06/2026	AL00372	30/06/2026
Haslam	5.00	FM00474	30/06/2026	AL00352	30/06/2026
Haslam	2.00	AQ00003	30/06/2029	LA00003	30/06/2029
Haslam	5.00	FM00075	30/06/2020	AL00106	30/06/2020
Cowell	10.00	FM00036	30/06/2023	AL00069	30/06/2023
Total	51.08				

The water assets currently held by the Company, or contracted to be acquired (refer section 8.11), include:

COFFIN BAY

Nutrient rich water to feedlot and turnover high volumes of stock to support the high demand for quality products from our customers. Supply continuity has to date been achievable due to the rich waters Angel has identified and secured in Coffin Bay. The Company is the registered holder of the following Coffin Bay oyster licences and production leases, which comprise 5.25 hectares of water holdings.



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PORT DOUGLAS (WEST) AQUACULTURE ZONE

1

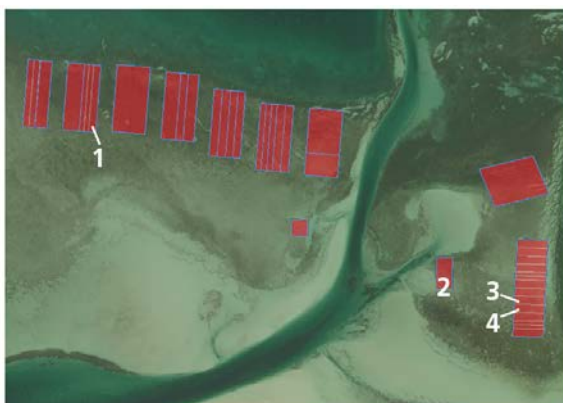
1 Hectare

Licence: FM00156

Lease: AL00175

SMOKY BAY

Quality water for growing and conditioning the oyster in seasonal conditions. Offers great diversification to stock management. The Company is the registered holder of the oyster licences detailed in the image below, and of lease AL00140. Lease AL00097 is currently held by a third party and Angel Oysters Pty Ltd as trustee for the Halman Family Trust (**Angel Oysters**) is party to a lease agreement for the use of AL00097. The Company has acquired the benefit of this lease agreement from Angel Oysters. Production Lease AL00102 is currently held by another third party, who hold the lease on bare trust for Angel Oysters. The Company is in the process of having the benefit of this lease transferred from Angel Oysters to the Company. The Smoky Bay oyster leases and production licences comprise 5.33 hectares of water holdings as follows:



MISSIESSY INTERTIDAL AQUACULTURE ZONE

1

2 Hectares

Licence: FM00546

Lease: AL00097

2

2 Hectares

Sub Licence: FM00117

Sub Lease AL00140

3

1 Hectare

Licence: FM00459

Lease: AL00102

4

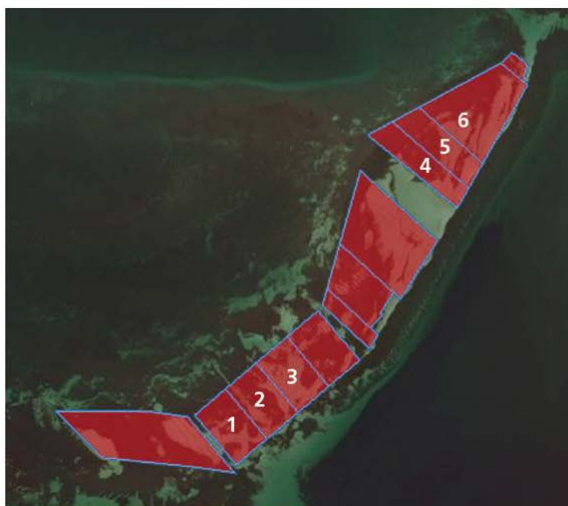
.33 Hectares

Licence: FM00460

Lease: AL00102

HASLAM & STREAKY BAY

Haslam and Streaky Bay are used as a holding warehouse for stock prior to sale, providing a consistent growth and conditioning rate. Leases are stockpiled with large volumes of product to supply peak demand including big occasion calendar events; this is considered to be a strategic advantage over other growers. The Company is the registered holder of the oyster licences detailed in the image below, and is or has contracted to be the registered holder of the following production leases which comprise 30.5 hectares of water holdings. The Company is in the process of having production leases AL00106, LA00003 and AL00372 transferred into the Company's name. The remaining production leases below are being acquired pursuant to the Haslam Acquisition.



HASLAM (NORTH BANK) ZONE

1 2.5 Hectares Licence: AQ00014 Lease: LA00014	2 2.5 Hectares Licence: AQ00013 Lease: LA00013	3 2.5 Hectares Licence: AQ00012 Lease: LA00012
4 2.5 Hectares Licence: AQ00134 Lease: LA00172	5 2.5 Hectares Licence: AQ00135 Lease: LA000173	6 5 Hectares Licence: AQ00133 Lease: LA00171



PERLUBIE (SOUTH BANK) ZONE

1 1 Hectare Licence: FM00504 Lease: AL00372	2 5 Hectares Licence: FM00474 Lease: AL00352	3 2 Hectares Licence: AQ00003 Lease: LA00003
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BLANCHE PORT ZONE

1 5 Hectare Licence: FM00075 Lease: AL00106

COWELL

Under the Cowell Acquisition, the Company has contracted to acquire 10 hectares of water holdings which provide optimal environmental conditions to nurture spat through to desired size. Water nutrients ensure a consistent growth rate year-round and product conditioning, this area is home to Angel's nursery.



COWELL

1

10 Hectares

Licence: FM00036

Lease: AL00069

8.6 Organic and Sustainable Certification

Angel believes if we look after our 'Oyster Heaven' it will look after us. We are privileged to enjoy farming in a way that respects the waters and environment we farm in. Unfortunately, the majority of oyster farmers around the world still use water based infrastructure that has been chemically treated (for example posts) which is harmful to the eco system and therefore non-organic.

Angel is 'at-one' with nature and actively champions ecologically sound farming practices. Sustainability is the key driver and the vision to maintain or increase production. Angel is always mindful of, and endeavors to preserve, the very ecosystems that deliver such a premium product for the Company's customers to enjoy. The Company is privileged to enjoy farming in a way that respects the waters and environment it farms in. The Board believes the Company's key differentiators include:

Best Practice

Traditional farming methods have evolved quickly; Angel holds food safety accreditation for the growing, harvest, grading, storage and transportation of oysters from the South Australian Government (Certificates of Accreditation dated 24 February 2011 Accreditation Number 20/176 – Primary Produce (Food Safety Schemes) Act 2004). In addition, the South Australian Government administers a Shellfish Quality Assurance Program. This program monitors the water quality in shellfish harvesting areas where the Company's oysters are grown.

Certified Organic

Angel's vision and leadership resulted in the Company achieving 'Certified Organic' status in 2012, the first oyster grower in Australia to achieve this accreditation. Ongoing water monitoring, sea grass management and environmentally friendly infrastructure are just a few elements required to achieve and maintain organic status. The auditing process is rigorous, and the Company believes this certification is something that its customers, especially in Asia, look for when deciding which farmer to partner with, and reinforces the market focus on seeking a quality, consistent product from a clean, green business.

Sustainability Certification

In 2014, Angel was awarded the highly respected "Friends of the Sea" certification, one of only three oyster companies in the world (the others are in Scotland and Croatia) to achieve this certification. This global program strives to make sustainability a reality in the fishing and aquaculture sectors. Reducing ecosystem impact, energy efficiency and social accountability underpin this program.

The Company believes these previous certified achievements put Angel ahead of the competition when it comes to marketing and selling its oysters globally and that the value of these certifications (if renewed) to the Company will increase as global trends continue to shift towards organic and sustainable farming practices.

Angel will apply its sustainable and organic farming techniques to all planned and any future acquisitions allowing these to also reach the Company's broader certification standards.

Traceability

Organic oysters are 100% traced from spat throughout their life cycle on the Company's organic farms through to their final customer destinations. The Company can account for each batch of oysters from spat to plate.

It is also important to note that the majority of oyster farmers throughout the world now grow genetically modified oysters which precludes these farmers from obtaining the certifications that Angel boasts. This alone gives Angel a significant point of difference and provides its customers with the satisfaction and peace-of-mind knowing the Company's products are free from being genetically modified or biologically enhanced in any way.

It is exciting to know that the Company's environmental passion is translated into practical innovations.

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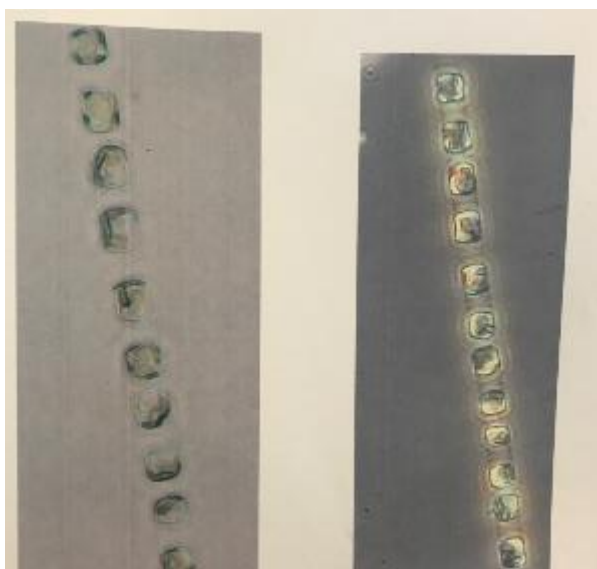
Simple solutions like changing Angel's infrastructure from traditional methods (fixed rates) to the world's best practice (adjustable longline system) has significantly optimised nutrient water flow throughout the Company's farms. Angel's impact on the sea bed has been dramatically reduced allowing the sea grasses to regrow and rejuvenate in its natural sense. Efficiencies in growing techniques result in a stronger, healthier oyster which translates to a longer shelf-life after harvest. It's these technical changes and a passion for the breathtaking environment that has been the founding success to Angel becoming an industry leader in sustainability.

8.7 Farming Methods

Angel uses an adjustable long line system to farm oysters, which is one of the requirements for sustainable certification. This method allows the lines and baskets to be adjusted up and down the holding posts depending on the season, tides, weather, age of the oysters and the condition of the oysters to ensure the oysters are always sitting in the most nutrient rich section of the water column.

An example of the microscopic nutrients that oysters feed off is shown below.

Skeletonema group – 400xMagnification



8.8 Spat Through to Sale Overview

Angel receives spat from the hatchery traditionally at 4-5mm in size. The spat is placed in oyster baskets (see below) with very small holes to allow water and nutrient flow through to the product. Spat is predominantly placed in Cowell, Smoky Bay and Haslam. These waters are ideal for the initial growth stage of an oyster as the nutrient level of the water and the water conditions allow the spat to form a nice healthy shell which is very important for juvenile oysters. Angel has developed a longstanding relationship with one of the biggest hatcheries in Tasmania and South Australia. Over the past seven years this relationship has underpinned the Company's ability to maintain constant and quality spat supply.

At approximately 10-14 months, the oyster will feature a harder shell that will protect and support the quick growth of the meat inside the shell. At this stage of growth, the oyster will be transferred to the nutrient rich waters of Coffin Bay which has the ideal conditions to complete the final life cycle of the oyster. The oyster stays in the Coffin Bay waters for approximately 2-4 months before being sold.



8.9 Sales Program

Angel's Smoky Bay Business has increased its production by 5-fold since 2010; ongoing demand for the Company's premium product continues to exceed current production capacity. Throughout this time, the sale price of the oyster product has increased.

It is intended that expansion into new geographical areas will provide continuity of supply for valued customers which is underpinned by Angel's exceptional customer service and co-branding program. Angel will continue supplying the domestic market and will aim to generate greater export market share as production increases with existing infrastructure and new acquisitions.

8.10 Angel's Competitive Advantages

Certified Organic Pacific Oyster Producer: In order to obtain this certification, oyster farmers need to be the subject of a 12-month audit, and then annual compliance checks of all water farms and land based facilities. Strict criteria backed up by evidence must be met in order to be granted this certification.

"Friends of the Sea" Certified Sustainable Pacific Oyster Producer: To be certified sustainable, Angel must complete another audit on all water farms and land based facilities. This audit also takes into account the organic certification that goes hand in hand with the sustainable certification meaning it would be extremely difficult to be certified sustainable if a business is not already certified organic.

Geographical Diversification: Angel has secured highly productive water leases in the ideal farming locations on the Eyre Peninsula enabling the Company to grow world class oysters. Angel's current four bay geographic footprint allows the management of risk while providing oysters with the optimum growth conditions at each stage of their life cycle. Having the ability to farm out of four locations gives Angel an advantage over other oyster producers that typically access only one or two bays.

The Angel team: Angel has formed a highly skilled and knowledgeable team over the past seven years with an acute understanding in product husbandry and the environmental factors required to produce a world class oyster. A dynamic team culture ensures staff deliver beyond expectation; this culture is fully integrated across the Angel locations. The team has a proven ability to seamlessly consolidate newly acquired oyster farms into the Angel system of farming.

Ability and proven knowledge: Angel's team has the ability, and proven knowledge, that allows new acquisitions to be certified organic and sustainable in a matter of months.

Export partner: Angel has proven export sales in Hong Kong and Singapore and has a strong partnership with an exporter of premium grade meats and seafood that has customers in 35 countries. The export market secures a premium price for clean green produce and will be a key factor in

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supporting Angel's profitability.

Demand for product: Past and current market demand far outweighs Angel's current production capacity and is a key factor underpinning the Company's growth model.

Barriers to Entry: Angel is in a unique industry where the industry is controlled through the issue of a limited number of government approved (oyster) leases. The South Australian Government strictly regulates the aquaculture industry with rigorous assessment measures in place through the industry's mandatory accreditation program. Strictly managed water allocations and strategic location planning protects the ecosystems while also being a key factor in driving oyster lease prices.

Simply put, if the oyster lease doesn't currently exist then you cannot establish one elsewhere. This limited number of leases is what drives prices for oyster leases and also at the same time protects the environment and ecosystem from over population of oyster farms. Over populating the waters and bays with oyster farms may have a negative effect on the ecosystem the Company farms in so it is paramount these are kept to a sustainable number.

8.11 Contracted Acquisitions

Cowell Acquisition Details

The Company has executed an acquisition agreement to purchase existing oyster farming assets in Cowell, South Australia. This acquisition is based in a much sought after oyster farming location on the Eyre Peninsular approximately 200km North East of Coffin Bay. The Cowell Asset Acquisition offers a great opportunity to purchase the assets of a proven oyster farm with superior water and land based assets that will underpin the expansion plans of the business.

The Company was able to negotiate favorable terms for this acquisition, which has allowed the Company to take full control of the assets and initiate farming immediately upon execution of the agreement. Funds raised under the Offer will be utilised for final settlement of this acquisition.

Over the past 20 years Cowell has become a well-known oyster growing location in South Australia due to its sheltered harbor and highly nutrient rich waters that will complement the Company's existing portfolio of quality water assets throughout the Eyre Peninsula.

These waters will predominately be used to grow oysters from juvenile to semi-mature before being transported to Coffin Bay where the oysters will complete their growth cycle before being sold.

The Cowell Acquisition is intended to form the foundations for further expansion of water based assets throughout the oyster growing region of Cowell as the Company continues to grow. The land based assets consist of purpose built grading facilities and machinery which are ideal for the Company's current and future expansion plans in this area.

In February 2017, the District Council of Franklin Harbour approved the development of a new oyster hatchery which will see approximately 100 million spat produced for local farmers each year in South Australia. The first batch of saleable spat from this hatchery is due by the end of 2017 and Angel has orders in place to receive spat on a regular basis from this hatchery. The Cowell Acquisition is prominently located to relocate spat straight from this hatchery to the leases efficiently.

The Cowell Acquisition includes:

- 10 hectares of fully developed, quality and proven water leases
- Water based infrastructure such as posts and lines
- Purpose built land based facility
- Oyster tender and tractor
- Oyster grading machine
- Oyster basket washer

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- Oyster baskets (enough to stock the lease)
- Specialist spat baskets to raise juvenile oyster

Acquisition price (includes costs associated with the purchase):

\$3,100,000 (plus GST) all cash purchase. Refer to Section 15.3 for a full summary of the terms and conditions of the agreement for the Cowell Acquisition.

Haslam Acquisition Details

In addition to Cowell, the Company has executed an acquisition agreement to purchase existing oyster leases and land based assets in Haslam, South Australia. This acquisition is strategic in nature as it gives the Company control of the majority of the leases in Haslam and the most modern and largest oyster processing site.

The Company was able to negotiate favorable terms for this acquisition, which has allowed the Company to take full control of all assets and initiate farming immediately upon contract execution. Funds raised under the Offer will be utilised for final settlement of this acquisition.

Haslam is situated approximately 300km to the North West of Coffin Bay. The water is ideal as a holding pen for oysters to maintain their size, health and taste before being transferred to Coffin Bay to finish their grow out and sale phase.

The Haslam Acquisition is intended to form the foundations for further expansion of water based assets throughout the oyster growing region of Haslam as the Company continues to grow. The land based assets are made up of purpose built grading facilities and machinery which are ideal for the Company's current and future expansion plans in this area.

The Haslam Acquisition includes:

- 10 hectares of quality and proven water leases in Haslam (North Bank)
- 8.0 hectares of water leases in Perludie (South Bank)
- 5 hectares of water leases in Streaky Bay (Blanche Port)
- Water based infrastructure such as posts and lines
- Purpose built land based facility in Haslam

Acquisition price (includes costs associated with the purchase):

- \$900,000 (plus GST) all cash purchase. Refer to Section 15.2 for a full summary of the terms and conditions of the agreement for the Haslam Acquisition.

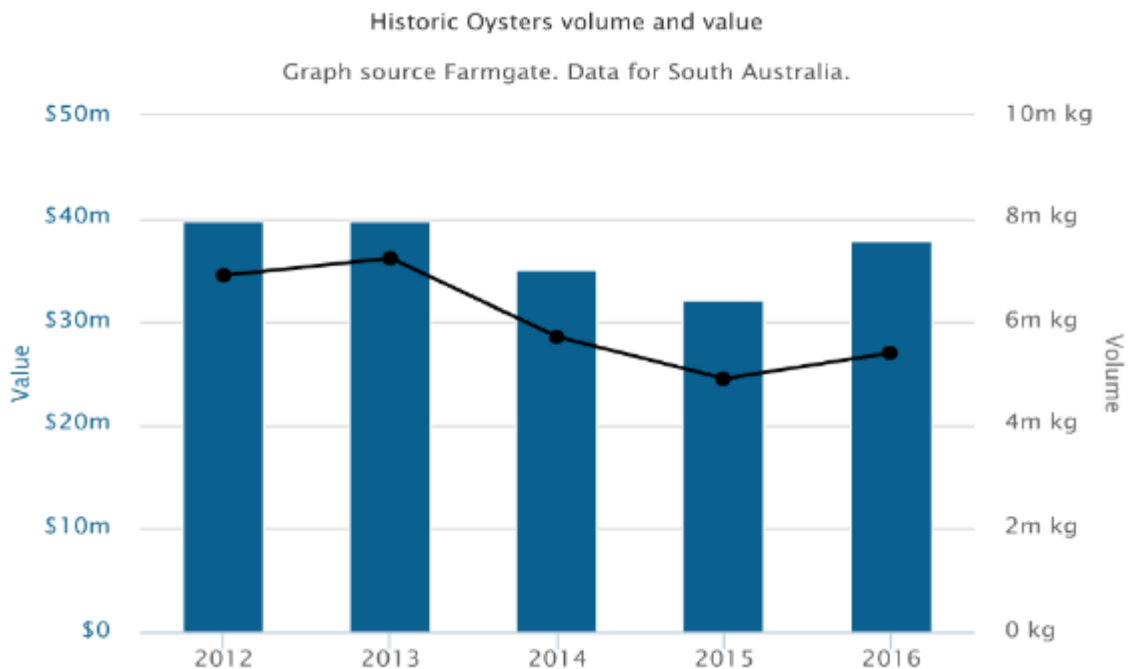
8.12 Total water and land based holdings

Below is a summary of the total holdings which the Company either holds or has the rights to (both current and future pursuant to the Haslam Acquisition and Cowell Acquisition) for the Company.

REGION	WATER LEASES OWNED/UNDER CONTRACT	WATER LEASES RENTED	LAND BASE PROCESSING FACILITY	EXPORT FACILITY	BOATS
SMOKY BAY	3.33 HECTARES	2 HECTARES	1	—	1
HASLAM*	25.50 HECTARES	—	1	—	1
COFFIN BAY	4.75 HECTARES	0.5 HECTARES	1	TO BE CONSTRUCTED	2
COWELL*	10.00 HECTARES	—	1	—	1
STREAKY BAY*	5.00 HECTARES	—	0	—	-
TOTAL	48.58	2.5 HECTARES	4	1	5

8.13 South Australian Oyster Industry

In 2016, the South Australian oyster industry produced 5.4 million kilograms of oysters. Based on a price of \$7/kg (Note: Angel is currently achieving \$8/kg for its oysters), this equated to a total industry value of \$37.8m. The vast majority of these oysters were sold into the domestic marketplace. The table below, taken from <http://www.aginsight.sa.gov.au/assets/downloads/Farmgate%20statistical%20data%202015-16%20v1.1.pdf> highlights the South Australian oyster industry over the past 4 years.

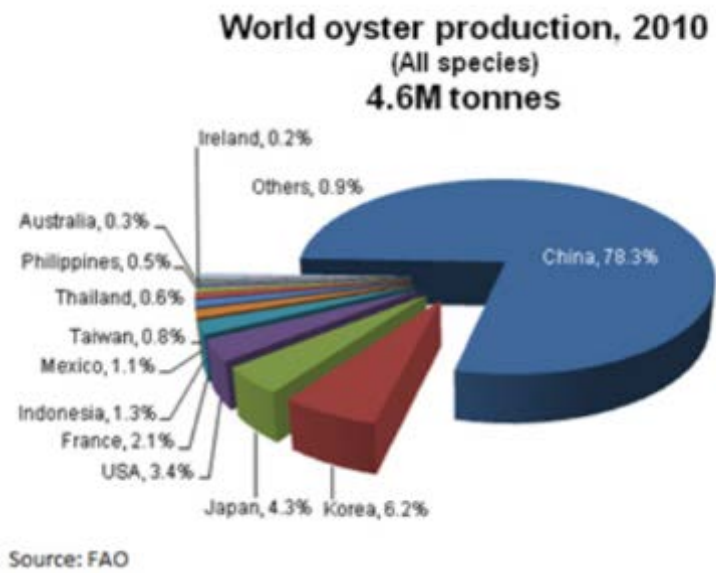


8.14 World Oyster Production

The following pie chart shows that the southern hemisphere accounts for only a small percentage of the world's oyster production, and Australia just 0.3% (source <http://www.themeatsite.com/articles/2093/rising-french-oyster-prices-compensate-mortalities/>), which is why the Company believes that demand for clean shelled, parasite free South Australian oysters in peak condition from June to November (while the condition of oysters in the northern hemisphere declines) will continue to be beyond what can be supplied. The value

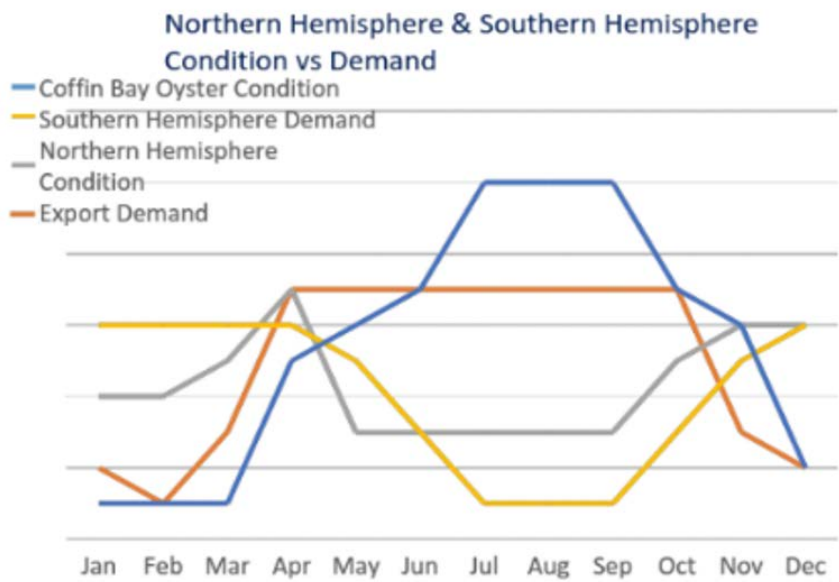
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of the world's oyster production was previously estimated at US\$3.69 billion per year (source:http://www.fao.org/fishery/culturedspecies/Crassostrea_gigas/en);



8.15 Asian Demand for Pacific Oysters

Historically, peak demand for Coffin Bay oysters in Asia (and the northern hemisphere more generally) coincides with the peak condition of South Australian oysters. The graph below shows growing demand during Australia’s winter months, which has been due to demand from Asia during this time. By June each year export demand to Asia exceeds what can currently be supplied by the Company. When export demand starts to slow in November, the domestic demand in Australia picks up which ensures constant demand for the Company’s oysters all year round.



8.16 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the expansion of the Company’s

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business. These activities are expected to dominate, at a minimum, the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

9. Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

9.1 Shares

	Minimum Subscription \$6-Million	Maximum Subscription \$8-Million
Shares on issue as at the date of this Prospectus	80,702,900	80,702,900
Shares issued pursuant to the Offer	30,000,000	40,000,000
Shares issued on conversion of Convertible Notes	3,125,000	3,125,000
Shares issued to Lead Manager	1,250,000	1,250,000
Shares issued to Company Founder	500,000	500,000
Total Shares on issue after completion of the Offer	115,577,900	125,577,900

9.2 Options, Performance Rights and Performance Shares

	Maximum Subscription \$8-Million
Performance Shares and Performance Rights on issue as at the date of this Prospectus	nil
Performance Shares issued to Company Founder	1,500,000
Performance Rights issued to Company Founder	4,000,000
Options on issue as at the date of this Prospectus*	6,000,000
Options issued to Lead Manager	4,000,000
Options issued to the Board	2,000,000
Total Performance Shares, Performance Rights and Options on issue after completion of the Offer	17,500,000

* Each Option is unquoted and is exercisable at \$0.0833 on or before 28 February 2021. The Company has applied for a waiver of ASX Listing Rule 1.1 (Condition 12) to allow these Options to remain on issue at Listing. If that waiver is unsuccessful, these Options will be cancelled.

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10. Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the prospectus:

Shareholder	Shares	Options**	Performance Shares	Performance Rights	%
Angel Oysters Pty Ltd as trustee for the Halman Family Trust (Mr Isaac Halman)	18,112,502	1,500,000	nil	nil	22.44
Seaview Superfund	5,037,750	1,500,000	nil	nil	6.24
MR & PM Porter	4,692,198	1,500,000	nil	nil	5.81

On completion of the Offer (assuming the Minimum Subscription is raised and no existing substantial shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options**	Performance Shares	Performance Rights	%
Angel Oysters Pty Ltd as trustee for the Halman Family Trust (Mr Isaac Halman)	18,612,502	1,500,000	1,500,000	4,000,000	16.10

On completion of the Offer (assuming the Maximum Subscription is raised and no existing substantial shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options**	Performance Shares	Performance Rights	%
Angel Oysters Pty Ltd as trustee for the Halman Family Trust (Mr Isaac Halman)	18,612,502	1,500,000	1,500,000	4,000,000	14.82

** Each Option is unquoted and is exercisable at \$0.0833 on or before 28 February 2021. The Company has applied for a waiver of ASX Listing Rule 1.1 (Condition 12) to allow these Options to remain on issue at Listing. If that waiver is unsuccessful, these Options will be cancelled

On completion of the Offer (assuming the Maximum Subscription is raised and no existing substantial shareholder subscribes and receives additional Shares pursuant to the Offer) on a fully diluted basis (i.e. all Options are exercised and all Performance Shares and Performance Rights convert into Shares)

Shareholder	Shares ¹	%
Angel Oysters Pty Ltd as trustee for the Halman Family Trust (Mr Isaac Halman)	25,612,502	17.90

¹ This assumes the Performance Rights convert into Shares on a one for one basis. As further detailed in Section 16.4, the 4,000,000 Performance Rights issued to Angel Oysters Pty Ltd will convert into that

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number of Shares which is equal to \$800,000 divided by the volume weighted average price (**VWAP**) of the Shares in the 30 days prior to satisfaction of the milestone attaching to the Performance Rights provided the VWAP is not less than \$0.10. In the event the VWAP is less than \$0.10, the 4,000,000 Performance Rights will convert into 8,000,000 Shares. The above table therefore assumes a VWAP of \$0.20 and a conversion on a one for one basis. As further examples, if the VWAP is \$0.10 or below, the 4,000,000 Performance Rights will convert into a maximum of 8,000,000 Shares and Angel Oysters Pty Ltd will hold approximately 20.13% of the Shares on issue and if the VWAP is \$0.40, the 4,000,000 Performance Rights will convert into 2,000,000 Shares and Angel Oysters Pty Ltd will hold approximately 16.74% of the Shares on issue

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

11. Risk Factors

11.1 Introduction

The Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and in the Investment Overview, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company and the industry in which it operates. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section and in the Investment Overview, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

11.2 Company specific Risks

Competition risk

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business. An increase in the supply of oysters from either domestic or international competitors, or increased competition from alternative fish species and food sources could have an adverse effect of the Company's operations and business.

Contracts

The Company's success is reliant in part on contractual relationships with third parties. There are a number of risks associated with contracts entered into by the Company, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms.

Dependence on key personnel

The Company's prospects depend in part on the ability of management, and in particular, Mr Isaac Halman, to manage the operations. Loss of key personnel may have an adverse impact on the Company's performance. The development of the Company will be in large part due to the effort and experience of Mr Halman. Although Mr Halman has signed an executive employment agreement with the Company, there is no assurance that this contract will not be terminated. In addition, there is no assurance that the key personnel will remain healthy and able to continue in their respective roles. If the key personnel contracts were terminated or breached or if the key personnel were no longer able to continue in their respective roles, the Company's operations and business could be adversely affected.

Supply or service contracts/customer engagement risk

In order to successfully expand the Company's export and domestic oyster sales, the Company will need to supply or service customers to generate revenue and this will require customer engagement and the execution of relevant contracts. In addition, to maintain the Company's Organic Certification all oyster stock must have no genetic modification. Subsequently, forecasts are reliant on current and

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anticipated contracted spat (juvenile oysters) being supplied (and being continued to be supplied) and then this stock achieving survival rates within industry expected standards. The Company experienced a spat mortality event in 2017, caused by the size of the spat (2mm) being supplied to industry at that time. This mortality event is likely to impact future sales by the Company in the first half of the 2018 calendar year. Angel has developed a longstanding relationship with one of the biggest hatcheries in Tasmania and South Australia and is currently also using an additional three hatcheries on the Eyre Peninsula for the supply of spat. These suppliers are now delivering spat of a more viable and traditional size (4-8mm) and all hatchery suppliers provide a livestock declaration that the spat being provided is free from genetic modification. Internal budgets cater for a 50% mortality rate throughout the growth cycle, allowing for a one-off supplier mortality event (as the Company sources spat from four suppliers). However, there is a risk to the Company if these hatcheries or other suppliers of spat experience issues with the delivery of spat to the Company. Should the supply of spat become strained or cease entirely, it would be difficult for the Company to meet its supply requirements, which would impact the Company's budget and ability to meet the proposed business model.

Disease risk

There is a risk that the Company suffers a disease outbreak that impacts on the health and wellbeing of its oyster stocks. This includes a disease such as Pacific Oyster Mortality Syndrome (**POMS**) which affects mainly juvenile Pacific Oysters. To date, POMS has not occurred in South Australia and the South Australian Government and the Company has measures in place to mitigate the risk of any such disease. POMS, among other diseases, and natural events may impact the health and wellbeing of the oyster stock.

Government approvals risk

The oyster industry is subject to a number of Government approvals and quotas in the form of licenses and leases and intensity of farming practices. In order to meet the Company's business plan outcomes, the Company will need to be able to control and farm these government approved licenses and leases. A failure to obtain and or maintain such approvals, or significant delays in obtaining new approvals, may limit the Company's ability to meet its business and production goals. In order to validly operate its business, the Company must also comply with its Government licenses and leases. The Company currently holds 41.08 hectares of oyster production licenses in South Australia and has agreed to acquire a further 10.00 hectares of oyster production licenses and leases under the Cowell Acquisition and acquire the leases for water licenses it already operates under the Haslam Acquisition. See Section 15.2 and 15.3 for further details in respect of these approvals. There is no guarantee of the grant of future licenses or leases or the renewal of existing licenses and leases or of the approval of the transfer of the licenses and leases the subject of the Haslam Acquisition and Cowell Acquisition to the Company.

Title and Renewal Risk

As noted in Section 8.5 of this Prospectus, the water leases and licences held by the Company are issued through the South Australian state government body called Primary Industries and Regions South Australia (**PIRSA**). The licence and lease holder must abide by a number of PIRSA regulations and guidelines that are monitored and enforced through mandatory periodic PIRSA officer inspections; Angel is subject to these inspections.

The Company cannot guarantee additional applications for licences and leases made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of currently valid licences and leases will be granted on a timely basis, or at all. The licences and leases constituting the Company's business model are subject to applications for renewal. The renewal or grant of the terms of each licence and lease are usually at the discretion of the relevant government authority. Additionally, licences and leases are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or lease or restrict its ability to be renewed. If a licence or lease is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and utilise the benefits of that licence or lease.

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Native Title

The Company in operating its business has various operational and ground leases and has been issued with aquaculture licences and leases as detailed throughout this Prospectus. Native title recognises the title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. Legislation in Australia may affect the granting or renewal of, and access to, land where a native title claim has been registered or aboriginal site recognised. There is one native title claim registered in 2000 which covers land and waters operated by the Company (and waters the entire length of the Spencer Gulf in South Australia). While native title claims exist, there remains the possibility that the ability of the Company to gain access to relevant land and waters may be adversely affected. The Directors will closely monitor the potential effect of this claim and any other claim involving land and waters in which the Company operates.

Acquisitions

The Company's growth strategy involves finding and completing acquisitions of oyster leases, licenses and associated land, plant and equipment in areas complementary to Angel's business. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. Further, the Company will experience competition in making acquisitions from larger companies with significantly greater resources. Further, the Company may not obtain all the regulatory approvals required to consummate such acquisitions.

Management of Growth

As set out in this Prospectus, the Company is seeking to expand and scale its sea oyster production business via the Haslam Acquisition and Cowell Acquisition and will also consider future complementary acquisitions. There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance. Further, integration of the Company's acquisitions and any of its further potential acquisitions will be complex, time-consuming and expensive and may adversely affect the results of the Company's operations.

Future Funding Needs

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that future funding, if required these will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion program as the case may be.

Expansion risk

The Company's future expansion depends in part on successful negotiations and acquisitions of further water expansions (i.e. further oyster leases and licenses). There is no guarantee of the successful outcome of these negotiations.

Environmental

The Company's operations are subject to Government environmental legislation. There is no assurance that the Company's operations will not be affected by an environmental incident or subject to

environmental liabilities. The introduction of new environmental legislation and regulations may result in additional cost to the Company arising from additional compliance and further capital expenditure which may have a material adverse impact on the financial position and performance of the Company. The impact of climate change and/or global warming on the Company's operations is currently unknown.

Disputes

The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.

11.3 General risks

Liquidity risk

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at completion of the Offer a significant proportion of the Shares, Options and Performance Shares on issue will not be able to be traded either due to ASX mandated or voluntary escrow agreements (refer to Section 6 for further details).

Given the number of Shares restricted from trading, there will only be liquidity with respect to approximately 49% of the Shares on issue at completion of the Offer (assuming the Minimum Subscription is raised) until such time as applicable escrow periods end. As such, there can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

Economic Risk

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

If any risks above occur, it may have a significant adverse impact on the Company, its operations and its ability to meet forecast targets.

Legislative Change

The introduction of new legislation or amendments to existing legislation by Governments, developments in existing common law, respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations and changes in Government policy could all impact adversely on the assets, operations and the overall financial performance of the Company and its securities.

Market conditions

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

- (a) General economic outlook.

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- (b) Introduction of tax reform or other new legislation.
- (c) Interest rates and inflation rates.
- (d) Changes in investor sentiment toward particular market sectors.
- (e) The demand for, and supply of, capital.
- (f) 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. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

Agents and contractors

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

Price of Shares

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.

Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price.

Force majeure

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including climate change, adverse weather event, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Government policy changes

Adverse changes in Government policies or legislation may affect taxation, royalties, land access, labour relations, and fees associated with the Company's operations. It is possible that the current system of Aquaculture Leases and Licenses permitted in South Australia may change.

Legal Proceedings Risk

Legal proceedings may rise from time to time in the course of the business of the Company. As at the
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date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

Litigation risks

The Company is exposed to possible litigation risks including maintenance of Company records, environmental claims, occupational health and safety claims and employee claims. 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. The Company is not currently engaged in any litigation.

Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's 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.

Insurance of all risks associated with oyster production is not always available and sometimes where available the costs can be prohibitive.

Investment speculative

The risk factors set out in this Prospectus ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. These factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

12. Financial Information and Investigating Accountant's Report

12.1 Discussion and analysis of Financial Information

The financial information included in this section track, in accounting form, the transition of a family owned business to that of a Company that is ready to list on the Australian Securities Exchange. When viewed in this light the transition has been a significant one leading to a Company that will have approximately \$17,500,000 in total assets on a pro-forma basis once listed, assuming the Maximum Subscription is raised under the Offer.

Of the funds to be raised under the Offer, 8.75% of such funds has been allocated to working capital, assuming the Maximum Subscription is raised. As can be seen through an analysis of the financial information, the Company has had sales throughout its development. The main reason for the working capital allocation is the spat losses sustained in June 2017 that have impacted on the Company's sales program for the financial year ending 30 June 2018. More about this and other risks can be found in Section 11 of this Prospectus.

Since incorporation, the Company has expanded its footprint both geographically and in terms of oysters on hand and the associated personnel and infrastructure required to farm these oysters.

This continued expansion, as detailed in the pro-forma financial information (below), is driving the Company to a mature model where enough spat can be purchased to ensure that our water holdings are full, and our key production hub of Coffin Bay is always functioning at peak output. Since inception, the Company has been making significant steps towards this goal. Embedded in the results for the financial year ended 30 June 2017 were some key costs that laid the foundation for our future growth.

These costs included establishing a spat procurement cycle that will ensure our production pipeline has sufficient oysters to underpin the business performance within the next 18-months; this included \$619,000 of spat and on-grower oysters acquisition costs throughout the year.

Also included in the financial information is the Company's, now completed, expansion of operations into Coffin Bay. This expansion had a number of one off costs including that of supporting our staff, many of whom had to relocate to ensure the expansion was a success. The expansion also meant that costs such as repairs and maintenance, fuel and casual staff all increased. However, Coffin Bay is the cornerstone of our operations, its reliability throughout the calendar year is what sets it apart. The pro-forma financial information builds further on the planned expansion. However, Coffin Bay will always remain the engine room of our production.

12.2 Overview of the Group

The Angel Seafood Holdings Limited entity was incorporated on 27 September 2016 to become the ultimate parent entity of the Group. The Group comprises the following wholly owned subsidiary companies:

- Angel Seafood Infrastructure Pty Ltd
- Angel Oysters Australia Pty Ltd

Angel Seafood Holdings Limited along with its subsidiary companies are companies limited by shares, incorporated and domiciled in Australia.

12.3 Overview of the Trust

The Group completed the acquisition of the business of the Halman Family Trust on 9 October 2016. Mr Isaac Halman controlled the Halman Family Trust and joined as Company Founder and as a Director

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

of Angel Seafood Holdings Limited, along with holding the majority of shares on issue at the time the acquisition took place and for a period of time thereafter. For accounting purposes this business acquisition has been treated as a business combination under common control.

12.4 Historical Financial Information

The Historical Financial Information contained in this Section has been prepared by the Group and includes financial information for the business acquired from the Halman Family Trust for periods prior to its acquisition by the Group. The Historical Financial Information includes the following financial reports:

Halman Family Trust

- Historical statements of comprehensive income for the financial years ended 30 June 2015 and 30 June 2016, and the period 1 July 2016 to 9 October 2016;
- Historical statements of financial position as at 30 June 2015 and 30 June 2016, and 9 October 2016;
- Historical statements of cash flow for the financial years ended 30 June 2015 and 30 June 2016, and the period 1 July 2016 to 9 October 2016;

Angel Seafood Holdings Limited & Wholly Owned Subsidiaries

- Historical statement of comprehensive income for the period 27 September 2016 to 30 June 2017;
- Historical statement of financial position as at 30 June 2017;
- Historical statement of cash flow the period 27 September 2016 to 30 June 2017;

(together the **Historical Financial Information**).

The Historical Financial Information for the financial years ended 30 June 2015 and 30 June 2016 and the period 27 September 2016 to 30 June 2017 has been audited by William Buck Audit. The Historical Financial Information for the period 1 July 2016 to 9 October 2016 has not been audited.

William Buck Audit issued an unmodified opinion (with emphasis) in relation to the audit of Angel Seafood Holdings for the Financial Statements for the period 27 September 2016 to 30 June 2017. A material uncertainty paragraph in respect of the going concern assumption of the Group was included in the audit report. This is further discussed under the summary of significant accounting policies at section 12.6(2a).

William Buck Audit issued a qualified opinion in relation the audit of the Halman Family Trust for the Financial Statements for the financial years ended 30 June 2015 and 30 June 2016. Below is a summary of the audit qualifications:

Bases for Qualified Opinion

1. Opening balances and comparative information

The financial report for the year ended 30 June 2014 forms the opening balance for the year ended 30 June 2015 and was not audited. Since opening balances enter into the determination of future financial performance and future cash flows, we were unable to determine whether any adjustments might have been necessary in respect of the income and expenditure amounts reported in the statement of profit or loss and other comprehensive income and the net cash flows as reported in the statement of cash flows for the year ended 30 June 2015 and 30 June

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

2016.

2. Biological assets

Because William Buck Audit were not appointed as auditors of the Trust until after 30 June 2016 we were not able to observe the physical counting of biological assets at either the beginning or end of the 2015 or 2016 financial years. We were unable to satisfy ourselves by alternative means concerning the quantities of biological asset held at 30 June 2014, 30 June 2015 and 30 June 2016. Further, the Trust's biological assets are recognised in the statement of financial positions at 30 June 2014, 30 June 2015 and 30 June 2016 at cost in accordance with the accounting policy as disclosed in the financial report. Australian Accounting Standards however require that biological assets are carried at their fair market value less costs to sell. The Trust's accounting policy represents a significant non-compliance with Australian Accounting Standards and we have been unable to quantify the impact of this on the financial report.

The Historical Financial Information presented in this Section should be read in conjunction with the Investigating Accountants Report, the Company and Industry Overview (set out in Section 8), Risk Factors (set out in Section 11) and other information contained in this Prospectus. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in the tables are presented in Australian dollars unless otherwise noted.

Basis of Preparation and Presentation of the Historical Financial Information

The directors are responsible for the preparation and presentation of the Historical Financial Information.

The Historical Financial Information comprises the financial statements of the separate legal entities, Angel Seafood Holdings Limited, Angel Seafood Infrastructure Pty Ltd, Angel Oysters Australia Pty Ltd and the Halman Family Trust. This Historical Financial Information aggregates the financial information of each separate legal entity under Angel Seafood Holdings Limited, eliminating inter-company transactions. Accordingly, the Historical Financial Statements for the Group have been prepared under the consolidation principles as defined in AASB 10 – Consolidated Financial Statements.

The Historical Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance and cash flows of the businesses.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles in Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), except as outlined in the Bases of Qualified Opinion, which is consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board.

The Historical Financial Information is presented in abbreviated form and does not include all of the presentations, disclosures, statements and comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The significant accounting policies relevant to the financial information are set out in Section 12.6. Accounting policies have been consistently applied except where indicated in the notes throughout the periods presented.

12.5 Pro-forma Historical Financial Information

The Pro-forma Historical Financial Information includes the following pro-forma transactions:

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

- A. An issue under the Offer of up to a maximum subscription of 40,000,000 shares and a minimum subscription of 30,000,000 at an issue price of \$0.20 per share to raise a maximum of \$8,000,000 and minimum of \$6,000,000, before costs.
- B. Cash payment of the expected expenses of the Offer being \$738,000 for the minimum subscription and \$858,500 for the maximum subscription.
- C. Recognition of the following contracted and contingent asset acquisitions:
 - (a) Haslam Asset Acquisition
 Acquisition of land, property and oyster leases for consideration of \$850,000 and anticipated incidental costs of approximately \$50,000. Vendor finance has been agreed to an amount of \$600,000.
 - (b) Cowell Asset Acquisition
 Acquisition of land, plant and equipment and oyster leases for cash consideration of \$3,000,000 and anticipated incidental costs of approximately \$100,000.
- D. Recognition of the issue of 1,250,000 shares to the Lead Manager and 500,000 shares to the Company Founder, in accordance with Sections 15.4 and 15.8, respectively.
- E. Recognition of the issue of 4,000,000 options to the Lead Manager and 2,000,000 options to the directors, in accordance with Section 16.2. The value of the options have been valued using the Black-Scholes Options Pricing Model, in aggregate totalling \$205,170 and recognised as a capital raising deduction and a share based payment reserve adjustment.
- F. Recognition of Performance Shares to the Company Founder with a value of \$300,000 in accordance with Section 16.3 of the Prospectus.
- G. Recognition of Performance Rights to Angel Oysters Pty Ltd as trustee for the Halman Family Trust as part consideration for the Company's acquisition of the business from the Halman Family Trust with a value of \$800,000 in accordance with Section 16.4 of the Prospectus.
- H. A share reconstruction that occurred on 30 October 2017 whereby a three for two (3:2) share split occurred.
- I. Recognition of the shares issued on 30 October 2017 in lieu of cash payment for services performed by a Director.
- J. Recognition of the issue of 3,125,000 ordinary shares for \$500,000 on conversion of the convertible note, immediately prior to the completion of the Offer, in accordance with Section 15.5.

Basis of Preparation and Presentation of the Pro-forma Historical Statement of Financial Position

The Pro-forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. Accordingly, the Pro-forma Historical Financial Information has been derived from the Historical Statement of Financial Position as at 30 June 2017 for the Group and adjusted for the effects of the pro- forma transactions described under Section 12.5, to reflect the Group's capital structure, which will be in place following listing, as set out in the Key Offer Details in Section 4.

Refer to the notes to the financial statements for a reconciliation between the Historical Statement of Financial Position and the Statement of Financial Position as at 30 June 2017.

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

Due to its nature, the Pro-forma Historical Financial Information does not represent the Group's actual or prospective financial position.

Historical Statement of Comprehensive Income

	27 SEP 2016 to 30 JUNE 2017	1 JULY 2016 to 9 OCT 2016	YEAR ENDED 30 JUNE 2016*	YEAR ENDED 30 JUNE 2015*
	\$ Audited	\$ Unaudited	\$ Audited	\$ Audited
Revenue	1,385,272	387,602	1,417,397	1,633,817
Other income	435,035	8,528	100,162	34,664
Cost of sales	(1,409,968)	(205,720)	(47,990)	(556,508)
Employee benefits expense	(704,291)	(107,145)	(535,897)	(387,268)
Depreciation and amortisation expense	(226,995)	(30,235)	(136,571)	(87,788)
Investment acquisition cost	-	-	-	-
Other expenses	(823,645)	(110,624)	(573,629)	(486,702)
Finance costs	(161,578)	(27,901)	(95,815)	(83,322)
Profit/(Loss) before income tax	(1,506,170)	(85,495)	127,657	66,893
Income tax expense	(161,349)	-	-	-
Profit/(Loss) for the year	(1,667,519)	(85,495)	127,657	66,893

* Subject to Audit Qualifications as outlined under Section 12.4

The above historical financial information for the period ended 30 June 2017 has been derived from the audited financial reports prepared by the company Angel Seafood Holdings Limited. The above historical financial information for the period ended 9 October 2016 has been derived from the unaudited financial statements of the Halman Family Trust. The above historical financial information for the period ended 30 June 2016 and 30 June 2015 has been derived from the audited financial statements of the Halman Family Trust. All audited periods stated above were audited by William Buck Audit. William Buck Audit issued qualified audit opinions on the Halman Family Trust financial reports.

This statement should be read with the accompanying notes.

Historical Statement of Cashflows

	27 SEP 2016 to 30 JUNE 2017	1 JULY 2016 to 9 OCT 2016	YEAR ENDED 30 JUNE 2016*	YEAR ENDED 30 JUNE 2015*
	\$ Audited	\$ Unaudited	\$ Audited	\$ Audited
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	1,399,336	474,630	1,561,514	1,658,375
Payments to suppliers and employees	(1,910,638)	(277,653)	(1,674,735)	(1,306,987)
Interest received	2,967	-	-	-
Finance costs	(165,753)	(27,322)	(101,625)	(83,206)
Income taxes paid	(713)	-	-	-
Net cash (used in) operating activities	(674,801)	169,655	(214,846)	268,182
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for oyster lease	(1,025,175)	-	-	-
Payment for other intangible assets	(13,932)	-	-	(1,419)
Purchase of property, plant and equipment	(1,285,819)	(19,097)	(411,250)	(165,514)
Proceeds from sale of non-current assets	-	-	143,920	-
Net cash (used in) investing activities	(2,324,926)	(19,097)	(267,330)	(166,933)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issue of shares	5,823,855	-	-	-
Proceeds from related party loans	197,038	-	-	-
Receipts from borrowings	-	-	421,938	56,867
Repayment of related party loans	(190,000)	-	-	-
Repayment of borrowings	(1,097,813)	(146,986)	-	-
Repayment of finance leases	(22,824)	-	-	-
Payments for capital raising costs	(354,880)	-	-	-
Distributions paid	-	(26,139)	(42,401)	(87,906)
Net cash provided by financing activities	4,355,376	(173,125)	379,537	(31,039)
Net increase in cash and cash equivalents held	1,355,649	(22,567)	(102,639)	70,210
Cash and cash equivalents at end of the period	1,355,649	(154,685)	(132,118)	(29,479)

*Subject to Audit Qualifications as outlined under Section 12.4

The above historical financial information for the period ended 30 June 2017 has been derived from the audited financial reports prepared by the company Angel Seafood Holdings Limited. The above historical financial information for the period ended 9 October 2016 has been derived from the unaudited financial statements of the Halman Family Trust. The above historical financial information for the period ended 30 June 2016 and 30 June 2015 has been derived from the audited financial statements of the Halman Family Trust. All audited periods stated above were audited by William Buck Audit. William Buck Audit issued qualified audit opinions on the Halman Family Trust financial reports.

This statement should be read with the accompanying notes.

Historical and Pro-Forma Statement of Financial Position of Angel Seafood Holdings Limited Following Completion of the Offer

	NOTE	30 JUNE 2017 ^A	PRO-FORMA ^B	PRO-FORMA ^C
		Historical	(Minimum Subscription)	(Maximum Subscription)
		\$ Audited	\$Unaudited	\$Unaudited
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	1,355,649	6,517,649	8,397,149
Trade and other receivables	4	145,390	158,164	158,164
Current tax receivable		713	713	713
Biological assets		1,019,333	1,019,333	1,019,333
Other assets		58,882	58,882	58,882
TOTAL CURRENT ASSETS		2,579,967	7,754,741	9,634,241
NON-CURRENT ASSETS				
Property, plant and equipment	5	2,163,596	3,827,096	3,827,096
Deferred tax assets		26,876	26,876	26,876
Oyster leases	6	1,752,300	4,088,800	4,088,800
Other intangible assets		11,146	11,146	11,146
Other assets		4,175	4,175	4,175
TOTAL NON-CURRENT ASSETS		3,958,093	7,958,093	7,958,093
TOTAL ASSETS		6,538,060	15,712,834	17,592,334
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		355,238	355,238	355,238
Borrowings	7	625,058	4,025,058	4,025,058
Employee benefits		47,441	47,441	47,441
TOTAL CURRENT LIABILITIES		1,027,737	4,427,737	4,427,737
NON-CURRENT LIABILITIES				
Trade and other payables	8	787,226	-	-
Borrowings		333,418	333,418	333,418
Deferred tax liabilities		188,225	188,225	188,225
TOTAL NON-CURRENT LIABILITIES		1,308,869	521,643	521,643
TOTAL LIABILITIES		2,336,606	4,949,380	4,949,380
NET ASSETS		4,201,454	10,763,454	12,642,954
EQUITY				
Issued capital	9	6,300,973	12,177,973	14,041,436
Reserves	10	(432,000)	873,170	873,170
Retained earnings	11	(1,667,519)	(2,287,689)	(2,271,652)
Total equity attributable to equity holders of the Company		4,201,454	10,763,454	12,642,954
TOTAL EQUITY		4,201,454	10,763,454	12,642,954

The above historical financial information for the period ended 30 June 2017 has been derived from the audited financial reports prepared by the company Angel Seafood Holdings Limited.

This statement should be read with the accompanying notes.

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

Notes to the Historical Pro-forma Statement of Financial Position

1. Column (A) represents the audited position of Angel Seafood Holdings Limited at 30 June 2017.
2. Columns (B) and (C) represent the pro-forma statement of financial position of Angel Seafood Holdings Limited assuming a minimum subscription of \$6,000,000 and the maximum subscription \$8,000,000 and other relevant pro-forma adjustments as detailed in Section 12.5.

3. Cash and cash equivalents	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	1,355,649	1,355,649
Proceeds received from issue of convertible notes	500,000	500,000
Offer proceeds	6,000,000	8,000,000
Offer expenses settled in cash	(738,000)	(858,500)
Deposit paid on the Cowell Asset Sale Agreement	(300,000)	(300,000)
Payments relating to the Haslam acquisition	(300,000)	(300,000)
Balance per pro-forma statement of financial position	6,517,649	8,397,149

4. Trade and other receivables	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	145,390	145,390
Reallocation of related party receivable	12,774	12,774
Balance per pro-forma statement of financial position	158,164	158,164

5. Property, plant and equipment	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	2,163,596	2,163,596
Additions relating to the Haslam acquisition	113,500	113,500
Additions relating to the Cowell acquisition	1,550,000	1,550,000
Balance per pro-forma statement of financial position	3,827,096	3,827,096

6. Oyster leases	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	1,752,300	1,752,300
Additions relating to the Haslam acquisition	786,500	786,500
Additions relating to the Cowell acquisition	1,550,000	1,550,000
Balance per pro-forma statement of financial position	4,088,800	4,088,800

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

7. Borrowings	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	625,058	625,058
Vendor finance relating to the Haslam acquisition	600,000	600,000
Finance lease relating to the Cowell acquisition	2,800,000	2,800,000
Balance per pro-forma statement of financial position	4,025,058	4,025,058

The assets being acquired under the Cowell Acquisition are currently being leased by the Group. There is no requirement to make lease payments under the terms of the current lease arrangement. This acquisition is due for settlement in July 2018 at which time the lease liability recognised above will be extinguished.

8. Trade and other payables	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	787,226	787,226
Fair value of performance rights issued	(800,000)	(800,000)
Reallocation of related party receivable	12,774	12,774
Balance per pro-forma statement of financial position	-	-

9. Issued capital	Minimum subscription	Maximum Subscription	Issued Shares Minimum Subscription	Issued Shares Minimum Subscription
	\$	\$	No.	No.
Balance at 30 June 2017	6,300,973	6,300,973	53,701,933	53,701,933
Shares issued to Director in lieu of cash payment	20,000	20,000	100,000	100,000
Shares reconstruction (share split)	-	-	26,900,967	26,900,967
Shares issued from convertible notes conversion	500,000	500,000	3,125,000	3,125,000
Shares issued pursuant to capital raising	6,000,000	8,000,000	30,000,000	40,000,000
Shares issued to Lead Manager	250,000	250,000	1,250,000	1,250,000
Shares issued to Company Founder	100,000	100,000	500,000	500,000
Less capital raising costs	(993,000)	(1,129,537)	-	-
Balance per pro-forma statement of financial position	12,177,973	14,041,436	115,577,900	125,577,900

10. Reserves	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	(432,000)	(432,000)

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Fair value of options issued to Lead Manager	190,164	190,164
Fair value of options issued to Directors	15,006	15,006
Fair value of performance shares issued to Company Founder	300,000	300,000
Fair value of performance rights issued to Angel Oysters Pty Ltd as trustee for the Halman Family Trust	800,000	800,000
Balance per pro-forma statement of financial position	873,170	873,170

Share option reserve

The Lead Manager is entitled to an issue of 4,000,000 options issued as part of the Lead Manager Mandate.

The board is also entitled to an issue of 2,000,000 options under a Performance Plan. The key assumptions in determining the value of the options are as follows:

Broker Options	Performance Plan Options
Model used: Black Scholes	Model used: Black Scholes
Expected volatility 25%	Expected volatility 25%
Risk free rate: 2.41%	Risk free rate: 2.41%
Expected life of the option: 4 years	Expected life of the option: 4 years
Share price: \$0.20	Share price: \$0.20
Exercise price: \$0.20	Exercise price: \$0.40

11. Retained earnings	Minimum subscription	Maximum Subscription
	\$	\$
Balance at 30 June 2017	(1,667,519)	(1,667,519)
Director fees via share issue	(20,000)	(20,000)
Offer expenses (portion attributable to existing Shareholders)	(300,170)	(284,133)
Performance shares issued to Company Founder	(300,000)	(300,000)
Balance per pro-forma statement of financial position	(2,287,689)	(2,271,652)

12.6 Notes to and Forming Part of the Financial Information

The Financial Information includes the financial statements of Angel Seafood Holdings Limited (the 'Company') and its controlled entities (the 'Group') and the Halman Family Trust (the 'Trust'). The Group completed the acquisition of the business conducted by the Trust on 9 October 2016. The Directors have treated this as a business combination under common control.

The Financial Information includes the financial statements of the Group for the period 27 September 2016 to 30 June 2017. Angel Seafood Holdings Ltd is a Company limited by shares, incorporated on 27 September 2016 and domiciled in Australia. Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial information is presented in Australian dollars which is the parent entity's functional and presentation currency.

The Financial Information includes the financial statements of the Trust for the financial years ended 30 June 2015, 30 June 2016 and the period 1 July to 2016 to 9 October 2016. The Trust is a discretionary trust, domiciled in Australia. The functional and presentation currency of Halman Family Trust is Australian dollars.

1. Basis of Preparation

The Financial Information has been prepared on a going concern basis, which assumes the normal continuity of business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Financial Information for the Group has been derived from general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Financial Information for the Trust has been derived from special purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2. Summary of Significant Accounting Policies

(a) Going concern

The historical financial information is presented on a going concern basis. The audit report for the period ended 30 June 2017 emphasises the material uncertainty relating to the going concern basis of the Group.

The following statements were made in the financial statements regarding the going concern basis of accounting which applies to the historical financial information prepared for this Prospectus:

“For the period ended 30 June 2017 the consolidated net loss was \$1,667,519. The net cash outflows from operations for the period were \$674,801. The operating loss was largely a result of:

- The timing of the Company’s incorporation and acquisition of business and assets.*
- Typically, the period July to October are the best-selling months of the year;*
- The Company’s expansion into Coffin Bay;*
- The costs associated with the purchase of Oyster spat and on growers to prepare for expansion in water assets;*
- The oyster spat mortality event that occurred in June 2017; and*
- Additional costs incurred in preparation for an initial public offering.*

The Directors have assessed the Group’s cash requirement for a period of 12 months from the date of this report. The Directors are mindful of their obligation to ensure the Group can meet its financial obligations as and when they fall due and payable.

In this regard the Company is in the process of obtaining the necessary regulatory approvals for an initial public offering. It is intended that the Company seek to raise [a maximum of] \$8m before the end of this calendar year. The capital raised is expected to be applied to asset acquisitions and also to contribute towards the working capital position of the Group.

Should this capital raising not succeed the Directors are confident that operations can be wound down to an extent that minimal working capital will be required to maintain the operations until further capital raising opportunities can be explored and sales volumes increase towards the middle of next year. The Directors are also confident that additional funding could be obtained if required. On this basis the Directors believe it is appropriate to prepare the financial report on a going concern basis.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the economic entity not continue as a going concern.”

(b) Basis for consolidation

The financial statements for the period 27 September 2016 to 30 June 2017 include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity’s financial position, performance and cash flows where the accounting policies used by that entity were

different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 5 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(c) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(d) Income Tax

Income tax expense, current tax and deferred tax balances for the years ended 30 June 2015, 30 June 2016 and the period 1 July 2016 to 9 October 2016 have not been recognised as the business operated under a trust structure with any profits fully distributed to beneficiaries.

For the period 27 September 2016 to 30 June 2017 the below treatment for income tax is applicable for the Group.

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities

(assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(f) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Trust or Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the entity is entitled to it.

(g) Goods and services (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, and any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line and reducing balance basis over the assets useful life to the Trust or the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	5-50%
Computer Software	25%
Improvements	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Impairment of non-financial assets

At the end of each reporting period the entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and oyster leases, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(m) Biological assets

Biological assets consist of oysters. Measurement of the biological assets has been treated as follows:

The period 27 September 2016 to 30 June 2017

Biological assets have been measured at fair value, which has been determined based upon various assumptions, including oyster prices less cost to sell. These assumptions are updated regularly and the fair value increments or decrements are recorded in the statement of profit or loss and other comprehensive income.

Financial year ended 30 June 2015, 30 June 2016 and the period 1 July 2016 to 9 October 2016

Biological assets have been measured at the cost of oyster spat on hand, primarily for taxation purposes. No fair value adjustments have been made.

(n) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability

(o) Borrowings

The Group operates a bank loan facility with a total facility limit of \$250,000. At the date of this Prospectus approximately \$172,000 remains undrawn. The Group is currently in negotiations with their bank to increase the available facility limit by an additional \$550,000.

(p) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

3. Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

4. Business Combination

On 9th October 2016 the Group completed the acquisition of the business from the Halman Family Trust.

The Halman Family Trust is controlled by the Company founder and Director, Mr Isaac Halman. Mr Halman's expertise and knowledge of the oyster industry is critical to the ongoing success of the Group. Given his role within the Company and that he held the majority of shares on issue at the time the acquisition took place and for a period of time thereafter, the Directors have treated this business combination as being under common control.

Assets and liabilities acquired from the Halman Family Trust have been measured at their carrying amounts and the excess of consideration over net assets has been recorded in a common control reserve in equity.

The carrying amounts of the identifiable assets and liabilities acquired as at the date of acquisition were:

	2017
	\$
Assets	
Biological assets (Oyster inventory)	1,500,000
Intangible assets	353,240
Land and buildings	106,986
Plant and equipment	995,000
	<u>2,955,226</u>
Liabilities	
Other payables	50,000
Loans	1,705,226
Employee leave provisions	19,812
	<u>1,775,038</u>
Total identifiable net assets at carrying value	<u>1,180,188</u>
Purchase consideration	
Shares issued	1,200,000
Deferred consideration	780,188
	<u>1,980,188</u>
Common control reserve recognised in equity	<u>800,000</u>

The group issued 15,000,000 shares which became 22,500,000 shares post share reconstruction which occurred on 30 October 2017 at \$0.08 each as initial consideration for the purchase of the business. In addition, deferred consideration for the purchase was payable to be satisfied by the issue of performance rights over shares to the value of \$800,000 at conversion.

Assets and Liabilities not transferred to the Angel Group

The above figures for the Halman Family Trust for the period 1 July 2016 to 9 October 2016, represents the financial results of the Trust immediately prior the completion of the transaction between The Halman Family Trust and Angel Seafood Holdings Limited (including subsidiaries). We note that as part of the transaction not all of the assets and liabilities of the Halman Family Trust were acquired. The following assets and liabilities remained with the Halman Family Trust: Cash, Debtors, Capitalised Borrowing Expenses, Creditors, GST and Income Tax Obligations

5. Controlled entities

Consolidated Entities	Country of incorporation	Interest Held
Angel Seafood Holdings Limited	Australia	Parent
Angel Seafood Infrastructure Pty Ltd	Australia	100%
Angel Oysters Australia Pty Ltd	Australia	100%

6. Contingent liabilities

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2017.

12.7 Investigating Accountant's Report

AC\CSR\AMC\16962\2704892-12

13 December 2017

Board of Directors
Angel Seafood Holdings Limited
19 Adelaide Place
PORT LINCOLN SA 5606

Dear Directors

Independent Limited Assurance Report on Angel Seafood Holdings Limited historical and pro-forma historical financial information

William Buck has been engaged by Angel Seafood Holdings Limited ("**Group**") to report on the historical financial information of the Group and the Halman Family Trust ("**Trust**") and the pro-forma historical financial information of the Group for inclusion in a Replacement Prospectus document dated on or around 13 December 2017 and relating to the issue of a minimum of 30,000,000 shares, and up to a maximum of 40,000,000 shares in the Company ("the Prospectus").

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

Scope

Historical Financial Information

You have requested William Buck to review the following Historical Financial Information included in the Prospectus:

Angel Seafood Holdings Limited

- The historical statement of comprehensive income for the period 27 September 2016 to 30 June 2017;
- The historical statement of financial position as at 30 June 2017; and
- The historical statement of cash-flows for the period 27 September 2016 to 30 June 2017.

Halman Family Trust

- The historical statements of comprehensive income for the financial years ended 30 June 2015 and 30 June 2016 and the period, 1 July 2016 to 9 October 2016;
- The historical statements of cash-flows for the years ended 30 June 2015 and 30 June 2016; and the period 1 July 2016 to 9 October 2016.

CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333
williambuck.com

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 Group and Trust's adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The historical financial information has been extracted from the general purpose financial reports of the Group for the period 27 September 2016 to 30 June 2017 and special purpose financial reports of the Trust for the financial years ended 30 June 2015 and 30 June 2016. These reports were audited by William Buck in accordance with the Australian Auditing Standards. In addition historical financial information has been extracted from the unaudited financial statements of the Trust for the period 1 July 2016 to 9 October 2016.

The historical financial information is presented in the public document 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 general purpose financial reports prepared in accordance with the Corporations Act 2001.

Unmodified Audit Opinion (with emphasis) on the Historical Financial Information of the Group

William Buck issued an unmodified audit opinion for the Group in respect to the audit for the financial year ended 30 June 2017. However emphasis was drawn to the following item:

Going concern

A material uncertainty in respect of the going concern assumption was contained in the audit report issued for the period ended 30 June 2017 and is disclosed in the financial information section of the Prospectus.

Qualified Audit Conclusion on the Historical Financial Information of the Trust

William Buck issued a qualified audit opinion for the Trust in respect to the audit for the financial years ended 30 June 2015 and 30 June 2016. The bases for the Qualified Opinion is as follows:

Opening balances and comparative information

The financial report for the year ended 30 June 2014 was not audited and this forms the opening balances for the year ended 30 June 2015. Since opening balances enter into the determination of financial performance and cash flows for the year ended 30 June 2015, William Buck were unable to determine whether any adjustments might have been necessary in respect of the income and expenditure amounts reported in the statement of profit or loss and other comprehensive income and the net cash flows as reported in the statement of cash flows for the year ended 30 June 2015.

Biological Assets

Because William Buck were not appointed as auditors of the Trust until after 30 June 2016 the auditors were not able to observe the physical counting of biological assets at either the beginning or end of the year. William Buck was unable to satisfy themselves by alternative means concerning the quantities of biological asset held at both 30 June 2015 and 30 June 2016.

Further, the Trust's biological assets are recognised in the statement of financial position at both 30 June 2015 and 30 June 2016 at cost in accordance with the accounting policy

as disclosed in Note 2(q) to the financial report. Australian Accounting Standards however require that biological assets are carried at their fair market value less costs to sell. The Trust's accounting policy represents a significant non-compliance with Australian Accounting Standards and William Buck were unable to quantify the impact of this on the financial report.

Pro-forma historical financial information

You have requested William Buck to review the pro-forma historical statement of financial position as at 30 June 2017 referred to as "the pro-forma historical financial information".

The pro-forma historical financial information has been derived from the historical financial information of the Group, after adjusting for the effects of pro-forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro-forma adjustments relate, as described in the financial information section of the Prospectus document, 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 information does not represent the Company's actual or prospective financial position or financial performance.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and included in the pro-forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the historical financial information and the pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we 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 Accounting 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 or review 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, except for the matters described in the section on Qualified Audit Conclusion on the Historical Financial Information of the Trust, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the financial information

section of the Prospectus document, and comprising:

Angel Seafood Holdings Limited

- The historical statement of comprehensive income for the period 27 September 2016 to 30 June 2017;
- The historical statement of financial position as at 30 June 2017; and
- The historical statement of cash-flows for the period 27 September 2016 to 30 June 2017.

Halman Family Trust

- The historical statements of comprehensive income for the financial years ended 30 June 2015 and 30 June 2016 and the period 1 July 2016 to 9 October 2016;
- The historical statements of cash-flows for the years ended 30 June 2015 and 30 June 2016 and the period 1 July 2016 to 9 October 2016

is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

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 being the pro-forma historical statement of financial position as at 30 June 2017 is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

Restriction on Use

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial information to which this Report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Prospectus.

General Advice Limitation

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence

William Buck does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Consent

William Buck has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included. At the date of this report our consent has not been withdrawn. William Buck makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

William Buck has not authorised the issue of the Prospectus and our report should not be taken as an endorsement of the Company or a recommendation by William Buck of any participation in the share issue by any intending investors.

Yours faithfully

William Buck Corporate Advisory Services (SA) Pty Ltd

ABN 52 134 899 915

A handwritten signature in dark ink, appearing to read 'A Chugg', with a long horizontal flourish extending to the right.

Adrian Chugg

Director

Dated in Adelaide, this 13th day of December 2017

13. Board, Management & Interests

13.1 Incoming - Non-Executive Chairman

Mr Tim Goldsmith

BA(Hons), Fellow Institute of Chartered Accountants in England & Wales, Member Institute of Chartered Accountants in Australia & New Zealand.

Mr Goldsmith was a Partner at global professional services firm PricewaterhouseCoopers (**PwC**) for over 20 years and comes with decades of leadership experience in the mining sector.

Mr Goldsmith held multiple roles during his PwC career and is best known for leading PwC's global mining team. With more than 2,000 partners and staff in more than 100 mining countries, he spent years travelling the world building strong networks with CEOs of major mining companies and governments.

During his tenure as Global Mining Leader, Mr Goldsmith was also responsible for PwC's thought leadership on the future of the mining industry and was a well-known presenter at mining conferences around the globe. Mr Goldsmith was an early participator in the China growth story and initiated a China focus in 2002 that led to PwC's Australia China desk, which is known throughout China today. As National China Desk Leader, he worked extremely closely with many state-owned and private Chinese investors and companies to facilitate Chinese foreign investment in Australian mining and other assets.

Mr Goldsmith has been Non-Executive Chairman at ASX listed company Hazer Group Limited since July 2017 and is a director of ASX listed Kopore Metals Limited. He is considered to be an independent Director and does not expect that his other directorships will impact his ability to act as a Director of the Company.

13.2 Executive Operations Director and Founder

Mr Isaac (Zac) Halman

Mr Isaac (Zac) Halman is the founder of the Company and has been successfully farming oysters for close to a decade in South Australia's Eyre Peninsula. He has successfully grown a team and business which is one of only three certified sustainable oyster producers in the world who have previously been certified by the "Friends of the Sea" and is also one of only two certified organic oyster producers in Australia who have been certified by the National Association for Sustainable Agriculture Australia.

Mr Halman applies strict budgetary and quality controls and through his guidance and expertise has grown the oyster business now owned by the Company exponentially over the past 7 years. This experience was one of the deciding factors in his appointment to the Board of the South Australian Oyster Growers Association. He has a passion for the sea and his team; the quality of his produce is a credit to this passion.

Before Oyster farming Mr Halman has active in the agriculture industry, specialising in broad acre and stock agricultural contracting. Mr Halman is not considered to be an independent Director and has no other public company directorships.

13.3 Incoming – Non-Executive Director

Mr Ashley Roff

Master of Laws (LLM)

Mr Roff is a senior and trusted legal and governance adviser at board and executive leadership levels with extensive commercial experience across industries as diverse as agriculture, consumer beverages, internet marketing and finance.

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

In 2005 he was responsible, as General Counsel, for the public compliance listing of ABB Grain Ltd, and served as Company Secretary from 2005 to 2009. After ABB was acquired by Viterro Ltd, a Canadian company, Mr Roff was responsible from 2009 until 2010 for liaising with ASX on Viterro's Chess Depositary Interests (CDI) program.

More recently, Mr Roff was General Counsel and company secretary of Emerald Grain Pty Ltd, an emerging grain trader and grain storage business based in Melbourne with offices around Australia, now owned by the Sumitomo Corporation of Japan. He is currently the principal of Adelaide based law firm Brightman Legal.

Mr Roff has a Master of Laws (LLM)(Hons2)(Syd), is a qualified solicitor and a Fellow of the Governance Institute of Australia. Mr Roff's unique blend of ASX corporate experience combined with his legal qualification means he has a deep understanding of good corporate governance and close familiarity with best board practice.

Mr Roff is considered to be an independent Director and has no other public company board positions.

13.4 Current – Executive Chairman & Proposed – Non-Executive Director

Mr Michael Porter

BBS (Enterprise Development, Grad Cert (Change Management), GAICD

Mr Porter has extensive experience in the agriculture sector having been CEO of a farmer owned unlisted public company that specialised in the marketing of grain and the importation of fertiliser and seed for cropping farms. Before this role he served as National Integration Manager for ASX listed company Tox Free Solutions.

Mr Porter also has strong ties with the Australian Defence Force where he holds the rank of Commander in the Royal Australian Naval Reserve. He has seen active service in East Timor, the Arabian Gulf and Iraq.

Mr Porter is an experienced Director and currently serves on the Board of the Wimmera Catchment Management Authority (Ministerial Appointment) and is Chairman of the City of Ballarat Audit Advisory Committee.

Mr Porter has extensive investment and capital raising experience and is currently a Director of Corpus Capital which is an Authorised Representative of Toro Liberty (AFSL 424970). Mr Porter holds a Bachelor of Business Studies (Enterprise Development), a Post-Graduate qualification in Change Management and is a Graduate of the Australian Institute of Company Directors Program (GAICD). Mr Porter is not considered to be an independent Director and has no other public company directorships.

13.5 Company Secretary

Ms Christine Manuel

BMus, Grad Dip ACG, Dip Inv Rel, Dip CD, FGIA, FCIS, MAICD, MAITD, AAIPM

Ms Manuel is an experienced Company Secretary and corporate governance professional. A Chartered Secretary, with Fellow status, she has practical experience of the public listed company environment and requirements (including in an ASX20 company), financial services and mutual organisations as well as unlisted public, proprietary and internationally domiciled companies in a variety of industries.

Ms Manuel has current knowledge of cutting edge corporate governance practice, particularly within listed public companies, having presented on this topic at the recent Governance Institute of Australia Seminar. Ms Manuel is also a current Board Member of the Governance Institute of Australia (South Australia).

13.6 Interests in Securities

Directors are not required under the Company's Constitution to hold any shares to be eligible to act as a Director. As of the date of this Prospectus, the Directors have, either held in their names or in related parties, relevant interests in securities as follows:

Director	Shares	Options	Performance Shares	Performance Rights
Mr Tim Goldsmith Non-Executive Chairman (Incoming)	1,740,000	Nil	Nil	Nil
Mr Ashley Roff Non-Executive Director (Incoming)	Nil	Nil	Nil	Nil
Mr Michael Porter Non-Executive Director	4,692,198	1,500,000*	Nil	Nil
Mr Isaac Halman Executive Operations Director	18,112,502	1,500,000*	Nil	Nil

*Each Option is unquoted and is exercisable at \$0.0833 on or before 28 February 2021. The Company has applied for a waiver of ASX Listing Rule 1.1 (Condition 12) to allow these Options to remain on issue at Listing. If that waiver is unsuccessful, these Options will be cancelled.

Following the successful completion of the Offer, the Directors, provided they do not participate in the Offer, will have relevant interests in Securities as follows:

Director	Shares	Options	Performance Shares	Performance Rights
Mr Tim Goldsmith Non-Executive Chairman (Incoming)	1,740,000	1,500,000	Nil	Nil
Mr Ashley Roff Non-Executive Director (Incoming)	Nil	Nil	Nil	Nil
Mr Michael Porter Non-Executive Director	4,692,198	2,000,000 ²	Nil	Nil

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

Mr Isaac Halman Executive Operations Director	18,612,502	1,500,000 ²	1,500,000	4,000,000 ¹
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¹ To be issued to Angel Oysters Pty Ltd as trustee for the Halman Family Trust (a trust controlled by Mr Halman).

² The 1,500,000 Options held by Mr Halman and 1,500,000 of the Options held by Mr Porter are unquoted and are exercisable at \$0.0833 on or before 28 February 2021. The Company has applied for a waiver of ASX Listing Rule 1.1 (Condition 12) to allow these Options to remain on issue at Listing. ³ The 1,500,000 Options to be issued to Mr Goldsmith and the additional 500,000 Options to be issued to Mr Porter are exercisable at \$0.40 on or before the fourth year anniversary of their issue. The full terms and conditions of these Options are set out in Section 16.2.

Note: Terms and conditions associated with the issue of Options, Performance Rights and Performance Shares can be found at Sections 16.2 to 16.4.

13.7 Remuneration

Details of the Directors' remuneration for the current and previous financial years (which are all exclusive of superannuation) are set out in the table below:

Director	Remuneration for year ended 30 Jun 2017	Proposed Remuneration for year ended 30 Jun 2018
Mr Tim Goldsmith Non-Executive Chairman	Nil	\$50,000
Mr Ashley Roff Non-Executive Director	Nil	\$40,000
Mr Michael Porter Non-Executive Director	\$17,500* (Note: Paid as shares)	\$40,000
Mr Isaac Halman Executive Operations Director	\$72,000*	\$140,000
Ms Christine Manuel Company Secretary	Nil	\$20,000

Notes:

- (a) Upon Listing, Mr Michael Porter will also receive from the Company consulting fees for work completed in association with the Offer process to the value of \$50,000 and outstanding director fees owing to the value of \$10,000. Further, the Lead Manager has agreed to pass on a 2.5% Offer referral fee, a \$20,000 corporate advisory fee, 2,000,000 Options and 250,000 Shares to Corpus Capital Pty Ltd, of which Mr Michael Porter is a Director and owns 50% of, as an introduction fee.
- (b) Mr Isaac Halman's remuneration presented above does not include, bonus, vehicle and other benefits associated with his employment, refer to Section 15.7 for full details.
- (c) Upon Listing, Ms Christine Manuel will also receive from the Company consulting fees for work completed in association with the Offer process to the value of \$15,000.
- (d) * Remuneration for year ended 30 Jun 2017 is only from incorporation of the Company being,

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

Further Remuneration Explanatory Notes

The Company's Constitution provides that the Board may, subject to the ASX Listing Rules, authorise the payment of remuneration or the provision of other benefits by the Company to a Director for services as a director or in any other capacity if the Board is satisfied that to do so is fair to the Company. The Board must ensure that the particulars of the payment or benefit are entered in the Company's interests register.

The Board may also authorise special remuneration to any Director who is or has been engaged by the Company to carry out work or perform any services which is not in the capacity as a director of the Company or a related company.

A Director may also be reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director without requiring approval of Shareholders.

The aggregate maximum remuneration for Non-Executive Directors is \$200,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

13.8 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into appointment letters with each of its ~~Non-Executive~~ Directors. The Board determines the level of remuneration paid to the non-executive Directors within any limitations imposed by Shareholders.

The proposed remuneration for the year ending 30 June 2018 is set out in Section 13.7. Appointments are contingent on re-election at applicable annual general meetings and on the appointment not otherwise terminating in accordance with the Company's constitution.

The Company (via its wholly owned subsidiary Angel Oysters Australia Pty Ltd (**AOA**)) has entered into an individual employment agreement with its Director, Mr Isaac Halman. Refer to the summary set out in Section 15.7. Further, Mr Halman's wife, Mrs Kady Halman is employed as AOA's payroll, compliance, audit and administration manager under an employment agreement with the Company for remuneration of \$80,000 per annum.

13.9 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to allow the officers to inspect board documents in certain circumstances. In accordance with the Constitution, the Company may, with the prior written approval of the Board, effect insurance for the benefit of the relevant officer.

14. Corporate Governance

This Section explains how the Board will manage the Company's business.

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

The main policies and practices adopted by the Company, which will take effect from Listing on the ASX, are summarised below.

14.1 ASX Corporate Governance Council Principles and Recommendations.

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.angelseafood.com.au).

14.2 Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Managing Director or Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;

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- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

14.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

As at the date of this Prospectus and on completion of the Offer, the Board will consist of four Directors (three of whom will be Non-Executive Directors) of whom two are considered independent. The Board considers the proposed balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix, this can be viewed at the Company's website.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

14.4 Independence of the Board

The Board is responsible for the overall governance of the Company. The Board considers issues of

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substance affecting the Company, with advice from external advisers as required. Each Director must bring an independent view and judgement to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter for which the Director has a material personal interest.

14.5 Board Charter

The responsibilities of the Board are set out in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations.

14.6 Diversity Policy

This policy sets out the Company's objectives for achieving diversity amongst its Board of Directors, Management and employees.

14.7 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

14.8 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

14.9 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.

14.10 Remuneration arrangements

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of non-executive directors was initially set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

In addition, a Director may be paid fees or other benefits (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. Directors are also entitled to be reimbursed for reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Remuneration and Nominations Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

14.11 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chairman or the Board (or the Board in the case of the Chairman) must be obtained prior to trading. Continuous disclosure obligations are outlined at Section 17.7.

14.12 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board, from time to time will review the scope, performance and fees of those external auditors.

14.13 Finance Audit and Risk Committee

The Company will have a separate finance, audit and risk committee. The written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function; can be found on the Company's website.

14.14 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

15. Material Contracts

15.1 Introduction

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

15.2 Acquisition Agreement – Haslam Assets

The Company's wholly owned subsidiary Angel Seafood Infrastructure Pty Ltd (**ASI**) and a third-party vendor are party to a conditional Contract for the Sale and Purchase of Land dated 13 October 2017 in respect of the acquisition by ASI of the land and property at 35 Haslam Highway, Haslam, South Australia, 7 intertidal oyster production leases and all infrastructure on such leases (**Haslam Acquisition**) (**Haslam Agreement**). The purchase price payable for the Haslam Acquisition is \$850,000, \$600,000 of which will be loaned by the vendor and secured by a first ranking mortgage over the land the subject of the sale (**Haslam Loan**); refer Section 12.5 for more transactional detail.

The term of the Haslam Loan is one year from the date of settlement of the Haslam Agreement or two years in the event Pacific Oyster Mortality Syndrome (**POMS**) is detected within oysters in the Eyre Peninsula after the date of execution of the Haslam Agreement (in which case \$300,000 will be repayable each year). No interest is payable on the Haslam Loan provided it is repaid in full by 30 January 2019, otherwise interest is payable at 15% per annum.

Completion of the Haslam Acquisition is conditional upon the fulfilment of the following conditions precedent:

- (a) ASI obtaining the consent of the Minister for Agriculture, Farming and Fisheries to transfer the production leases on or before 30 January 2018 or such later date as is agreed between the parties;
- (b) the Company being admitted to the Official List of ASX.

Completion will occur on the later of 30 January 2018 and the date which is 14 days after the date the Company is admitted to the Official List of ASX, provided that completion shall occur no later than 28 February 2018. ASI will acquire the land, property and assets the subject of the Haslam Acquisition in the condition and state of repair as at 18 October 2017. On and from this date, the land, property and assets shall be at the risk of ASI who shall also be responsible for maintaining the production licenses from this date. If there occurs any loss or damage in respect of the land, property and assets before completion occurs, the sale is not affected and ASI is not entitled to a reduction in the purchase price or damages and ASI indemnifies the vendor in this regard.

The Acquisition Agreement also contains other representations, warranties and conditions considered standard for an agreement of this nature.

15.3 Acquisition Agreements – Cowell Assets

ASI and third-party vendors are party to:

- (a) an option agreement pursuant to which ASI is granted the option to acquire the lease and license noted in paragraph (b) below exercisable between 1 July 2018 and 6 July 2018 pursuant to the Lease and License Sale Agreement noted below;
- (b) a conditional Lease and License Sale Agreement in respect of 1 intertidal oyster production

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- lease and 1 license at Cowell, South Australia for a purchase price of \$1,500,000 plus GST;
- (c) a conditional Asset Sale Agreement in respect of associated plant and equipment for a purchase price of \$950,000; and
 - (d) a Contract for the Sale and Purchase of Land in respect of the acquisition by ASI of the land and property at Allotments 25 DP 45074 & 33 DP 49014 Oyster Drive, Cowell, South Australia for a purchase price of \$550,000,

(Cowell Acquisition) (together, the **Cowell Agreement**).

Completion of the Cowell Acquisition is conditional upon ASI obtaining the consent of the Minister for Agriculture, Farming and Fisheries to transfer the production leases. Completion of each of the agreements in paragraphs (b) to (d) above is inter-conditional upon the completion of each other agreement occurring. The Asset Sale Agreement is conditional upon the Company obtaining finance of \$650,000 by 30 May 2018, should the Listing not proceed. The vendors may terminate the Cowell Agreement in the event the Company suffers an insolvency event.

The Cowell Agreements also contain other representations, warranties and conditions considered standard for an agreement of this nature.

15.4 Lead Manager Mandate

The Company has entered into a lead manager mandate with EverBlu Capital Pty Ltd (**Everblu** or the **Lead Manager**) pursuant to which EverBlu has agreed to act as lead manager of the Offer (**Mandate**). The material terms of the Mandate are:

- (a) **(Term):** the term of the Mandate ends on the later of 15 September 2018 and 12 months from the date the Company is admitted to the Official List of ASX.
- (b) **(Fees):** the Company agrees to pay the Lead Manager the following fees during the Term:
 - (i) a monthly retainer fee of \$5,000 capped at \$170,000 for corporate advisory services until the Company is admitted to the Official List of ASX;
 - (ii) a management fee of 2% of the total amount raised under the Offer;
 - (iii) a capital raising fee of 4% of the total amount raised under the Offer ;
 - (iv) an issue of 1,250,000 Shares on completion of the Offer;
 - (v) an issue of 4,000,000 Options with an exercise price of \$0.20 and an expiry date on the fourth year anniversary of issue on the terms and conditions set out in Section 16.2; and
 - (vi) all reasonable expenses incurred by EverBlu in the delivery of its services.

All selling fees to third parties shall be paid by EverBlu from its capital raising fee.

- (c) **(Termination):** the Company or the Lead Manager may terminate the Mandate with immediate effect upon the occurrence of certain events, including but not limited to, where the other party commits a material breach which is not remedied or suffers an event of insolvency. The Lead Manager may also terminate the Mandate by providing 14 days' written notice upon the occurrence of certain events, including but not limited to, where a material adverse event occurs or where ASX does not grant approval for the Company to be admitted to the Official List.

- (d) **(Right of First Refusal)**: the Company has granted EverBlu a right of first refusal to provide lead manager services in respect of transactions and capital raisings undertaken by the Company in the next 18 months.

The Mandate is otherwise made on standard terms and conditions.

15.5 Convertible Note Agreement

The Company has entered into a Convertible Note Agreement with Ellerston Capital Limited as trustee for Ellerston Special Opportunities Platform (**Ellerston**) pursuant to which Ellerston agreed to subscribe for 500,000 unsecured convertible notes in the Company (**Notes**) (**Subscription**) for a subscription price of \$500,000. The material terms of the Convertible Note Agreement are:

- (a) **(Interest)**: interest is payable on the Notes at the rate of 6% per annum although no interest will be payable provided the Company is admitted to the Official List of ASX within 6 months of the Subscription;
- (b) **(Redemption by Ellerston)**: Ellerston may require the Company to immediately redeem the Notes and accrued interest where the Company suffers an insolvency event or breaches its obligations under the Convertible Note Agreement or does not complete the Offer by the 12 month anniversary of the Subscription (**Maturity Date**);
- (c) **(Conversion)**: on completion of the Offer, the Notes will automatically convert into 3,125,000 Shares
- (d) **(Board)**: for so long as Ellerston holds Shares equal to 10% or more of the Company's issued share capital, it will be entitled to appoint a director to the Board.

The Convertible Note Agreement also contain other representations, warranties, covenants and conditions considered standard for an agreement of this nature.

15.6 NAB Loan and other Finance Documents

ASI has a flexible rate loan with National Australia Bank (**NAB**) pursuant to which ASI can borrow up to \$250,000. At the date of this Prospectus, ASI has drawn down approximately \$78,000 under the loan which is secured. ASI and the Company are currently in further negotiations with NAB to obtain a loan facility of up to an additional \$550,000 for working capital purposes on standard market terms repayable from the Company's revenues.

The Company is also a party to various vendor finance loans and leases totaling approximately \$500,000 at the date of this Prospectus which financed the acquisition by the Company of various assets, including but not limited to, vehicles and oyster baskets, barge and grader. The Company intends to repay these loans (which are repayable over the course of three to five years) from its revenues.

15.7 Executive Agreement – Mr Isaac Halman (Executive Operations Director)

ASH's wholly owned subsidiary, Angel Oysters Australia Pty Ltd (**AOA**) has entered into an executive employment agreement with Isaac Halman dated 1 May 2017 (**Executive Employment Agreement**) pursuant to which Mr Halman is appointed as the Managing Director of AOA.

Further, the Company has also entered into a letter agreement with Mr Halman pursuant to which he is appointed as an Executive Operations Director of the Company.

The material terms and conditions of the Executive Employment Agreement are summarised below:

- (a) **(Term)**: Mr Halman commenced his employment on 1 May 2017 and the Executive Employment Agreement continues until terminated in accordance with its terms.

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- (b) **(Remuneration):** Mr Halman will receive a salary of \$140,000 per annum plus superannuation.
- (c) **(Incentive Programs):** Mr Halman may participate in any incentive plan that the Company may introduce from time to time. The Company has agreed to issue Mr Halman 500,000 Shares upon the Company being admitted to the Official List as a bonus and 1,500,000 Performance Shares as an incentive.
- (d) **(Termination):** The Company may immediately terminate the employment of Mr Halman in the case of serious misconduct. Further, the Company may terminate the Executive Employment Agreement for any reason by giving four weeks' notice.

The Executive Employment Agreement contains other standard terms and conditions expected to be included in a contract of this nature.

15.8 Non-Executive Director Appointment Letters – Messrs Goldsmith, Roff and Porter

The Company has entered into letters of appointment with Messrs Goldsmith, Roff and Porter (**NED Agreements** or **NED Agreement** as the context requires) which set out the terms and conditions upon which Mr Goldsmith will serve as Non-Executive Chairman of the Company and Messrs Roff and Porter will serve as Non-Executive Directors of the Company. Each Director will receive the following remuneration for services rendered under the NED Agreements, commencing on the date of the Company's admission to the Official List of ASX:

- (a) Mr Goldsmith – \$50,000 per annum and 1,500,000 Options on the terms and conditions set out in Section 16.2;
- (b) Mr Roff - \$40,000 per annum; and
- (c) Mr Porter - \$40,000 per annum and 500,000 Options on the terms and conditions set out in Section 16.2.

Directors are subject to the provisions of the Constitution relating to retirement by rotation and re-election of directors. A Director may terminate their directorship at any time by advising the Board in writing. The NED Agreements are otherwise made on standard commercial terms.

16. Rights attaching to Securities

16.1 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Precedence of ASX Listing Rules/Amendment to ASX Listing Rules

Despite anything in the Constitution, once the Company is admitted to the Official List of the ASX, if there is any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules will prevail. In addition, if any amendment is made to the ASX Listing Rules, that amendment automatically becomes part of the Constitution without the need for any Shareholder resolution.

(b) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. A Shareholder may give written notice to the Board of a matter that the Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Shareholder is entitled to vote.

(c) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person by voice or by proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy or representative, have one vote for the Share.

(d) Dividend rights

Subject to the rights of any holders of any Shares or other Securities which confer special rights to dividends, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares. No dividend shall carry interest as against the Company.

The Board may, in its discretion, deduct from any dividend or other distribution payable to a Shareholder, any amount owed by the Shareholder to the Company in respect of which the Company has a lien over the specific Shares on which the dividend or other distribution is payable.

All dividends and other distributions unclaimed for one year after the due date for payment may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.

(e) Winding-up

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) 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.

(g) Transfer of Shares

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

(h) Variation of rights

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

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

(i) Alteration of 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. In addition, at least 28 business days written notice specifying the intention to propose the resolution as a special resolution must be given.

16.2 Terms and conditions of Options

16.2.1 Terms and conditions of Options to be issued to Lead Manager

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) Expiry Date

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Each Option will expire at 5:00 pm (WST) on the fourth year anniversary of the date the Company is admitted to the Official List of ASX (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 such 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) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such 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.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation 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 without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

16.2.2 Terms and conditions of Options to be issued to Directors

The Options to be issued to Directors of the Company will be issued on the same terms and conditions set out in Section 16.2.1 above, except the exercise price of such Options will be \$0.40 each.

16.2.3 Terms and conditions of Options on issue held by Directors and Founding Shareholder

- (a) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of \$0.0833 subsequent to satisfaction of the restriction on exercise set out in (e) below.
- (b) The Options will lapse at 5:00pm (AEST) on 28 February 2021 (**Expiry Date**).
- (c) The Options are non-transferable and will not be listed.
- (d) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (e) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Directors, but in all other respects the terms of exercise will remain unchanged.
- (f) The Options shall be exercisable at any time during the period ending on or before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by the Option holder accompanied by an Option Certificate or holding statement and a payment to the Company for the subscription moneys for the Shares to be issued on exercise of the Options the subject of the Notice. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
- (g) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number, if the Company is listed, within 5 business days of exercise of the Options.
- (h) The Shares allotted shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.

16.3 Terms and Conditions of Performance Shares

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

The terms and conditions of the Performance Shares to be issued to the Company founder Isaac Halman are set out below:

(a) Performance Shares

Each Performance Share is a share in the capital of the Company.

(b) General meetings

Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.

(c) No voting rights

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) No dividend rights

A Performance Share does not entitle the Holder to any dividends.

(e) No rights to return of capital

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) Rights on winding up

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) Not transferable

A Performance Share is not transferable.

(h) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) Application to ASX

The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into Shares, the Company must within seven (7) days apply for the official quotation of the Shares arising from the conversion on ASX.

(j) Participation in entitlements and bonus issues

A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) No other rights

A Performance Share gives the Holders no rights other than those expressly provided by these

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

terms and those provided at law where such rights at law cannot be excluded by these terms.

(l) Conversion of the Performance Shares - Conversion on achievement of milestone

Subject to paragraph (n), the Performance Shares will convert into Shares as follows:

- (i) 500,000 Performance Shares will convert into Shares upon completion of each, and all, of:
 - (A) the acquisition by the Company of the land comprised in Certificate of Title Volume 5563 Folio 759 being 35 Haslam Highway, Haslam, SA 5680, South Australian production lease numbers LA00013, LA00014, LA00172, LA00173, LA00003, AL00372 and AL00106 for Intertidal Oysters and all associated infrastructure (**Haslam Assets**);
 - (ii) the acquisition by the Company of:
 - (A) South Australian aquaculture licence number FM00036 and aquaculture lease number AL00069 for marine molluscs (Intertidal) Fa;
 - (B) associated plant and equipment; and
 - (C) the land comprised in Certificates of Title Volume 5334 Folio 372 & Volume 5510 Folio 54 being allotments 25 DP 45074 & 33 DP 49014 Oyster Drive, Cowell, SA 5602 (together, the **Cowell Assets**);
- on or before 30 September 2018 (**Milestone 1**); and
- (iii) 1,000,000 Performance Shares will convert into Shares upon each, and all, of the following occurring in the same financial year:
 - (A) the Company achieving, in relation to its business and assets at the date it is admitted to the Official List of ASX and the Haslam Assets and Cowell Assets, annual sales revenue, not including fair value adjustment, of at least \$8,000,000, as shown in the Company's audited financial statements; and
 - (B) the Company being cash flow positive for the financial year; and
 - (C) the Company achieving a net profit before tax of at least 2.66 cents earnings per Share assessed against net profit before tax,

by 30 June 2022 (**Milestone 2**),

(each, a **Milestone**).

(m) Conversion on change of control:

Subject to paragraph (n) and notwithstanding the relevant milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of

or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Company Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(n) Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Performance Share would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
- (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(o) Redemption if Milestone not achieved

If the relevant Milestone is not achieved by the required date, then the total number of Performance Shares on issue to each Holder will convert into one (1) Share.

(p) Conversion procedure

The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.

(q) Ranking upon conversion

The Share into which a Performance Share may convert will rank *pari passu* in all respects with existing Shares.

16.4 Terms and conditions attaching to the Performance Rights

The terms and conditions attaching to the Performance Rights to be issued to Angel Oysters Pty Ltd as trustee for the Halman Family Trust as part consideration for the Company's acquisition of the Smoky Bay Business are set out below.

- (a) **Milestone:** The Performance Rights shall vest on achievement of the following milestone: the Company achieving sales revenue of at least \$3,000,000 for any rolling 12 month period on or before 30 June 2021 in relation to its business and assets (as at the date it is admitted to the Official List of ASX) and the Haslam Assets and Cowell Assets, as shown in the Company's audited financial statements or reviewed half yearly accounts (**Milestone**). The Board will consider whether the Milestone may have been met based on the Company's monthly management accounts. If the Milestone may have been achieved, the Board will direct its auditors to conduct audit tests on the Company group's reported revenue in the 12 months prior to suspected achievement of the Milestone. The auditor will reconcile the balance of the audited accounts to provide confirmation the Milestone has been achieved.
- (b) **Conversion:** Subject to paragraph (h), upon the Performance Rights vesting, the 4,000,000 Performance Rights issued will, at the election of the holder, convert into that number of fully paid ordinary shares in the Company (**Shares**) which is equal to \$800,000 divided by the volume weighted average price of the Shares in the 30 days prior to the date of satisfaction of the Milestone (**VWAP**), provided that the VWAP is not less than \$0.10 or in the event the VWAP is less than \$0.10, will convert into 8,000,000 Shares.
- (c) **Vesting:** The Performance Rights shall vest on the date that the Milestone has been satisfied.
- (d) **Lapse of a Performance Right:** If the Milestone attaching to the Performance Rights has not been satisfied by 31 December 2021, the Performance Rights will automatically lapse.
- (e) **Notification to holder:** The Company shall give written notice to the holder promptly following satisfaction of the Milestone or lapse of a Performance Right where the Milestone is not satisfied.
- (f) **Consideration:** No consideration will be payable by the holder upon the vesting of the Performance Rights.
- (g) **Conversion on change of control:**

Subject to paragraph (h) and notwithstanding the Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Rights will automatically convert into Shares in accordance with paragraph (b). If the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then only the number of Performance Rights equal to 10% of the Shares on issue at the date of conversion will automatically convert into Shares. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holder on the same terms and conditions.

- (h) Deferral of conversion if resulting in a prohibited acquisition of Shares: If the conversion of Performance Rights into Shares would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; or
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (h)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (i) Share ranking: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (j) Listing of Shares on ASX: the Company will not apply for quotation of the Performance Rights on ASX. The Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (k) Transfer of Performance Rights: A Performance Right is not transferable.
- (l) Participation in new issues: There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (m) Adjustment for bonus issue: If securities are issued pro-rata to the Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of Shares which the holder would have been entitled to if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (n) Adjustment for reconstruction: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) Dividend and Voting Rights: A Performance Right does not confer upon the holder an entitlement to vote on any resolutions proposed by the Company or a right to receive dividends.
- (p) No rights on winding up or reduction of capital: A Performance Right does not entitle the holder to any return of capital or to participate in the surplus profits or assets of the Company upon winding up of the Company, a reduction of capital or otherwise.
- (q) No other rights: A Performance Right gives the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

17. Additional Information

17.1 Litigation

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

17.2 Option and Performance Rights Plan

The key terms of the Performance Rights and Option Plan (**Plan**) are as follows:

- (a) Eligibility: Participants in the Plan may be:
 - (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,who is declared by the Board to be eligible to receive grants of Awards under the Plan (Eligible Participants).
- (b) Offer: The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) Plan limit: The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) Issue price: Unless the Awards are quoted on the ASX, Awards issued under the Plan will be issued for no more than nominal cash consideration.
- (e) Vesting Conditions: An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (f) Vesting: The Board may in its absolute discretion (except in respect of a Change of Control (as defined in the Performance Rights and Option Plan) occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:
 - (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:

- (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
 - (ii) a Change of Control occurring (as defined in the Performance Rights and Option Plan); or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) Lapse of an Award: An Award will lapse upon the earlier to occur of:
- (i) an unauthorised dealing, or hedging of, the Award occurring;
 - (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Award;
 - (iii) in respect of unvested Awards only, an Eligible Participant ceases to be a Relevant Person, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Awards only, a relevant person ceases to be an Eligible Participant and the Award granted in respect of that person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award;
 - (vii) the expiry date of the Award.
- (h) Shares: Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) Sale Restrictions: The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from

the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

- (j) No Participation Rights: There are no participating rights or entitlements inherent in the Awards and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards.
- (k) Change in exercise price of number of underlying securities: Unless specified in the offer of the Awards and subject to compliance with the ASX Listing Rules, an Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (l) Reorganisation: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) Trust: The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

17.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director of the Company holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director of the Company:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer;
- (f) the Offer.

17.4 Interests of Experts and Advisers

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

This is a Replacement Prospectus dated 13 December 2017. It replaces a prospectus dated 1 December 2017, relating to the Shares of Angel Seafood Holdings Limited (ACN 615 035 366).

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer, or
- (c) the Offer

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

EverBlu Capital Pty Ltd has acted as the Lead Manager to the Company in relation to the Offer. The Company will be paying EverBlu Capital Pty Ltd the fees set out in Section 15.4. for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EverBlu Capital Pty Ltd has not received fees from the Company for any other services.

William Buck has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 12. The Company estimates it will pay William Buck a total of \$30,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC William Buck Audit has received \$27,800 for fees associated with being the Company's Auditor.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$80,000 (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 the ASIC, Steinepreis Paganin has not received fees for any other legal services provided to the Company.

Thomson Geer has acted as commercial solicitors to the Company. The Company estimates it will pay Thomson Geer \$10,000 (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 the ASIC, Thomson Geer has received fees totalling \$72,644 for services provided to the Company.

17.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus.

EverBlu Capital Pty Ltd has given its written consent to being named as the Lead Manager to the Company in relation to the Offer in this Prospectus. EverBlu Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

William Buck has given its written consent to being named as the Investigating Accountant to the Company in this Prospectus. William Buck has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

William Buck Audit has given its written consent to being named as the auditor to the Company in this Prospectus. William Buck Audit has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Thomson Geer has given its written consent to being named as commercial solicitors to the Company in this Prospectus. Thomson Greer has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare has given its written consent to being named as the Share Registry to the Company in this Prospectus. Computershare has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Computershare has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

17.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$738,000 for the Minimum Subscription or \$858,500 for the Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Min Subscription (\$)	Maximum Subscription (\$)
ASIC Fee	\$2,500	\$2,500
ASX Fee	\$85,000	\$85,500
Broker Commissions	\$360,000	\$480,000
Corporate Advisory Fees	\$170,000	\$170,000
Legal Fees	\$80,000	\$80,000
Investigating Accountant Fees	\$30,000	\$30,000

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Printing and Distribution	\$10,500	\$10,500
Total	\$738,000	\$858,500

17.7 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market 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 the ASX. In addition, the Company posts this 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.

17.8 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 and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.angelseafood.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.

17.9 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

17.10 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the

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application for Shares, the Company may not be able to accept or process your application.

18. Director's Authorisation

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Mr Michael Porter
Executive Chairman



For and on behalf of Angel Seafood Holdings Ltd

19. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

A\$ means an Australian dollar.

ACDT means Australian Central Daylight Time as observed in Adelaide, South Australia

AIFRS means Australian International Financial Reporting Standards.

Allotment Date means the date on which the Shares are issued under the Offer.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for a specified number of Shares under the Offer.

Application Form means the form to be completed by Applicants attached to this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Corporate Governance Principles and Recommendations means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited (ACN 008 504 532).

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 6 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **ASH** or **Angel** or **Angel Seafood** means Angel Seafood Holdings Ltd (ACN 615 035 366).

Constitution means the constitution of the Company.

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

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

HIN means Holder Identification Number.

Lead Manager means EverBlu Capital Pty Ltd (AFSL 499 601).

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Listing means acceptance of the Company on to the Official List of the ASX.

m means million.

Management mean the members of the Company's management team.

Maximum Subscription has the meaning given in Section 7.1.

Minimum Subscription has the meaning given in Section 7.2.

Offer means the offer of Shares pursuant to this Prospectus.

Offer Period means the period during which the Offer is open, being from the Opening Date to the Closing Date.

Offer Price means A\$0.20 per Share.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the date of the Offer opens.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Rights means a performance right in the Company that has or will be issued to Angel Oysters Pty Ltd as trustee for the Halman Family Trust prior to the issue of Shares under the Offer, on the terms and conditions set out in Section 16.4.

Performance Shares means a performance share in the Company that has or will be issued to Mr Isaac Halman prior to the issue of Shares under the Offer, on the terms and conditions set out in Section 16.3

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Share Registry or Computershare means Computershare Investor Services Pty Ltd or any other person or entity that the Company appoints to maintain the register of Shares, including any of its related bodies corporate.

SRN means Security Registration Number.

William Buck means William Buck Corporate Advisory Services (SA) Pty Ltd (ABN 52 134 899 915).

William Buck Audit means William Buck (ABN 38 280 203 274).