



ASX Announcement | 30 July 2021

Seafarms Group Limited (ASX:SFG)

SFG Announcement No. 695

Seafarms Group Options Prospectus Registered

Sustainable aquaculture company Seafarms Group Limited (**Seafarms** or the **Company**) advises that subsequent to the resolutions being passed at the extraordinary meeting of shareholders (**Meeting**) today, 30 July 2021 the Company now provides the Options Prospectus which has been lodged with ASIC today.

The offer opens on Monday, 2 August 2021 and closes at 5.00pm (AWST) on Friday, 20 August 2021, which is subject to the Company's right to close the offer at an earlier time at its discretion.

Approved and authorised for release by Seafarms' Disclosure Committee.

Ends.

For further information, please contact:

Seafarms Group

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Company Secretary
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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group uses environmentally sustainable processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year-round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing 130,000 – 180,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au

SEAFARMS GROUP LIMITED
ACN 009 317 846

Options Prospectus

For an offer of 1,008,904,615 Options to Placement Participants on the basis of three Options for every five Shares issued pursuant to the Placement, to be granted for nil consideration (**Placement Option Offer**);

AND

For an offer of up to 163,636,363 Options to SPP Subscribers on the basis of three Options for every five Shares issued pursuant to the SPP, to be granted for nil consideration (**SPP Option Offer**);

AND

For an offer of 165,818,182 Options to Avatar Finance on the basis of three Options for every five Shares issued pursuant to the Avatar Conversion, to be granted for nil consideration (**Avatar Option Offer**);

AND

For an offer of 82,472,728 Options to The Elsie Cameron Foundation Pty Ltd on the basis of three Options for every five Shares issued pursuant to the ECF Conversion, to be granted for nil consideration (**ECF Option Offer**).

(together, the **Option Offers**.)

YOU DO NOT NEED TO TAKE ANY FURTHER ACTION TO BE GRANTED OPTIONS

Opening and Closing Dates

The Option Offers open on Monday, 2 August 2021 and close at 5.00pm (AWST) on Friday, 20 August 2021, which is subject to the Company's right to close the Option Offers and grant the Options at an earlier time at its discretion.

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.
The Options offered by this Options Prospectus should be considered speculative.

Important notices

About this Options Prospectus

This Options Prospectus is issued by Seafarms Group Limited ACN 009 317 846 (**Seafarms** or the **Company**) and is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

Lodgement

This Options Prospectus is dated Friday, 30 July 2021 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Options Prospectus or the merits of the investment to which this Options Prospectus relates.

Please refer to Section 1.1 for information on accepting an Option Offers.

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

No investment advice

It is important that you read this Options Prospectus in its entirety and in conjunction with the other documents which accompany this Options Prospectus and seek professional advice where necessary. The Options the subject of this Options Prospectus should be considered highly speculative.

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. Some of the more material risks associated with an investment in the Company are set out in Section 1.4 of this Options Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future.

This Options 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 Options under this Options Prospectus.

Applicants should seek independent taxation advice having regard to their personal circumstances before making a decision to subscribe for Options.

Disclaimer and forward looking statements

This Options Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Options Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

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

This Options 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 Options 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 the Company's 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 Options 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 Options Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 1.4 of this Options Prospectus.

Foreign jurisdictions

This Options 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 Options Prospectus.

In particular, any securities described in this Options Prospectus have not been, and will not be, registered under the *US Securities Act 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the *US Securities Act 1933* and applicable US state securities laws.

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

New Zealand

The Options are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand. The Company is issuing the Options to existing shareholders of the Company for no consideration.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

This Options Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of 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 (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Options have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Options has been or will be issued, or 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 Options 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 allotted Options 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 grant of such securities.

The contents of this document 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 document, you should obtain independent professional advice.

Website

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

Privacy

Refer to Section 4.8 for important information about how your personal information will be treated.

Defined terms and abbreviations

Defined terms and abbreviations used in this Options Prospectus, unless otherwise specified, have the meaning given to them in Section 6. Unless otherwise specified or implied, reference to times in this Options Prospectus are references to the time in Perth, Western Australia. References to "\$" or "dollars" in this Options Prospectus are, unless otherwise specified or implied, a reference to the lawful currency of the Commonwealth of Australia.

Questions

If you have any questions in relation to the Option Offers, please call the Company Secretary, Mr Harley Whitcombe, on +61 8 9216 5200.

Index

1	Overview of the Unlisted Options Offers	6
2	Effect of the Option Offers	11
3	Company update	13
4	Additional information	17
5	Directors' authorisation	20
6	Glossary	21
	Corporate Directory	23
	Schedule 1 – Rights attaching to securities	24
1	Rights attaching to Unlisted Options	24
2	Rights attaching to Shares	25

Key Dates

The below dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates without prior notice, including closing the Option Offers early or late without notifying any recipient of this Options Prospectus, but subject to any applicable requirements of the Corporations Act or the Listing Rules.

The Company previously released an indicative timetable in relation to the grant of the Options. The Company has decided to extend the Closing Date for the Option Offers to Friday, 20 August 2021 and as such this has the effect of slightly delaying the Grant Date for the Options. Notwithstanding the extension of the Closing Date, the Company reserves the right to close the Option Offers and grant the Options earlier than the dates specified, at its discretion.

Indicative timetable	
Announcement of the Placement, SPP and Debt Conversions	Wednesday, 23 June 2021
Lodgement of Options Prospectus with ASIC and ASX	Friday, 30 July 2021
Despatch of Options Prospectus	Friday, 30 July 2021
Opening Date of Option Offers	Monday, 2 August 2021
Closing Date of Option Offers	Friday, 20 August 2021
Grant of Options pursuant to Option Offers	Tuesday, 24 August 2021
Despatch of holding statements	Wednesday, 25 August 2021

Friday, 30 July 2021

Dear Shareholder,

Seafarms Group Limited Option Offers

On Wednesday, 23 June 2021, the Company announced the Placement, SPP and Debt Conversions and on Friday, 30 July 2021 Shareholders provided the necessary Shareholder approvals for the implementation of those Transactions. The funds raised are being used to initiate on-the-ground development activities for PSD in the current dry season in northern Australia.

On behalf of the Directors of the Company, I am now pleased to offer participants the opportunity to receive three free Options for every five Shares issued to them under the Transactions. This includes participants under the Placement, SPP (including any shortfall) and Debt Conversions.

The Options granted under this Options Prospectus are being granted for no consideration. Accordingly, no funds will be raised at first instance from the Option Offers.

The Options granted under this Options Prospectus are exercisable at \$0.0975 each and will expire on Tuesday, 13 August 2024. For details of the full rights attaching to the Options, please see Schedule 1 of this Options Prospectus.

The Company will assess the use of funds raised from the exercise of Options at that time, which may include using such funds for the repayment of debt facilities, general working capital, corporate purposes and the development of PSD.

The Offer Period has been extended until Friday, 20 August 2021, subject to right of the Company to close the Option Offer and grant the Options at an earlier time at its discretion.

You do not need to do or take any further action to be granted Options.¹

Full details of the Option Offers are contained in this Options Prospectus, which I encourage you to read and consider carefully. If you wish to opt out of your entitlement to free Options, please call Harley Whitcombe on +61 8 9216 5200 by 5.00pm (Perth time) before Friday, 20 August 2021.

Thank you for your continued support of the Company and its journey towards the development of PSD and the Company's ongoing success.

Yours sincerely,



Ian Trahar
Executive Chairman

¹ If a participant has not granted a power of attorney it will need to complete an Application Form. By subscribing for Shares, SPP Subscribers grant a power of attorney – see Section 1.7 for further information.

1 Overview of the Option Offers

1.1 Details of the Option Offers

The terms of the Option Offers are set out below:

Key Option Terms	
Grant price	Nil.
Exercise Price	\$0.0975.
Expiry Date	Tuesday, 13 August 2024.
No ASX listing	The Options will not be listed on ASX.
Further information	Refer to Schedule 1 of this Options Prospectus for further information regarding the terms and conditions of the Options.
Details of Option Offers	
No action required to apply	<p>You do not need to take any further action to receive your entitlement to Options.</p> <p>No application needs to be completed by you and no subscription monies are payable in respect of your application.</p> <p>All Option Participants have already granted, or will grant in connection with their subscription for Shares, the Company a power of attorney to complete the Application Form accompanying this Options Prospectus and subscribe for their respective entitlement to Options.²</p> <p>If you do not wish to be granted your entitlement to free Options, please notify Mr Harley Whitcombe, Company Secretary, of your intention on +61 8 9216 5200 at any time prior to the closing date of the Option Offers and no Options will be granted to you.</p> <p>Brokerage or transfer / stamp duty is not payable by Option Participants.</p>
Offer Period	<p>Option Offers open: Monday, 2 August 2021.</p> <p>Option Offers close: 5.00pm (AWST) on Friday, 20 August 2021.</p> <p>The Company reserves the right to extend or shorten the Offer Period or withdraw the Option Offers at any time prior to the grant of Options, by making an announcement to the ASX.</p>
Entitlement	Three Options for every five Shares issued to Option Participants.
Number of Options being offered	Up to 1,420,831,888 Options may be granted to Option Participants. ³
Timetable and trading	The Options will be granted in accordance with the Listing Rules and the indicative timetable on page 4.

² If a participant has not granted a power of attorney it will need to complete an Application Form. By subscribing for Shares, SPP Subscribers grant a power of attorney – see Section 1.7 for further information.

³ Assumes \$15 million is raised under the SPP. Please refer to Section 2.4 for further details.

	Applicants who sell Options before they receive their holding statements will do so at their own risk. The Company and Registry disclaim all liability, whether in negligence or otherwise, to any person who trades Options before receiving their holding statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.
Eligibility	<p>Only Option Participants may participate in the Option Offers. For SPP Subscribers with a registered address in New Zealand, you must still be a shareholder on Monday, 2 August 2021, to be eligible to participate in the SPP Option Offer.</p> <p>Participation in the Option Offers is optional and is subject to the terms and conditions relating to the Option Offers set out in this Options Prospectus.</p>
Use of funds	The Company will assess the use of funds raised from the exercise of Options at that time, which may include using such funds for the repayment of debt facilities, general working capital, corporate purposes and the development of PSD.
Other	<p>All Shares issued on exercise of the Options offered under this Options Prospectus will rank equally with all Shares currently on issue. Please refer to Schedule 1 for further information regarding the rights and liabilities attaching to the Shares.</p> <p>Fractional entitlements under the Option Offers will be rounded down to the nearest whole number.</p> <p>There are no minimum or maximum subscriptions for any of the Option Offers.</p> <p>The Option Offers are not underwritten.</p>

1.2 Purpose of the Option Offers

The Option Offers are being made in accordance with the Company's announced intention to offer free Options to Option Participants on the basis of three free Options for every five Shares issued to them under the Transactions.

1.3 Purpose of this Options Prospectus

The primary purpose of this Options Prospectus is to make the Option Offers with the information and disclosure required under Chapter 6D of the Corporations Act to:

- enable the Options to be granted to the Option Participants;
- allow the Options to be on-sold without disclosure; and
- ensure that the Shares that are issued on exercise of the Options may be on-sold without disclosure in accordance with *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

1.4 Key risks

The grant of Options pursuant to this document are granted for nil consideration. Participants are not obliged to either make payment for the grant of Options or to ultimately exercise the Options granted them.

There are a number of factors which may affect the development, future operation and financial performance and/or financial position of the Company, its prospects, and/or the value of Shares. A comprehensive list of these risks, coupled with mitigating factors, are described in the Company's Investor Presentation released to the market on Wednesday, 23 June 2021 (see slides 21 to 30). The Company confirms that this summary of risks and mitigating factors remains current. The Investor Presentation is available on the Company's website at www.seafarms.com.au. A hard copy of the Investor Presentation is also available free of charge by contacting the Company at its registered address.

Broadly, the below listed risks are those in which the Directors regard as the major risks associated with an investment in the Company. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Options Prospectus and Shares issued on conversion of the Options:

- the Company requires debt financing and further equity finance to fully fund the development of PSD Stage 1a. There is no guarantee the required debt funding and/or further equity funding will be obtained, or obtained on favourable terms, or within the anticipated timelines;
- the capital cost component of total project development costs is estimated to be \$281m (excluding contingencies) and the scheduled completion of Q3 CY2023 relies upon additional funding being in place during Q4 CY 2021;
- as with other large projects, the construction of PSD will be subject to construction and contracting risks including contractor failure, unforeseen events, cost overruns and schedule delays;
- when operating, PSD will be subject to a range of risks including market risk and primary production risks such as achieving desired growth rates, exposure to disease, unfavourable weather, and power failure;
- the Company has an experienced core of executives and staff to build and operate PSD and has access to further strategic advice. Delivery of PSD depends on retaining and building an appropriately skilled team of executive and operational staff at the appropriate time; and
- the Company faces general business and investment risks including market risk, foreign exchange risk and risks which arise due to the COVID-19 pandemic.

Potential investors should consider that any investment is speculative and should consult their professional adviser before deciding whether to revoke their application for Options pursuant to this Options Prospectus.

1.5 ASX waivers

The Company received a waiver from Listing Rule 10.11 on Wednesday, 30 June 2021, which permitted eligible Directors (and their associates) to be issued Shares under the SPP and Options under the SPP Option Offer on the same terms as other eligible SPP Participants without obtaining separate Shareholder approvals under Listing Rule 10.11.

1.6 Applicants outside Australia

The distribution of this Options Prospectus outside of Australia (and its external territories) may be restricted by law. Each of the Option Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Options Prospectus.

The Option Offers are not being extended, and Options will not be granted, to Shareholders with a registered address which is outside of Australia (and its external territories), New Zealand, Hong Kong or any other jurisdiction where the Company is not satisfied that it is lawfully able to make such an offer or issue this Options Prospectus without being required to take any further action in the relevant jurisdiction concerned. This Option Prospectus may not be distributed outside Australia except to the extent permitted below.

New Zealand

The Options are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand. The Company is issuing the Options to existing shareholders of the Company for no consideration.

This Option Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

For SPP Subscribers with a registered address in New Zealand, you must still be a shareholder on Monday, 2 August 2021, to be eligible to participate in the SPP Option Offer.

Hong Kong

This Option Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of 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 (SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Options have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Options has been or will be issued, or 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 Options 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 allotted Options 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 grant of such securities. The contents of this Option 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 Option Prospectus, you should obtain independent professional advice.

Where an Option Participant does not provide a notice of non-acceptance and the Application Form is returned in accordance with the attorney provision in Section 1.1, the Option Participant will be deemed to have made a representation and warranty that there has been no breach of such laws and that all applicable approvals and consents have been obtained.

1.7 Grant of power of attorney

Participants under the SPP will, in subscribing for Shares under the SPP, appoint the Company and each of its directors as their attorney to sign the Application Form on their behalf in relation to their entitlement to Options (clause 7.4 of the SPP Offer Booklet).

Subscribers for SPP Shortfall will, in the subscription documents, appoint the Company and each of its directors as their attorney to sign the Application Form on their behalf in relation to their entitlement to Options.

Participants under the Placement and Debt Conversion have been sent a separate power of attorney in relation to their entitlement to Options. If you have not completed the power of attorney, please contact Mr Harley Whitcombe, Company Secretary, on +61 8 9216 5200 or complete an Application Form attached to this Options Prospectus and return it in accordance with the instructions on that form.

1.8 Enquiries

Any questions concerning the Option Offers should be directed to Mr Harley Whitcombe, Company Secretary, on +61 8 9216 5200.

2 Effect of the Option Offers

2.1 Effect on capital structure

The principal effect of the Option Offers, assuming all Options offered under this Options Prospectus are granted, will be to introduce a new class of securities, being up to 1,420,831,888 Options.⁴

It is noted that, prior to their expiry on 17 July 2021, the Company had 153,556,894 listed options on issue, exercisable at \$0.097. For the avoidance of doubt, the Options offered under this Options Prospectus are of a separate class to those listed options.

The effect of the Option Offers on the Company's capital structure is set out below:

Class	Shares	Options	Convertible preference shares
Currently on issue	2,786,245,487 ¹	120,095,625 ²	30,150,189
Shares to be issued to Placement Participants (Tranche 2)	1,318,128,691	0	0
Shares to be issued to SPP Subscribers ³	272,727,272	0	0
Shares to be issued to Avatar Finance	276,363,637	0	0
Shares to be issued to ECF	137,454,546	0	0
Options to be granted to Placement Participants (Tranches 1 and 2)	0	1,008,904,615	0
Options to be granted to SPP Subscribers ³	0	163,636,363	0
Options to be granted to Avatar Finance	0	165,818,182	0
Options to be granted to ECF	0	82,472,728	0
Total	4,790,919,633	1,540,927,513	30,150,189
Shares to be issued upon exercise of all options	1,540,927,513	(1,540,927,513)	0
Diluted capital position	6,331,847,146	0	30,150,189

1. Includes Shares issued pursuant to Tranche 1 of the Placement. 249,919,097 of these Shares are held by Nippon Suisan Kaisha Limited under voluntary escrow until 7 August 2021.
2. These are existing unlisted options held by certain investors in the Company, including AAM Investment Partners and Nippon Suisan Kaisha Ltd which are on different terms to the Options being offered under this Options Prospectus. 5,320,622 of these options held by Nippon Suisan Kaisha Ltd are subject to a voluntary escrow period until 7 August 2021.
3. Assumes the Company raises \$15 million under the SPP, including via the placement of any SPP Shortfall. As previously mentioned, the Company retains the right in its absolute discretion to accept oversubscriptions, with the maximum amount of Shares that could be raised under the SPP being 726,759,447, which would result in the grant of 436,055,668 Options.

⁴ Assumes \$15 million is raised under the SPP. Please refer to Section 2.4 for further details.

2.2 Ownership structure

Based on publicly available information as at the date of this Options Prospectus, following issue of all Shares under the Transactions, those persons which (together with their associates) will have a relevant interest in 5% or more of the Shares on issue are set out below:

Holder	Prior to the Transactions	Shares (%) (as at date of Prospectus) ¹	Shares (%) (post-completion of the Transactions) ²
Mr Ian Trahar	675,871,221 (27.90%)	675,871,221 (24.26%)	1,316,416,676 (27.48%)
Ms Janet Cameron	275,170,615 (12.32%)	410,740,285 (14.74%)	762,599,053 (18.60%)
Nippon Suisan Kaisha Ltd	283,230,208 (12.68%)	283,230,208 (10.17%)	283,230,208 (5.91%)
Total Shares on issue	2,422,531,490	2,786,245,487	4,790,919,633

1. Includes Shares issued under Tranche 1 of the Placement.
2. Assumes \$15 million is raised under the SPP.
3. The table above does not include options held by the various holders.

2.3 Financial impact of Option Offers

No funds are being raised from the grant of Options. However, if all Options granted pursuant to this Options Prospectus are exercised, the Company will receive approximately \$138.5 million in additional funds.

A pro-forma statement of financial position of the Company showing the financial effect of the Option Offers has not been included in this Prospectus.

The Company has incurred expenses in conducting the Option Offers. Please see Section 4.7 for more detail in respect of these expenses.

2.4 The amount raised under the SPP may vary

As announced on 23 June 2021, the Company is seeking to raise approximately \$15 million under the SPP but reserves the right to accept oversubscriptions. Should the SPP raise less than \$15 million, the Company may seek to place the amount of Shares equivalent to the SPP Shortfall at the same issue price and same terms (including being offered Options on the basis of three Options for every five Shares issued).

The Company has assumed that the SPP will raise \$15 million. The amount raised under the SPP may be more (due to oversubscriptions) or less (due to there being a SPP Shortfall which is not placed) than \$15 million. Funds raised pursuant to oversubscriptions will be used for the development of PSD. Should there be a SPP Shortfall which is not placed, the Company will seek to raise the shortfall in subsequent capital raisings conducted to fund PSD.

3 Company update

3.1 Background

The Company is an ASX-listed Australian agri-food company which operates, builds and invests in sustainable aquaculture production platforms.

In CY2020, the Company's existing Queensland operations produced ~18% of Australia's farmed prawns, marketed under the well-known Crystal Bay® Prawns brand.

PSD is an opportunity to develop an industrial scale Tier 1 black tiger prawn aquaculture facility of global significance located in northern Australia. If and when fully developed, PSD will comprise of up to 10,000ha of production ponds. PSD is to be developed in stages. 'Stage 1a' of PSD will involve the construction of 396ha of onshore ponds.

As previously disclosed, the Company has received binding commitments for approximately \$92.5 million under the Placement. In addition, the Debt Conversions reduced the Company's debt levels under the respective existing debt facilities with Avatar Finance and ECF. The Company continues to advance negotiations with prospective financiers in respect of debt financing facilities to assist with the development of PSD.

A detailed investor presentation was prepared in relation to the Placement, SPP and Debt Conversions, setting out details in relation to PSD and its staged production and timing for delivery of the project.

3.2 Recent updates

Construction Update – 16 July 2021

As announced on Friday, 16 July 2021, the Company's mobilisation to the Legune Grow Out Facility in the Northern Territory has commenced. The first 21 buildings in respect of the accommodation village have been transported to site and site preparation is underway.

The Company also confirmed the government sponsored sealing of the Moonamang Road continues to be advanced and, upon completion, will provide a complete all weather sealed road from Kununurra to the Legune Station boundary.

Queensland Operational Update – 22 July 2021

As announced on Thursday, 22 July 2021, preliminary results from Farm 2 production indicate that production has significantly out-performed budget. Further, the Company is pleased that its ongoing focus on domestication in Black Tiger Prawns has improved commercial outcomes.

The Company also announced that Mr Alistair Dick, one of Australia's most experienced prawn farm operators, will be joining the Company in a senior management role to be based at Cardwell.

NT Chief Minister embraces PSD progress – 26 July 2021

As announced on Monday, 26 July 2021, the Company announced that local contracts have been awarded to local Northern Territory businesses, as construction starts for PSD. The progress with PSD is welcomed in the Northern Territory due to the impact on the local community in creating jobs and building up the Northern Territory's aquaculture sector and exports.

Debt funding

As noted in the Company's investor presentation, negotiations are well advanced with a number of debt providers. Indicative commitments received to date remain subject to final investment and credit commitment approvals, completion of due diligence processes, agreement of outstanding commercial terms, finalisation of finance documents and certain other conditions.

The Company continues to engage with further debt investors, a number of whom are conducting due diligence to facilitate their processes needed to complete their required internal approval processes to enable participation as a debt funder.

See Section 3.3 below for further information in obtaining a copy of this announcement.

3.3 Further information

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Options under this Options Prospectus.

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.

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

This Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company’s annual financial report for the financial year ended 30 June 2020 to the issue of this Options Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Options Prospectus other than that which is considered necessary to make this Options Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Options Prospectus and the Closing Date of the Option Offers:
 - (i) the Company’s annual financial report for the year ended 30 June 2020, being the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) the Company’s half-year financial report for the half-year ended 31 December 2020, being the only half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in Section

3.3(c)(i) and before the lodgement of this Options Prospectus with the ASIC;
and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in Section 3.3(c)(i) and before the lodgement of this Options Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company are available, free of charge, at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since 30 September 2020, (being the date of lodgement of the Company's most recent annual financial report referred to in Section 3.3(c)(i) and before the lodgement of this Options Prospectus with the ASIC are set out in the table below.

Date	Description of announcement
26/07/2021	SFG NTG Chief Minister Project Release
23/07/2021	Application for quotation of securities – SFG
22/07/2021	SFG Operational Update
16/07/2021	SFG PSD Update
08/07/2021	SFG Change of Substantial Notices
07/07/2021	Change in substantial holding
06/07/2021	SFG SPP Offer Documents Despatched
05/07/2021	SFG Cleansing Notice
05/07/2021	Application for quotation of securities - SFG
01/07/2021	SFG Notice of EGM
25/06/2021	Update - Proposed issue of securities - SFG
25/06/2021	SFG Completes \$92.5 Million Equity Raising
23/06/2021	Proposed issue of securities - SFG
23/06/2021	SFG Listed Options Exercise
23/06/2021	SFG PSD Equity Raise
23/06/2021	Trading Halt
17/06/2021	SFG Notice of Listed Options Expiry
26/05/2021	SFG Listed Options Exercised
21/05/2021	SFG Canstruct Update
20/05/2021	SFG Project Sea Dragon Update
18/05/2021	SFG Market Update
14/05/2021	SFG Listed Options Exercised
03/05/2021	SFG Listed Options Exercised
26/03/2021	SFG Canstruct MOU Update
25/03/2021	SFG Construction MOU
08/03/2021	SFG Listed Options Exercised
26/02/2021	SFG Half Year Market Update
26/02/2021	SFG Half Year Report and Appendix 4D
19/01/2021	SFG Listed Options Exercised
12/01/2021	SFG Corporate Governance Appendix 4G
15/12/2020	SFG AGM Resolutions Poll Results
15/12/2020	SFG Market Update

16/11/2020	SFG 2020 AGM Notice
13/11/2020	SFG Listed Options Exercised
26/10/2020	SFG Listed Options Exercised
30/09/2020	SFG Audited Financial Report and App 4E 2020

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.seafarms.com.au

Other than as set out in this Options Prospectus and the accompanying documents, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Options Prospectus.

3.4 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Options Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.094	31 May 2021
Lowest	\$0.053	23 July 2021
Last*	\$0.058	27 July 2021

* Price as at the close of trade on the latest practicable date prior to finalising this Options Prospectus, being Tuesday, 27 July 2021.

4 Additional information

4.1 Litigation

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

4.2 ASIC instrument

The Option Offers are pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempt the Company from complying with section 727(3) of the Corporations Act, to the extent that that section prohibits the Company from issuing the Options in the seven-day period after the date of lodgement of the Options Prospectus with ASIC.

4.3 Interests of Directors

Other than as set out below or elsewhere in this Options Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Options 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 Option Offers, or
- (c) the Option Offers,

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:

- (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 Option Offers.

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company (both prior to and following the completion of the Transactions) and the respective Option Offers are set out in the table below:

Director	As at the date of this Options Prospectus		Participation	Post-Transactions ¹	
	Shares	Options		Shares	Options
Ian Trahar	675,871,221	21,708,333	Placement (Tranche 2), SPP and Avatar Conversion	1,316,416,676	406,285,605
Harley Whitcombe	18,298,258	250,000	SPP	18,843,712	577,272
Christopher Mitchell	11,327,268	250,000	SPP	11,872,722	577,272
Paul Favretto	37,916,666	125,000	Placement (Tranche 2) and SPP	40,462,120	1,652,272
Hisami Sakai	0	0	Nil	0	0
Naoto Sato (alternate)	0	0	Nil	0	0

1. Assumes Directors participate to the maximum extent possible under the SPP.

4.4 Director Remuneration

Please refer to the Remuneration Report, which is contained on pages 13 to 22 of the Company's Annual Report for the financial year to 30 June 2020, for full details of the remuneration of the Company's executive and non-executive directors. The Company confirms that the remuneration details included in the Annual Report remain current for this financial year.

The Annual Report was lodged with ASX on 30 September 2020 and is available on the Company's website at www.seafarms.com.au. A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address.

4.5 Interests of experts and advisers

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

- (a) person named in this Options Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Options Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Options Prospectus as a financial services licensee involved in the issue,

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Option Offers; or
- (f) the Option Offers,

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:

- (g) the formation or promotion of the Company; or
- (h) the Option Offers.

4.6 Consents

The Registry:

- (a) has not authorised or caused the issue of this Options Prospectus;
- (b) does not make, or purport to make, any statement in this Options Prospectus other than those referred to in this Section;
- (c) has not made any statement on which a statement in this Options Prospectus is based, other than as specified in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Options Prospectus other than a reference to its name and a statement included in this Options Prospectus with the consent of the party as specified in this Section.

The Registry has given and, at the time of this Options Prospectus, has not withdrawn its written consent to being named in this Options Prospectus as the share registry to the Company in respect of the Option Offers in the form and context in which it is named.

4.7 Expenses of the Option Offers

The total expenses of the Option Offers (excluding GST) are estimated to be approximately \$38,648 (excluding GST) as follows:

Expense	\$
Legal expenses	25,000
ASIC	3,206
Printing, mail and related services	10,442
Total	38,648

There are no broker or underwriting fees associated with the Option Offers.

The estimated expenses will be paid out of the Company's existing working capital.

4.8 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company and the Registry. The Company and the Registry collect, hold and will use that information to assess your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

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 Registry.

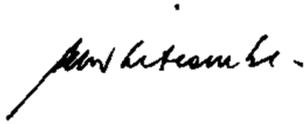
You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Registry at the relevant contact number set out in this Options Prospectus.

Tax and company law requires some of the information to be collected in connection with your application. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

5 Directors' authorisation

This Options 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 Options Prospectus with the ASIC.



Mr Harley Whitcombe
Executive Director and Company Secretary
For and on behalf of
SEAFARMS GROUP LIMITED

6 Glossary

\$ means an Australian dollar.

Application Form means the application form accompanying this Options 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.

Avatar Conversion means the conversion of debt to Shares as repayment of the existing credit facility the Company has with Avatar Finance by way of a subscription agreement.

Avatar Finance means Avatar Finance Pty Ltd (ACN 009 034 315).

Avatar Option Offer means the offer of Options to Avatar Finance.

AWST means Western Standard Time as observed in Perth, Western Australia.

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

Closing Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company or **Seafarms** means Seafarms Group Limited (ACN 009 317 846).

Company Secretary means the company secretary of the Company from time to time.

Constitution means the constitution of the Company.

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

Debt Conversions means the Avatar Conversion and ECF Conversion.

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

ECF means The Elsie Cameron Foundation Pty Ltd (ACN 601 660 655).

ECF Conversion means the conversion of debt to Shares as repayment of the existing, credit facility the Company has with ECF by way of a subscription agreement.

ECF Option Offer means the offer of Options to ECF.

Listing Rules means the official listing rules of ASX.

Offer Period means the period between the Opening Date and the Closing Date.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means a free attaching option granting the holder the right to acquire one Share on the exercise of the option, on the terms and conditions set out in Schedule 1.

Option Participant is a party to whom an Option Offer is made.

Option Offers mean the Placement Option Offer, SPP Option Offer, Avatar Option Offer and ECF Option Offer.

Options Prospectus means this prospectus.

Placement means the Company's two-tranche institutional placement announced on Wednesday, 23 June 2021.

Placement Option Offer means the offer of Options to Placement Participants.

Placement Participant means a participant in the Company's Placement.

PSD means Project Sea Dragon.

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

Related Party has the meaning it has in the Corporations Act.

Section means a section of this Options Prospectus.

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

Shareholder means a holder of one or more Shares.

SPP means the Company's share purchase plan announced on Wednesday, 23 June 2021.

SPP Option Offer means the offer of Options to SPP Subscribers and any SPP Shortfall Participants.

SPP Shortfall means the difference between:

- (a) the amount sought to be raised under SPP, being \$15 million; and
- (b) the dollar value of valid applications received under the SPP.

SPP Shortfall Participants means a subscriber for any Shares representing the SPP Shortfall.

SPP Subscriber means a subscriber under the Company's SPP.

Transactions means the Placement, SPP (including the placement of any SPP Shortfall) and the Debt Conversions.

Corporate Directory

Directors

Ian Trahar
Executive Chairman

Harley Whitcombe
Executive Director

Christopher Mitchell
Executive Director

Paul Favretto
Non-Executive Director

Hisami Sakai
Non-Executive Director

Naoto Sato
Alternate Director

Company Secretary

Harley Whitcombe

ASX Code

SFG

Registered Office

Level 11
225 St George's Terrace
Perth WA 6000

Telephone: +61 8 9216 5200
Email: info@seafarms.com.au
Website: www.seafarms.com.au

Registry

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

Telephone: 1300 850 505 (callers within Australia)
or +61 3 9415 4000 (callers outside Australia)

Schedule 1 – Rights attaching to securities

1 Rights attaching to Options

The Options to be granted under this Options Prospectus will be granted on the following terms and conditions (**Option Terms**):

1.1 Entitlement

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option and payment of the Exercise Price (defined below).

1.2 Exercise Price

The exercise price of the Options is \$0.0975 each (**Exercise Price**).

1.3 Expiry Date

The Options automatically expire at 5.00pm (Perth time) on 13 August 2024 (**Expiry Date**).

1.4 No Quotation

The Options will not be quoted on ASX.

1.5 Holding Statement

The Company must give the holder of each Option a holding statement stating:

- (c) the number of Options granted to each holder;
- (d) the Exercise Price of the Options; and
- (e) the date of grant of the Options.

1.6 Exercise

Holders may exercise the Options at any time during the period commencing on the date of grant of the Options and up to the Expiry Date. Any Option not exercised, automatically expires on the Expiry Date

1.7 Notice of Exercise

Options may only be exercised during the hours of 8.30am to 5.00pm (Perth time) (**Business Hours**) by the delivery to the registered office of the Company or the Registry a notice in writing stating the intention of the holder to:

- (f) exercise all or a specified number of the Options; and
- (g) pay the Exercise Price in full for the exercise of each such Option.

A notice in writing received outside of Business Hours will be deemed received at the next opening of Business Hours.

The exercise notice must be accompanied by the holding statement for the Options being exercised and a cheque made payable to the Company equal to the aggregate Exercise Price for all the Options being exercised.

The Options will be deemed to have been exercised on the date the exercise notice is received or deemed to be received by the Company or the Registry.

1.8 Issue of Shares on Exercise

The Company will allot the Shares to which a holder is entitled following exercise of Options and deliver a holding statement with respect to such Shares within the timeframe required by the ASX Listing Rules.

1.9 Partial Exercise

- (h) The exercise of only some Options will not affect the rights of the holder to the balance of the Options held by them.

- (i) If the holder of the Options exercises less than the total number of Options registered in the holder's name, the Company must issue the holder of Options a new holding statement for the remaining number of Options held by the holder.

1.10 No Dividends

Options will not confer an entitlement to receive dividends declared and paid by the Company, nor an entitlement to vote at general meetings of the Company unless the holder of the Options has exercised the Options before the Exercise Date and participates as a result of holding Shares.

1.11 Shares on Exercise

All Shares issued on exercise of an Option will:

- (a) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
- (a) be issued credited as fully paid;
- (b) be duly authorised and issued by all necessary corporate action; and
- (c) be allotted and issued free from all liens, charges and encumbrances whether known about or not, including statutory and other pre-emption rights and any transfer restrictions.

1.12 Quotation

The Company will apply to ASX for official quotation of the Shares issued upon exercise of Options within the time period required by the ASX Listing Rules.

1.13 Bonus Issues

A holder of Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder pursuant to the exercise of the Options.

1.14 Reorganisation of Capital

In the event of a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holders of Options (including, without limitation, the number of Options to which the holder of Options is entitled to and the Exercise Price) will be changed (as appropriate) in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

1.15 Pro Rata Issues

If the Company makes a pro-rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in the manner permitted by the ASX Listing Rules applying at the time of the pro-rata issue.

1.16 Registered Holders

If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that Option before the record date for determining entitlements to the issue, then the number of Shares over which that Option is exercisable will be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.

The Company is entitled to treat the registered holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.

The Options are freely transferable at any time from the date of issue up to the Expiry Date and are not subject to any restriction or escrow arrangements under the ASX Listing Rules or applicable Australian securities laws.

2 Rights attaching to Shares

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available, free of charge, at the Company's registered office during Business Hours.

For full details of the rights, privileges and restrictions attaching to Shares under the Constitution please see the Company's amended Constitution, approved by special resolution of shareholders on 25 November 2016 and announced to ASX on 5 December 2016.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares under the Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders:

2.1 General meeting and notices

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

2.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company, every holder of Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed two proxies) and one vote per Share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are two or more joint holders of a Share and more than one of them is present at a meeting and tenders a vote in respect of the Share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

2.3 Shareholder liability

As the Shares issued pursuant to the exercise of Options offered under this Options Prospectus will be fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

2.4 Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares (or any class of shares) are issued, all dividends will be payable equally on all shares, save and except that a partly paid share confers an entitlement on the holder only to that proportion of the dividend that the amount actually paid (not credited as paid) on that share bears to the total amounts paid and payable on the shares.

2.5 Winding up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

2.6 Transfer of Shares

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

2.7 Future increases in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to the restrictions on the issue or grant of securities in the Listing Rules, the Constitution and the Corporations Act (and without limitation affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

2.8 Variation of rights

Under 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.

2.9 Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and entitled to vote at a general meeting.