**Spectur Limited**
ACN 140 151 579

# PROSPECTUS

## Security Purchase Plan and Shortfall Offer

For the offer to each Eligible Shareholder to subscribe for up to $5,000 of New Shares at an issue price of $0.36 each, with one free attaching Option exercisable at $0.20 each on or before 31 December 2020 (**Free Attaching Options**) for every four New Shares issued, to raise up to $684,000 before costs (**Security Purchase Plan**), and for the offer of the shortfall to the Security Purchase Plan (**Shortfall Offer**).

The Security Purchase Plan and Shortfall Offer open on Thursday, 7 December 2017 and close at 5.00pm (WST) on Friday, 12 January 2018.

### Placement Option Offer

For the offer to each Placement Participant to subscribe for one Free Attaching Option for every four New Shares subscribed for under the Placement (**Placement Option Offer**).

### Lead Manager Option Offer

For the offer to the Lead Manager to subscribe for 2,000,000 Options exercisable at $0.50 each on or before 31 December 2020, at an issue price of $0.001 each to raise $2,000 before costs (**Lead Manager Option Offer**).

### Director Offer

For the offer to the Director Offerees of an aggregate of 100,000 New Shares at an issue price of $0.36 each with one Free Attaching Option for every four New Shares issued, to raise up to $36,000 before costs (**Director Offer**).

### Cleansing

This Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on Shares issued prior to the date of this Prospectus.

**IMPORTANT NOTICE**

This Prospectus and the accompanying Application Forms contain important information. Each document should be read in its entirety. Please also ensure to read the instructions on the accompanying Application Forms. Applicants who have any questions about the Offers or this Prospectus should speak to their professional advisors. The Securities offered by this Prospectus should be considered speculative.

# Important Information

**General**
This Prospectus is dated 5 December 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Offer Securities will not be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

**Electronic prospectus**
This Prospectus may be viewed in electronic form at www.spectur.com.au by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during an Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

**Risk factors**
Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

**Applications**
Applications for Offer Securities by eligible participants may only be made on printed copies of an Application Form attached to or accompanying the Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer. By returning an Application Form, lodging an Application Form with your stockbroker or otherwise arranging for payment for Offer Securities in accordance with the instructions on the Application Form, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer to which the Application Form applies and have agreed to all of the terms and conditions as detailed in this Prospectus.

**Applicants from overseas**
This Prospectus does not make any offer to investors who reside outside of Australia and New Zealand. The distribution of this Prospectus and the Application Form (including electronic copies) outside Australia may be restricted by law. This Prospectus does not, and is not intended to, constitute an offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 4.10 for further information.

**Publicly available information**
Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of an Offer unless otherwise expressly stated. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. 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 the Company or subscribe for Offer Securities.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

**Forward-looking statements**
This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

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

**Meaning of Terms**
Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 11.

**Currency**
References to "$", "A$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

**Time**
References to time relate to the time in Perth, Western Australia, unless otherwise stated.

# Corporate Directory

**Directors**

Mr Charles Richard Wallace Wilkins
(Executive Chairman)

Mr Peter William Holton
(Managing Director)

Mr Stephen Paul Bodeker
(Non-Executive Director)

Mr Andrew Mark Hagen
(Non-Executive Director)

**Company Secretary**

Ms Suzie Jayne Foreman

**Registered Address**

Unit 2, 6 Merino Entrance
Cockburn Central WA 6164

Telephone: 1300 665 362
Email: admin@spectur.com.au

**ASX Code**

SP3

**Website**

www.spectur.com.au

**Lead Manager**

ACNS Capital Markets Pty Ltd
trading as Alto Capital
Ground Level, 16 Ord Street
West Perth WA 6005
AFSL No. 279099

Telephone: +61 8 9223 9888
Email: adam@altocapital.com.au
david@altocapital.com.au

**Solicitors to the Offers**

Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9426 6611
Facsimile: +61 8 9321 2002

**Share Registry***

Automic Pty Ltd
trading as Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

PO Box 2226
Strawberry Hills NSW 2012

Telephone: 1300 288 664
Facsimile: +61 2 8583 3040
Email: hello@automic.com.au
Website: www.automic.com.au

**Auditor**

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

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

# Contents


**Page**

Important Information ..... i
Corporate Directory ..... ii
Contents ..... iii
Key Offer information ..... 1
1. Introduction ..... 2
2. Company Overview ..... 6
3. Details of the Security Purchase Plan ..... 13
4. Applications for Offer Securities ..... 17
5. Effect of the Offers and Placement ..... 25
6. Risk Factors ..... 29
7. Rights and Liabilities Attached to Offer Securities ..... 35
8. Continuous Disclosure Documents ..... 42
9. Additional Information ..... 44
10. Directors' Statement ..... 51
11. Glossary of Terms ..... 52

# Key Offer information

## Indicative timetable

| Event | Target Date |
|---|---|
| Record Date for determining Shareholders' entitlements to participate in the Security Purchase Plan (5.00pm WST) | Tuesday, 28 November 2017 |
| Lodgement of Prospectus with ASIC | Tuesday, 5 December 2017 |
| Dispatch of Prospectus | Thursday, 7 December 2017 |
| Opening Date of Offers | Thursday, 7 December 2017 |
| Closing Date of Offers (5.00pm WST) | Friday, 12 January 2018 |
| General Meeting | Monday, 15 January 2018 |
| Issue of Offer Securities | Tuesday, 16 January 2018 |
| Quotation of New Shares and Free Attaching Options | Wednesday, 17 January 2018 |
| Dispatch of Holding Statements for Offer Securities | Thursday, 18 January 2018 |

**Note:** These dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close any Offer early, extend an Offer, or accept late Applications, either generally or in particular cases. Investors who wish to submit an Application and subscribe for Securities under an Offer are encouraged to do so as soon as possible after the Offers opens.

## Key Offer details

| Offer | Details |
|---|---|
| ***Security Purchase Plan and Shortfall Offer*** | |
| Price per New Share under the Security Purchase Plan and Shortfall Offer | $0.36 |
| New Shares offered under the Security Purchase Plan and Shortfall Offer | 1,900,000 |
| Free Attaching Options offered under the Security Purchase Plan and Shortfall Offer | 475,000 |
| Cash proceeds of the Security Purchase Plan (before costs) | $684,000 |
| ***Placement Option Offer*** | |
| Price per Free Attaching Option under the Placement Option Offer | Nil |
| Free Attaching Options offered under the Placement Option Offer | 1,500,000 |
| Cash proceeds of the Placement Option Offer (before costs) | Nil |
| ***Lead Manager Option Offer*** | |
| Price per Lead Manager Option under the Lead Manager Option Offer | $0.001 |
| Lead Manager Options offered under the Lead Manager Option Offer | 2,000,000 |
| Cash proceeds of the Lead Manager Option Offer (before costs) | $2,000 |
| ***Director Offer*** | |
| Price per New Share under the Director Offer | $0.36 |
| New Shares offered under the Director Offer | 100,000 |
| Free Attaching Options offered under the Director Offer | 25,000 |
| Cash proceeds of the Director Offer (before costs) | $36,000 |

**Note:** The figures in the table above assume full subscription under each Offer.

# 1. Introduction

## 1.1 Security Purchase Plan and Shortfall Offer

On 29 November 2017, Spectur announced its intention to raise up to $684,000 by way of a security purchase plan to existing Shareholders (**Security Purchase Plan**).

Pursuant to the Security Purchase Plan, investors will be able to subscribe for new fully paid ordinary shares in the Company (**New Shares**) at an issue price of $0.36 each, with one free attaching option exercisable at $0.20 on or before 31 December 2020 (**Free Attaching Option**) for every four New Shares issued.

Pursuant to the Security Purchase Plan, existing Shareholders on the Company's register of Shareholders at Tuesday, 28 November 2017 are entitled to subscribe for up to $5,000 of New Shares at $0.36 each, with one Free Attaching Option for every four New Shares issued.

The Security Purchase Plan is capped at $684,000 with the Company accepting valid applications on a first-come first-served basis.

Any New Shares and Free Attaching Options not subscribed for under the Security Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer, which forms a separate offer under this Prospectus. An individual, including an Eligible Shareholder, may apply for additional New Shares and Free Attaching Options under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

If, after the close of the Security Purchase Plan and Shortfall Offer, any New Shares and Free Attaching Options have not been subscribed for under the Security Purchase Plan or Shortfall Offer, the Directors reserve the right to place some or all of those Offer Securities within 3 months of the close of the Offers.

The issue of Offer Securities under the Security Purchase Plan, the Shortfall Offer and pursuant to the placement of any remaining Offer Securities, is conditional on shareholder approval to be sought by the Company at a general meeting to be held on or about Monday, 15 January 2018.

The funds raised by the Security Purchase Plan, Shortfall Offer and placement of any remaining Offer Securities will be used to fast track the development and commercialisation of the Company's Remote Gas Detection Technologies, LIDAR systems, and thermal camera technologies, expand the Company's presence into new markets including Victoria, New South Wales and Queensland, design and manufacture of trailer mounted rental models, and to conduct market analysis for the Company's international launch, and for general working capital.

Refer to Section 3 for further information regarding the Security Purchase Plan and Shortfall Offer.

## 1.2 Placement Option Offer

On 29 November 2017, Spectur announced that it had conducted a placement to sophisticated and professional investors (as defined in the Corporations Act) of 6,000,000 New Shares at an issue price equal to that under the SPP, being $0.36 each, and 1,500,000 Free Attaching Options exercisable at $0.20 each on or before 31 December 2020, at the same ratio as under the Security Purchase Plan, being one Free Attaching Option for every four New Shares issued, to raise up to $2,160,000 (before costs) (**Placement**).

As at the Prospectus Date, the Securities to be issued under the Placement have not been issued. The New Shares are intended to be issued on or about 5 December 2017. The Free Attaching Options are offered under the Placement Option Offer, and are intended to be issued

after Shareholder approval for their issue has been obtained, on 16 January 2018, as set out in the indicative timetable on page 1 of this Prospectus.

Under the Placement Option Offer, this Prospectus invites participants in the Placement to subscribe for that number of new Free Attaching Options to which they are entitled to be issued under the terms of the Placement, being one new Free Attaching Option for every four New Shares subscribed for under the Placement.

The primary purpose of offering the Free Attaching Options under the Placement Option Offer is for the Company to fulfil its obligation under the Placement to issue Free Attaching Options to the Placement Participants.

By offering the Free Attaching Options under the Placement Option Offer, the Free Attaching Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Free Attaching Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The full terms and conditions of the Free Attaching Options offered under the Placement Option Offer are set out in Section 7.2.

The Placement Option Offer opens on the Opening Date and closes on the Closing Date. The Directors reserve the right to extend the Offer Period of the Placement Option Offer, or close the Placement Option Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules. The full timetable for the Placement Option Offer is set out on page 1 of this Prospectus.

### 1.3 Lead Manager Option Offer

This Prospectus invites the Lead Manager (or its nominee) to participate in an offer of 2,000,000 new Lead Manager Options at an issue price of $0.001 each to raise $2,000 (before costs), in accordance with the Lead Manager Mandate.

All Lead Manager Options issued pursuant to this Prospectus will entitle the holder to subscribe for one Share at an exercise price of $0.50 on or before 31 December 2020, and will otherwise be issued on the terms set out in Section 7.3.

The primary purpose of the Lead Manager Offer is for the Company to fulfil its obligation under the Lead Manager Mandate to issue the Lead Manager Options to the Lead Manager or its nominee.

By offering the Lead Manager Options under the Lead Manager Option Offer, the Lead Manager Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Lead Manager Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The Lead Manager Option Offer opens on the Opening Date and closes on the Closing Date. The Directors reserve the right to extend the Offer Period of the Lead Manager Option Offer, or close the Lead Manager Option Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules. The full timetable for the Lead Manager Option Offer is set out on page 1 of this Prospectus.

### 1.4 Director Offer

This Prospectus invites Mr Charles Richard Wallace Wilkins and Mr Peter William Holton (or their nominees), being Directors (**Director Offerees**) to participate in an offer of an aggregate of 100,000 New Shares and 25,000 Free Attaching Options on the same basis as subscribers under the Placement, being New Shares issued at an issue price of $0.36 each, with one Free Attaching Option to be issued for every four New Shares issued, to raise up to $36,000 (**Director Offer**).

The New Shares issued under the Director Offer will rank equally with all existing Shares on issue. The Free Attaching Options to be issued under the Director Offer will entitle the holder

to subscribe for one Share at an exercise price of $0.20 on or before 31 December 2020, and will otherwise be issued on the terms set out in Section 7.2.

By offering the New Shares and Free Attaching Options under the Director Offer, those Securities will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, those Securities (including any Shares issued on the exercise of Free Attaching Options) will not be subject to secondary trading restrictions.

The Director Offer opens on the Opening Date and closes on the Closing Date. The Directors reserve the right to extend the Offer Period of the Director Offer, or close the Director Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules. The full timetable for the Director Offer is set out on page 1 of this Prospectus.

## 1.5 Issue of Offer Securities conditional on Shareholder approval

The issue of all Offer Securities, being the following:

- New Shares and Free Attaching Options under the Security Purchase Plan, Shortfall Offer and Director Offer;
- Free Attaching Options under the Placement; and
- Lead Manager Options under the Lead Manager Option Offer,

are conditional on shareholder approval to be sought by the Company at a general meeting to be held on or about Monday, 15 January 2018. Refer to Section 9.1 for further information.

## 1.6 Cleansing

In addition to being for the purpose of making the Offers, this Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on Shares issued prior to the date of this Prospectus, including particularly any Shares that may be issued pursuant to the Placement.

## 1.7 Minimum subscription

There is no minimum subscription for any Offer.

## 1.8 Underwriting

The Offers are not underwritten.

## 1.9 Use of funds raised from the Security Purchase Plan and Placement

The Security Purchase Plan and Shortfall Offer will raise funds of up to $684,000 (before costs).

The Placement and the Director Offer, which were announced by the Company on 29 November 2017, will raise up to $2,160,000 and $36,000 (before costs) respectively.

The Lead Manager Offer will raise up to $2,000 (before costs).

The Company intends to use the funds raised from the Security Purchase Plan, Shortfall Offer and Placement as follows:

| Use of funds | Amount at half subscription | Amount at full subscription |
|---|---|---|
| Expansion of the Company's presence into new markets including Victoria, New South Wales and Queensland | $250,000 | $250,000 |
| Acceleration of the development and commercialisation of the Remote Gas Detection Technology | $400,000 | $400,000 |
| Acceleration of the development and commercialisation of the Remote Thermal Camera Technology | $350,000 | $350,000 |
| Acceleration of the development and commercialisation of the LIDAR system | $400,000 | $400,000 |
| Design and manufacture of trailer mounted rental models | $200,000 | $200,000 |
| Initiate activities to prepare the Company for international launch | $650,000 | $650,000 |
| Costs associated with the capital raising including brokerage commissions | $183,507 | $202,574 |
| Working capital | $106,493 | $429,426 |
| **Total** | **$2,540,000** | **$2,882,000** |

**Notes:**

1. The information in the above table is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in the Company's circumstances. The Board reserves the right to change the way funds are used and applied.
2. The table above assumes that the Placement and Director Offer are fully subscribed, and consequently raise an aggregate of $2,196,000 (before costs). For the avoidance of doubt, the figures in the column headed "Amount at half subscription" represent the intended use of funds raised if the Placement is fully subscribed and the Security Purchase Plan and Shortfall Offer are half subscribed.

On completion of the Security Purchase Plan with at least 50% subscription, the Company will have sufficient funds to carry out the objectives stated in this Prospectus.

Funds will not be raised from the issue of Securities under the Placement Option Offer.

# 2. Company Overview

## 2.1 Introduction

Spectur specialises in manufacturing and supplying its unique security surveillance products, services and associated systems.

It has designed and built from the ground up the unique technology that runs its cameras and systems, including proprietary software coding of the camera internal systems, the IOT (Internet of Things) Management Platform and the Client Surveillance Interface.

## 2.2 Spectur HD4 Security Camera System

Spectur's core product and latest remote security system model is the Spectur HD4 security camera system. This is available in two versions, either a 2 megapixel or a 3.4 megapixel solar powered low-light image sensor module, and has a substantial backup battery capacity in the event of prolonged inclement weather.

The Spectur HD4 security camera system is designed to be continuously linked to the internet so that it can be accessed, controlled and managed by the cloud-based IOT Management Platform.

The Spectur HD4 security camera system automatically manages internet protocol (IP) connectivity to Spectur's secure cloud-based server over a variety of networks, such as the 3G/4G mobile telephone networks and Wi-Fi.

The Spectur HD4 security camera system utilises distinctive technology that includes:

- a quad core computer, which runs the camera system and contains the majority of the code of the camera system and all the system smarts;
- a proprietary watchdog board, which manages the computer functions, checks the function of the main quad core computer and sends analytics to Spectur's cloud-based server; and
- a camera sensor module and a lens.

The core functionality of the Spectur HD4 security camera system includes core surveillance and alarm recording, which incorporates:

- real-time camera recording and response;
- alarm recording and activation;
- core inputs on board computer algorithms detecting movement and an external sensor hardware; and
- core outputs, being an automated speaker with a pre-recorded spoken warning and an automated 50 Watt LED floodlight.

In addition to offering core surveillance and alarm services, the camera system includes the following additional functions that are extremely useful on remote non-powered sites:

- time lapse function: this function is often used on building sites to record the construction process;
- OH&S function: the ability to record activity through the day which is accessible remotely in the event of an accident;

- management function: online real-time viewing which reduces the need for travelling to remote sites; and

- additional inputs and outputs: the watchdog board can enable multiple inputs from additional outputs such as additional hardware, i.e. multiple sensors, accelerometer and potentially a laser perimeter fence or additional industrial applications, such as water sensor gauges, pumps or fire alarms.

## 2.3 IOT Management Platform

Spectur has built and developed its own proprietary software, the IOT Management Platform, to access, control and operate its security surveillance camera systems (i.e. the Spectur HD4 security camera system).

The back-end IOT Management Platform is a hardware-specific software platform. It is not open source and can only be accessed, controlled and managed by Spectur. Clients who own or rent a Spectur HD4 security camera system can access the system via the user interface, i.e. the Client Surveillance Interface, which links into the cloud-based IOT Management Platform.

The settings of the Spectur HD4 security camera system are stored on Spectur's cloud-based server which is managed by the IOT Management Platform. The IOT Management Platform is used to operate the high-level functionality of each Spectur HD4 security camera system, whereas the Client Surveillance Interface operates low level functions of the Spectur HD4 security camera system.

The IOT Management Platform is a software platform which, in part, is controlled through a user interface, enabling Spectur's clients to access, control, monitor, analyse and operate key parameters of Spectur's security surveillance products via the internet.

The IOT Management Platform is designed to be continuously linked to the internet and can be described as a platform for Spectur's 'Internet of Things' or 'IOT' devices (e.g. the HD4 security camera system).

The platform is available to Spectur's clients by way of a 'Video Surveillance-as-a-Service' (VSaaS) model. It is provided to clients in conjunction with Spectur's security surveillance products.

The VSaaS model ensures that the platform software and surveillance data remains centrally hosted by Spectur but can be accessed by clients using an internet browser or any web-enabled mobile device (e.g. an Apple iPhone or iPad®, Android mobile phone or tablet device using Microsoft operating systems etc) without the need to download and install software.

## 2.4 Client Surveillance Interface

Spectur's clients can access the front-end client user interface, which is termed the "Client Surveillance Interface", via a secure password protected web-based login that enables clients to view live camera recordings and access live images.

The Client Surveillance Interface is able to control low level functions of the Spectur HD4 security camera systems. This allows Spectur's clients to access, control, monitor, analyse and operate various low-level parameters of their Spectur HD4 security camera systems as well as the data and images that are generated by the camera system.

Key low-level functionality includes the ability to:

- view live camera images (the 'video recordings' are technically a set of still images);

- turn on or off, or schedule, alarms, sounds and image recording;

- view alarm recordings; and

- retrieve historical HD image recordings.

Spectur's systems also provide clients with the ability to increase their number of operational security cameras simply and cost-effectively, with each additional camera being capable of linking to the client's existing Client Surveillance Interface.

Spectur is constantly working to increase the functionality and ease of use of the Client Surveillance Interface. The front-end user interface and back-end platform are available to Spectur's clients by way of a VSaaS model, and are provided to clients in conjunction with Spectur's HD4 security camera systems on a license basis.

The VSaaS model is a relatively new means of delivering video surveillance services. It is based on the software-as-a-service (or SaaS) delivery model where software and related data are centrally hosted in a cloud computing environment and accessed over the internet, rather than being purchased and installed on each computer for use.

## 2.5 Ongoing development of updated camera models and systems

Spectur aims to continually develop new security surveillance products and systems, as well as new functionality for its existing products and systems, to reduce its reliance on patent protection. It intends to adopt and maintain a 'first-to-market' approach for new product and system functionality. However, if and as patentable technology is developed, Spectur will pursue intellectual property protection where appropriate

Spectur has a dedicated Research & Development centre in Melbourne and a comprehensive internal development pipeline of product and service extensions. This is partially supported by an innovation patent and four patent applications. For further information regarding this innovation patent and patent applications, refer to Section 6.2(d) below.

Spectur is also investigating initiatives which may enable Spectur's existing IOT Management Platform to be used in product and service offerings for additional industries that are not aligned with security.

Spectur plans to release new security related products and services with the intention of driving organic sales and increasing its market share. Spectur is focused on new product developments which is in line with its aspiration to be a global market leader in the solar-powered security camera market.

Spectur has several new functions and model releases in the development phase, including:

- camera range extenders – this may be of value to clients who operate multiple cameras;
- remote gas detection technology;
- thermal camera technology;
- LIDAR system;
- lower specification systems; and
- higher specification systems.

Spectur believes that, when these new functions and models are successfully developed and commercialised in new product offerings, they have the potential to add value to clients and assist the growth of the Spectur business.

Spectur may also investigate additional live surveillance analytics such as face recognition or license plate recognition software, which would be implemented through either additional in-house software development or software licensed from a third party provider.

## 2.6 Sales and revenue growth

Spectur continues to make strong sales progress across its operations on the back of the strong revenue growth announced in the September quarter.

As announced on 17 November 2017, Spectur has signed an agreement to provide its HD4 camera systems to the automotive shutdown project in Geelong, Victoria, for a minimum of one year, on a daily rental basis.

In the current quarter, Spectur has sold or rented camera systems to a number of new tier-one national businesses across the building, civil construction and critical infrastructure industries.

These new clients have either rented or individually purchased a number of cameras. All of these clients operate across multiple sites around Australia.

Spectur has also been named as a preferred supplier for a number of tier one companies in the resources and construction industries.

## 2.7 New products

Spectur has recently released new installation systems, designed for simple installation in order to allow the Company to expand its offering for sites with a hard stand, such as bitumen and concrete. The new model can be set-up by a single user making it ideal for operators who may work alone or who work across a number of sites.

The Company is also in the process of designing an additional rental product that will include a HD4 camera fit to a custom-made trailer. In addition to driving greater rentals of cameras this new product will also potentially open up new markets for Spectur where a short term, easy to deploy system is required.

The strong start to the quarter builds on recent announcements regarding Spectur's expansion into the Queensland market and the lodgement of patents for innovative new technologies for gas detection and LIDAR system for perimeter security which the Company expects to commercialise in early 2018.

Spectur has already initiated the LIDAR system, thermal camera and gas detection system testing and early results are positive. The development of these new technologies and lodgement of patents will provide Spectur with the ability to rapidly move into non-security related markets, broadening Spectur operational scope and assisting in driving sales and adoption of Spectur's products and services.

## 2.8 Key risks

The key risks of investing in the Company are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 6. These risks may adversely affect the Company's financial position, prospects and price of its securities.

### (a) Telecommunications network providers

Spectur's security surveillance cameras transmit data to, and are otherwise controlled by, its IOT Management Platform using third-party telecommunication and internet service providers' networks and infrastructure (e.g. the 3G and 4G mobile telecommunications networks). Disruption or outages in these networks and infrastructure would likely result in Spectur and its clients not being able to access and control the cameras. Whilst these disruptions or outages are outside of Spectur's control, they nonetheless could adversely affect the perception by clients of Spectur's products and systems, which may in turn impact Spectur's reputation, business and financial position.

### (b) Licensing and regulation

Spectur's business is regulated under the *Security and Related Activities (Control) Act 1996* (WA) in Western Australia and will be regulated by the *Private Security Act 2004* (VIC) in Victoria. Spectur operates pursuant to relevant security licenses issued to Richard Wilkins in Western Australia and Victoria. As Spectur expands its operations into other States and Territories of Australia, it may need to secure equivalent licenses or regulations in those jurisdictions, including New South Wales and Queensland, when it establishes offices in those jurisdictions.

Each of these security licences and registrations is issued subject to specific and general conditions and other requirements which if not complied with may result in penalties and/or other regulatory action being taken, including suspension or cancellation of the licences or registrations. Suspension or cancellation of a security licence or registration would have an adverse effect on Spectur's reputation, operations and financial position.

Further, if Richard Wilkins ceases to be an officer of Spectur (e.g. a director or company secretary of Spectur), Spectur would be restricted from carrying on certain regulated security activities in Western Australia for which Richard is licensed, unless and until Spectur has another employee or officer holding equivalent licenses. This would likely have an adverse effect on Spectur's reputation, operations and financial position. Spectur is mitigating this risk by arranging for additional officers or employees to hold the relevant security licenses.

(c) **Changes to security or surveillance laws**

Security-related businesses in Australia are regulated and are subject to licensing regimes under State and Territory laws. Spectur has structured the security and surveillance activities in its business to comply with existing security laws and regulation.

However, noting the increasing community concerns regarding privacy and surveillance, particularly in relation to the installation of surveillance cameras, changes to the law in this area are possible. Such changes to the existing security laws or the imposition of additional requirements may affect Spectur's business and operations, or may result in increased costs of compliance. This may in turn have an adverse effect on Spectur's business and financial position

(d) **Design and development**

Some of Spectur's security surveillance products are at a relatively early stage of operational and commercial use. There is an inherent risk with any new technology, product or system that development and commercialisation will not progress as planned, may encounter problems or may be subject to delays. Developmental problems or delays may have an adverse effect on Spectur's business and financial position

## 2.9 The Board

The Company is managed by the Board of Directors. The Board currently comprises four Directors, including two Executive Directors and two Non-Executive Directors.

**Richard Wilkins**
*Executive Chairman*

Richard Wilkins is the founding Director and Shareholder of Spectur.

Richard has extensive industry experience in electronic engineering, telecommunications and radio communications. His experience spans from product design and technical development through to overseeing the commissioning and maintenance of major communications networks.

Richard began his career in the Royal Australian Navy, joining the radio (air) technical branch and finishing in charge of the Electronics School of Avionics for pilots, navigators and technical staff.

Richard entered the private sector where he headed Standard Telephones and Cables' maintenance team for microwave and mobile communications on the rail network between Newman and Port Hedland. He was subsequently engaged by the Natural Gas Pipeline Authority of South Australia (as it was then known) to oversee the commissioning and ongoing maintenance of the microwave and mobile communications network for the gas pipeline between Moomba and Adelaide.

Richard successfully operated his own businesses, Radiolab, CR Labs and RF Innovations, which developed innovative electronic and communications products and serviced communications networks for government departments as well as major resources and telecommunications companies. He was integrally involved in the design and development of high power paging transmitter which was ultimately sold to Telstra, Victoria's state-wide emergency services and to European markets under a license agreement. Richard, in his role as managing director, designed self-powered train wheel bearing temperature monitors and a low power active prototype radar system for collision avoidance, specifically for mine–site loading areas.

Richard remains actively involved in the day-to-day management and technical operations of Spectur, as well as working with the Board to set its strategy for ongoing business development, managing R&D and providing general support to the Managing Director.

**Peter Holton**
*Managing Director*

Peter Holton has over 20 years' senior management experience in product sales, distribution and marketing in Australia and Europe. He has been directly responsible for managing and increasing product lines and sales via direct sales, distribution and licensing.

Peter has previously developed and led sales teams for market leading companies both in Australia and in Europe. He was the sales manager of Surf Sales Ltd where he helped introduced the O'Neill brand into the UK market. He subsequently became the sales and marketing director of ATB Sales Ltd, setting up the launch of the high-end Marin mountain bike brand in the UK.

Peter was also involved in financing the development of the 49er sailing dinghy developed by Australian 18-foot skiff legends, Frank and Julian Bethwaite. He held the European marketing rights to this boat which was ultimately selected by the International Olympic Committee for a new high sailing performance category at the 2000 Olympic Games held in Sydney.

Peter subsequently migrated to Australia where he established and operated successful coffee equipment sales and service business, Supreme Coffee Machines, as its managing director.

Peter joined Spectur as Business Development Manager in 2012 and became the Managing Director in 2017.

**Stephen Bodeker**
*Non-Executive Director*

Stephen Bodeker is an accomplished senior finance executive with over 20 years' experience in the corporate sector, working within several industries including professional services, logistics, manufacturing, health services and media. He has held senior finance roles in organisations including KPMG, Nestor Healthcare, Britvic PLC, Carbon Conscious Limited (now Alterra Limited) and others. He is currently the Chief Financial Officer of Speqs Limited.

Stephen's experience spans external and internal audit, financial control, staff management, taxation, financial modelling, cost control, risk management, company secretarial and corporate governance.

Stephen is an associate member of the South African Institute of Chartered Accountants, a practicing CPA, a member of the Chartered Institute of Management Accountants and a fellow of the Governance Institute of Australia.

**Andrew Hagen**
*Non-Executive Director*

Andrew Hagen has substantial experience in business development, management, marketing and sales. Andrew worked in the property development industry as a director of Tuart Properties, a privately held property development business since 2003 and worked as a Development Manager for ASX listed as well as government owned property development firms such as Brookfield Ltd, Mirvac Ltd, Peet Ltd, Cedar Woods Ltd and LandCorp over the course of 17 years.

More recently, Andrew co-founded Cycliq Group Ltd (ASX:CYQ), held the position of CEO for over five years and still remains a substantial shareholder. He was responsible for creating and developing the business direction, sourcing seed funding, key relationship management, co-developing products, team building and promotion of the brand. Andrew managed early stage sales and established Cycliq's international sales distribution network. In his role as CEO, he oversaw Cycliq's senior management team including its Australian and international operations.

Andrew is also the director of Breakwater (WA) Pty Ltd, a private project management company

# 3. Details of the Security Purchase Plan

## 3.1 The Security Purchase Plan

By this Prospectus, the Company invites Eligible Shareholders to participate in the Security Purchase Plan.

Under the Security Purchase Plan, the Company offers to Eligible Shareholders, a total of 1,900,000 New Shares at an issue price of $0.36 each and a total of 475,000 Free Attaching Options, to raise up to $684,000 (before costs).

Eligible Shareholders may apply for New Shares and Free Attaching Options, but are not required to do so.

The Security Purchase Plan is subject to the terms and conditions set out in this Prospectus.

The Security Purchase Plan under this Prospectus invites each Eligible Shareholder to apply for up to 13,889 New Shares at $0.36 each, with one Free Attaching Option for every four New Shares issued, totalling $5,000, regardless of the number of Shares held by that Eligible Shareholder.

Applications for New Shares and Free Attaching Options under the Security Purchase Plan may be made with respect to any one of the following amounts:

| Subscription amount | Number of New Shares | Number of Free Attaching Options |
|---|---|---|
| $1,000 | 2,778 | 695 |
| $3,000 | 8,334 | 2,084 |
| $5,000 | 13,889 | 3,473 |

Where an Application would otherwise result in a fraction of a Share being issued, that fraction will be rounded to the nearest whole number. Similarly, any fractions of a Free Attaching Option will be rounded to the nearest whole number. Any fractional entitlement of one half will be rounded up to the nearest whole number.

The Security Purchase Plan and Shortfall Offer are offered on a 'first-come, first-served' basis.

## 3.2 Eligibility to participate

### (a) Eligibility determination

Shareholders who were registered in the Company's register of Shareholders with an Australian or New Zealand address at the Record Date (i.e. 5.00pm (WST) on Tuesday, 28 November 2017) will be Eligible Shareholders and may participate in the Security Purchase Plan, except in respect of any Shares such registered Shareholder holds on behalf of another person who resides outside of Australia or New Zealand.

Due to foreign securities laws, it is not practical for Shareholders resident in countries other than Australia and New Zealand to be offered the opportunity to participate in the Security Purchase Plan.

Importantly, a person who was registered as a holder of Shares with an address in Australia or New Zealand on the Record Date, but who does not hold any Shares at the Record Date, is not eligible to participate in the Security Purchase Plan. Refer to Section 4.10 for more information relating to Shareholders resident outside Australia.

(b) **Joint holders**

Shareholders who are joint holders of Shares are taken to be a single registered Shareholder for the purposes of the Security Purchase Plan and the certification in the Application Form by any joint holder is taken to have been given by all joint holders.

A Shareholder who receives more than one invitation to participate in the Security Purchase Plan (e.g. if the Shareholder holds Shares in more than one capacity) may not apply for New Shares:

- with an aggregate value of more than $5,000; or
- which would result in the aggregate value of the New Shares applied for (including through a Custodian (see Section 4.11 below)) under the Security Purchase Plan and any similar arrangement in the last 12 months being more than $15,000.

## 3.3 Custodians

An Eligible Shareholder who holds Shares as Custodian (see Section 4.11 below) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to the maximum number of Offer Securities for each Beneficiary for whom the Custodian holds Shares.

The Custodian must annexe a certificate (**Custodian Certificate**) to its Application Form setting out the following information:

| Item | Requirements |
|---|---|
| **Nature of relationship** | Either or both of the following:<br>• that the Custodian holds Shares on behalf of one or more Beneficiaries who are residents in Australia or New Zealand (each a **Participating Beneficiary**) who are not Custodians; or<br>• that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,<br>on the Record Date and that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for Offer Securities under the Security Purchase Plan on their behalf. |
| **Participating Beneficiary details** | The number of Participating Beneficiaries as well as their names and addresses. |
| **Holding** | Either:<br>• the number of Shares that the Custodian holds on behalf of each Participating Beneficiary; and/or<br>• in the case of a Downstream Custodian, the number of Shares to which each Participating Beneficiary's beneficial interest relates. |
| **Application amount** | The number or dollar amount of Offer Securities that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for on behalf of each Participating Beneficiary. |

| Item | Requirements |
|---|---|
| **Confirmation that maximum application not exceeded** | That the total Application Moneys for:<br>• Offer Securities applied for under the Security Purchase Plan for each Participating Beneficiary for whom the Custodian acts, directly or indirectly through a Downstream Custodian does not exceed $5,000; and<br>• any other Shares issued to the Custodian or Downstream Custodian, in the capacity as custodian or nominee for each Participating Beneficiary, under any arrangement similar to the Security Purchase Plan in the last 12 months does not exceed $15,000. |
| **Provision of Prospectus to Beneficiaries** | That a copy of the Prospectus was given to each Beneficiary. |
| **Downstream Custodians** | In the case where Shares are held for a Downstream Custodian, the name and address of each Downstream Custodian. |

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries.

To request a Custodian Certificate or further information on how to apply, a Custodian should contact the Share Registry at any time from 8.30am to 5.00pm (WST) Monday to Friday during the Offer Period, using the contact details set out in the Corporate Directory section above.

## 3.4 Timetable

The Security Purchase Plan will open on Thursday, 7 December 2017 and will close at 5.00pm (WST) on Friday, 12 January 2018.

The Directors reserve the right to extend the Offer Period of the Security Purchase Plan, or close the Security Purchase Plan prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

The full timetable for the Security Purchase Plan is set out on page 1 of this Prospectus.

## 3.5 Raising amount and scale back

The final amount that is raised under the Security Purchase Plan will be determined by the Directors at their discretion.

Applications will be accepted on a 'first-come, first-served' basis. The Directors reserve the right to reject or scale back, on an equitable basis, any Applications at the Directors' discretion. If an Application is rejected or scaled back, the Company will promptly return to the Applicant the relevant Application Moneys, without interest.

There is no minimum aggregate amount to be raised pursuant to the Offers.

## 3.6 Conditional Offers

The issue of New Shares and Free Attaching Options under the Security Purchase Plan and Shortfall Offer is subject to Shareholder approval to be sought at the General Meeting.

## 3.7 Underwriting

The Security Purchase Plan is not underwritten.

## 3.8 Rights and liabilities attaching to New Shares and Free Attaching Options

The New Shares issued under this Prospectus and on the exercise of Free Attaching Options will be fully paid and will rank equally in all respects with existing Shares. Each Free Attaching Option will be exercisable at $0.20 on or before 31 December 2020. A summary of the rights and liabilities attaching to the New Shares and Free Attaching Options is set out in Section 7.

## 3.9 Shortfall Offer

Any New Shares and Free Attaching Options not subscribed for under the Security Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is $0.36 (equal to the issue price under the Security Purchase Plan).

An individual, including an Eligible Shareholder, may apply for additional New Shares and Free Attaching Options under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

The Shortfall Offer will open on Thursday, 7 December 2017 and will close at 5.00pm (WST) on Friday, 12 January 2018.

The Directors reserve the right to extend the Offer Period of the Shortfall Offer, or close the Shortfall Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

If after the close of the Security Purchase Plan and Shortfall Offer, any Shortfall has not been subscribed for under the Security Purchase Plan or Shortfall Offer, the Directors reserve the right to place some or all of those Offer Securities within 3 months of the close of the Offers.

The Directors, in consultation with the Lead Manager, will have discretion as to how to allocate the Shortfall both under the Shortfall Offer, and after the close of the Offers.

The Company cannot guarantee that you will receive the number of Shortfall Securities you apply for. If you do not receive any or all of the Shortfall Securities you applied for, the excess Application Moneys will be returned to you without interest.

The Company will not allocate Shortfall Securities to the extent that the recipient's voting power in the Company would exceed 20%.

# 4. Applications for Offer Securities

## 4.1 Security Purchase Plan and Shortfall Offer

An Eligible Shareholder that would like to participate in the Security Purchase Plan, and an individual (including an Eligible Shareholder) that would like to apply for additional Offer Securities under the Shortfall Offer can do so by completing and lodging the relevant Application Form (being either a Security Purchase Plan Application Form or Shortfall Offer Application Form) which accompanies this Prospectus. An Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications for New Shares and Free Attaching Options under the Security Purchase Plan may be made with respect to any one of the following amounts:

| Subscription amount | Number of New Shares | Number of Free Attaching Options |
|---|---|---|
| $1,000 | 2,778 | 695 |
| $3,000 | 8,334 | 2,084 |
| $5,000 | 13,889 | 3,473 |

Where an Application would otherwise result in a fraction of a Share being issued, that fraction will be rounded up. Similarly, any fractions of a Free Attaching Option will be rounded up.

Application Forms may be submitted as paper copies or, for Applicants using BPAY® (available to Eligible Shareholders with respect to the Security Purchase Plan only), in electronic format as outlined below.

Applicants who wish to apply under an Offer are urged to lodge the relevant Application Form(s) as soon as possible. If the full offer amount for the Security Purchase Plan and Shortfall Offers are received prior to the Closing Date, the Offers may close early without prior notice.

If an Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more New Shares and Free Attaching Options than is indicated by the amount of Application Money.

If the exact amount of required Application Moneys are not tendered with an Application, the Company reserves the right to either:

- return the Application Form and/or Application Moneys received and not issue any New Shares to the Applicant; or
- issue to the Applicant the maximum number of New Shares represented by the Application Moneys received and refund any excess amount to that Applicant by cheque or Electronic Funds Transfer as soon as possible, without interest.

Payments of Application Moneys must not be made in cash.

Eligible Shareholders that have not received their Prospectus and personalised Application Form(s), or require a replacement via post or email, should contact the Share Registry using the contact details set out in the Corporate Directory section above.

Brokerage or transfer/stamp duty is not payable in relation to the Security Purchase Plan or Shortfall Offer.

The Company reserves the right to accept a lesser amount to the total number of Shares applied for by an Applicant on the Application Form (including if the Security Purchase Plan or Shortfall Offer close oversubscribed), at the Company's complete discretion.

The Company reserves the right to refuse a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus in paper or electronic form, or if it has reason to believe that the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

***Payment by cheque or money order***

Unless an Applicant pays using BPAY® as outlined below, an Application Form must be accompanied by a personal cheque, payable in Australian dollars, for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price of those Shares.

Cheques or money orders must be made payable to "Spectur Limited" and should be marked "Not Negotiable".

Completed Application Forms and accompanying cheques must be received by Spectur before 5.00pm (WST) on the Closing Date at the following address:

| **By hand** | **By post** |
|---|---|
| Spectur Limited<br>c/- Alto Capital<br>Ground Floor<br>16 Ord Street,<br>West Perth WA 6005 | Spectur Limited<br>c/- Alto Capital<br>PO Box 248<br>West Perth WA 6872 |

***Payment using BPAY®***

Applicants who are existing Shareholders and who wish to submit an Application and make payment using BPAY® should follow the instructions on the Application Form which includes the 'Biller Code' and the Applicant's individual 'Customer Reference Number'.

Applicants can only make payment using BPAY® with respect to the Security Purchase Plan, and if they have an account with an Australian financial institution that supports such transactions. BPAY® is also not available to any person who is not an existing Shareholder.

Applicants must ensure to use the specific 'Biller Code' and 'Customer Reference Number' on their individual Application Form. An Application may not be accepted if these details are incorrect. The 'Customer Reference Number' is used to identify each Applicant's holding.

Applicants with more than one holding of Shares may receive multiple 'Customer Reference Numbers'. Such Applicants can apply under one or more of their holdings, provided that they do not apply for more than $5,000 worth of New Shares in total for all holdings.

Payments must be made in Australian dollars for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price.

An Application Form **does not** need to be submitted to the Company. However, by paying Application Moneys, the Applicant will be taken to have made the declarations on the Application Form.

BPAY® payments of Application Moneys must be received before 5.00pm (WST) on the Closing Date.

Applicants should take into account when making an Application that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Applicant's responsibility to ensure that the Application Moneys are received before the Closing Date.

## 4.2 Placement Option Offer

Applications for Free Attaching Options under the Placement Offer may only be submitted by Placement Participants (or their nominees) and be made using the Placement Option Offer Application Form that accompanies this Prospectus. The Placement Option Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

Completed Placement Option Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date at either of the following addresses:

| By hand | By post |
|---|---|
| Spectur Limited<br>c/- Alto Capital<br>Ground Floor<br>16 Ord Street,<br>West Perth WA 6005 | Spectur Limited<br>c/- Alto Capital<br>PO Box 248<br>West Perth WA 6872 |

An original, completed and lodged Placement Option Offer Application Form constitutes a binding and irrevocable offer to subscribe for the number of Free Attaching Options specified in that Placement Option Offer Application Form. The Placement Option Offer Application Form does not need to be signed to be valid.

If a Placement Option Offer Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such a Placement Option Offer Application Form as valid and how to construe, amend or complete a form is final.

Brokerage or transfer/stamp duty is not payable in relation to the Placement Option Offer.

## 4.3 Lead Manager Option Offer

Applications for Options under the Lead Manager Offer may only be submitted by the Lead Manager (or its nominee(s)) and be made using the Lead Manager Option Offer Application Form that accompanies this Prospectus. The Lead Manager Option Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

Unless an alternative payment arrangement is agreed between Spectur and the Lead Manager, the Lead Manager Application Form must be accompanied by a personal cheque, payable in Australian dollars, for an amount equal to the number of Lead Manager Options for which the Lead Manager wishes to apply, multiplied by the Offer Price of those Options

Cheques or money orders must be made payable to “Spectur Limited” and should be marked “Not Negotiable”.

Completed Lead Manager Option Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date at either of the following addresses:

| By hand | By post |
|---|---|
| Spectur Limited<br>c/- Alto Capital<br>Ground Floor<br>16 Ord Street,<br>West Perth WA 6005 | Spectur Limited<br>c/- Alto Capital<br>PO Box 248<br>West Perth WA 6872 |

An original, completed and lodged Lead Manager Option Offer Application Form constitutes a binding and irrevocable offer to subscribe for the number of Lead Manager Options specified in that Lead Manager Option Offer Application Form. The Lead Manager Option Offer Application Form does not need to be signed to be valid.

If a Lead Manager Option Offer Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such a Lead Manager Option Offer Application Form as valid and how to construe, amend or complete a form is final.

Brokerage or transfer/stamp duty is not payable in relation to the Lead Manager Option Offer.

## 4.4 Director Offer

Applications for New Shares and Free Attaching Options under the Director Offer may only be submitted by Director Offerees (or their nominees) and be made using the Director Offer Application Form that accompanies this Prospectus. The Director Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

Completed Director Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date at either of the following addresses:

| By hand | By post |
|---|---|
| Spectur Limited<br>c/- Alto Capital<br>Ground Floor<br>16 Ord Street,<br>West Perth WA 6005 | Spectur Limited<br>c/- Alto Capital<br>PO Box 248<br>West Perth WA 6872 |

An original, completed and lodged Director Offer Application Form constitutes a binding and irrevocable offer to subscribe for the number of Free Attaching Options specified in that Director Offer Application Form. The Director Offer Application Form does not need to be signed to be valid.

If a Director Offer Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such a Director Offer Application Form as valid and how to construe, amend or complete a form is final.

Brokerage or transfer/stamp duty is not payable in relation to the Director Offer.

## 4.5 Effect of making an Application

Once an Application has been made, it cannot be revoked.

All valid Applications shall be deemed accepted if received before the Closing Date, except that:

- with respect to the Security Purchase Plan and Shortfall Offer, once an aggregate of $684,000 has been received in Applications, the Company reserves the right to return a Security Purchase Plan Application Form, Shortfall Offer Application Form and/or Application Moneys and will not issue any Offer Securities to that Applicant; and

- with respect to the Director Offer, once an aggregate of $36,000 has been received in Applications, the Company reserves the right to return a Director Offer Application Form, and/or Application Moneys and will not issue any Offer Securities to that Applicant.

If a person makes an Application, that person:

- irrevocably and unconditionally agrees to the terms of the relevant Offer set out in this Prospectus;

- acknowledges that their Application is irrevocable and unconditional;

- if the Application has been made under the Security Purchase Plan or Shortfall Offer, agrees to pay the Offer Price for each New Share which they have applied for, subject to any scale back (refer to Section 3.5); and

- if the Application has been made under the Security Purchase Plan, warrants and represents to the Company that they are an Eligible Shareholder entitled to participate in the Security Purchase Plan.

## 4.6 Application Money to be held on trust

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the Securities to which the Application Money pertains are issued under the Security Purchase Plan and Shortfall Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

## 4.7 Issue of Offer Securities

Subject to Shareholder approval, Offer Securities are expected to be issued on the date specified in the timetable in the Key Information section on page 1 of this Prospectus.

The sale by an Applicant of Offer Securities prior to the receipt of a Holding Statement is at the Applicant's own risk.

The Directors reserve the right to allocate Offer Securities as they see fit.

## 4.8 ASX quotation

(a) **New Shares and Free Attaching Options**

Application for Official Quotation on ASX of the New Shares and Free Attaching Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the New Shares and Free Attaching Options offered under this Prospectus are not admitted to Official Quotation within 3 months after the date of this Prospectus (i.e. by 4 March 2018), the Company will not issue any New Shares or Free Attaching Options under this Prospectus.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or its Securities.

(b) **Lead Manager Options**

The Company does not intend to apply for Official Quotation on ASX of the Lead Manager Options offered pursuant to this Prospectus.

## 4.9 Withdrawal

The Directors may decide to withdraw this Prospectus or an Offer at any time before the issue of any Offer Securities.

## 4.10 Applicants outside of Australia

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer

Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Offer Securities or an Offer, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

***New Zealand resident Shareholders***

The Offer Securities offered under this Prospectus are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand).

This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

***Other overseas resident Shareholders***

This Prospectus may not be released or distributed in any country other than Australia and New Zealand. The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia and New Zealand.

Neither the Offers nor the Offer Securities have been, and nor will they be, registered under the Securities Act of 1933 of the United States of America (as amended) (**US Securities Act**). The Offer Securities may not be offered or sold in the United States of America, except in transactions exempt from, or otherwise not subject to, registration under the US Securities Act and applicable securities laws in any States of the United States of America.

The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## 4.11 Determination of Custodians

A Shareholder is a Custodian if they satisfy any of the following:

| Category | Requirements |
|---|---|
| **Licensee** | That Shareholder hold an Australian financial services licence (under the Corporations Act) that covers:<br>• the provision of a custodian or depositary service; or<br>• the operation of an IDPS (as that term is defined in ASIC Class Order 13/763). |
| **Exempt by regulation or legislative instrument** | That Shareholder is exempt under:<br>• regulation 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**);<br>• regulation 7.6.01(na) of the Corporation Regulations;<br>• ASIC Class Order 14/1000 or 14/1001;<br>• Schedule 2 to the *ASIC Corporate (Repeal and Transitional) Instrument 2016/396*; |

| Category | Requirements |
|---|---|
| | • an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of *ASIC Corporate (Repeal and Transitional) Instrument 2016/396* or any of the ASIC Class Orders repealed by that legislative instrument; or<br>• paragraph 911A(2)(h) of the Corporations Act,<br>from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service. |
| **Superannuation trustee** | That Shareholder is the trustee of a self-managed superannuation fund or a superannuation master trust (as those terms are defined in ASIC Class Order 09/425). |
| **Responsible entity** | That Shareholder is a responsible entity of an IDPS-like scheme as that term is defined in ASIC Class Order 09/425. |
| **Registered holder** | That Shareholder is noted on the Company's register of Shareholders as holding the Shares on account of another person. |

If a Shareholder holds Shares as a trustee or nominee for another person or persons but is not a Custodian as defined above, that Shareholder cannot participate for beneficiaries for whom they hold Shares in the manner described above. In such instance, the rules for multiple single holdings (above) apply.

The Company reserves the right to reject any Application to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with the requirements set out above.

The Company also reserves the right to reject Applications in accordance with the terms and conditions of this Prospectus.

## 4.12 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of its Securities.

Under CHESS, the Company does not issue certificates to the holders of Securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted and issued to them under this Prospectus.

This Holding Statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A Holding Statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

## 4.13 Taxation implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers accept any responsibility or liability for any taxation consequences to potential Applicants in relation to an Offer. Potential Applicants

should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

## 4.14 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act (**Privacy Act**):

- the Share Registry for ongoing administration of the Company's register;
- the Company's related bodies corporate (as that term is defined in the Corporations Act), agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register of Shareholders even if that person ceases to be a Security holder of the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

## 4.15 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety.

If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or financial advisor.

# 5. Effect of the Offers and Placement

## 5.1 Principal effect of the Offers and Placement on the Company

The principal effects of the Offers and the Placement, assuming the Offers and Placement are fully subscribed, will be to:

- increase the number of Shares on issue by 8,000,000 Shares, from 41,000,000 Shares as at the Prospectus Date to 49,000,000 Shares, representing a dilution of 19.51% (assuming no Options are exercised and no Performance Rights vest);
- increase the number of Options on issue by 4,000,000 Options, from 14,350,000 Options as at the Prospectus Date to 18,350,000 Options; and
- increase cash reserves by up to approximately $2,679,000 immediately after completion of the Offers and payment of the costs and expenses set out in Section 1.9, including the estimated expenses of the Offers.

## 5.2 Effect on capital structure

The capital structure of the Company following completion of the Offers, assuming the Offers and the Placement are fully subscribed, is set out below:

| **Securities** | **Full subscription** |
|---|---|
| Shares on issue at the Prospectus Date | 41,000,000 |
| New Shares issued under the Placement | 6,000,000 |
| New Shares issued under the Offers | 2,000,000 |
| **Total Shares on issue at completion of the Offers and Placement** | **49,000,000** |
| Options on issue at the Prospectus Date | 14,350,000 |
| Options issued under the Offers | 4,000,000 |
| **Total Options on issue at completion of the Offers and Placement** | **18,350,000** |
| Performance Rights on issue at the Prospectus Date | 21,500,000 |
| Performance Rights issued under the Offers | Nil |
| Performance Rights issued under the Placement | Nil |
| **Total Performance Rights on issue at completion of the Offers and Placement** | **21,500,000** |

**Note:** Of the 4,000,000 Options offered under the Offers, 1,500,000 Options are Free Attaching Options offered under the Placement Option Offer to Placement Participants, being Free Attaching Options to which the Placement Participants are entitled to be issued under the terms of the Placement.

All of the Options the Company currently has on issue are on the same terms and conditions as the Free Attaching Options offered under this Prospectus, being exercisable at $0.20 each on or before 31 December 2020. The full terms and conditions of the Free Attaching Options is set out in Section 7.2 below.

Of the 4,000,000 Options offered under this Prospectus, 2,000,000 are Free Attaching Options, and 2,000,000 are Lead Manager Options exercisable at $0.50 each on or before 31 December 2020. The full terms and conditions of the Lead Manager Options are set out in Section 7.3 below.

The terms and conditions of the Performance Rights are set out in section 11.3 of the Company's prospectus dated 19 June 2017 and announced to ASX on 28 July 2017, a copy of

which is available free of charge at the Company's website, at www.spectur.com.au/asx-releases/.

## 5.3 Pro forma statement of financial position

Set out below is:

- the audited consolidated statement of financial position of the Company as at 30 June 2017; and
- the unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2017 incorporating the effect of the Offers at full subscription.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers and Placement had occurred by 30 June 2017. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 30 June 2017 and the completion of the Offers except for:

- the issue of and 22,500,000 Shares at an issue price of $0.20 each and 5,500,000 unlisted Options at $0.01 each to raise a total of $4,550,000 (before costs) from the Company's initial public offering (further details of which are set out in the Company's prospectus dated 19 June 2017, which is available free of charge at the Company's website, www.spectur.com.au);
- at maximum subscription, the issue of 6,000,000 New Shares at $0.36 each and 1,500,000 Free Attaching Options under the Placement;
- at maximum subscription, the issue of 1,900,000 New Shares at $0.36 each and 475,000 Free Attaching Options under the Security Purchase Plan and Shortfall Offer, thereby raising up to $684,000 of capital pursuant to the Prospectus; and
- at maximum subscription, the issue of 100,000 New Shares at $0.36 each and 25,000 Free Attaching Options under the Director Offer, thereby raising up to $36,000 of capital pursuant to the Prospectus;
- the issue of 2,000,000 options exercisable at $0.50 on or before 31 December 2020 to the Lead Manager under the Lead Manager Offer to raise $2,000; and
- costs of the Placement and Offers will be approximately $202,600.

The unaudited consolidated pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Consolidated Entity between 30 June 2017 and the completion of the Offers and Placement except for those noted above.

No allowance has been made for expenditure incurred in the normal course of business from 30 June 2017 to the latter of the Closing Date.

## SPECTUR LIMITED
## UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION
## as at 30 June 2017

| | Audited Historical | Pro Forma – 50% subscription under Offers | Pro Forma – 100% subscription under Offers |
|---|---|---|---|
| | $ | $ | $ |
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 136,206 | 6,749,699 | 7,070,632 |
| Trade and other receivables | 593,351 | 593,351 | 593,351 |
| Inventories | 176,011 | 176,011 | 176,011 |
| **Total Current Assets** | **905,568** | **7,519,061** | **7,839,994** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 53,731 | 53,731 | 53,731 |
| Intangible assets | 2,861 | 2,861 | 2,861 |
| **Total Non-current Assets** | **56,592** | **56,592** | **56,592** |
| **Total Assets** | **962,160** | **7,573,653** | **7,858,586** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 471,020 | 471,020 | 471,020 |
| **Total Liabilities** | **471,020** | **471,020** | **471,020** |
| **Net Assets** | **491,140** | **7,104,633** | **7,425,566** |
| **EQUITY** | | | |
| Issued capital | 1,936,890 | 8,168,258 | 8,489,191 |
| Option reserves | 58,500 | 440,625 | 440,625 |
| Accumulated losses | (1,504,250) | (1,504,250) | (1,504,250) |
| **Net Equity** | **491,140** | **7,104,633** | **7,425,566** |

**Notes:** This table is prepared on the basis of the following assumptions:

1. Subsequent to 30 June 2017, the Company was admitted to the official list of ASX, and raised $4,550,000 (before costs) from the associated initial public offering through the issue of 22,500,000 Shares at an issue price of $0.20 each and 5,500,000 unlisted Options at $0.01 each, and associated costs of the Placement and Prospectus capital raisings.
2. The Company issues 6,000,000 New Shares at an issue price of $0.36 each pursuant to the Placement, raising a total of $2,160,000 before costs.
3. The Company issues 1,900,000 Shares at an issue price of $0.36 each pursuant to the Offers, raising a total of $684,000 before costs.
4. The Company issues 100,000 New Shares at an issue price of $0.36 each and 25,000 Free Attaching Options pursuant to the Director Offer, raising a total of $36,000 before costs.
5. The Company issues 2,000,000 options, exercisable at $0.50 on or before 31 December 2020 to the Lead Manager, at an issue price of $0.001 each to raise $2,000 before costs, under the Lead Manager Offer.
6. Costs of the Placement and Offers amount to $202,600 on the basis of full subscription under the Security Purchase Plan and Shortfall Offer, and $181,507 on a half subscription basis.

7. There is no adjustment for the operating costs of the Company between 30 June 2017 and the date of completion of the Offers.

## 5.4 Substantial holdings

A "substantial holding" is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

The table below sets out the Shareholders with a substantial holding as at the Prospectus Date.

| Name | Number of Shares | Percentage interest |
|---|---|---|
| Gillian Woodford | 3,000,000 | 7.32% |
| Pabasa Pty Ltd / Paul Kehoe | 2,125,000 | 5.18% |

**Note:** The figures in the table assume that:

1. additional Shares are not issued after the Prospectus Date;
2. none of the Options on issue at the Prospectus Date are exercised; and
3. none of the Performance Rights on issue at the Prospectus Date vest.

## 5.5 Effect of the Offers and Placement on control of the Company

As at the Prospectus Date, the Company has 41,000,000 Shares and 14,350,000 unlisted Options on issue.

Assuming Shareholder approval is obtained for the issue of New Shares and Free Attaching Options under the Security Purchase Plan, each of the substantial Shareholders set out in Section 5.4 may obtain up to 13,889 New Shares and 3,473 Free Attaching Options.

Set out in the table below are the potential relevant interests of each substantial Shareholder, assuming that each substantial Shareholder obtains 13,889 New Shares under the Security Purchase Plan, no Securities under the Placement, and both the Security Purchase Plan and the Placement are fully subscribed.

| Name | Current percentage interest | Maximum percentage interest post- Security Purchase Plan |
|---|---|---|
| Gillian Woodford | 7.32% | 6.15% |
| Pabasa Pty Ltd / Paul Kehoe | 5.18% | 4.36% |

The Company will manage the Placement such that no Shareholder will either become a substantial Shareholder, or obtain a relevant interest in Shares of 20% or more.

The Company does not anticipate that the acquisition of Shares by any Shareholder under any Offer will result in any Shareholder either becoming a substantial Shareholder, or obtaining a relevant interest in Shares of 20% or more.

# 6. Risk Factors

## 6.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact upon the Company's future performance. There can be no guarantee that the Company will achieve its stated objectives.

Potential investors should read the entire Prospectus and review announcements made by the Company to ASX (at www.asx.com.au under the code SP3) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in the Company's Securities should be considered speculative. Securities carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

Potential investors should consider the risk factors set out in Section 2.8 above and in Sections 6.2 and 6.3 below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to acquire any Securities in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

## 6.2 Company specific risks

In addition to the key risk set out in Section 2.8 above, the following risks have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its quoted Securities.

### (a) Competition

The security and surveillance industry is a competitive sector that is reliant upon continual technological advancement, particularly in relation to automation of systems as well as development of new and improved software functions. There are a number of other security and surveillance businesses which have announced development of products, systems and services similar to Spectur's. There is a risk that existing competitors or new entrants to the market may develop superior or more cost-effective products, systems or services which could have an adverse effect on Spectur's ability to continue development and commercialisation of its security surveillance products and the IOT Management Platform, and therefore Spectur's business and financial position.

### (b) Commercialisation and market risks

Spectur has operated a trading business which has supplied its security surveillance products and systems, in various models/versions, since 2009. While Spectur's product and service offering is in full commercial operation and it has a number of standing contracts to supply the same to its clients, as with all businesses, there cannot be any assurance that its products and services will continue to generate ongoing market interest. Spectur's business and financial success will depend upon its ability to continue commercialising and to expand its products and services, grow its client base and generate revenue. Failure to do so may have an adverse effect on Spectur's business and financial position.

Further, Spectur is seeking to provide services based on historical and existing market trends, as well as to create and develop new markets. There cannot be any assurance of the continued growth in existing markets nor that the new markets which it is seeking to supply will develop as targeted.

(c) **Reliance on key personnel**

Spectur's success depends to a significant extent upon its key management personnel, as well as other employees and technical personnel, including sub-contractors.

Spectur's potentially ground-breaking innovative technological developments have come about through its team of key operational personnel. It has sought to foster a workplace environment which encourages innovation and technical thought-leadership.

The loss of the services of any of Spectur's key personnel could have an adverse effect on it at this early stage of development, particularly as finding an effective replacement may be difficult.

(d) **Intellectual property registration**

Spectur holds one granted innovation patent, being Australian Patent No. AU201400095, and in March 2017, filed two patent applications in relation to its proprietary technology, being Australian Patent Application No. 2017900785 and No. 2017900897. These patent applications are due for completion in or about March 2018.

Spectur has recently filed two further patent applications for its Remote Gas Detection Camera Technology and its LIDAR system, being Australian Patent Application No. 2017904283 and No. 2017904284. A summary of the new technology is set out in the Company's announcement to ASX dated 7 November 2017, available free of charge on the Company's website at www.spectur.com.au/asx-releases/.

The patent applications do not give Spectur any currently enforceable rights.

Further, Spectur has not sought to apply for patent protection outside of Australia under the PCT process. Neither the granted patent nor the applications, if granted, will necessarily provide Spectur with enforceable protections in jurisdictions outside of Australia. Spectur has determined that application for registration of patents outside of Australia under the PCT process would not necessarily provide a material benefit at this time, but may review this position having regard to Spectur's further circumstances.

If the patent applications are granted, the resultant patents would, with Spectur's existing patent, constitute a material asset for Spectur. Spectur's ability to commercialise its products and systems successfully is partly dependent upon it obtaining the monopoly rights to exploit the inventions and methods described in the patent and the patent applications.

Spectur anticipates that its patent applications will be granted. However, there cannot be any assurance of this.

Third parties may also object to the grant of Spectur's patent applications on grounds which may include alleged infringement of their patents. Spectur is not aware of any of its technology infringing any third-party's patent. However, Spectur has not undertaken an extensive assessment of existing patents to determine any overlapping technology or potential infringement, as the costs of such would be prohibitive. Accordingly, there is a risk that a third-party may claim that Spectur's technology (including as set out in its patent applications) infringes that third-party's patent.

(e) **Software development risk**

Spectur's security surveillance products and systems (including the IOT Management Platform) contain, and other products and systems developed by Spectur will contain, complicated software programming. Spectur is seeking to advance its programme to develop and launch new and innovative functionality for its products and systems. Its products and systems may therefore contain (now or in the future) software errors or vulnerabilities. Any errors or vulnerabilities discovered could result in (among other

consequences) damage to Spectur's brand, loss of clients and liability for damages, any of which could adversely affect Spectur's business and financial position.

(f) **Security breaches, data loss, theft or corruption**

Spectur's security surveillance product and service offering is predominately operated through the use of computer and internet systems. Hacking or exploitation of some unidentified vulnerability in Spectur's network could lead to loss, theft or corruption of data and negatively affect Spectur's reputation, business and financial position. Accordingly, Spectur has taken significant measures to protect the integrity and security of its systems.

Spectur stores data from clients' security surveillance cameras in a secure cloud-based system. This third-party system adopts advanced security and anti-hacking technologies. Multiple redundant copies of data are spread across several data centres and multiple additional archival copies of long-term data are made to a separate data archive. The cloud service provider for image storage is intended to protect stored data from hacking and reflects industry best practise for prevention of data loss.

The preservation of surveillance footage image sequences by way of cloud-based storage is intended to ensure that catastrophic failure of Spectur's server infrastructure (if any) presents only a temporary interruption of Spectur's business. Spectur's security surveillance cameras themselves are autonomous and designed to continue monitoring, triggering alerts and recording images, even in the event of network disruptions and limited or no internet connectivity.

Further, data from Spectur's security surveillance cameras is encrypted whilst it is being transmitted over the internet. Financial data and surveillance footage image sequences are not stored on Spectur's own servers which is intended to ensure that failure of Spectur's servers will not result in significant data loss to clients. This has the dual advantage of ensuring that, in the event of a breach or failure, the data is not compromised and a replacement server can be brought online quickly without having to restore a large dataset.

Spectur's servers are located in a secure datacentre in Western Australia, and are subject to continuous monitoring via several independent processes. Server administrators are immediately notified of any loss of function of the servers. Spectur also maintains a backup server in a "warm" state. This server can be brought online in a short amount of time.

However, with cyber security threats and attacks (including denial of service attacks which impede a user accessing their computer network) becoming more prevalent and innovative across the world, there remains an inherent risk that Spectur's systems may be breached or that data may be corrupted. If this was to occur, or if its products or systems are subject to cyber-attacks that restrict client access, Spectur's ability to service its clients may be adversely affected notwithstanding the measures outlined above. This may result in its products and systems being perceived as less secure than those of any competitors which could negatively affect Spectur's reputation, business and financial position.

(g) **Future capital requirements**

The funds raised by the Security Purchase Plan, Shortfall Offer and placement of any remaining Offer Securities will be used to fast track the development and commercialisation of the Company's Remote Gas Detection Technologies, LIDAR system, and thermal camera technologies, expand the Company's presence into new markets including Victoria, New South Wales and Queensland, design and manufacture of trailer mounted rental models, and to conduct market analysis for the Company's international launch, and for general working capital.

If Spectur decides to pursue additional growth plans to those described in this Prospectus (for example implementing an overseas expansion or targeting growth by

acquisitions), Spectur will require sufficient funds in order to do so. These funds may be obtained from Spectur's existing funds, ongoing cash flow or additional equity capital or debt funding.

Any additional equity financing may be dilutive to Shareholders, undertaken at lower prices than the Offer Prices or involve restrictive covenants which may limit Spectur's operations and business strategy.

Although the Directors believe that additional capital can be obtained, there cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to Spectur or at all. If Spectur is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations which may have a material adverse effect on Spectur's activities and its ability to continue as a going concern.

(h) **Liquidity & volatility**

Spectur is a relatively small company in terms of its market capitalisation upon. Investment in its Securities should be regarded as speculative.

As a consequence, there is a risk that, particularly in times of equity market turbulence or negative investor sentiment, there will not be a highly liquid market for Spectur's Securities or that the price of Spectur's Securities may decrease considerably. There may be relatively few buyers or sellers of Securities on ASX at any given time and the market price may by highly volatile.

This may result in holders wishing to sell their Securities in Spectur in circumstances where they may receive considerably less than the price paid under an Offer (where applicable).

(i) **Limited operating history**

Spectur has significantly increased the scale of its business operations in recent years. It intends to invest in the commercial development of its security surveillance products and systems (including development of new products and systems) as well as its interstate expansion. Whilst Spectur has generated revenue from its trading operations, the Directors anticipate making losses in the immediate future as a result of is development and expansion programme. The Directors therefore do not consider it is reasonable to evaluate its prospects based on past performance.

While the Directors have confidence in the future revenue-earning potential of Spectur, there cannot be any certainty that Spectur will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(j) **Manufacturing**

Spectur manufactures its security products in Perth from local and imported parts. Spectur is solely reliant on continual production from its Perth warehouse. Operational difficulties may arise with suppliers, including reductions in the availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines, increases in manufacturing costs and increased lead times. Industrial action or workforce issues with contract suppliers may lead to delays in the production of critical components. The price of components for Spectur products could also increase reducing the profit margin per product. If there are delays in product development due to contracted manufacturers or suppliers, it could mean a delay in the release of products which could have a negative effect on revenues.

Spectur is in the process of implementing a formal supplier code of conduct and relevant standards and ongoing audit programs to assess compliance. Spectur will consider adding new production capabilities as deemed necessary, as Spectur grows.

## 6.3 General investment risks

The business activities of Spectur are subject to various general economic and investment risks that may impact on the future performance of Spectur. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Spectur and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

### (a) General economic conditions

Economic conditions, both domestic and global, may affect the performance of Spectur. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. Spectur's future possible revenues and Securities prices can be affected by these factors, all of which are beyond the control of Spectur and its Directors.

### (b) Equity market conditions

Shares listed on the Securities market, and in particular Securities of small companies at any early stage of commercial development, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Spectur's quoted Securities regardless of Spectur's operating performance.

General factors that may affect the market price of Securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

### (c) General changes in government policy & legislation

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of Spectur, and consequent returns to investors.

### (d) Investment risk

The Offer Securities offered pursuant to this Prospectus should be considered speculative due to the nature of Spectur's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of Offer Securities. In particular, the price at which an investor may be able to trade Offer Securities may be above or below the price paid for those Offer Securities.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in Spectur is appropriate having regard to their own particular circumstances.

### (e) Insurance

Spectur intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, Spectur'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 only partially covered by insurance could have a material adverse effect on the business, financial condition and results of Spectur.

(f) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Spectur.

# 7. Rights and Liabilities Attached to Offer Securities

## 7.1 Rights and liabilities attaching to New Shares

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of Spectur and will rank equally with all Shares currently on issue.

Full details of the rights and liabilities attaching to Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office and on the Company's website (www.spectur.com.au).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to Shares:

(a) **Share capital**: All issued Shares rank equally in all respects.

(b) **Voting rights**: At a general meeting of Spectur, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share (i.e. partly paid) held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.

(c) **Dividend rights**: Subject to the Corporations Act, the Listing Rules and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such shares in proportion to the amount of capital paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends are paid, unless the share is issued on terms providing to the contrary

(d) **Payment of dividends**: Dividends are payable out of the assets of Spectur in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of Spectur.

(e) **Rights on winding-up**: Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of Spectur, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of Spectur and may for that purpose set such value as the liquidator 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..

(f) **Transfer of Shares**: Subject to the Constitution, Shares in Spectur may be transferred by:

  (i) a proper ASX Settlement transfer or any other method of transferring or dealing in Shares introduced by the ASX or operated in accordance with the ASX Settlement Rules or the Listing Rules as recognised under the Corporations Act; or

  (ii) an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.

(g) **Refusal to transfer Shares**: The Directors may refuse to register a transfer of Shares (other than a proper ASX Settlement transfer) only where:

  (i) the law permits it;

(ii) the law requires it; or

(iii) the transfer is a transfer of restricted securities (as defined in Listing Rule 19.12) which is, or might be, in breach of the Listing Rules or any escrow agreement entered into by Spectur in respect of those restricted securities.

(h) **Further increases in capital**: Subject to the Constitution, the Corporations Act and the Listing Rules:

(i) Shares in Spectur are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and

(ii) the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration

(i) **Variation of rights attaching to Shares**: The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.

(j) **General meeting**: Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of Spectur and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

## 7.2 Terms and conditions of Free Attaching Options

The terms and conditions of the Free Attaching Options are set out below:

(a) **Entitlement**: Each Free Attaching Option entitles the holder (**Option Holder**) to subscribe for 1 fully paid ordinary Share in Spectur.

(b) **Exercise price**: The exercise price of each Free Attaching Option is $0.20 (**Exercise Price**).

(c) **Expiry date**: Each Free Attaching Option may be exercised at any time before 5.00pm (WST) on 31 December 2020 (**Expiry Date**). A Free Attaching Option that is not exercised by the Expiry Date will automatically expire.

(d) **Certificate or holding statement**: Spectur must give the Option Holder a certificate or holding statement stating:

(i) the number of Free Attaching Options issued to the Option Holder;

(ii) the Exercise Price of the Free Attaching Options; and

(iii) the date of issue of the Free Attaching Options.

(e) **Transfer**:

(i) The Free Attaching Options are transferable, subject to any restrictions on transfer under the Corporations Act or the Listing Rules, as applicable.

(ii) Subject to the Corporations Act or the Listing Rules, the Option Holder may transfer some or all of the Free Attaching Options at any time before the Expiry Date by:

A. a proper ASX Settlement transfer or any other method permitted by the Corporations Act; or

B. a prescribed instrument of transfer.

(f) **Instrument of transfer**: An instrument of transfer of a Free Attaching Option must be:

(i) in writing;

(ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;

(iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by Spectur, the transferee; and

(iv) delivered to Spectur, at the place where Spectur's register of Option Holders is kept, together with the certificate (if any) of the Free Attaching Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Free Attaching Option, the right of the transferor to transfer that Free Attaching Option and the proper execution of the instrument of transfer.

(g) **Quotation**:

(i) **quotation of Options**: Spectur will apply to ASX for official quotation of the Free Attaching Options; and

(ii) **quotation of Shares**: Spectur will apply to ASX for official quotation of the Shares issued on exercise of Free Attaching Options.

(h) **Rights of participation**: If and for the period that Spectur is admitted to the official list of ASX:

(i) **New issues**: The Option Holder is not entitled to participate in any new issue to Spectur's shareholders of securities in Spectur unless they have exercised their Free Attaching Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

Spectur must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(ii) **Bonus issues**: If Spectur makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) (**Bonus Issue**) and a Share has not been issued in respect of the Free Attaching Option before the record date for determining entitlements to the Bonus Issue, then the number of underlying Shares over which the Free Attaching Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Free Attaching Option before the record date for determining entitlements to the Bonus Issue.

(iii) **Pro rata issues**: If Spectur makes a pro rata issue of Shares (except a Bonus Issue) to shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) (**Pro Rata Issue**) and a Share has not been issued in respect of the Free Attaching Option before the record date for determining entitlements to the Pro Rata Issue, the Exercise Price of each Free Attaching Option will be reduced in accordance with the Listing Rules.

(i) **Reorganisation**: For the period that Spectur is admitted to the official list of ASX:

(i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of Spectur (**Reorganisation**), then the rights of the Option Holder (including the number of Free Attaching Options to which the Option Holder is entitled and the Exercise Price) will be changed to the extent

necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the Reorganisation.

(ii) Any calculations or adjustments which are required to be made will be made by Spectur's Directors and will, in the absence of manifest error, be final and conclusive and binding on Spectur and the Option Holder.

(iii) Spectur must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Free Attaching Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Free Attaching Option.

(j) **Exercise**:

(i) To exercise Free Attaching Options, the Option Holder must give Spectur or its securities registry, at the same time:

A. a written exercise notice (in the form approved by the board of Spectur from time to time) specifying the number of Free Attaching Options being exercised and Shares to be issued;

B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by Spectur; and

C. any certificate for the Free Attaching Options.

(ii) The Option Holder may only exercise Free Attaching Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.

(iii) Free Attaching Options will be deemed to have been exercised on the date the exercise notice is lodged with Spectur or its securities registry.

(k) **Re-issue of certificate or holding statement**: If the Option Holder exercises less than the total number of Free Attaching Options registered in the Option Holder's name:

(i) the Option Holder must surrender their Free Attaching Option certificate (if any); and

(ii) Spectur must cancel the Option certificate (if any) and issue the Option Holder a certificate or holding statement stating the remaining number of Free Attaching Options held by the Option Holder.

(l) **Issue**:

(i) Within 10 days after receiving an application for exercise of Free Attaching Options and payment by the Option Holder of the Exercise Price, Spectur must issue the Option Holder the number of Shares specified in the application.

(ii) Subject to Spectur's Constitution, all Shares issued on the exercise of Free Attaching Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of Spectur at the date of issue.

(m) **Governing law**: These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

(n) **Amendments required by ASX**: These terms and conditions of Free Attaching Options may be amended as necessary by Spectur's Board of Directors in order to comply with the Listing Rules (if applicable), or any directions of ASX (if applicable)

regarding the terms and conditions of Free Attaching Options, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Option Holder are not diminished or terminated following such amendment.

## 7.3 Terms and conditions of Lead Manager Options

The terms and conditions of the Lead Manager Options are set out below:

(a) **Entitlement**: Each Lead Manager Option entitles the holder (**Option Holder**) to subscribe for 1 fully paid ordinary Share in Spectur.

(b) **Exercise price**: The exercise price of each Lead Manager Option is $0.50 (**Exercise Price**).

(c) **Expiry date**: Each Lead Manager Option may be exercised at any time before 5.00pm (WST) on 31 December 2020 (**Expiry Date**). A Lead Manager Option that is not exercised by the Expiry Date will automatically expire.

(d) **Certificate or holding statement**: Spectur must give the Option Holder a certificate or holding statement stating:

(i) the number of Lead Manager Options issued to the Option Holder;

(ii) the Exercise Price of the Lead Manager Options; and

(iii) the date of issue of the Lead Manager Options.

(e) **Transfer**:

(i) The Lead Manager Options are transferable, subject to any restrictions on transfer under the Corporations Act or the Listing Rules, as applicable.

(ii) Subject to the Corporations Act or the Listing Rules, the Option Holder may transfer some or all of the Lead Manager Options at any time before the Expiry Date by:

A. a proper ASX Settlement transfer or any other method permitted by the Corporations Act; or

B. a prescribed instrument of transfer.

(f) **Instrument of transfer**: An instrument of transfer of a Lead Manager Option must be:

(i) in writing;

(ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;

(iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by Spectur, the transferee; and

(iv) delivered to Spectur, at the place where Spectur's register of Option Holders is kept, together with the certificate (if any) of the Lead Manager Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Lead Manager Option, the right of the transferor to transfer that Lead Manager Option and the proper execution of the instrument of transfer.

(g) **Quotation**:

(i) **quotation of Options**: Spectur does not intend to apply to ASX for official quotation of the Lead Manager Options; and

(ii) **quotation of Shares**: Spectur will apply to ASX for official quotation of the Shares issued on exercise of Lead Manager Options.

(h) **Rights of participation**: If and for the period that Spectur is admitted to the official list of ASX:

(i) **New issues**: The Option Holder is not entitled to participate in any new issue to Spectur's shareholders of securities in Spectur unless they have exercised their Lead Manager Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

Spectur must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(ii) **Bonus issues**: If Spectur makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) (**Bonus Issue**) and a Share has not been issued in respect of the Lead Manager Option before the record date for determining entitlements to the Bonus Issue, then the number of underlying Shares over which the Lead Manager Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Lead Manager Option before the record date for determining entitlements to the Bonus Issue.

(iii) **Pro rata issues**: If Spectur makes a pro rata issue of Shares (except a Bonus Issue) to shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) (**Pro Rata Issue**) and a Share has not been issued in respect of the Lead Manager Option before the record date for determining entitlements to the Pro Rata Issue, the Exercise Price of each Lead Manager Option will be reduced in accordance with the Listing Rules.

(i) **Reorganisation**: For the period that Spectur is admitted to the official list of ASX:

(i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of Spectur (**Reorganisation**), then the rights of the Option Holder (including the number of Lead Manager Options to which the Option Holder is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the Reorganisation.

(ii) Any calculations or adjustments which are required to be made will be made by Spectur's Directors and will, in the absence of manifest error, be final and conclusive and binding on Spectur and the Option Holder.

(iii) Spectur must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Lead Manager Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Lead Manager Option.

(j) **Exercise**:

(i) To exercise Lead Manager Options, the Option Holder must give Spectur or its securities registry, at the same time:

A. a written exercise notice (in the form approved by the board of Spectur from time to time) specifying the number of Lead Manager Options being exercised and Shares to be issued;

B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by Spectur; and

C. any certificate for the Lead Manager Options.

(ii) The Option Holder may only exercise Lead Manager Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.

(iii) Lead Manager Options will be deemed to have been exercised on the date the exercise notice is lodged with Spectur or its securities registry.

(k) **Re-issue of certificate or holding statement**: If the Option Holder exercises less than the total number of Lead Manager Options registered in the Option Holder's name:

(i) the Option Holder must surrender their Lead Manager Option certificate (if any); and

(ii) Spectur must cancel the Option certificate (if any) and issue the Option Holder a certificate or holding statement stating the remaining number of Lead Manager Options held by the Option Holder.

(l) **Issue**:

(i) Within 10 days after receiving an application for exercise of Lead Manager Options and payment by the Option Holder of the Exercise Price, Spectur must issue the Option Holder the number of Shares specified in the application.

(ii) Subject to Spectur's Constitution, all Shares issued on the exercise of Lead Manager Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of Spectur at the date of issue.

(m) **Governing law**: These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

(n) **Amendments required by ASX**: These terms and conditions of Lead Manager Options may be amended as necessary by Spectur's Board of Directors in order to comply with the Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms and conditions of Lead Manager Options, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Option Holder are not diminished or terminated following such amendment.

# 8. Continuous Disclosure Documents

## 8.1 Continuous disclosure obligations

This is a Prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering Prospectus.

The Company is a "disclosing entity" for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus. Further, the Company will apply for quotation of the Free Attaching Options to be issued under this Prospectus, which are also options to subscribe for continuously quoted securities (i.e. Shares).

## 8.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company's 2017 annual financial report to shareholders on 30 August 2017:

| Date | Description of ASX Announcement |
|---|---|
| 1 December 2017 | Appendix 3B |
| 29 November 2017 | Spectur Completes Placement and announces SPP |
| 27 November 2017 | Trading Halt |
| 17 November 2017 | Market Update |
| 17 November 2017 | Investor Presentation - November 2017 |
| 8 November 2017 | Results of Meeting |
| 7 November 2017 | Spectur lodges patents for innovative new technologies |
| 6 November 2017 | Spectur to expand into Queensland market through acquisition |
| 31 October 2017 | Appendix 4C - quarterly |
| 31 October 2017 | Quarterly Activities Report |
| 6 October 2017 | Notice of Annual General Meeting/Proxy Form |
| 6 October 2017 | Trading Update - Strong growth from the September Quarter |
| 30 August 2017 | Appendix 4G |

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

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website (www.spectur.com.au) or at ASX's website (www.asx.com.au using ASX Code 'SP3').

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the Prospectus Date until the Closing Date:

- the annual financial report of the Company for the financial year ended 30 June 2017, being the annual financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus; and

- any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in Section  above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

# 9. Additional Information

## 9.1 General Meeting

The Board intends to hold a General Meeting of its Shareholders on or about Monday, 15 January 2018 at which Shareholder approvals will be sought for the issue of the Offer Securities, including the New Shares and Free Attaching Options under the Security Purchase Plan, Shortfall Offer and Director Offer, the Free Attaching Options under the Placement Option Offer, and the Lead Manager Options under the Lead Manager Option Offer, and for the placement of any remaining Offer Securities within the 3 month period after the close of the Offers.

The issue of Offer Securities under the Offers, and the placement of any remaining Offer Securities is conditional on the approval of Shareholders being obtained at the General Meeting.

The final date of the General Meeting may change, but the Board intends to convene the meeting as early as practicable.

## 9.2 Material and related party contracts

### (a) Lead Manager Mandate

Spectur and the Lead Manager have entered into a corporate advisory and capital raising mandate under which the Lead Manager was appointed to act as the sole and exclusive lead manager to the Security Purchase Plan and Placement (**Lead Manager Mandate**).

Pursuant to the Lead Manager Mandate, the Lead Manager is entitled to be paid or issued (as applicable), the following:

- a fee of 6% of the of the total amount raised under the Security Purchase Plan and Placement; and
- 2,000,000 Lead Manager Options (offered under this Prospectus pursuant to the Lead Manager Option Offer); and
- reimbursement of the Lead Manager's reasonable costs, professional fees and expenses in relation, and incidental, to the Placement and Security Purchase Plan.

### (b) Employment contracts with executives

Spectur has entered into an Executive Employment Contract with each of its Executive Directors, Richard Wilkins and Peter Holton, and its Technology and Development Manager, Dr Nick Le Marshall, on substantially the same terms.

Spectur employs:

- Mr Wilkins on a full time basis as its Executive Chairman;
- Mr Holton on a full time basis as its Managing Director; and
- Dr Le Marshall on a full time basis as Technology and Development Manager.

Each Executive Director is entitled to receive an annual salary of $190,000 (plus superannuation) and a vehicle allowance of $15,000 per annum.

Dr Le Marshall is entitled to receive an annual salary of $180,000 (plus superannuation) for the first 12 months, and $200,000 (plus superannuation) thereafter (unless agreed otherwise).

Each executive must discharge his duties in accordance with the Constitution of Spectur, the Corporations Act, the Listing Rules and the corporate governance policies of Spectur (as applicable).

Each executive must make all necessary disclosures to Spectur in relation to all interests and matters which impact his independence and any matters which may give rise to a conflict of interest

Each executive must keep information regarding Spectur confidential, except if disclosure is required by law or Spectur provides prior written consent.

Each executive assigns to Spectur all existing and future intellectual property rights in all inventions, designs, works and subject matter created or conceived by him in the performance of his duties or using any of Spectur's resources.

Each executive or Spectur may terminate the contract by giving 6 months' written notice. Spectur may make payment in lieu of notice.

Spectur may otherwise terminate the employment immediately for misconduct or other matters that are usual grounds for summary dismissal.

Each executive is subject to post-employment restraints on engaging in a business of the same or substantially similar nature to Spectur and soliciting Spectur's employees, suppliers or clients. The restraint has potential effect globally for up to 18 months following termination of employment.

(c) **Directors' indemnity and insurance deeds**

The Company has entered into deeds of access, indemnity and insurance with each Director and its Company Secretary.

Under the deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- indemnify each Director and the Company Secretary (each an **Officer**) in certain circumstances;
- maintain directors' and officers' insurance cover (if available) in favour of each Officer whilst an Officer and for 7 years after the Officer has ceased to be an Officer;
- cease to maintain directors' and officers' insurance cover in favour of each Officer if the Company reasonably determines that the type of coverage is no longer available; and
- provide access to any Company records which are relevant to the Officer's holding of office with the Company, for a period of 7 years after the Officer has ceased to be an Officer.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

## 9.3 Litigation

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

## 9.4 Security holding interests of Directors

At the Prospectus Date the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

| Director | Shares | Options | Performance Rights |
|---|---|---|---|
| Richard Wilkins | 1,642,500 | 2,000,000 | 10,000,000 |
| Peter Holton | 1,642,500 | 2,000,000 | 10,000,000 |
| Stephen Bodeker | 25,000 | 250,000 | Nil |
| Andrew Hagen | 25,000 | 500,000 | Nil |
| **Totals** | **3,750,000** | **4,600,000** | **20,000,000** |

**Notes:**

1. Of the Securities in which Richard Wilkins has a relevant interest, Mr Wilkins has an indirect interest in 2,000,000 Options and 50,000 Shares held by Space Nominees Pty Ltd, being a company controlled by Mr Wilkins.
2. Of the Securities in which Peter Holton has a relevant interest, Mr Holton holds 1,570,000 Shares jointly with Sarah Holton as trustee for the Holton Family Superfund A/C. He also has an indirect interest in 22,500 Shares held by Chelsea Brook Pty Ltd, being a company controlled by Mr Holton.
3. Mr Hagen has an indirect interest in the Shares and Options listed above as they are held by Breakwater (WA) Pty Ltd, being a company controlled by Mr Hagen. 250,000 of the Options are held by Breakwater (WA) Pty Ltd as trustee for Breakwater (WA) A/C.

## 9.5 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors, as determined by the Company prior to the first annual general meeting. Such payment, in relation to Non-Executive Directors, is to be paid by way of a fixed sum and not by a commission or percentage of operating revenue or Company profits. The sum fixed, which is currently $250,000, may be divided amongst the Directors as they may from time to time agree or, in the absence of agreement, in equal shares.

Subject to the provisions of any contract between the Company and any Executive Director, the remuneration for Executive Directors may be fixed by the Directors from time to time.

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

The table below sets out the current cash remuneration of each Director.

| Director | Financial year ended 30 June 2016 | Financial year ended 30 June 2017 |
|---|---|---|
| Richard Wilkins<br>(appointed 22 October 2009) | $136,000 | $195,000 |
| Peter Holton<br>(appointed 9 March 2017) | $135,000 | $185,000 |
| Stephen Bodeker<br>(appointed 9 June 2017) | N/A | $4,858, comprising:<br>• Director fee of $2,154;<br>• superannuation of $204; and<br>• Share based payments to the value of $2,500. |

| Director | Financial year ended 30 June 2016 | Financial year ended 30 June 2017 |
|---|---|---|
| Andrew Hagen<br>(appointed 9 June 2017) | N/A | $4,858, comprising:<br>• Director fee of $2,358; and<br>• Share based payments to the value of $2,500. |
| Japheth Dela Torre<br>(appointed 22 March 2017, resigned 9 June 2017) | N/A | $34,000 |

**Notes:**

1. Mr Wilkins and Mr Holton provided consulting and management services to the Company prior to their full time employment starting on 1 July 2017.
2. Mr Wilkins became a full time employee only on 1 July 2017. Prior to this, he provided consulting and management services through a related entity, Space Nominees Pty Ltd (**Space Nominees**). During financial year ended 30 June 2017, a total of $195,000 was recognised as an expense by the Company for consulting and management services, associated services and reimbursements (2016: $136,000).
3. Mr Holton became a full time employee only on 1 July 2017. Prior to this, he provided consulting and management services through a related entity, Chelsea Brook Pty Ltd (**Chelsea Brook**). During financial year ended 30 June 2017, a total of $185,000 was recognised as an expense by the Company for consulting and management services, associated services and reimbursements (2016: $135,000).
4. Mr Bodeker and Mr Hagen were appointed as Non-Executive Directors on 9 June 2017. Their remuneration was effective from that date.
5. Prior to the Company's admission to the official list of ASX, Mr Dela Torre acted as a company secretary of the Company. Mr Dela Torre is employed by Cobblestones Corporate Pty Ltd, which was engaged by the Company pursuant to a corporate secretarial services agreement. During financial year ended 30 June 2017, company secretarial services charged to the Company totalled $34,000 (2016: $Nil).

Further information relating to the remuneration of Directors can be found in the Company's 2017 Annual Report, which can be found on the Company's website (www.spectur.com.au) or ASX announcements webpage for the Company (ASX Code: SP3).

## 9.6 Expenses of the Offers

The expenses of the Offers (assuming full subscription) are expected to comprise the following estimated costs.

| Expense | Amount |
|---|---|
| ASIC fees | $2,400 |
| ASX fees | $10,534 |
| Legal fees (exclusive of GST) | $15,000 |
| Printing, distribution and Share Registry expenses | $4,000 |
| Brokerage | $170,640 |
| **TOTAL** | **$202,574** |

## 9.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- all other persons 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 do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
    - the formation or promotion of the Company;
    - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
    - the Offers; and
- amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefits have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

| Expert/advisor | Service or function | Amount paid or to be paid |
|---|---|---|
| Jackson McDonald (a partnership) | Solicitors to the Offers | Jackson McDonald will be paid approximately $15,000 (plus GST) for services related to this Prospectus and the Offers.<br>Including the fees above, Jackson McDonald has been paid or is entitled to be paid approximately $184,220 (plus GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date. |
| HLB Mann Judd (WA Partnership) | Auditor | HLB Mann Judd has been paid or is entitled to be paid approximately $47,500 (plus GST) for audit and investigating accountant services provided to Spectur in the period 2 years prior to the Prospectus Date. |
| ACNS Capital Markets Pty Ltd trading as Alto Capital | Lead Manager | ACNS Capital Markets Pty Ltd trading as Alto Capital has been engaged to act as Lead Manager with respect to the Security Purchase Plan and Placement and is entitled to be paid the amount set out in Section 9.2(a) (plus GST) in respect of these services.<br>Separate from the fees payable to the Lead Manager for services as Lead Manager, the Lead Manager has been paid or is entitled to be paid approximately $420,008 (plus GST) for services provided to Spectur in the period 2 years prior to the Prospectus Date. |
| Automic Pty Ltd trading as Automic Registry Services | Share Registry | Automic Pty Ltd trading as Automic Registry Services will be paid approximately $4,000 (plus GST) for services to be provided in relation to printing and despatch of this Prospectus and for receiving and managing Applications under the Offers.<br>In addition, it has been paid or is entitled to be paid approximately $8,379 (including GST) for the provision of share registry services to the Company in the period 2 years prior to the Prospectus Date. |

## 9.8 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 month period prior to the date of this Prospectus is set out in the table below.

| | Price | Date(s) |
|---|---|---|
| Highest | $0.48 | 21 November 2017 |
| Lowest | $0.25 | 26 September 2017<br>27 September 2017<br>4 October 2017 |
| Latest | $0.45 | 4 December 2017 |

**Note:** Trading data prepared by ASX, who has not consented to its use in this Prospectus.

## 9.9 Consents and liability statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

| Party | Capacity in which named | Statement or report in this Prospectus |
|---|---|---|
| Jackson McDonald (a partnership) | Solicitors to the Offers | Not applicable |
| Automic Pty Ltd trading as Automic Registry Services | Share Registry | Not applicable |
| HLB Mann Judd (WA Partnership) | Auditor | Audited accounts as at 30 June 2017 set out in Section 5.3, on which the pro forma statement of financial position is based. |
| ACNS Capital Markets Pty Ltd trading as Alto Capital | Lead Manager | Not applicable |

Each of the parties named above as providing their consent:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 9.9; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 9.8.

# 10. Directors' Statement

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:



**Richard Wilkins**
Executive Chairman

Date:5th December 2017

# 11. Glossary of Terms

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| **A$ or $** | Australian dollars. |
| **Applicant** | A person who applies for Offer Securities under and in accordance with this Prospectus. |
| **Application** | A valid application for Offer Securities offered under this Prospectus. |
| **Application Form** | The application forms that accompany this Prospectus, being the Security Purchase Plan Application Form, the Shortfall Offer Application Form, the Placement Option Offer Application Form, the Director Offer Application Form, and the Lead Manager Option Offer Application Form, or any one or more of those applications forms as the case may be. |
| **Application Moneys** | Money received from an Applicant in respect of an Application. |
| **ASIC** | The Australian Securities and Investments Commission. |
| **ASX** | ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'. |
| **ASX Settlement** | ASX Settlement Pty Limited (ACN 008 504 532). |
| **ASX Settlement Rules** | The settlement rules of ASX Settlement. |
| **Board** | The board of Directors of the Company. |
| **Business Day** | Has the meaning given to that term in the Listing Rules. |
| **CHESS** | Clearing House Electronic Sub-register System operated by ASX Settlement. |
| **CHESS Statement or Holding Statement** | A statement of shares registered in a CHESS account. |
| **Closing Date** | The closing date of the Offers, being 5.00pm WST on Friday, 12 January 2018. |
| **Company** or **Spectur** | Spectur Limited (ACN 140 151 579). |
| **Constitution** | The constitution of the Company. |
| **Corporations Act** | *Corporations Act 2001* (Cth). |
| **Custodian** | A custodian, trustee or nominee holder of Shares within the meaning of "custodian" in ASIC Class Order 09/425. |
| **Director** | A director of the Company as at the Prospectus Date. |
| **Director Offer** | The offer under this Prospectus of 100,000 Shares and 25,000 Free Attaching Options to the Director Offerees. |
| **Director Offerees** | Mr Charles Richard Wallace Wilkins and Mr Peter William Holton (or their nominee(s)), being the persons to whom the Director Offer is made. |

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| **Director Offer Application Form** | The application form for New Shares and Free Attaching Options offered pursuant to the Director Offer that accompanies this Prospectus. |
| **Eligible Shareholder** | A Shareholder who is registered as the holder of Shares on the Record Date and is resident in Australia or New Zealand. |
| **Executive Director** | An executive Director of the Company. |
| **Free Attaching Option** | The Options offered under the Security Purchase Place, Shortfall Offer and Placement Option Offer, being exercisable at $0.20 each on or before 31 December 2020, and otherwise on the terms and conditions set out in Section 7.2. |
| **General Meeting** | The general meeting of Shareholders proposed to be held on or about Monday, 15 January 2018. |
| **GST** | Goods and services tax. |
| **Lead Manager** | ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN 088 503 208) AFSL 279099. |
| **Lead Manager Mandate** | The lead manager mandate between the Company and the Lead Manager, as described in Section 9.2(a). |
| **Lead Manager Option Offer** | The offer under this Prospectus of 2,000,000 Lead Manager Options to the Lead Manager at an issue price of $0.001 each to raise up to $2,000 (before costs). |
| **Lead Manager Option Offer Application Form** | The application form for the Lead Manager Options that accompanies this Prospectus. |
| **Lead Manager Options** | The Options offered under the Lead Manager Option Offer, being exercisable at $0.50 each on or before 31 December 2020, and otherwise on the terms and conditions set out in Section 7.3. |
| **Listing Rules** | The official listing rules of ASX. |
| **New Share** | A new Share, which the Company may issue to investors under the Security Purchase Plan or Shortfall Offer. |
| **Non-Executive Director** | A non-executive Director of the Company. |
| **Offer Period** | With respect to an Offer, the period commencing on the Opening Date and ending on the Closing Date. |
| **Offer Price** | $0.36 per New Share. |
| **Offer Securities** | The Securities offered under this Prospectus, being the New Shares and Free Attaching Options under the Security Purchase Plan and Shortfall Offer, the Free Attaching Options under the Placement and the Lead Manager Options under the Lead Manager Option Offer, or any of those Securities as the case may be. |
| **Offers** | The Security Purchase Plan, Shortfall Offer, Placement Option Offer and Lead Manager Option Offer, or any one or more of those offers as the case may be. |
| **Official Quotation** | The admission of Securities to the official list of the ASX. |

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| **Opening Date** | The opening date of the Offers, being Thursday, 7 December 2017. |
| **Option** | An option to subscribe for a Share. |
| **Performance Right** | A right to acquire a Share. |
| **Placement** | The placement by the Company of up to 6,000,000 Shares at an issue price of $0.36 each, with one Free Attaching Option for every four Shares issued, to sophisticated and professional investors to raise up to $2,160,000, as described in Section 1.2. |
| **Placement Option Offer** | The offer under this Prospectus of 1,500,000 Free Attaching Options to Placement Participants. |
| **Placement Option Offer Application Form** | The application form for the Free Attaching Options offered under the Placement Option Offer that accompanies this Prospectus. |
| **Placement Participant** | A participant in the Placement. |
| **Privacy Act** | *Privacy Act 1988* (Cth). |
| **Prospectus** | This document, including the Application Form. |
| **Prospectus Date** | The date of lodgement of this Prospectus with ASIC, being Friday, 5 December 2017. |
| **Record Date** | The date at which entitlement of Shareholders to participate in the Security Purchase Plan is determined, being 5.00pm (WST) on Tuesday, 28 November 2017. |
| **Related Bodies Corporate** | Has the meaning given to that term in the Corporations Act. |
| **Section** | A section of this Prospectus. |
| **Securities** | Has the meaning given to that term in section 761A of the Corporations Act and includes a Share, an Option and a Performance Right. |
| **Security Purchase Plan** | The offer to each Eligible Shareholder of up to 13,889 New Shares at an issue price of $0.36 per Share totalling $5,000, and one Free Attaching Option for every four New Shares issued. |
| **Security Purchase Plan Application Form** | The application form for the New Shares and Free Attaching Options offered under the Security Purchase Plan that accompanies this Prospectus. |
| **Share** | A fully paid ordinary share in the capital of the Company. |
| **Shareholder** | The holder of a Share. |
| **Share Registry** | The Company's Share Registry, Automic Pty Ltd trading as 'Automic Registry Services'. |
| **Shortfall** | The shortfall to the Security Purchase Plan. |
| **Shortfall Offer** | The offer of the Shortfall. |

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| **Shortfall Offer Application Form** | The application form for the New Shares and Free Attaching Options offered under the Shortfall Offer that accompanies this Prospectus. |
| **Shortfall Securities** | The New Shares and Free Attaching Options offered under the Shortfall Offer. |
| **WST** | Western Standard Time, being the time in Perth, Western Australia. |