

18 November 2016



## ASX Release

(ASX:FCN)

*By e-lodgement*

### Lodgement of Prospectus

Falcon Minerals Limited (“**Falcon**” or “**Company**”) is pleased to announce the lodgement of its Prospectus in respect to its acquisition of 100% of the share capital in Robo 3D Inc. via its acquisition of 100% of the issued capital of Albion 3D Investments Pty Ltd pursuant to the Revised Term Sheet dated 8 September 2016.

The Prospectus is attached.

**ENDS**

For further information:

**Falcon Minerals Limited**

Ron Smit

*Managing Director*

*Tel: +61 8 9382 1596*

[www.falconminerals.com.au](http://www.falconminerals.com.au)

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# robo

## PROSPECTUS

Falcon Minerals Limited (to be renamed Robo 3D Limited) ACN 009 256 535

**Falcon Minerals Limited**  
**(to be renamed Robo 3D Limited)**  
**ACN 009 256 535**

**PROSPECTUS**

**An offer of 40,000,000 Shares at an issue price of \$0.10 per Share (on a Post-Consolidation basis) to raise \$4,000,000 (before expenses of the Offers), with the ability to offer up to a further 20,000,000 Shares, to raise a further \$2,000,000 for a total raising of up to \$6,000,000 (Public Offer).**

This Prospectus also contains the following offers (under which no funds will be raised):

- An offer of 98,488,030 Shares to the Albion 3D Vendors (**Albion 3D Vendor Offer**). Refer to Sections 1.5 and 4.1 for further details of the Albion 3D Vendor Offer.
- An offer of 43,629,264 Shares to the ROBO 3D Vendors (**ROBO 3D Vendor Offer**). Refer to Sections 1.5 and 4.1 for further details of the ROBO 3D Vendor Offer.
- An offer of up to 4,899,902 Executive Performance Rights to Mr Ryan Legudi and Mr Tim Grice (**Executive Offer**). Refer to Sections 1.5 and 4.1 for further details of the Executive Offer.
- An offer of up to 5,599,888 Founder Performance Rights to Mr Brandon Moreno and Mr Jacob Kabili (**Founder Offer**). Refer to Sections 1.5 and 4.1 for further details of the Founder Offer.
- An offer of up to 3,499,930 Employee Performance Rights to Employees of the Company and its Subsidiaries (**Employee Offer**). Refer to Sections 1.5 and 4.1 for further details of the Employee Offer.
- An offer of 13,999,720 Advisor Options to the Advisors (**Advisor Offer**). Refer to Sections 1.5 and 4.1 for further details of the Advisor Offer.

**The Offers are conditional upon the Conditions of the Offers outlined in Section 4.7 being satisfied. In the event that the Conditions of the Offers are not satisfied the Company will not proceed with the Offers and the Company will repay all application monies received.**

**This Prospectus is dated 18 November 2016 and relates to Securities of Falcon Minerals Limited (to be renamed Robo 3D Limited).**

**This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy ASX requirements for re-admission to the Official List following a change to the nature and scale of the Company's activities.**

**The Corporate Advisors to the Public Offer are Forrest Capital Pty Ltd and GTT Ventures Pty Ltd**

<p style="text-align: center;">This is an important document. Please consult your professional advisor(s) if you have any questions. Accordingly investment in the Securities offered by this Prospectus should be regarded as speculative in nature, and investors should be aware that they may lose some or all of their investment. Hard copies of this Prospectus may be inspected at both the Company's Share Registry and the registered office.</p>
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# Corporate Directory

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## Current Directors

Richard Diermayer (Chairman)  
Ronald Smit (Managing Director)  
Raymond Muskett (Non-Executive Director)

## Proposed Directors following re-compliance

Ryan Legudi (Managing Director)  
Tim Grice (Director of Corporate Development)  
Braydon Moreno (Director of Marketing)  
Patrick Glovac (Non-Executive Director)

## Current Company Secretary

Dean Calder

## Proposed Company Secretary following re-compliance

Justin Mouchacca

## Registered Office

Calder Roth & Co  
Level 2, 34 Colin Street  
West Perth, WA, 6005

## Principal Place of Business

Suite 1, 245 Churchill Avenue  
Subiaco WA 6008  
Telephone: +61 (8) 9382 1596  
Facsimile: +61 (8) 9382 4637  
Website: [www.falconminerals.com.au](http://www.falconminerals.com.au)

## Securities Exchange Listing

ASX Limited  
Current ASX Code: FCN  
**Proposed New ASX Code: RBO**

## Share Registry\*

Advanced Share Registry Services Ltd  
110 Stirling Highway  
Nedlands WA 6009

Investor enquiries:

Telephone: +61 8 9389 8033  
Facsimile: +61 8 9262 3723

## Solicitors

Nova Legal  
Level 2, 50 Kings Park Road  
West Perth WA 6005

## Investigating Accountant

BDO Corporate Finance (East Coast) Pty Ltd  
Level 14, 140 William Street  
Melbourne VIC 3000

## Corporate Advisors

Forrest Capital Pty Ltd  
Unit 8-9, 88 Forrest Street  
Cottesloe WA 6011

GTT Ventures Pty Ltd  
Suite 7, 234 Churchill Avenue  
Subiaco WA 6008

## Current Auditors \*

Stantons International  
Level 2, 1 Walker Avenue  
West Perth WA 6005

## Proposed Auditors on and from the General Meeting\*

BDO East Coast Partnership  
Level 14, 140 William Street  
Melbourne VIC 3000

## RBO Website

[www.rob3d.com](http://www.rob3d.com)

\* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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# Important Information

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## CHANGE IN NATURE AND SCALE OF ACTIVITIES AND RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE LISTING RULES

As announced to ASX on 3 December 2015, the Company originally signed a binding term sheet with Albion 3D Investments Pty Ltd (**Albion 3D**), Oaktone, ACP, Ryan Legudi and Tim Grice for the acquisition of 100% of the issued capital of Albion 3D on a debt-free basis (**Original Term Sheet**). Albion 3D had been funding and, at the time, held the rights to acquire 51% of ROBO 3D, Inc. (**ROBO 3D**) pursuant to the Stock Purchase Agreement.

On 8 September 2016, the Company announced that it had successfully renegotiated the Original Term Sheet with Albion 3D, Jacob Kabili and Braydon Moreno (the Founders of ROBO 3D), Oaktone, ACP, Ryan Legudi and Tim Grice (**Revised Term Sheet**). The Revised Term Sheet, replaced and superseded the Original Term Sheet, and provided the Company with a legally binding agreement to:

- (a) acquire 100% of the issued capital of Albion 3D on a debt free basis from the shareholders of Albion 3D (**Albion 3D Vendors**); and
- (b) acquire 100% of the issued capital of ROBO 3D (previously 51% under the Original Term Sheet) pursuant to the terms of the Stock Purchase Agreement and the Revised Term Sheet, (the **Acquisition**).

Please refer to Section 3 for information on the Albion 3D Vendors, the ROBO 3D Vendors and ROBO 3D, and Section 8.1 for further details of the key terms and conditions on which the Acquisition is to be completed.

The Company's proposed acquisition of ROBO 3D will involve a significant change in the nature and scale of the Company's activities which requires approval of Shareholders under Chapter 11 of the Listing Rules. At the General Meeting held on 18 November 2016 the Company obtained Shareholder approval for the acquisition of ROBO 3D and the change in the nature and scale of the Company's activities.

The Company must comply with ASX requirements to re-list on ASX, which include re-complying with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to meet these requirements. The Offers under this Prospectus is conditional on the satisfaction of certain conditions. Refer to Section 4 for further details.

The Company's Shares are currently suspended from trading on ASX, and will continue to be suspended from the date of the General Meeting referred to above and will not be reinstated until satisfaction of the Conditions of the Offers and ASX approving the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotations on ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on ASX, then the Company will not proceed with the Offers and will repay all Application Monies received.

## GENERAL

This Prospectus is dated 18 November 2016 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

The expiry date (**Prospectus Expiry Date**) of this Prospectus is 13 months after the date it was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after the Prospectus Expiry Date.

This Prospectus will generally be made available in electronic form during the Exposure Period by being posted on the Company's website at [www.falconminerals.com.au](http://www.falconminerals.com.au). Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's principal place of business during the Offer Period by contacting the Company. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications for Securities will only be accepted on the Application Form in its paper copy form as downloaded in its entirety from [www.falconminerals.com.au](http://www.falconminerals.com.au). The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers other than as is contained in this Prospectus. Any information or representation not contained in the Prospectus should not be relied on as having been made or authorised by the Company or its Directors in connection with the Offers.

The Company will make application within 7 days of the date of this Prospectus for Official Quotation of the Shares.

Defined terms and abbreviations used in this Prospectus are explained in the glossary in Section 12.

#### FORWARD-LOOKING STATEMENTS

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key Risk Factors are highlighted in the investment risks table below and detailed in Section 1.3 and Section 9. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

#### OVERSEAS INVESTORS

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable Securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The securities being offered pursuant to this Prospectus have not been registered under the *United States Securities Act of 1933*, as amended (**US Securities Act**) and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable United State securities laws. This Prospectus does not constitute an offer to sell, or the

solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

### EXPOSURE PERIOD

Applications for Securities under this Prospectus will not be processed until after expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date. If the Exposure Period is extended by ASIC, Applications will not be processed until after expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to the acceptance of Applications and the raising of funds. That examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

### SPECULATIVE INVESTMENT

The Securities offered under this Prospectus are considered speculative. There is no guarantee that the Securities offered by this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 9 for details relating to the investment risks.

### APPLICATION FOR SECURITIES UNDER THIS PROSPECTUS

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for the Securities offered by this Prospectus have any questions, they should consult their stockbroker, solicitors, accountants or professional advisors for advice. Prospective investors wishing to subscribe for Securities should complete the Application Form.

### CONSOLIDATION

Unless stated otherwise, all references to Securities of the Company as set out in this Prospectus are on the basis that the Consolidation has occurred (for which Shareholder approval was obtained at the General Meeting held on 18 November 2016).

### IMAGES AND DIAGRAMS

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Photographs and images in this Prospectus are also for illustration and/or example purposes only; and may not represent assets owned by the Company, Albion 3D and ROBO 3D; and may not represent actual products, premises, customers or staff of the Company, Albion 3D or ROBO 3D; and should not be interpreted to mean that any product, brand, person or entity shown is in any way affiliated with, or endorses this Prospectus or its contents, or the Company, Albion 3D or ROBO 3D.

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## 1. INVESTMENT OVERVIEW

robo

robo

# 1. Investment Overview

The information in this Investment Overview is a selective overview only. Prospective investors should read the Prospectus in full, including the full risk factors set out in Section 9, the financial information in Section 6 and the Investigating Accountants Report in Section 7, before deciding to invest in Securities.

## 1.1 Key Information

Topic	Summary	Section Reference
<b>Acquisition of ROBO 3D</b>	<p>As announced to ASX on 3 December 2015, the Company originally signed a binding term sheet with Albion 3D Investments Pty Ltd (<b>Albion 3D</b>) Oaktone, ACP, Ryan Legudi and Tim Grice for the acquisition of 100% of the issued capital of Albion 3D on a debt-free basis (<b>Original Term Sheet</b>). Albion 3D had been funding and, at the time, held the rights to acquire 51% of ROBO 3D, Inc pursuant to the Stock Purchase Agreement (<b>ROBO 3D</b>).</p> <p>On 8 September 2016, the Company announced that it had successfully renegotiated the Original Term Sheet with Albion 3D, Jacob Kabili and Braydon Moreno (the Founders of ROBO 3D), Oaktone, ACP, Ryan Legudi and Tim Grice (<b>Revised Term Sheet</b>). The Revised Term Sheet, replaced and superseded the Original Term Sheet, and provided the Company with a legally binding agreement to:</p> <ul style="list-style-type: none"> <li>(a) acquire 100% of the issued capital of Albion 3D on a debt free basis from the shareholders of Albion 3D (<b>Albion 3D Vendors</b>); and</li> <li>(b) acquire 100% of the issued capital of ROBO 3D (previously 51% under the Original Term Sheet) pursuant to the terms of the Stock Purchase Agreement and the Revised Term Sheet.</li> </ul> <p>The result of Completion of the Acquisition is that the Company will be owner of 100% of the issued capital of ROBO 3D, via its 100% holding in Albion 3D.</p>	3.3 and 8.1
<b>Overview of ROBO 3D</b>	<p>ROBO 3D is a company, based in California, focused on the design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry.</p> <p>The company was founded in 2012 by a group of students from San Diego State University, including the Founders, frustrated by the cost of using the school's only (expensive and industrial) 3D printer. The Founders publicly launched ROBO 3D via a crowdfunding campaign on Kickstarter (<a href="http://www.kickstarter.com">www.kickstarter.com</a>), an online crowdfunding platform, raising approximately US\$650,000 from investors, and commenced delivering the first model of its 3D printers to its customers in 2013.</p> <p>ROBO 3D has grown into a leading brand in the desktop segment of the 3D printing industry, gaining significant traction in the key USA market through retail partners including Amazon and Best Buy.</p> <p>At the centre of ROBO 3D's current product offering is its "R1+PLUS" 3D printer. The R1+PLUS 3D printer utilises an additive manufacturing process known as Fused Deposit Modelling (<b>FDM</b>). FDM is a process whereby the 3D printing machine forces raw materials (known as "filament") to be dispensed through a nozzle, thus creating a layer of material on a flat surface known as the build platform. After a layer is completed, the process repeats itself and the next layer of the extruded material is adhered to the previous layer. The physical object therefore rises up from the build platform, layer by layer.</p> <p>ROBO 3D's technical team has experience in key areas including industrial design, software design, electrical and mechanical engineering, and 3D printing and materials technology, supported where appropriate by third party specialists.</p>	3.5

Topic	Summary	Section Reference
	<p>ROBO 3D's "R1+PLUS" 3D printer is targeted at the desktop segment of the market. Key features include:</p> <ul style="list-style-type: none"> <li>• FDM printing technology;</li> <li>• 720 cubic inches of build volume (build size of 10 x 9 x 8 inches or 254 x 228 x 203 millimetres) (L x W x H)</li> <li>• Heated print bed reducing uneven cooling and warping of printed parts</li> <li>• Automatic calibration and bed levelling improving print quality</li> <li>• Retail price of US\$799</li> </ul> <p>ROBO 3D has announced its intention to release two new 3D printer models in the latter part of 2016 to add to the R1+PLUS:</p> <ul style="list-style-type: none"> <li>• Robo C2: ROBO 3D's entry point product into the mass market, focused on entry-level consumers who want to create smaller and less-complex projects; and</li> <li>• Robo R2: targeted at the "prosumer" segment of the consumer market (i.e. serious home hobbyists or small to medium business applications).</li> </ul> <p>In addition to sales of these 3D printers, ROBO 3D also sells other hardware and accessories including replacement parts such as extruders, as well as raw materials for printing, known as "filament". ROBO 3D markets a range of filament, mostly made from Acrylonitrile Butadiene Styrene and Polylactic Acid .</p> <p>ROBO 3D also markets a number of complementary products, including a new range of "off the shelf" 3D print kits, to complement sales of its 3D printers, as well as a 3D printing educational curriculum to help drive its push into the education segment.</p> <p>ROBO 3D currently distributes 3D printers, 3D printer accessories, filament, educational curriculum, and pre-packaged print kits to its customers through business-to-business and business-to-consumer via the www.robo3d.com website methods.</p>	
<p><b>Board and Management</b></p>	<p>Pursuant to the Revised Term Sheet, subject to Completion of the Acquisition, Ryan Legudi, Tim Grice, Braydon Moreno and Patrick Glovac will be appointed as Directors of the Company (Shareholder approval for their appointment was obtained at the General Meeting held on 18 November 2016). The current Directors, will resign.</p> <p>Refer to Section 1.9(b) and 1.9(c) for details of the experience and qualifications of the current Directors and the Proposed Directors respectively.</p>	<p>1.9</p>
<p><b>What is being offered</b></p>	<p>The Company will seek to raise \$4,000,000 (before expenses of the Offers), with the ability to take oversubscriptions up to a total of \$6,000,000, by the issue of up to 60,000,000 Shares at an issue price of \$0.10 per Share (on a post-Consolidation basis). Refer to Sections 4.1(a) for further details of the Public Offer</p> <p>This Prospectus also contains:</p> <ul style="list-style-type: none"> <li>• The ROBO 3D Vendor Offer, an offer of 43,629,264 Shares to the ROBO 3D Vendors (and/or their nominees) in consideration for the acquisition of all the issued capital in ROBO 3D held by the ROBO 3D Vendors. Refer to Sections 4.1(b) for further details of the ROBO 3D Vendor Offer.</li> <li>• The Albion 3D Vendor Offer, an offer of 98,488,030 Shares to the Albion 3D Vendors (and/or their nominees) in consideration for the acquisition of all the issued capital in Albion 3D and repayment of the Convertible Loans. Refer to Section 4.1(c) for further details of the Albion 3D Vendor Offer.</li> </ul>	<p>4.1</p>

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Topic	Summary	Section Reference
	<ul style="list-style-type: none"> <li>The Executive Offer, an offer of 4,899,902 Performance Rights to the Executives (and/or their nominees). Refer to Section 4.1(d) for further details of the Executive Offer.</li> <li>The Founder Offer, an offer of 5,599,888 Performance Rights to the Founders (and/or their nominees). Refer to Section 4.1(e) for further details of the Founder Offer.</li> <li>The Employee Offer, an offer of 3,499,930 Performance Rights to the Employees (and/or their nominees). Refer to Section 4.1(f) for further details of the Employee Offer.</li> <li>The Advisor Offer, an offer of 13,999,720 Advisor Options to the Advisors (and/or their nominees), in consideration for the provision of corporate advisory services in respect of the Public Offer. Refer to Section 4.1(g) for further details of the Advisor Offer.</li> </ul> <p>Shares issued under the Public Offer will represent approximately 25.17% (assuming the Maximum Subscription of \$6,000,000 is raised) of the issued share capital of the Company following the Consolidation, the Offers and completion of the Acquisition (on an undiluted basis).</p>	
<b>How do I apply for Securities</b>	<p>Applications for Securities under the Public Offer can be made by completing the Public Offer Application Form in accordance with the instructions.</p> <p>If you are an Albion 3D Vendor, please complete your personalised Albion 3D Vendor Offer Application Form.</p> <p>If you are a ROBO 3D Vendor, please complete your personalised ROBO 3D Vendor Offer Application Form.</p> <p>If you are a participant under the Executive Offer, please complete your personalised Executive Offer Application Form.</p> <p>If you are a participant under the Founder Offer, please complete your personalised Founder Offer Application Form.</p> <p>If you are a participant under the Employee Offer, please complete your personalised Employee Offer Application Form.</p> <p>The Advisors (or their nominee/s) will each complete personalised Application Forms provided by the Company.</p>	4.13 and 13 – Application Form
<b>What is the cost of the Offer</b>	<p>The total expenses of the Offers payable by the Company are estimated at approximately \$588,591 (on the basis of the maximum subscription of \$6,000,000).</p>	10.6
<b>Revenue and Dividend Status</b>	<p>The Company is expected to generate revenue however it does not expect to pay dividends in the near future.</p> <p>In the 12 months ended 30 June 2016, ROBO 3D generated revenue of approximately US\$4.4 million, compared to US\$2.4 million for the 12 months ended 30 June 2015.</p>	1.14, 4.17 and Financial Information in Section 6
<b>Company contact</b>	<p>You can contact the Company on +61 (8) 9382 1596 for further details.</p>	Corporate Directory, page 2

**Note: This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in Securities.**

## 1.2 Key Strengths

Topic	Summary	Section Reference
Validated business model	ROBO 3D has a track record of delivering new products, launching marketing programs, establishing sales and distribution relationships, and generating revenue. ROBO 3D has positioned itself as a relevant player in the consumer/desktop segment of the 3D printing industry.	3.5.1
Operates in growing industry	The consumer/desktop segment of the 3D printing industry, which reached an estimated sales volume of 278,385 units in 2015, an estimated increase of 69.7% from the prior year, to deliver estimated revenue of US\$293 million.	3.5.13.3
Diversified business	ROBO 3D offers a range of products including 3D printers, filament, software for 3D educational curriculum, as well as a range of project kits, directly to end consumers via direct online channels such as <a href="http://www.robo3d.com">www.robo3d.com</a> , as well as to large retailers, re-sellers and distributors. Therefore, ROBO 3D is not reliant on any one customer for its commercial success.	3.5.2
Experienced management Team	ROBO 3D has a highly experienced management team led by the Managing Director Ryan Legudi. These skills cut across all elements of the ROBO 3D's business particularly in sales and marketing, global distribution networks and continuing product research and development.	5.2 and 1.9
Well-Capitalised Company	Based on the assumption that the Public Offer disclosed in this Prospectus achieves Maximum Subscription, the Company will have a cash balance of approximately \$5.4 million (after expenses).	1.8

## 1.3 Key Risks

You should read this entire Prospectus, including Risk Factors in Section 9 before making any decision to invest. Investing in the Shares should be considered as speculative and the achievement of objectives high risk, and is not suitable as an investment for investors who require security of capital or income. You should consult your professional financial advisors before investing.

The Risk Factors in Section 9 and other general risks applicable to all investments in listed Securities not specifically referred to, may in the future affect the value of the Shares offered pursuant to this Prospectus. Accordingly, an investment in the Company should be considered speculative. Set out below is a summary of the key risks in investing in the Company and its Shares. This information is intended to be a summary only and should be read in conjunction with the more detailed information on risks appearing in Risk Factors in Section 9 of this Prospectus.

Risk	Summary	Section Reference
<b>Commercialisation risk</b>	There is a risk that ROBO 3D will not be able to successfully commercialise its 3D products by being unable to attract sufficient sales volume via its distribution channels.	9.1(a)
<b>Competitive and new technologies</b>	The industry in which ROBO 3D is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing.  The technology underpinning ROBO 3D's existing 3D printers is FDM (Fused Deposit Modelling), which is one of a number of competing technologies in the consumer/desktop 3D printing segment. As a result, there is potential for a competing technology to supersede FDM in terms of reliability, performance, and/or price.	9.1(b)
<b>Scalability of 3D printer production</b>	3D printing is limited in its scalability, which limits its application in some industries and it is a limitation inherent to the technology. Speed of production	9.1(c)

Risk	Summary	Section Reference
	will only come from improvements in printing materials and increases in the speed of printers.	
<b>Competitive marketplace</b>	Competition in the 3D printing consumer/desktop segment space is dominated by several large businesses, with a growing number of newer market entrants. Newer entrants seek to gain market share via crowd funding campaigns, aggressive pricing strategies and focused digital marketing strategies.	9.1(d)
<b>Research and collaboration agreements</b>	ROBO 3D is likely to require the use of both internal and external expertise to improve, upgrade and refine the user experience for 3D printer users. The Company will need to carefully manage the issue of background intellectual property rights and any sharing of intellectual property as a result of R&D collaborations.	9.1(e)
<b>Special reputational risk</b>	ROBO 3D operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about ROBO 3D may have a disproportionate effect on ROBO 3D's reputation and its ability to earn revenues and profits.	9.1(f)
<b>Limited Trading History</b>	The business of ROBO 3D is yet to be fully commercialised and the bulk of its revenues to-date have been as a result of a successful crowdfunding campaign to launch the company, important revenue traction with online sales including <a href="http://www.robo3d.com">www.robo3d.com</a> and Amazon, as well as trial/pilot programs with traditional brick and mortar retailers.	9.1(g)
<b>Reliance on Key Personnel</b>	The recent development of the business of ROBO 3D has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of the Founders. Although ROBO 3D has entered into service contracts with Mr Moreno, Mr Kabili and Mr Waynick for their ongoing roles with the Company, there is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term.	9.1(h)
<b>Customer service risk</b>	Poor customer service experiences may result in the loss of customers. If ROBO 3D loses key customer service personnel, or fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on ROBO 3D's revenue.	9.1(i)
<b>Liquidity and dilution risk</b>	Upon re-listing there will be a minimum 30% free float of the total Shares (based on maximum raising of \$6,000,000 under the Public Offer). Upon re-compliance, a significant portion of the ROBO 3D Vendor Shares and Albion 3D Vendor Shares will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider there to be an increased liquidity risk if a large portion of the issued capital of the Company is unable to be traded freely for a period of up to 24 months.	9.1(k)
<b>Supplier Risk</b>	ROBO 3D currently utilises one contract manufacturer in China for the assembly of its R1+PLUS 3D printer, operating under a non-exclusive manufacturing agreement. If ROBO 3D's relationship with this manufacturer were to terminate or our manufacturing arrangements were to be disrupted, the ROBO 3D business could be adversely affected. ROBO 3D purchase components and other consumables that are used in our production from third-party suppliers. We currently use only a limited number of suppliers, therefore our reliance on a limited number of vendors involves a number of risks.	9.1(l)
<b>Outsourcing risk</b>	ROBO 3D outsources to consultants for expert advice and contractors for research and development, marketing support, customer service support, quality control services, manufacturing, engineering and design and other services. There is no guarantee that such experts or organisations will be available as required or will meet expectations.	9.1(m)

## 1.4 Indicative Timetable for the Offer

Event	Date
Company announces execution of the Revised Term Sheet on the ASX	8 September 2016
Company's Notice of Meeting dispatched to shareholders	20 October 2016
Lodge Prospectus with ASIC and ASX	18 November 2016
General Meeting of Shareholders	18 November 2016
Prospectus offer period opens	28 November 2016
Consolidation record date for the Company's Securities	25 November 2016
Prospectus offer period closes	7 December 2016
Completion	21 December 2016
Issue Shares under Prospectus	21 December 2016
Anticipated date of re-quotation of the Company's securities on the ASX	30 December 2016
Transaction Sunset Date	31 December 2016

### Notes:

1. Subject to the Exposure Period. Any extension of the Exposure Period will impact on the Opening Date.
2. Prospective investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to prospective investors.
3. Anticipated dates only. The above dates are indicative only and may change without notice. The Directors reserve the right to amend the timetable. The date the Securities are expected to be issued and/or commence trading on ASX may vary with any change to the Closing Date.

## 1.5 Key Offer Statistics

The price of Shares offered under this Prospectus is \$0.10 per Share (on a post-Consolidation basis).

The Company will seek to offer 40,000,000 Shares at an issue price of \$0.10 per Share (on a Post-Consolidation basis) to raise \$4,000,000 (before expenses of the Offers), with the ability to offer up to a further 20,000,000 Shares, to raise a further \$2,000,000 for a total raising of up to \$6,000,000 (**Public Offer**).

This Prospectus also contains:

- The ROBO 3D Vendor Offer, an offer of 43,629,264 Shares to the ROBO 3D Vendors (and/or their nominees) in consideration for the acquisition of the issued capital of ROBO 3D held by the ROBO 3D Vendors. Refer to Section 4.1(b) for further details of the ROBO 3D Vendor Offer.
- The Albion 3D Vendor Offer, an offer of 98,488,030 Shares to the Albion 3D Vendors (and/or their nominees) in consideration for the acquisition of all the issued capital of Albion 3D and repayment of the Convertible Loans. Refer to Section 4.1(c) for further details of the Albion 3D Vendor Offer.
- The Executive Offer, an offer of up to 4,899,902 Executive Performance Rights to Mr Ryan Legudi and Mr Tim Grice (and/or their nominees) as ongoing employment incentives for their continuing involvement in the ongoing development of the ROBO 3D business post-Completion. Refer to Section 4.1(d) for further details of the Executive Offer.
- The Founder Offer, an offer of up to 5,599,888 Founder Performance Rights to Mr Brandon Moreno and Mr Jacob Kabili (and/or their nominees) as ongoing employment incentives for their continuing

involvement in the ongoing development of the ROBO 3D business post-Completion. Refer to Section 4.1(e) for further details of the Founder Offer.

- The Employee Offer, an offer of up to 3,499,930 Employee Performance Rights to key Employees of the Company and its Subsidiaries as ongoing employment incentives for their continuing involvement in the ongoing development of the ROBO 3D business post-Completion. Refer to Section 4.1(f) for further details of the Employee Offer.
- The Advisor Offer, an offer of 13,999,720 Advisor Options to the Advisor (and/or their nominees) at an issue price of \$0.0001 per Advisor Option and in consideration for corporate advisory services provided to the Company in respect of the Public Offer and pursuant to the Revised Term Sheet. Refer to section 4.1(g) for further details of the Advisor Offer.

No funds will be raised under these Offers, other than under the Public Offer.

The Company obtained Shareholder approval at its General Meeting held on 18 November 2016 to consolidate its existing Securities, as at the date of the General Meeting, on a 7.143:1 basis. The Securities under the above Offers are issued on a post-Consolidation basis after the General Meeting.

Key information relating to the Offers and references to further details are set out in this Investment Overview below. For further details of the Offers, please refer to Section 4.

## 1.6 Corporate Advisor Arrangements

The Company has appointed Forrest Capital Pty Ltd and GTT Ventures Pty Ltd as the joint Corporate Advisors for the Public Offer. Please refer to the summary of the Corporate Advisor Mandates in Section 8.2 for details and services provided by Forrest Capital and GTT Ventures and fees to be paid by the Company in respect of these arrangements.

## 1.7 Pro-forma capital structure

The capital structure of the Company following completion of the Consolidation, Offers, Acquisition and other matters will be as follows<sup>1</sup>:

### Shares

Event	Minimum Subscription (\$4,000,000)			Maximum Subscription (\$6,000,000)		
	Pre-Consolidation Shares	Post-Consolidation Shares (1)(2)	Percentage of total Shares	Pre-Consolidation Shares	Post-Consolidation Shares (1)(2)	Percentage of total Shares
Existing Shareholders	259,204,352	36,287,883	16.61%	259,204,352	36,287,883	15.22%
Consideration Shares	1,015,143,835	142,117,294	65.07%	1,015,143,835	142,117,294	59.61%
Shares issued under Capital Raising <sup>2</sup>	285,714,285	40,000,000	18.31%	428,571,428	60,000,000	25.17%
<b>TOTAL</b>	<b>1,560,062,472</b>	<b>218,405,177</b>	<b>100.00%</b>	<b>1,702,919,615</b>	<b>238,405,177</b>	<b>100.00%</b>

1. Assumes a Consolidation of the Company's shares on a 1 for 7.143 basis.
2. Does not include any future issue of Shares (whether issued upon vesting of any Performance Rights or exercising of any Options).

## Options

Class	Pre-Consolidation Options	Post-Consolidation Options <sup>1</sup>	Post-Consolidation Exercise Price
Existing Options	Nil	Nil	N/A
Advisor Options		13,999,720	\$0.15
<b>TOTAL</b>		13,999,720	\$0.15

3. Refer to Sections 10.9 for terms and conditions of the Advisor Options

## Performance Rights

Event	Pre-Consolidation Performance Rights <sup>3</sup>	Post-Consolidation Performance Rights <sup>1,2,3</sup>
Existing Performance Rights	Nil	Nil
Executive Performance Rights	Nil	4,899,902
Founder Performance Rights	Nil	5,599,888
Employee Performance Rights	Nil	3,499,930
<b>TOTAL</b>	Nil	13,999,720

1. The Performance Rights will be issued to the Executives, the Founders and the Employees pursuant to the respective Executive Offer, Founder Offer and Employee Offer.

2. The Performance Shares will be issued at completion of the Acquisition (post-Consolidation).

3. Refer to Sections 10.10, 10.11 and 10.12 for the terms of the Executive Performance Rights, Founder Performance Rights and Employee Performance Rights respectively.

## 1.8 Objectives of the Offers and use of funds

Funds raised from the Capital Raising will be utilised over a 12 month period as follows:

Item	Minimum Subscription	Maximum Subscription
	<b>\$4,000,000</b>	<b>\$6,000,000</b>
Cash on hand of the Company	\$310,424	\$310,424
Capital raised	\$4,000,000	\$6,000,000
<b>Total Funds Available</b>	<b>\$4,310,424</b>	<b>\$6,310,424</b>
Expenses of the Transaction	\$437,207	\$558,591
New product tooling and moulds	\$533,333	\$733,333
R&D for new models	\$333,333	\$480,000
Manufacturing of inventory	\$699,667	\$985,667
Sales & marketing activities	\$949,910	\$1,288,000
IT systems and software upgrades	\$93,333	\$186,667
Feasibility study for 3D products	\$53,333	\$240,000
Corporate & administration	\$1,068,292	\$1,225,783
Working capital	\$142,016	\$612,383
<b>Total Funds Applied</b>	<b>\$4,310,424</b>	<b>\$6,310,424</b>

**Notes:**

- (a) The “Cash on hand of the Company” is as at 30 June 2016.
- (b) If the proceeds raised are between the Minimum Subscription and the Maximum Subscription, funds will be allocated between the above uses on a pro rata basis.
- (c) Expenses of the Transaction are outlined in Section 10.6.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (such as the risk factors noted in Section 9) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors believe that the Company will have sufficient working capital to meet its immediate business obligations, as set out in the above table, and to meet its objectives upon completion of the Offers.

## 1.9 Board and management

Below is a background of the Company’s Directors and key management, together with the Proposed Directors and incoming key personnel.

### (a) Board and management changes

Upon completion of the Acquisition, the Proposed Directors (being Tim Grice, Ryan Legudi, Patrick Glovac and Braydon Moreno) will be appointed to the Board (Shareholder approval for their appointment was obtained at the General Meeting). Richard Diermajer, Ray Muskett and Ron Smit, being the current Directors, will resign.

### (b) Current Directors and key personnel

The current Directors of the Company, as listed in this paragraph (b), will resign upon completion of the Acquisition.

#### **Richard Edward Diermajer (Chairman) – Director since 3rd July 1987**

Mr Diermajer, holds a degree in Legal Studies and has a background in mining law and administration from 12 years’ experience with the Department of Industry and Resources in Western Australia. In 1981 he established Sentinel Exploration Services providing consultancy services to the mining sector in mining property management and administration, project generation and acquisition, native title negotiations and mineral exploration. Mr Diermajer has over 40 years’ experience in the mineral exploration and mining industry and was previously a Director of Eagle Bay Resources NL and Geographe Resources Ltd which in the 1990’s held an interest in the Chalice gold mine in Western Australia.

Within the last three years, Mr Diermajer has not been a director of any other publicly listed Company.

#### **Ray Muskett (Non-Executive Director) – Appointed 24th November 2004**

Mr Muskett is an experienced geologist in both mining, exploration and is a WA School of Mines graduate. He is a member of the Australasian Institute of Mining and Metallurgy (AustIMM).

He has worked for a variety of companies and held senior positions in management and directorships on boards of listed and unlisted exploration companies. Other companies worked for include Western Mining Corporation, Hamersley Exploration, CRA, Nevoria Gold Mines, Brimstone Resources. He also operates as a consultant to exploration companies. He has been responsible for the acquisition of and advancement of exploration ground packages that have led to significant discoveries (including the high grade Chalice Gold Mine) and played key roles in raising capital. In recent times he raised capital for and successfully sold unlisted Brimstone Resources Ltd. He does exploration and evaluations of projects in Australia, Brazil

and South East Asia. Experience and interests cover gold, iron ore, manganese, tin, nickel, copper and diamonds.

Within the last three years, Mr Muskett has not been a director of any other publicly listed Company.

#### **Ronald Smit (Managing Director) – Appointed 19<sup>th</sup> July 2011**

Mr Smit, holds a BSc(Hons) Geology and a member of the Australasian Institute of Mining and Metallurgy (AustIMM), with over 30 years' experience in the mineral exploration and mining industry. He worked for BHP Minerals International (now BHP Billiton plc) for much of this period and held many senior technical and management positions. He has conducted exploration for base metals, precious metals and diamonds throughout Australia, North America and Papua New Guinea. He has extensive experience in Archaean and Proterozoic mineral systems and has been involved in the discovery of gold deposits in the Eastern Goldfields of Western Australia, manganese in the Northern Territory, copper in Queensland and magnetite in Western Australia. Over the last ten years he has been involved in the junior mining sector with the successful ASX listings of Marengo Mining Limited and Buxton Resources Limited. The core responsibility with these groups was strategic planning and technical management of all exploration activities. Within the last three years, Mr Smit has not been a director of any other publicly listed Company.

### **(c) Proposed Directors**

The following proposed Directors will be appointed to the Board at completion of the Acquisition (Shareholder approval for their appointment was obtained at the General Meeting):

#### **Ryan Legudi (proposed Managing Director)**

Mr Legudi has over 13 years' experience in corporate finance and early stage investments.

He commenced his career in the Restructuring Services division at KPMG in Melbourne, where he was involved in formal insolvency and operational restructuring assignments. Following his time at KPMG, Mr Legudi spent three years working within the London office of the Investment Banking Division of Nomura International Plc, a Japanese investment bank, where he was involved in advising, structuring, and arranging finance for private equity buyouts. Upon returning to Australia in 2010, Mr Legudi joined MAP Capital, a boutique investment group that provides investment advisory and funds management services to clients and investors, where he was involved in buy-side and sell-side mergers and acquisitions, due diligence assignments, IPO's, and has extensive experience in assisting start-ups and early stage companies with strategic advice, operational support, and capital raisings, with a particular focus on software and technology. More recently, Mr Legudi has acted as Investment Director of Atlas Capital Group's technology focused "TMT Fund".

Mr Legudi graduated from the University of Melbourne with a Bachelor of Commerce and a Diploma of Information Systems, and is a member of the Institute of Chartered Accountants of Australia. He is currently the Executive Chairman of ROBO 3D, Inc.

#### **Tim Grice (proposed Executive Director of Corporate Development)**

Mr Grice is an experienced business advisor and capital markets professional with over 30 years' experience. He has held a number of senior advisor positions at national and international stockbroking firms and been involved in raising capital for many emerging companies in technology, biotechnology and resources. He is a previous director of Eureka Energy Ltd and 4DS Memory Ltd (4DS).

#### **Braydon Moreno (proposed Executive Director)**

Mr Moreno is a San Diego State University (**SDSU**) graduate with a Bachelor of Science in Marketing and Entrepreneurship.

He co-founded a watch company called SWAE Watches while at SDSU and was mentored by a number of business leaders in the action sports industry. Following SWAE, he started a service-based cell phone repair business in San Diego which he later sold to his business partner in 2013.

Mr Moreno co-founded ROBO 3D in 2012, launching the company via a successful crowdfunding campaign on Kickstarter, raising approximately US\$650,000 in pre-orders. He was named in Dealerscope's "40 under 40" for consumer electronics in 2015.

Mr Moreno is currently a Director of Marketing at ROBO 3D, with key responsibility over digital marketing including e-Commerce and social media activities.

#### **Patrick Glovac (proposed Non-Executive Director)**

Mr Glovac holds a Bachelor of Commerce majoring in Finance, Banking, Management and also holds a Diploma of Management.

In 2013 Mr Glovac co-founded GTT Ventures Pty Ltd, a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net-worth clients and corporate advisory services.

Mr Glovac is the Non-Executive director of ASX listed Cirrus Networks Limited (CNW) and Sovereign Gold Limited (SOC).

### **(d) Incoming Key ROBO 3D Personnel**

#### **Jacob Kabili (Chief Technology Officer)**

Mr. Kabili graduated from San Diego State University (SDSU) with a Bachelor of Science (Bioengineering).

During his studies, Mr. Kabili developed a prototype of a desktop 3D printer that formed the basis of the launch of Robo 3D's first model which launched on Kickstarter in late 2012, raising approximately US\$650,000 in pre-orders for the product.

Mr. Kabili is currently Chief Technology Officer at ROBO 3D, where he has overseen the development of the company's next generation range of 3D printers.

#### **Randall Waynick (Chief Operating Officer)**

Mr. Waynick has a Bachelor of Arts, Psychology and Criminal Justice from Michigan State University, a Master of Science in Administration from Central Michigan University, and a Ph.D., Organization and Management from Capella University.

Mr Waynick is an experienced sales and management executive with over 30 years' experience in a range of consumer electronics businesses, with a 25 year career at Sony Corporation in the USA, where he was Senior Vice President/General Manager of the "Home Products" business division (revenue in excess of \$5 billion per annum), helping to deliver Sony market share growth from 4th to 1st in TV, 2nd to 1st in Home Audio and Video, and number one market share in Blu Ray disc.

Following his time at Sony, Mr Waynick was Chief Sales Officer of Vizio Inc., a large USA consumer electronics company known for its TV and audio products, where he was responsible for all operations and functions within the sales, public relations, and marketing groups. At Vizio, Mr Waynick led a sales organisation restructure and staffing, created an international, B2B, and consumer direct sales strategy, and led Vizio to number 1 market share in the USA for LCD TVs.

Mr. Waynick was then appointed Vice President of North America Sales at Lifeproof, a start-up mobile phone case manufacturer with leading premium waterproof cases, that grew to US\$350m in sales before

being acquired by its competitor, Otter Products. Following a brief stint at Sound United, an audio speaker manufacturer, where he helped restructure and expand the sales organisation, Mr Waynick returned to Otter Products as Vice President of Sales Americas, where he was awarded “Sales Leader of the Year” in 2015.

In addition to his corporate experience, Mr Waynick has held various positions in academia, and is currently faculty professor at Point Loma Nazarene University focused on group and organisational behaviour.

Mr. Waynick has recently been appointed Vice President of Revenue and Chief Operating Officer of Robo 3D.

## 1.10 Related Party transactions

### (a) Related Party policy

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

- (i) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (ii) the Director who has a material personal interest should not be present while the matter is being considered by the Board at the meeting and must not vote on the matter.

### (b) Acquisition of issued capital of Albion 3D

Ryan Legudi, Tim Grice and Patrick Glovac are Proposed Directors of the Company (Shareholder approval was obtained for their appointment at the General Meeting) who are also Albion 3D Vendors. Accordingly, they (and/or their nominees) will receive Albion 3D Consideration Shares on arm’s length terms on the same basis as the other Albion 3D Vendors.

Mr Legudi and Mr Grice will also be issued with the Executive Performance Rights, pursuant to the Executive Offer, Shareholder approval for which was obtained at the General Meeting. The Executive Performance Rights are to be issued to Mr Legudi and Mr Grice as a non-cash employment incentive for their ongoing role in developing the ROBO 3D business post-Completion. The terms of the Executive Performance Rights are set out in Section 10.10.

### (c) Acquisition of the issued capital of ROBO 3D

Braydon Moreno is a Proposed Director of the Company (Shareholder approval for his appointment was obtained at the General Meeting) who is also one of the ROBO 3D Vendors. Accordingly, Braydon Moreno (and/or his nominees) will receive ROBO 3D Consideration Shares on arm’s length terms on the same basis as the other ROBO 3D Vendors.

Mr Moreno will also be issued with Founder Performance Rights, pursuant to the Founder Offer, (Shareholder approval for which was obtained at the General Meeting). The Founder Rights are to be issued to Mr Moreno and Mr Jacob Kabili (who will be employed by the Company as an Executive Director and Chief Technology Officer respectively), on and from Completion as a non-cash employment incentive for their ongoing role in developing the ROBO 3D business post-Completion. The terms of the Founder Performance Rights are set out in Section 10.11.

### (d) The Public Offer

See Section 1.11 below in relation to the Directors participation in the Public Offer.

### (e) Agreement with Proposed Directors

### **Mr Ryan Legudi – Managing Director – Executive Service Agreement**

The Company has entered into an executive service agreement in respect of Mr Legudi's position as Managing Director of the Company. The terms and conditions of this arrangement are set out in Section 8.10.

### **Mr Tim Grice – Executive Director of Corporate Development - Executive Services Agreement**

The Company has entered into an executive services agreement in respect of Mr Grice's position as an Executive Director of Corporate Development of the Company. The terms and conditions of this arrangement are set out in Section 8.11.

### **Mr Braydon Moreno – Director - Letter of Appointment**

The Company has entered into a letter of appointment in respect of Mr Braydon Moreno position as a Director of the Company. The terms and conditions of this arrangement are set out in Section 8.14.

### **Mr Patrick Glovac – Non Executive Director - Letter of Appointment**

The Company has entered into a non-executive letter of appointment in respect of Mr Patrick Glovac position as Non-Executive Director of the Company. The terms and conditions of this arrangement are set out in Section 8.12.

### **Deeds of indemnity and access**

In addition to the above, the Company has entered into a deed of indemnity and access with each of its Directors and the Proposed Directors (**Deeds**). Under the terms of the Deeds, the Company indemnifies each officer to the extent permitted by the Corporations Act against any liability as a result of the Officer acting as an officer of the Company. The Company is required under the Deeds to use its best endeavours to obtain and maintain insurance policies for the benefit of the relevant officer for the term of the appointment and for a period of seven years after retirement, termination or resignation, except to the extent that such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company. The Deeds also provide for the Directors to have a right of access to Board papers and minutes.

## **1.11 Directors' interests and remuneration**

The Directors are not required to hold any Securities in the Company under the Constitution. The Directors have the relevant interests in the Securities of the Company as at the date of this Prospectus (on a Post-Consolidation basis) as set out in the table below.

At the General Meeting held on 18 November 2016, Shareholder approval was obtained to:

- (a) allow the current Directors (and/or their respective nominees) to subscribe for Shares under the Public Offer up to a maximum of 2,900,000 Shares between the Directors;
- (b) issue to Ryan Legudi, Patrick Glovac and Tim Grice (Proposed Directors of the Company) (and/or their respective nominees), Shares on arm's length terms on the same basis as the other Albion 3D Vendors pursuant to the Albion 3D Vendor Offer (as noted in Section 1.10(b) above);
- (c) issue to Braydon Moreno (Proposed Director of the Company) (and/or his respective nominees), Shares on arm's length terms on the same basis as the other ROBO 3D Vendors pursuant to the ROBO 3D Vendor Offer (as noted in Section 1.10(c) above); and
- (d) issue to Ryan Legudi, Tim Grice and Braydon Moreno (Proposed Directors of the Company) (and/or their respective nominees), Performance Rights under the Executive Offer and the Founder Offer (respectively).

For terms and conditions of the Revised Term Sheet for the Acquisition, please refer to Section 8.1.

Full details of the Resolutions, background to the Resolutions, and details required by ASX Listing Rules are set out in the Notice of Meeting.

Director/Proposed Director	Current Shareholding in the Company (Direct & Indirect)	Unlisted Options (Direct & Indirect)	Shares to be issued as part of the Acquisition and the Public Offer (1)	Performance Rights	% Voting Power based on completion of all Offers and \$6 million Capital Raising (1)(2)
<b>Directors</b>					
Richard Diermayer	2,483,370	Nil	1,800,000	Nil	1.80%
Ray Muskett	774,315	Nil	100,000	Nil	0.37%
Ronald Smit	2,305,315	Nil	1,000,000	Nil	1.39%
<b>Proposed Directors</b>					
Ryan Legudi	Nil	Nil	10,528,368	2,449,951	4.42%
Tim Grice	Nil	Nil	7,699,846	2,449,951	3.23%
Patrick Glovac	Nil	Nil	3,877,907	Nil	1.63%
Braydon Moreno	Nil	Nil	18,030,462	2,799,944	7.56%

**Notes:**

1. Assumes a consolidation of the Company's shares on a 1 for 7.143 basis
2. The total voting power is calculated on a diluted basis taking into consideration the issue of Shares upon the vesting of any Performance Rights held by that party.

The current Directors remuneration for FY2015 and FY2016 is shown in the table below:

Directors	FY	Cash Salary, fees and leave \$	Post-Employment Benefits-Superannuation \$	Share Based Payments - Options \$	Non-Monetary	Total \$	Remuneration Consisting of Options During the Year %
Richard Diermayer <sup>1</sup>	2016	30,000				30,000	Nil
Richard Diermayer <sup>1</sup>	2015	16,442	889	Nil	1,818	19,149	Nil
Ray Muskett	2016	24,000					Nil
Ray Muskett	2015	14,611	1,058	Nil	1,818	17,487	Nil
Ronald Smit <sup>1</sup>	2016	133,183	14,720		8,638	156,541	Nil
Ronald Smit <sup>1</sup>	2015	89,840	10,160	Nil	1,818	101,818	Nil

**Notes:**

1. Includes consulting fees paid to associated companies
2. Does not include fees to be paid to Proposed Directors under their respective service agreements, as described below, see Sections 9.
3. The annual salaries for the Proposed Directors are as follows: Ryan Legudi \$225,000 (plus superannuation), Tim Grice \$150,000 (plus superannuation), Braydon Moreno USD\$150,000 (plus bonuses) and Patrick Glovac \$54,000 (inclusive of superannuation).

## 1.12 Substantial Holders

Based on public information as at the date of this Prospectus (i.e. before Completion of the Acquisition), the persons who (together with their associates) have a relevant interest in 5% or more of the Company's Securities are set out below:

Shareholder	No. of Shares (Pre-Consolidation)	% Voting Power
Richard Diermajer (and his associated entities)	17,738,716	6.84
Ronald Smit (and his associated entities)	16,466,867	6.35

On completion of the Offers (assuming the Consolidation occurs and the Acquisition completes), the persons who (together with their associates) have a relevant interest in 5% or more of the Company's Securities are set out below:

Shareholder	No. of Shares (Post Consolidation)	% Minimum	% Maximum
Denlin Nominees Pty Ltd	23,443,114	10.73%	9.83%
Oaktone Nominees Pty Ltd	20,099,496	9.20%	8.43%
Mr Braydon Moreno	18,030,462	8.26%	7.56%
Mr Jacob Kabili	18,030,462	8.26%	7.56%

**Notes:**

1. Mr Tony Grist is a shareholder and director of Denlin Nominees Pty Ltd and Oaktone Nominees Pty Ltd. Accordingly, Mr Grist has a relevant interest in the Shares held by Denlin Nominees Pty Ltd and Oaktone Nominees Pty Ltd. Based on the details specified above, at Completion, Mr Grist will have an interest in a total of 43,542,610 Shares, equating to 19.93% of the Company's voting power at Minimum Subscription and 18.26% of the Company's voting power at Maximum Subscription.

## 1.13 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of restricted Securities from disposing of those securities or an interest in those Securities or agreeing to dispose of those Securities or an interest in those Securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those Securities. Subject to the Company being re-admitted to the Official List, certain Shares, Performance Shares and Options on issue prior to the Offers may be classified by ASX as restricted Securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 104,705,293 Shares will be escrowed as follows:

- (a) 54,937,927 for 24 months from the date of Official Quotation (primarily held by Proposed Director and Promoters); and
- (b) 49,767,366 for 12 months from the date of Official Quotation (primarily held by seed investors, unrelated Albion 3D Vendors and unrelated ROBO 3D Vendors).

It is estimated that 10,499,790 Performance Rights will be escrowed as follows for 24 months from the date of Official Quotation (primarily held by Proposed Directors and Promoters).

It is estimated that 13,999,720 Options will be escrowed for 24 months from the date of Official Quotation (primarily held by corporate advisors who have assisted the Company with the Public Offer).

The restricted Securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. The Company will announce to ASX the full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's re-admission to the Official List.

## 1.14 Historical Financial Information

This Section contains a summary of historical financial information that the Directors consider relevant to investors (the **Financial Information**). The Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually contained in an annual report prepared in accordance with the Corporations Act. The financial information in the tables below is intended as a summary only and should be read in conjunction with the more detailed discussions of the financial information disclosed in Section 6, as well as the risk factor set out in Section 8.

### ROBO 3D, Inc.

The following table provides a summary of the audited historical income statements of ROBO 3D for the financial years ended 2014, 2015 and 2016 and audited statement of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016.

A\$	FY 2014 Audited Actual	FY 2015 Audited Actual	FY 2016 Audited Actual
Total Revenue	1,662,363	2,871,628	6,077,891
Operating expenses	(2,140,883)	(2,660,957)	(7,512,142)
EBITDA	(478,520)	210,671	(1,434,250)
Depreciation	-	(973)	(3,236)
EBIT	(478,520)	209,698	(1,437,486)
Interest income (expense)	(13,494)	(131,515)	(132,358)
NPBT	(492,014)	78,182	(1,569,845)
Tax	-	(1,920)	(1,096)
NPAT	(492,014)	76,262	(1,570,941)
<b>Total Assets</b>	129,551	759,074	2,181,949
<b>Total Liabilities</b>	(642,077)	(1,305,026)	(3,771,137)
<b>Net Assets</b>	(512,526)	(545,952)	(1,589,188)

### Albion 3D Investments Pty Ltd (ACN 608 650 317)

Albion 3D was incorporated on 8 October 2015. The following table provides a summary of the audited historical income statement from Albion 3D's date of incorporation until 30 June 2016 and audited statement of financial position as at 30 June 2016.

A\$	From date of incorporation until 30 June 2016 Audited Actual
Total Revenue	31,699
Operating expenses	(414,734)
EBITDA	(383,035)
Depreciation	-
EBIT	(383,035)
Interest income (expense)	-
NPBT	(383,035)
Tax	-
NPAT	(383,035)

A\$	From date of incorporation until 30 June 2016 Audited Actual
<b>Total Assets</b>	2,070,854
<b>Total Liabilities</b>	(2,453,789)
<b>Net Assets</b>	(382,935)

### Falcon Minerals Limited (ACN: 009 256 535) (to be renamed Robo 3D Limited)

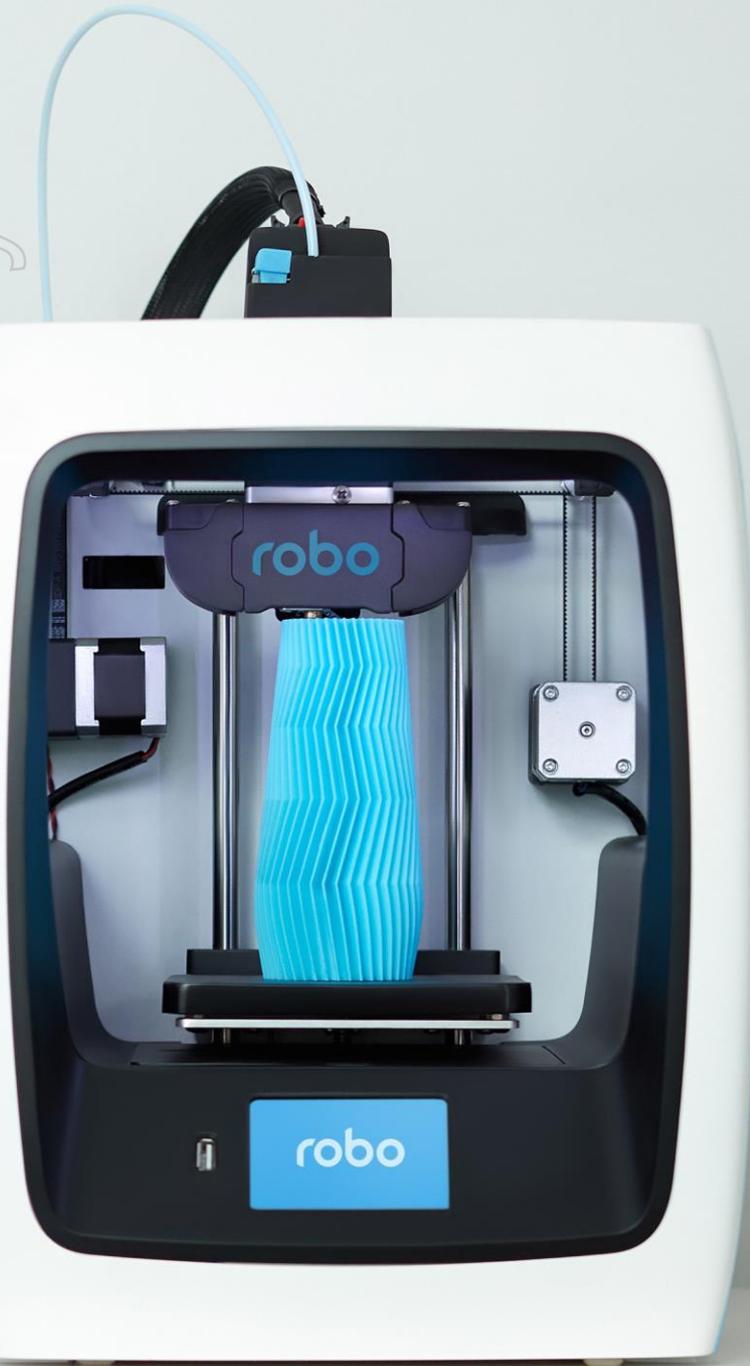
The following table provides a summary of the audited historical income statements for 2014, 2015, 2016 for Falcon Minerals Ltd (ACN: 009 256 535) (to be renamed Robo 3D Limited) and its controlled subsidiaries and audited statement of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016.

A\$	FY 2014 Audited Actual	FY 2015 Audited Actual	FY 2016 Audited Actual
Total Revenue	66,204	27,594	181,391
Operating expenses	(451,757)	(331,490)	(660,242)
EBITDA	(385,553)	(303,896)	(478,851)
Depreciation	(18,919)	(2,661)	(5,927)
EBIT	(404,472)	(306,557)	(484,778)
Interest income (expense)	-	-	-
NPBT	(404,472)	(306,557)	(484,778)
Tax	-	-	-
NPAT	(404,472)	(306,557)	(484,778)
<b>Total Assets</b>	1,086,187	747,898	1,009,849
<b>Total Liabilities</b>	(54,532)	(22,820)	(35,515)
<b>Net Assets</b>	1,031,655	725,078	974,334

## 1.15 Expenses of the Offers (Refer to Section 10.6)

The total expenses of the Offers payable by the Company (at the date of this Prospectus) are estimated at approximately \$437,207 (on the basis of the minimum subscription of \$4,000,000) and are expected to be applied towards the items set out in Section 10.6 below, including ASIC and ASX fees, legal fees, printing and other miscellaneous fees.

For personal use only



## 2. CHAIRMAN'S LETTER

## 2. Chairman's Letter

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### Dear Investor,

On behalf of the Directors of Falcon Minerals Limited (to be renamed Robo 3D Limited) I am delighted to invite you to consider becoming a shareholder.

Falcon is proposing to change its activities from mineral exploration to consumer electronics via the proposed Acquisition of Robo 3D, Inc.

### Robo 3D, Inc.

Robo 3D, Inc. is a company based in California, USA focused on the design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry (**Robo 3D**). It was founded in 2012 by a group of students from San Diego State University, USA and delivered its first model to customers in 2013.

Since then, Robo 3D has grown into a leading brand in the desktop segment of the 3D printing industry, gaining significant traction in the key USA market through retail partners including Amazon and Best Buy. Robo 3D's printer unit sales and revenue have risen each year since inception with revenue reaching US\$4.4 million in the twelve months ending June 2016, compared to US\$2.4 million over the prior comparative period.

Robo 3D has recently announced the launch of two new 3D printer models: the compact Robo C2 and the high-performance Robo R2 smart 3D printers, with a successful pre-sales campaign completed in October 2016 generating over US\$380,000 in sales. The Robo C2 will be available to the public in November 2016 with the Robo R2 ready for public release in the first quarter of 2017. The team behind Robo 3D led by the founders Jacob Kabili and Braydon Moreno continue to invest in product development and innovation with a view to delivering a better user experience, highlighted by the Robo R2 Smart 3D Printer and iOS app being awarded the Consumer Electronics Show's ("**CES**") "Innovation Award" in the 3D printing product category on 10 November 2016.

### The Acquisition

Falcon has secured the right to acquire 100% of Robo 3D, Inc. through the acquisition of 100% of the issued capital of Albion 3D Investments Pty Ltd. The key terms of the transaction include

- The consolidation of existing Falcon shares on a 1 for 7.143 basis;
- The issue of 142,117,294 ordinary shares in Falcon (post consolidation) to the vendors of Albion 3D and the vendors of Robo 3D; and
- The issue of 13,999,720 Performance Rights (post-consolidation) to executive, management and employees who will be involved in the ongoing development of the Company's business post-completion.

Section 1.1 and 3.3 of the Prospectus contains further details about the Acquisition.

Upon completion of the Acquisition, the Company will change its name to Robo 3D Limited and the Board and management of the Company will change to reflect the new direction of the Company.

### The Offers

The Company is seeking to raise \$4,000,000 through an issue of 40,000,000 Shares at a price of \$0.10 per Share. There is provision for the Company to take oversubscriptions of another 20,000,000 Shares at the same price to raise a further \$2,000,000. The Public Offer is an important next step in the evolution of our Company and the Board believes it is an integral part of our long-term growth strategy.

This Prospectus also contains the ROBO 3D Vendor Offer, Albion 3D Vendor Offer, Executive Offer, Founder Offer, Employee Offer and the Advisor Offer.

Section 4 of the Prospectus contains details about the Offers and how to apply.

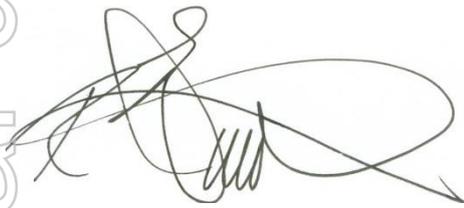
### **Key Risks**

Like any investment, an investment in the Company is subject to a range of risks. The key risks associated with an investment in Robo 3D are those risks typically found in most early stage companies such as the ability to commercialise and expand its products, grow its business customer base and to generate sustainable revenues. Section 9 of the Prospectus details and expands on the range of risks and I urge you to read and consider these risks closely.

I encourage you to read the Prospectus in full and carefully consider the information contained within it before making your investment decision. The Prospectus contains detailed information about the Acquisition, Robo 3D, the 3D desktop printing industry, the incoming Board and management team and the securities that are being offered. Again, please seek professional advice if you are unsure about any of this information.

On behalf of the Board, I look forward to welcoming you as a Shareholder.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Richard Diermajer', with a stylized flourish at the end.

**Richard Diermajer**  
**Chairman**

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### 3. OVERVIEW OF THE COMPANY

## 3. Overview of the Company

### 3.1 History of the Company

Falcon Minerals Limited was formerly known as Yardarino Mining NL. The name change occurred in 2002. Yardarino Mining NL was incorporated in Western Australia in July 1987 and listed on the ASX in September 1988 with its principal activity being mineral sands exploration. Over the next decade the Company was involved in a number of small mineral sands discoveries that were subsequently sold for cash. During this period the Company expanded and diversified its exploration footprint to include gold and base metal opportunities in Western Australia. The Keronima gold prospect was discovered in 1997 on the Windanning Hill Project. In response to poor commodity prices during the late 1990's and early 2000's the Company diversified further by participating in a gas project as well as acquiring positions in non-resource sector service group and research group activities. These were subsequently sold or abandoned as further mineral exploration success was achieved. A significant nickel-copper discovery was made in 2004 at Collurabbie followed by a high-grade gold discovery at Saxby in 2008. These prospects have been aggressively explored over the last decade but unfortunately to date they remain sub-economic discoveries. The Saxby Project was sold in 2016.

### 3.2 Existing Projects

The Company manages and operates one exploration project, namely the Collurabbie Project. It has an interest in two other projects which are subject to sale or joint venture (Windanning Hill & Deleta) and are managed by other parties.

- (a) The Collurabbie Project is the Company's most advanced project and contains significant but to date sub-economic nickel mineralisation (Olympia Prospects) . The project is 200 km north of Laverton in the Duketon Greenstone Belt of Western Australia. The Company and its former JV partners have been exploring the project area for more than a decade and have completed airborne and ground geophysical surveys, surface geochemical surveys and a high volume of drilling. The Company has a 100% interest in this project with BHPB retaining an option over the off-take rights to any ore or concentrate produced. On 20 October 2016 the Company announced that it had entered into an agreement to sell the Collurabbie Project to Rox Resources Limited subject to certain conditions being satisfied (including but not limited to shareholder and regulatory approvals) .
- (b) In May 2016, the Company agreed to sell its interest in the Windanning Hill Project to its joint venture partner Minjar Gold Pty Ltd (Minjar Gold) for \$112,500. The project located 75km southeast of Yalgoo and consists of two Mining Leases (M59/379 and M59/380) and includes the Keronima gold deposit. Falcon has not contributed to mineral exploration on this project for several years and held a diluting interest which was approximately 19% at the time of the sale agreement. Transfer of title to Minjar Gold and payment to Falcon was completed in October 2016. Falcon will retain no interest in the project.
- (c) Regis Resources Limited is the operator and manager of the Deleta Joint Venture which began in September 1998. The project is located within the northern parts of the Duketon greenstone belt (and immediately south of the Company's Collurabbie Project) and is considered prospective for gold and nickel. Historical drilling by the joint venture operator has identified a number of gold and base metal prospects. The Company retains a 20% free carried interest to completion of feasibility study.

Due to difficult market conditions in the mining and exploration sector, the Company has been evaluating high quality and value adding investment opportunities outside the commodities industry to take advantage of global market trends and maximise the value of its Securities. Subject to completion of the Acquisition of Albion 3D, the Board intends to seek opportunities to divest the Company's existing exploration assets or relinquish the licenses.

### 3.3 Acquisition of ROBO 3D

As announced to ASX on 3 December 2015, the Company originally signed a binding term sheet with Albion 3D for the acquisition of 100% of the issued capital of Albion 3D on a debt-free basis (**Original Term Sheet**). Albion 3D had been funding and, at the time, held the rights to acquire 51% of ROBO 3D.

Prior to the Original Term Sheet, in August 2015, ROBO 3D secured an agreement from Albion 3D to provide a US\$2.5 million investment to be delivered across three tranches, in return for 51% of the share capital of ROBO 3D, with capital invested to be used to fund inventory purchases as well as expanding marketing and fulfilment capabilities, allowing ROBO 3D to meet growing customer demand and generate revenue growth (**Stock Purchase Agreement**).

To facilitate the investment, Albion 3D and ROBO 3D executed a Secured Loan Agreement whereby Albion 3D's investment into 51% of the share capital of ROBO 3D would be completed via secured convertible notes in three tranches (**Secured Loan Agreement**).

On 8 September 2016, the Company announced that it had successfully renegotiated the Original Term Sheet with Albion 3D, Jacob Kabili and Braydon Moreno (the Founders of ROBO 3D), Oaktone, ACP, Ryan Legudi and Tim Grice (**Revised Term Sheet**). The Revised Term Sheet, replaced and superseded the Original Term Sheet, and provided the Company with a legally binding agreement to:

- (a) acquire 100% of the issued capital of Albion 3D on a debt free basis from the shareholders of Albion 3D (**Albion 3D Vendors**); and
- (b) acquire 100% of the issued capital of ROBO 3D (previously 51% under the Original Term Sheet) pursuant to the terms of the Stock Purchase Agreement and the Revised Term Sheet, (the **Acquisition**).

At completion of the Acquisition (subject to satisfaction of the Conditions), the following actions will occur simultaneously so that the Company will own 100% of ROBO 3D:

- (a) Albion 3D will convert all of its secured convertible notes, pursuant to the Stock Purchase Agreement and Secured Loan Agreement, into ordinary shares in ROBO 3D, equalling 51% of the issued share capital of ROBO 3D;
- (b) Albion 3D will acquire the remaining 49% of the issued share capital of ROBO 3D, being the existing issued capital of ROBO 3D, from the ROBO 3D Vendors pursuant to the Revised Term; and
- (c) the Company will acquire 100% of the issued share capital of Albion 3D from the Albion 3D Vendors.

Completion of the Acquisition is subject to the Company obtaining all necessary regulatory approvals. Following the Company's reinstatement to quotation on the Official List of ASX, the Company proposes to change its name to "Robo 3D Limited" and its primary focus will be to develop the business of ROBO 3D in line with its business model.

Please refer to Section 8.1 for more detailed summaries of the key terms of the Term Sheet.

## 3.4 Shareholder approval at General Meeting

Shareholder approval for the Acquisition, the Offers and related matters was obtained at the General Meeting of Shareholders of the Company, held at 10.00am WST on 18 November 2016 at Suite 1, 245 Churchill Avenue, Subiaco, at which all resolutions were passed.

A copy of the Notice of Meeting can be obtained from the ASX platform [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code, FCN.

The Offers remain conditional on the Company receiving conditional approval from the ASX for the re-admission of the Company's Securities to the Official List of ASX on conditions reasonably acceptable to the Company (refer to Section 4.7).

## 3.5 Background on ROBO 3D

### 3.5.1 Overview

ROBO 3D is a company headquartered in San Diego, USA, focused on the design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry.

The company was founded in 2012 by a group of students from San Diego State University, including Braydon Moreno and Jacob Kabili (the **Founders**), frustrated by the cost of using the school's only (expensive and industrial) 3D printer. The Founders publicly launched ROBO 3D via a crowdfunding campaign on Kickstarter ([www.kickstarter.com](http://www.kickstarter.com)), an online crowdfunding platform, receiving approximately US\$650,000 in pre-sales from customers, and commenced delivering the first model of its 3D printers to its customers in 2013.

ROBO 3D has grown into a leading brand in the desktop segment of the 3D printing industry, gaining significant traction in the key USA market through major retail partners including Amazon and Best Buy.

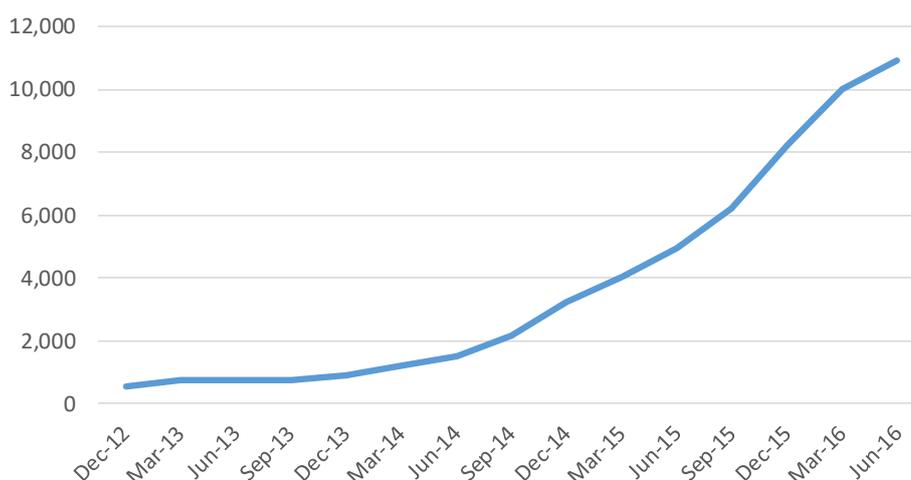
For the financial year ended 30 June 2016, ROBO 3D generated revenue of US\$4.4 million, an increase of c. 85% on the prior financial year ended 30 June 2015, when it generated revenue of US\$2.4 million.

ROBO 3D generates revenue from the following sources of sales:

- 3D printers, namely the R1 +PLUS (and its predecessor, the R1);
- Filament, used for 3D printing, in various colours and materials;
- 3D printing project kits;
- Spare parts for 3D printers such as extruders; and
- Servicing/repairs and extended warranties.

Since inception, ROBO 3D has sold almost 11,000 units of its 3D printer models, including bundles (for example, 3D printer plus a project kit), accounting for over 90% of total revenue earned by the company since inception. A summary of cumulative quarterly unit sales of 3D printers since inception through to the end of June 2016 is provided below.

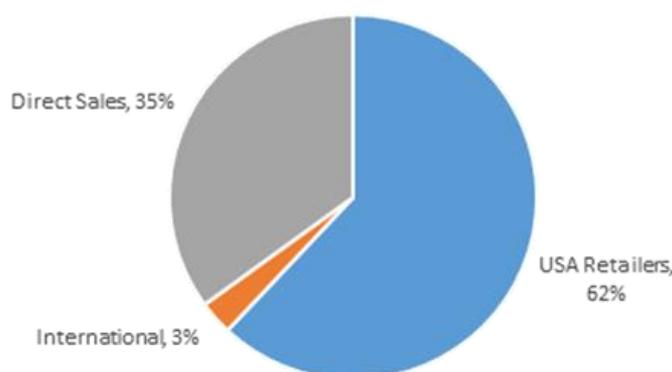
ROBO 3D cumulative quarterly 3D printer unit sales



From Completion, ROBO 3D will invest further into expanding its sale and marketing teams and efforts to drive revenue and growth both domestically (in the USA) and internationally (please see Section 3.5.7 below for further details).

For the financial year ended 30 June 2016, ROBO 3D generated approximately 62% of its revenue from USA based retailers, with approximately 3% of revenue generated from international wholesale customers. The remaining c. 35% of revenue was generated from direct sales on the [www.robo3d.com](http://www.robo3d.com) website, as well as direct sales to education institutions, including schools, universities and libraries.

FY16 Revenue by Customer Type



## 3.5.2 Assets of the Business

### 3.5.2.1 Current Product Offering

At the centre of ROBO 3D’s current product offering is its “R1+PLUS” 3D printer. The R1+PLUS printer utilises an additive manufacturing process known as Fused Deposit Modelling (**FDM**). FDM is a process whereby the 3D printing machine forces raw materials (known as “**filament**”) to be dispensed through a nozzle, thus creating a layer of material on a flat surface known as the build platform. After a layer is completed, the process repeats itself and the next layer of the extruded material is adhered to the previous layer. The physical object therefore rises from the build platform, layer by layer.

ROBO 3D's "R1+PLUS" 3D printer is targeted at the consumer/desktop segment of the market. Key features include:

- FDM printing technology
- 720 cubic inches of build volume (build size of 10 x 9 x 8 inches or 254 x 228 x 203 millimetres) (L x W x H)
- Heated print bed reducing uneven cooling and warping of printed parts
- Automatic calibration and bed levelling improving print quality
- Retail price of US\$799



In addition to sales of 3D printer, ROBO 3D also sells other hardware and accessories including replacement parts such as extruders, as well as raw materials for printing, known as "filament". ROBO 3D markets a range of filament, mostly made from Acrylonitrile Butadiene Styrene (**ABS**) and Polylactic Acid (**PLA**).

Filament generally comes in the form of 1.75mm diameter reels weighing 1kg, and can be purchased in a range of colours or compositions, from standard ABS and PLA, to more exotic forms such as wood infused PLA, as shown in the image below:



*Glow- in-the-Dark Green ABS*



*Wood PLA*

ROBO 3D also markets a number of complementary products, including a range of "off the shelf" 3D printing project kits, to complement sales of its 3D printers, as well as a 3D printing educational curriculum to help drive its push ROBO 3D products into the education segment.



ROBO 3D print kits



3D printed guitar using ROBO 3D print kit

### 3.5.2.2 Pipeline Products

ROBO 3D has announced its intention to release two new 3D printer models:

- Robo C2: ROBO 3D's entry point product into the mass market, focused on entry-level consumers who want to create smaller and less-complex projects; and
- Robo R2: targeted at the "prosumer" segment of the desktop market (i.e. serious home hobbyists or small to medium business applications).

Ahead of their general market release, ROBO 3D completed a 30 day pre-sales campaign for their two new 3D printer models on Kickstarter, an online crowd-funding website, that concluded on 22 October 2016 generating approximately US\$380,000 in pre-sales from 394 individual customers.

ROBO 3D's continued focus to invest in product development and innovation with a view to delivering a better user experience is highlighted by the Robo R2 Smart 3D Printer and iOS app being awarded the Consumer Electronics Show's ("CES") "Innovation Award" in the 3D printing product category on 10 November 2016.

Robo C2	
<ul style="list-style-type: none"> <li>• FDM printing technology</li> <li>• 150 cubic inches of build volume (build size 5 x 5 x 6 inches or 127 x 127 x 152 millimetres) (L x W x H)</li> <li>• 3.5 inch colour touch screen</li> <li>• Wi-Fi and mobile connectivity allowing prints directly from certain mobile or computer devices</li> <li>• Automatic calibration/self-levelling</li> <li>• Filament runout detection</li> <li>• Removable build platform</li> <li>• Price-point US\$500-1,000</li> <li>• Expected market release in November 2016</li> </ul>	

Robo R2	
<ul style="list-style-type: none"> <li>• FDM printing technology</li> <li>• 640 cubic inches of build volume (build size of 8 x 8 x 10 inches or 203 x 203 x 254 millimetres)</li> <li>• LCD touch screen</li> <li>• Wi-Fi and mobile connectivity allowing prints directly from certain mobile or computer devices</li> <li>• Automatic calibration and self-levelling</li> <li>• Ability to change print heads to enable subtractive processes including engraving and cutting</li> <li>• Supports additional print heads</li> <li>• Removable build platform</li> <li>• Price-point around US\$1,000</li> <li>• Expected market release in the first three months of 2017</li> </ul>	

In conjunction with the launch of the new models, ROBO 3D will also release a fully functional iOS app that will provide:

ROBO 3D iOS app	
<ul style="list-style-type: none"> <li>• Print monitoring and video stream</li> <li>• STL slicing from cloud storage or printer library</li> <li>• Print farm support</li> <li>• Local printer library management</li> <li>• In-App purchases</li> <li>• In-App support and tutorials</li> <li>• Push notifications</li> <li>• Cloud storage including Dropbox and Google Drive integrations</li> </ul>	

### 3.5.3 Intellectual Property

ROBO 3D has, in respect of its existing products as well as its pipeline, various trade secrets, know how, and confidential information. ROBO 3D may seek patent protection and design protection on various items in due course. ROBO 3D currently owns the following domain names, trademarks utility applications and logos:

Type	Details	Country of Registration	Details
Logo trademark	Registration Number 4,722,134 registered on 21 April 2015	United State Patent and Trademark Office	
Name trademark	Registration Number 4,472,375 registered on 21 January 2014	United State Patent and Trademark Office	

Type	Details	Country of Registration	Details
Name trademark	Serial number 87139018; application filed on 15 August 2016; registration pending	United States Patent and Trademark Office	ROBO
Logo trademark	Serial number 87187470; application filed on 29 September 2016; registration pending	United State Patent and Trademark Office	
Utility Patent Application	Application Number 15/197,730 lodged on 29 June 2016	United State Patent and Trademark Office	Technique for producing 3-D Printed Objects with one or more Colors
Domain Name	robo3d.com robo3dprinter.com	United States	

### 3.5.4 Business Model

ROBO 3D is an emerging company focused on the development, design and distribution of 3D printers and associated products for the consumer/desktop segment of the industry. Its 3D printers enable users to create physical objects from digital form, utilising its additive processing technology. ROBO 3D has planned a clear, staged approach to developing, evolving and commercialising its 3D printing technology over the next few years.

ROBO 3D currently distributes 3D printers, 3D printer accessories, filament and pre-packaged print kits to its customers through business-to-business (**B2B**) and business-to-consumer via the [www.robo3d.com](http://www.robo3d.com) website (**B2C**) methods.

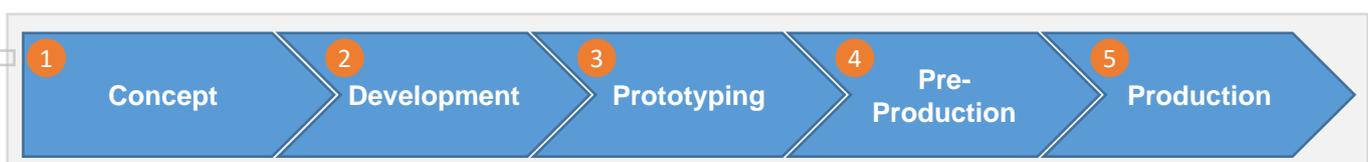
ROBO 3D currently employs over twenty full-time equivalent staff supported by a number of specialist external service providers and contractors.

The key components of the ROBO 3D business model, being development (Section 3.5.5), manufacturing (Section 3.5.6) and sales (Section 3.5.7) are set out below.

### 3.5.5 Research and Development (R&D)

ROBO 3D's technical team has experience in key areas including industrial design, software design, electrical and mechanical engineering, and 3D printing and materials technology. The team is based at ROBO 3D's facility in San Diego, with product development support provided by Outerspace Design Group Pty Ltd, a Melbourne-based specialist in industrial design and product development (see Section 8.17 for a summary of material terms of ROBO 3D's agreement with Outerspace Design Group Pty Ltd).

The technical team is further supported by a quality assurance (**QA**) team located in Hong Kong, as well as the company's manufacturer located in China. As a company focused on commercialising cutting edge technology, ROBO 3D is constantly innovating, with respect to its existing product portfolio as well as new product development. ROBO 3D's R&D process is summarised in the diagram below:



1. **Concept:** New concepts, designs, and products are developed through an ongoing robust planning process involving consultation across the entire organisation, from sales through to engineering.

Once the concept is socialised throughout the organisation, a project leader is assigned to further develop the concept. Market evaluation and market sizing is undertaken at this stage, which may include paid research, internal research such as focus groups, all leading to a final design concept.

2. **Development:** assuming the concept indicates potential for commercialisation, the final design concept is then expanded into a full form specification, including engineering and industrial design specifications, and detailed proposed materials listing. Following this, in conjunction with the QA team and the manufacturer, the product team will source raw materials and production inputs for the new concept. The end result is the delivery of a detailed, fully-costed bill of materials (**BOM**), which then forms the basis of determining customer pricing. In cases where the BOM is higher than expected, the development cycle iterates to identify opportunities to reduce the BOM.
3. **Prototyping:** once the final BOM is determined, and raw materials and inputs are sourced, ROBO 3D will work with the manufacturer to develop a prototype to assess any issues with the design process, user experience, and inefficiencies that may arise in production. A process of testing and refinement is then undertaken, including feedback from the QA team in Hong Kong, before a final production prototype is agreed.
4. **Pre-production:** in preparation for full scale production, and investment into tooling and moulds is made by ROBO 3D, unless existing assets can be re-used. The QA team in Hong Kong and China is actively involved in this process to ensure the resulting tooling and moulds exactly meets the design specifications provided.
5. **Production:** once the new concept is ready for full scale production, the company typically commences the new production run at a reduced production rate to ensure quality is maintained, and any issues are identified early. The QA team is actively involved on-site at this point.

### 3.5.6 Manufacturing

ROBO 3D currently utilises a manufacturer in Zhejiang Province in China for the assembly and manufacturing of its 3D printer, under a non-exclusive manufacturing agreement (please refer to Section 8.16 for the material terms of ROBO 3D's manufacturing agreement). ROBO 3D is actively looking to diversify its manufacturing sources to mitigate supplier risk and associated country risk issues.

Products are manufactured on a made-to-order basis, with orders placed by the Chief Operating Officer of ROBO 3D with the manufacturer. Once the products are manufactured, the QA team will travel to the manufacturing facility to inspect the finished goods, before approving them for shipment by sea to the San Diego port in the USA. In some circumstances, ROBO 3D will arrange for products to be air-freighted in order to reduce the stock cycle time, though costs can be prohibitive.

The manufacturer pays for the delivery of the finished goods to the port in China, whilst ROBO 3D pays for the subsequent logistics and transportation costs to deliver the finished goods to its third party logistics (**3PL**) provider located in San Diego. The incoming goods are checked-in at the 3PL warehouse facility and stored in preparation for delivery.

The 3PL provider provides ROBO 3D with a fully outsourced logistics, warehousing, and order fulfilment capability, with these services provided under a variable pricing model (e.g. per container, per units shipped) in accordance with a pre-agreed pricing schedule. ROBO 3D stock is insured under an umbrella insurance policy provided by the 3PL provider.

B2B orders in the USA are transported to customers in bulk, using a range of long-haul transportation companies. Typically, these orders are delivered to large regional distribution centres of the retailers. For B2C orders (i.e. placed on [www.robo3d.com](http://www.robo3d.com)), the 3PL will receive notification of the sale and then dispatch the order to the delivery address of the consumer, using a registered postal service provider such as

Fedex. Currently, deliveries to international distributors are also originated from the 3PL facility in San Diego and are transported by sea to the customers delivery address.

### 3.5.7 Sales

ROBO 3D operates a hybrid sales model utilising a direct sales team based in San Diego, complemented by a network of external sales representative firms and distributors, both in the USA and internationally, who can earn a commission percentage on sales generated.

#### 3.5.7.1 B2C (via [www.robo3d.com](http://www.robo3d.com))

ROBO 3D has a strong online presence through its website, [www.robo3d.com](http://www.robo3d.com). Traffic is driven to the website through a variety of means, including through social media channels (including Facebook, Twitter and Instagram), electronic direct marketing (**EDM**) campaigns, search engine optimisation techniques, and paid advertisements such as Google AdWords. ROBO 3D will utilize funds from the Public Offer to expand its efforts to drive customers to [www.robo3d.com](http://www.robo3d.com) through these channels.

The online store at [www.robo3d.com](http://www.robo3d.com) provides ROBO 3D with an online e-commerce platform that enables direct selling of products to consumers. When sales are received through the online store, orders are automatically forwarded to the 3PL provider for fulfilment and delivery.

In some instances, ROBO 3D may also utilise the services of online crowd-funding platforms such as Kickstarter ([www.kickstarter.com](http://www.kickstarter.com)) and Indiegogo ([www.indiegogo.com](http://www.indiegogo.com)) to launch new products and conduct product validation testing before releasing its products to market. These sites are another distribution platform that the company can use to reach large consumer audiences, and involve ROBO 3D undertaking pre-sales to customers for cash payments.

#### 3.5.7.2 Retailers & Distributors

Sales to retailers and distributors are made via the placement of purchase orders, which form a binding agreement to purchase. However, there are no committed purchasing levels or minimum purchase requirements. In some cases, the purchase orders are governed by a vendor master agreement that sets out general terms and conditions of the relationship.

In the USA, particularly with larger retailers, there are circumstances where ROBO 3D will be required to be placed on the retailer's "vendor list", and purchase orders will only be placed once a vendor number has been allocated. ROBO 3D has entered into "vendor list" style agreements with a number of retailers in order to facilitate the sales relationship.

Once this has occurred, the ROBO 3D sales team (including external sales representatives and agents) works with purchasing managers at each customer to ensure ROBO 3D's products remain adequately stocked, particularly given seasonal factors at retail level, as well as any co-marketing activities that are planned.

To deal with the sales and stock planning required at larger USA retailers, ROBO 3D has agreements in place with some sales rep agencies to assist with these activities, with particular focus on stock monitoring and re-fill orders. In these circumstances, a commission is payable by ROBO 3D for these services.

ROBO 3D currently sells its products in the USA through large retailers including Staples, Best Buy, Amazon and Microcenter.

ROBO 3D will utilize part of the use of funds to further bolster its sales team in the USA and internationally (including Australia).

### 3.5.8 Marketing

ROBO 3D recently rebranded and repositioned the brand in line with the new direction of the organisation and key audience focus, and is now in the final stages of finalising these efforts using a mix of internal and external resources that have provided direction and support in positioning ROBO 3D.

Previous Robo 3D logo



New Robo logo



Refreshed logo reflects new direction of the brand and creates a perception of modernity and approachability

As part of this, marketing has been highly engaged in the development of the Series-2 printers (C2 and R2) and associated collateral — quick start guides, instructions, packaging — to ensure there is a single brand experience across the board from awareness and purchase experience through to unboxing, use of the products, and post-purchase experience. The experience has been optimised to cater to both first buyers and professional users alike.

Robo C2 Retail Packaging



Best-in-class brand positioning and packaging experience for consumers

Post-rebrand, key marketing efforts have focused on ensuring that our existing core audiences are engaged with Robo, specifically Hobbyists and Professional users through events and community engagement.



New brand imagery created to connect with Robo key audiences and tell maker stories, showing scenes that are familiar and aspirational, that communicate a perception of quality

Using funds from the Public Offer, ROBO 3D will look to bolster marketing efforts that engage with existing consumers to encourage them to become brand advocates, while engaging new users and users outside of the core groups with shareable and compelling story telling. The Public Offer fundraising will also provide consistency in marketing spend, critical to growing the ROBO 3D community and growth of brand awareness.

New marketing materials will include the development of videos, testimonials, and other examples of use, shareable and ownable 3D models, all which will be used throughout all of ROBO 3D's online community channels, sales, PR, and advertising on digital and traditional platforms.

The marketing department intends to grow its capabilities by bringing certain external capabilities into the company to ensure unwavering focus and consistency of effort and messaging.

### 3.5.9 Customer Service & IT

To support the sales team, ROBO 3D has a 24 hour, 7 days a week customer service function located in the USA, with internal resources located in San Diego supported by a third party provider in Los Angeles for after-hours support.

Following the completion of the Capital Raising, the Company intends to invest into further development of its IT systems, including implementing a new Enterprise Resource Planning (**ERP**) system and upgrading the e-Commerce platform that supports the [www.robo3d.com](http://www.robo3d.com) website. Further, as a growing company, ROBO 3D will continue to invest in software and systems that streamline processes, create efficiencies, and mitigates risk across all its functions.

### 3.5.10 Finance

The Company will fund its ongoing operations from the funds raised under the Capital Raising. Please refer to the Company's intended use of funds raised from the Capital Raising at Section 1.8.

The Company will direct any cash flows received from the business operations towards the Company's working capital requirements.

### 3.5.11 The 3D Printing Industry

#### 3.5.11.1 What is 3D printing technology?

The ISO/ASTM 52900 standard defines Additive Manufacturing (**AM**) as a process of joining materials to make parts from first translating a 3D image, print plan, or model created using computer aided design (**CAD**) software, a 3D scanner, or 3D modelling software, usually layer upon layer, as opposed to subtractive and formative manufacturing methods.. Each individual layer is physically created using a build material, one layer at a time, from bottom to top – adding material at each pass until the object is physically rendered. AM is used to form physical models, prototypes, tooling and production parts using a variety of materials including plastic, metal, glass, ceramic and composites.

The term “3D printing” is defined by the ISO/ASTM 52900 standard as the fabrication of objects through the deposition of a material using a print head, nozzle, or other printer technology, referred to as “material extrusion”. Typical consumer and light industrial 3D printers use one of a few types of plastic filament material fed into the printer in solid form, much like feeding thread into a sewing machine. The filament is heated until it becomes a pliable liquid and is then extruded by a moving nozzle onto a build plate, layer upon layer, as described above. As each layer cools, it becomes fused to the adjoining layers, eventually creating a hardened “print” of the object being rendered.

While plastic filament is a very common material for AM, other materials include powders, sheets, pellets and pastes. Some of these materials require different additive techniques, such as jetting, photo-curing, laminating or fusing different materials together.

#### 3.5.11.2 How has 3D printing evolved?

The first commercial AM or 3D printing systems emerged in the late 1980s with stereolithography (**SL**) from 3D Systems, a process that solidifies thin layers of ultraviolet (UV) light sensitive liquid polymer using a laser. In 1991, three AM technologies were commercialised, including the material extrusion process known as “fused deposition modelling” (**FDM**) from Stratasys, which extrudes thermoplastic materials in filament form to produce parts layer by layer. These systems represent the largest installed base of AM machines today.

Throughout the 1990s processes for metal sintering such as “selective laser melting” (**SLM**) and “selective laser sintering” (**SLS**) became available for use in metal working, casting, fabrication, stamping, and machining.

Additionally, subtractive manufacturing processes such computer numerical control (**CNC**) milling were used to “carve” an object from a solid block of material. Much of industrial printing development was driven by the need for greater accuracy (i.e. resolution) and larger projects, and grew hand in hand with the popularity of CAD, “stereolithography files” (**SLA**), and other modelling computer systems.

### 3.5.11.3 Current 3D printing technologies

A summary of the some of the common 3D printing methods is provided below.

#### 3.5.11.4 FDM/Material Extrusion

Material extrusion systems (i.e. FDM) represent the largest installed base of AM. This is the technology underpinning ROBO 3D's current R1+PLUS printer and its next generation 3D printers to be released shortly, the Robo C2 and the Robo R2. Filament wound on a spool like wire is slowly unwound and fed through a heated nozzle or syringe (the “extruder”). The pliable and melted filament is laid down on the print build area by the extruder where it quickly cools and solidifies into a hard material. Subsequent layers are extruded atop previous layers at which time the heat of the newly laid layer causes it to fuse with the layer below.

The strengths of this technology are that it boasts the largest number and variety of available print materials on the market, can print with multiple materials in the same print job, and compared to other AM processes, can be relatively inexpensive and easy to use.

The drawbacks of FDM are that it is the technology with the lowest resolution (and thus print complexity) as compared to other common methods. However, this drawback is being reduced with the continued innovation in design of FDM products. Parts often have a horizontal weakness whereby the layering may break. Overhanging portions of prints must be printed with support material, which is later removed, but often results in ‘scarring’ where they were attached to the object.

#### 3.5.11.5 Vat/Light photopolymerisation

Digital Light Processing (**DLP**) is a process where a digital light projector projects light from below a vat of photosensitive liquid resins through the vat’s transparent floor. An array of mirco-mirrors project an image on the surface of the vat, and the light from the projector cures an entire layer at once. The main benefit of this is that the process can harden a whole layer in a fraction of the time it takes for a laser to trace around and fill in each item on the print bed, improving print times, enabling high resolution prints. The main companies using this method include industrial focused-companies including Envisiontec, DWS, and Prodways, as well as desktop segment focused companies such as Formlabs.

#### 3.5.11.6 Powder Bed Fusion

Powder Bed Fusion technology is a popular method of 3D additive manufacturing whereby thermal energy fuses selected areas of a powder bed. The thermal energy source is typically a laser or an electron beam. The thermal energy melts the powder material which then changes to a solid state once it cools. Both polymer and metal materials are used as raw material for powder bed fusion processes.

The strengths of this technology are that it can be faster and create more durable end products compared to other processes. The method produces the most complex parts, which are self-supporting (due to unprocessed build material).. However, powder bed systems are typically very expensive and complex and operating costs can be comparatively high given the cost of raw materials. Companies offering powder bed fusion systems include large industrial focused groups such as 3D Systems and EOS.

### 3.5.11.7 Competitors

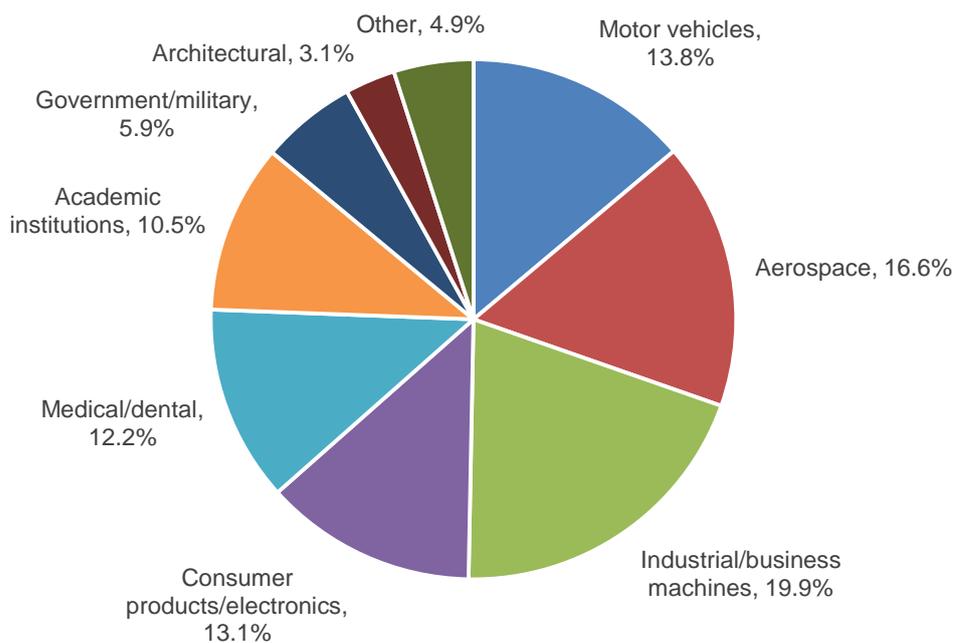
ROBO 3D competes in the desktop segment of the 3D printing industry, with its R1+ PLUS model and its soon to be released Robo C2 and Robo R2 all priced under US\$2,000 per unit. At this price point, its competitors include other FDM companies such as XYZ Printing, Ultimaker and Makerbot. Given the industry is in its infancy and most of the competitors are private entities, reliable market share data is difficult to obtain with most industry researchers only providing estimates.

### 3.5.12 Segments in 3D printing

The Wohlers Report, “Wohlers Report 2016 – 3D Printing and Additive Manufacturing State of the Industry: Annual Worldwide Progress Report” (**Wohlers Report 2016**), is an annual publication from Wohlers Associates (**Wohlers**) that is widely regarded as “the bible” of 3D printing which is available at [www.wohlerssssociates.com](http://www.wohlerssssociates.com). The Wohlers team has been tracking the industry since it began in the early 1980’s. Please note that Wohlers has not provided their consent for the statements from the Wohlers Report 2016 contained in this Section 3.5 to be included in this Prospectus.

The Wohlers Report (2016) shows that the industry is largely delineated across eight main segments. Industrial/business machines is the largest segment at 18% of the market, while the aerospace, academic, government institutions, and military sectors are the growing strongly.

**3D printing revenue by industry segment**



*Wohlers Report 2016, page 20*

Business and work applications have dominated the 3D printing space since inception of the technology, but the most prominent growth over recent years has come from the consumer products/electronics sector, which is the sector ROBO 3D operates in. 3D printing in this sector is used for rapid design and prototyping of product iterations for such things as mobile phones, home electronics, computers, appliances, tools, and toys.

### 3.5.13 Total market size

Wohlers estimated the worldwide AM market, which includes printers, manufacturing systems, parts, products, and aftermarket services, grew 25.9% from 2014 to reach US\$5.2 billion at the end of 2015.

Sales of 3D printers represented US\$2.4 billion of the total market, followed by US\$1.5 billion from upgrades, and the remainder from services (Wohlers Report 2016, page 141).

### 3.5.13.1 Origin of the 3D consumer/desktop segment

The origins of what is now considered the “consumer/desktop segment” of the 3D printing industry go back to 2004 and the Replicating Rapid-prototype. The UK-based project’s goal was to design an open source, small scale (i.e. desktop) 3D printer that could print most of its own parts, thus making it self-replicating.

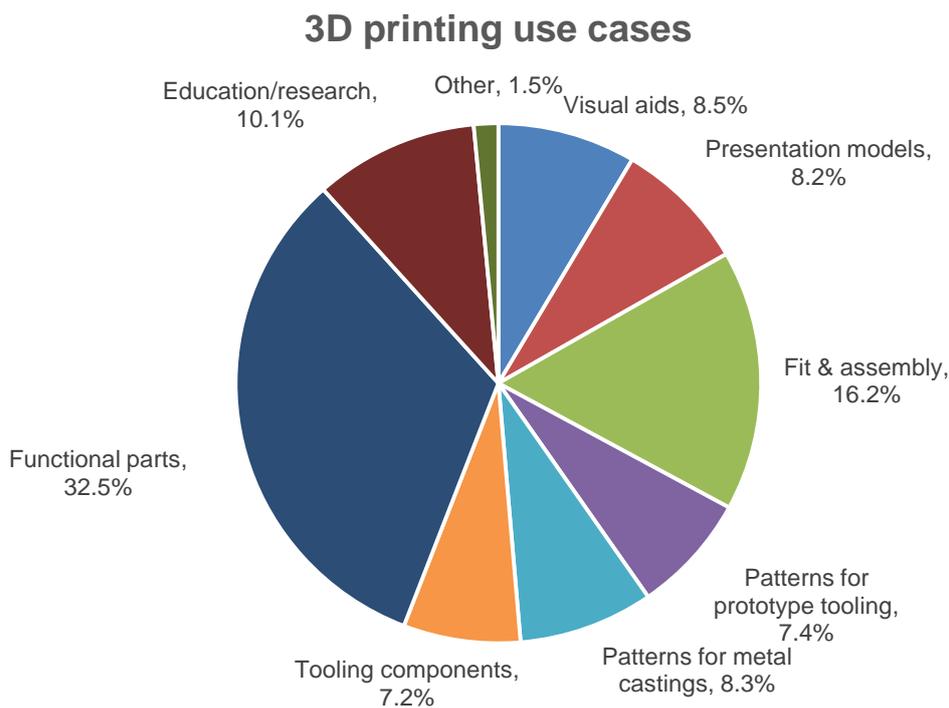
The concept caught on amongst a global group of project collaborators dedicated to the notion that these machines could bring industrial-type additive manufacturing capability to people anywhere in the world and at a low cost.

Early adopters of consumer 3D printers were generally ‘tinkerers’ who enjoyed the process of assembling and modifying their printer as much as actually printing. Over time, the potential for 3D printing in the hands of a broad base of consumers has become more apparent.

According to the Wohlers, the consumer/desktop segment is defined as 3D printers that sell for less than US\$5,000 per unit.

### 3.5.13.2 Type of use cases

Traditional uses of industrial 3D printing have ranged from functional parts for rapid prototyping, modelling and testing, to visual aids and presentation models as outlined by the chart below:



Wohlers Report 2016, page 23

Desktop printers in the consumer market may follow similar usage trends as industry, only with a greater variety of uses.

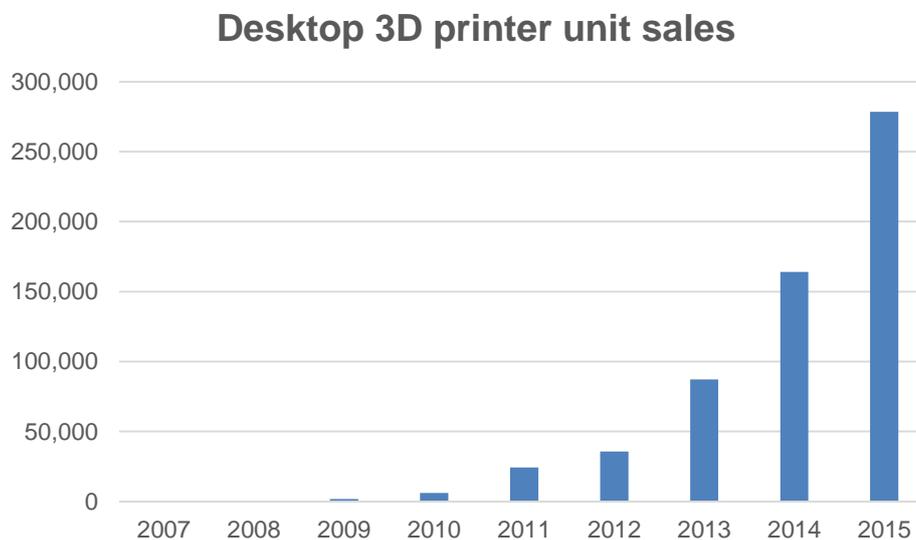
Further, promotion of 3D printing by government and other public institutions is driving interest in the industry. For example, on 17 June 2016 President Obama released his “Nation of Makers” policy stating “America has always been a nation of tinkerers, inventors, and entrepreneurs... In the same way that the Internet and cloud computing have lowered the barriers to entry for digital start-ups, the democratization of the tools needed to design and prototype physical products can support entrepreneurship and a

*renaissance of American manufacturing...tools such as 3D printers, desktop machine tools, and tools for digital design are becoming more powerful, less expensive, easier to use, and more widely available through shared spaces. These trends ... are empowering tinkerers, entrepreneurs, and companies to transform an idea from a drawing on the back of a napkin to a working prototype faster than ever before."* Included in the initiatives under the policy, The Obama Administration announced important progress on its Nation of Makers initiative, including:

- 8 Federal agencies announcing new grants, education initiatives, training, knowledge networks, and other supports to help create more makers and assist more entrepreneurs to take prototypes to scale with new ventures;
- More than 1,400 K-12 schools, representing almost 1 million students from all 50 states, committing to dedicating a space for making, designating a champion for making, and having a public showcase of student projects;
- More than 100 additional commitments including the distribution of 1 million foldable microscopes to children around the world by Foldscope Instruments; the investment in 100 new makerspaces by Google as part of the Making Spaces program; and
- New steps to support making at 77 universities and colleges through Make Schools Alliance.

### 3.5.13.3 Market size

According to estimates from Wohlers, growth in 3D printer unit sales in the consumer/desktop segment grew 69.7% in 2015 to reach 278,385 units, with revenues reaching US\$293.6 million. The following graph from the Wohlers Report 2016 shows their historical estimates for the number of consumer/desktop printer units sold each year, and visually demonstrates the rapid rate of growth:



Wohlers Report 2016, page 149



For more details visit [roboblock.com](https://www.roboblock.com)

## 4. DETAILS OF OFFERS

## 4. Details of Offers

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### 4.1 The Offers

#### (a) Public Offer

Under the Public Offer, this Prospectus invites investors to apply for up to 40,000,000 Shares at an issue price of \$0.10 per Share to raise \$4,000,000 (before costs of the Offers) on a (Post-Consolidation basis), with the ability to take oversubscriptions for a further 20,000,000 Shares to raise a further \$2,000,000 (for up to a total raising of \$6,000,000).

All Shares issued pursuant to the Public Offer will rank equally with the existing Shares on issue. Please refer to Section 10.8 for further information regarding the rights and liabilities attaching to the Shares.

The Minimum Subscription for the Public Offer is the \$4,000,000. No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not received within four months from the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

The Board retains absolute discretion when deciding whether or not to accept any particular application under the Public Offer in part or in full and will not be liable to an existing Shareholder who is not allocated Shares (or their full application for Shares). In the event that there is excess demand under the Public Offer, the Directors will determine the allocation of Shares under the Public Offer in their sole discretion.

Please refer to Section 4.13.1 for details on how to apply for Shares under the Public Offer.

#### (b) ROBO 3D Vendor Offer

This Prospectus also contains the ROBO 3D Vendor Offer, being an offer of 43,629,264 Shares on a (Post-Consolidation basis) to the ROBO 3D Vendors (and/or their nominees) in consideration for the acquisition of their holdings in ROBO 3D pursuant to the Revised Term Sheet. Accordingly, no funds will be raised under the ROBO 3D Vendor Offer.

Only ROBO 3D Vendors (and/or their nominees) may accept the ROBO 3D Vendor Offer. If you are a ROBO 3D Vendor, please refer to Section 4.13.2 for details on how to apply for Share under the ROBO 3D Vendor Offer.

#### (c) Albion 3D Vendor Offer

This Prospectus also contains the Albion 3D Vendor Offer, being an offer of 98,488,030 Shares on a (Post-Consolidation basis) to the Albion 3D Vendors (and/or their nominees) in consideration for the acquisition of their holdings in Albion 3D pursuant to the Revised Term Sheet and repayment of the Convertible Loans. Accordingly, no funds will be raised under the Albion 3D Vendor Offer.

Only Albion 3D Vendors (and/or their nominees) may accept the Albion 3D Vendor Offer. If you are an Albion 3D Vendor, please refer to Section 4.13.3 for details on how to apply for Share under the Albion 3D Vendor Offer.

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### (d) Executive Offer

This Prospectus also contains the Executive Offer, being an offer of 4,899,902 Executive Performance Rights on a (Post-Consolidation basis) to Ryan Legudi and Tim Grice (and/or their nominees) to provide a performance linked incentive component in their remuneration packages to motivate and reward performance in achieving specified vesting conditions within a specified period pursuant to the Revised Term Sheet. The Executive Performance Rights are issued on the terms set out in Section 10.10. No funds will be raised under the Executive Offer. Only the Executives (and/or their nominees) may accept the Executive Offer.

### (e) Founder Offer

This Prospectus also contains the Founder Offer, being an offer of 5,599,888 Founder Performance Rights on a (Post-Consolidation basis) to Braydon Moreno and Jacob Kabili (and/or their nominees) to provide a performance linked incentive component in their remuneration packages to motivate and reward performance in achieving specified vesting conditions within a specified period pursuant to the Revised Term Sheet. The Founder Performance Rights are issued on the terms set out in Section 10.11. No funds will be raised under the Founder Offer. Only the Founders (and/or their nominees) may accept the Executive Offer.

### (f) Employee Offer

This Prospectus also contains the Employee Offer, being an offer of 3,499,930 Employee Performance Rights on a (Post-Consolidation basis) to key Employees (and/or their nominees) of the Company (and its Subsidiaries) to provide a performance linked incentive component in their remuneration packages to motivate and reward performance in achieving specified vesting conditions within a specified period pursuant to the Revised Term Sheet. The Employee Performance Rights are issued on the terms set out in Section 10.12. No funds will be raised under the Employee Offer. Only the selected Employees of the Company (and/or their nominees) may accept the Employee Offer.

### (g) Advisor Offer

This Prospectus also contains the Advisor Offer, being an offer of 13,999,720 Advisor Options on a (Post-Consolidation basis) to the Advisors (and/or their nominees) in consideration for corporate advisory services provided to the Company in respect of the Public Offer and pursuant to the Revised Term Sheet. The Advisor Options are issued on the terms set out in Section 10.9. Although a nominal amount of \$1,399.97 will be raised from the issue of the Advisor Options to the Advisors (an issue price of \$0.0001 per Advisor Option), the Advisor Options are issued as consideration to the Advisor and no material funds will be raised under the Advisor Offer. Only the Advisors (and/or their nominees) may accept the Advisor Offer.

All Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The Company believes that, following completion of the Public Offer, the Company will have sufficient working capital to achieve its objectives as set out in this Prospectus. No funds will be raised under the ROBO 3D Vendor Offer, Albion 3D Vendor Offer, Executive Offer, Founder Offer or Employee.

All application monies for the Public Offer are payable in full on Application.

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## 4.2 Capital structure

The capital structure of the Company following the Consolidation, Offers, the Acquisition and other matters is set out in Section 1.7.

The Company confirms that upon Completion of the Acquisition, Consolidation and Capital Raising, no one Shareholder, (either in isolation or with their associates combined), will hold more than 19.9% of the issued capital of the Company and therefore the Company is not in breach of any part of the takeovers legislation in the Corporations Act.

## 4.3 Consolidation

The Company sought approval from Shareholders at the General Meeting held on 18 November 2016 to consolidate the number of Securities on a 1 for 7.143 basis. The Consolidation is required to ensure that the Company's capital structure is appropriate for it to be able to re-comply with the admission requirements of ASX.

Under section 254H of the Corporations Act and Article 3.4 of the Constitution, the Company may, by a resolution passed at a general meeting of Shareholders, convert all or any of its shares into a larger or smaller number of shares. Listing Rule 7.22.1 provides that in a consolidation of capital, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

Following Shareholder approval which was obtained at the General Meeting, the number of Securities on issue will be reduced on a 1 for 7.143 basis, the exercise price of all Options then on issue will be increased in inverse proportion to that ratio, and all holding statements for such Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Post-Consolidation Securities. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders and Optionholders.

## 4.4 Change in name and ASX Code

The Company will seek approval from Shareholders at the General Meeting to change its name to 'Robo 3D Limited' on and from the date of Completion of the Acquisition. The Directors believe that this new name better suits the Company moving forward pursuant to the Acquisition. The Company will also change its ASX code to **RBO**.

## 4.5 Purpose of the Offers

The purpose of the Public Offer is to assist the Company to meet the requirements of ASX and re-comply with Chapters 1 and 2 of the Listing Rules and provide additional funds to enable the Company to fund development and marketing and related activities on the ROBO 3D business plan, pay costs of the issue and general working capital and as set out in this Prospectus.

The purpose of the ROBO 3D Vendor Offer and Albion 3D Vendor Offer is to allow the Company to satisfy the requirements of the Revised Term Sheet (which form part of the conditions to completion of the Acquisition) and issue the consideration payable to the ROBO 3D Vendors and the Albion 3D Vendors for the acquisition of ROBO 3D and Albion 3D respectively and repayment of the Convertible Loans.

The purpose of the Executive Offer, Founder Offer and Employee Offer is to provide a performance linked incentive component to the remuneration packages of executive staff, senior managers and key employees who will be responsible for driving the business of the Company Post Completion and reward performance in achieving specified vesting conditions within a specified period pursuant to the Revised Term Sheet.

The purpose of the Advisor Offer is to allow the Company to satisfy the requirements of the Revised Term Sheet (which form part of the conditions to completion of the Acquisition).

Refer to Section 8.1 for the material terms of the Revised Term Sheet relating to the Securities to be issued under the Offers.

## 4.6 Objectives of the Offers and use of funds

Funds raised from the Capital Raising will be utilised over a 12 month period as set out in Section 1.8 above.

## 4.7 Conditions of the Offers

Completion of the Acquisition (**Completion**) is subject to and conditional upon the following conditions precedent (**Conditions of the Offers**):

- (a) the Company obtaining ASX approval for the readmission of the Company to the official list of ASX in connection with its proposed change in the nature and scale of its activities; and
- (b) the Company undertaking a capital raising and receiving valid applications for a minimum subscription of \$4,000,000 (subject to compliance with regulatory requirements) under a Prospectus at an issue price of not less than 10 cents per share (on a Post-Consolidation basis).

The Company's Securities are currently suspended and will continue to be suspended from Official Quotation from the time of the General Meeting and will not be re-instated until the Conditions of the Offers are achieved.

There is a risk that the Conditions of the Offers will not be achieved. In the event the Conditions of the Offers are not achieved, the Company will not proceed with the Offers and will repay all Application Monies received.

## 4.8 Forecasts

Prior to the Acquisition, the Company has operated in a speculative industry in which there are significant uncertainties associated with forecasting future revenues from its previous activities. Following the Acquisition, the Company will still not be in a position to provide a forecast as the Acquisition is yet to build a reliable history of revenue and profitability.

The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

## 4.9 Minimum Application under Offers

Applications under the Public Offer must be for a minimum of 20,000 Shares (\$2,000) and thereafter in multiples of 2,000 Shares (\$200). Applications to subscribe for Shares under the Public Offer will only be accepted on the Application Form.

Only the ROBO 3D Vendors (and/or their nominees) may accept the ROBO 3D Vendor Offer. Applications under the ROBO 3D Vendor Offer must be made on the personalised ROBO 3D Vendor Offer Application Form provided to each of the ROBO 3D Vendors in respect of their ROBO 3D Consideration Shares.

Only the Albion 3D Vendors (and/or their nominees) may accept the Albion 3D Vendor Offer. Applications under the Albion 3D Vendor Offer must be made on the personalised Albion 3D Vendor Offer Application Form provided to each of the Albion 3D Vendors in respect of their Albion 3D Consideration Shares and repayment of the Convertible Loans.

Only Tim Grice and Ryan Legudi (and/or their nominees) may accept the Executive Offer. Applications under the Executive Offer must be made on the personalised Executive Offer Application Form provided to Tim Grice and Ryan Legudi (and/or its nominee/s) in respect of the Executive Performance Rights.

Only Braydon Moreno and Jacob Kabili (and/or their nominees) may accept the Founder Offer. Applications under the Founder Offer must be made on the personalised Founder Offer Application Form provided to Braydon Moreno and Jacob Kabili (and/or its nominee/s) in respect of the Founder Performance Rights.

Only specific Employees (and/or their nominees) selected by the Company may accept the Employee Offer. Applications under the Employee Offer must be made on the personalised Employee Offer Application Form provided to the specific Employees (and/or its nominee/s) in respect of the Employee Performance Rights.

Only the Advisor (and/or its nominees) may accept the Advisor Offer. Applications under the Advisor Offer must be made on the personalised Advisor Offer Application Form provided to the Advisor in respect of the Advisor Options.

## 4.10 Minimum Subscription

The minimum total subscription under the Public Offer is \$4,000,000 (40,000,000 Shares) (**Minimum Subscription**). None of the Securities offered by this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within 4 months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and Application Monies will be repaid (without interest).

There is no minimum subscription under the ROBO 3D Vendor Offer, Albion 3D Vendor Offer, the Executive Offer, the Founder Offer, the Employee Offer or the Advisor Offer however successful completion of the Acquisition (and issues of these Securities) is conditional upon the Company achieving the Minimum Subscription under the Public Offer.

## 4.11 Existing Shareholders

There will be no priority offer for existing Shareholders.

## 4.12 Brokers

Brokerage and/or handling fees on Applications for Securities will be payable to member firms of ASX or licensed investment advisors on such Application Forms bearing their stamp and accepted by the Company.

## 4.13 How to Apply

### 4.13.1 Public Offer

If you wish to invest in the Company via the Public Offer, complete the Public Offer Application Form. Completed Public Offer Application Forms should be returned to the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date.

Completed Public Offer Application Forms and Application Monies should be returned to the Company as follows:

By Post To:	Or Delivered To:
Falcon Minerals Limited c/- Forrest Capital Pty Ltd Unit 8-9, 88 Forrest Street Cottesloe WA 6011	Falcon Minerals Limited c/- Forrest Capital Pty Ltd Unit 8-9, 88 Forrest Street Cottesloe WA 6011

Refer to the instructions on the back of the Application Form when completing your Application. Cheques must be made payable to "Falcon Minerals Limited – Offer Account" and crossed "Not Negotiable". All cheques must be in Australian currency.

An original completed and lodged Application Form, together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon issue of the Securities.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer.

### 4.13.2 ROBO 3D Vendor Offer

The ROBO 3D Vendors (and/or their nominees) are entitled to apply for their ROBO 3D Consideration Shares under the ROBO 3D Vendor Offer and must complete and return their personalised ROBO 3D Vendor Offer Application Form provided to each of the ROBO 3D Vendors in respect of their ROBO 3D Consideration Shares. The ROBO 3D Vendors (and/or their nominees) will be issued an allocated number of ROBO 3D Consideration Shares under the ROBO 3D Vendor Offer pursuant to Revised Term Sheet, being an aggregate total of

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43,629,264 Shares. Each of the ROBO 3D Vendors (and/or their nominees) will only receive the amount of ROBO 3D Consideration Shares specified on their personalised ROBO 3D Vendor Offer Application Form provided by the Company.

Completed ROBO 3D Vendor Offer Application Forms should be returned to the Company prior to 5.00pm (WST) on the Closing Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised ROBO 3D Vendor Offer Application Form when completing your Application under the ROBO 3D Vendor Offer.

#### 4.13.3 Albion 3D Vendor Offer

The Albion 3D Vendors (and/or their nominees) are entitled to apply for the Albion 3D Consideration Shares under the Albion 3D Vendor Offer and must complete and return their personalised Albion 3D Vendor Offer Application Form provided to each of the Albion 3D Vendors in respect of their Albion 3D Consideration Shares. The Albion 3D Vendors (and/or their nominees) will be issued an allocated number of Albion 3D Consideration Shares under the Albion 3D Vendor Offer pursuant to Revised Term Sheet or the terms of their Convertible Note Agreement (as relevant), being an aggregate total of 98,488,030 Shares. Each of the Albion 3D Vendors (and/or their nominees) will only receive the amount of Albion 3D Consideration Shares specified on their personalised Albion 3D Vendor Offer Application Form provided by the Company.

Completed Albion 3D Vendor Offer Application Forms should be returned to the Company prior to 5.00pm (WST) on the Closing Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised Albion 3D Vendor Offer Application Form when completing your Application under the Albion 3D Vendor Offer.

#### 4.13.4 Executive Offer

Ryan Legudi and Tim Grice, being the Executives, (and/or their nominees) are entitled to apply for the Executive Performance Rights under the Executive Offer and must complete and return its personalised Executive Offer Application Form provided to each of the Executives in respect of their Executive Performance Rights. The Executives (or their nominee/s) will be issued 2,449,951 Executive Performance Rights each, being a total of 4,899,902 Executive Performance Rights. The Executives (and/or their nominees) will only receive this total amount of Executive Performance Rights specified on their personalised Executive Offer Application Form provided by the Company.

Completed Executive Offer Application Forms should be returned to the Company prior to 5.00pm (WST) on the Closing Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised Executive Offer Application Form when completing your Application under the Executive Offer.

#### 4.13.5 Founder Offer

Braydon Moreno and Jacob Kabili, being the Founders, (and/or their nominee/s) are entitled to apply for the Founder Performance Rights under the Founder Offer and must complete and return its personalised Founder Offer Application Form provided to each of the Founders in

respect of their Founder Performance Rights. The Founders (and/or their nominees) will be issued 2,799,944 Founder Performance Rights each, being a total of 5,599,888 Performance Rights. The Founders (and/or their nominees) will only receive this total amount of Founder Performance Rights specified on their personalised Founder Offer Application Form provided by the Company.

Completed Founder Offer Application Forms should be returned to the Company prior to 5.00pm (WST) on the Closing Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised Founder Offer Application Form when completing your Application under the Founder Offer.

#### 4.13.6 Employee Offer

Specific employees of the Company and its Subsidiaries, being the Employees, (and/or their nominees) are entitled to apply for the Employee Performance Rights under the Employee Offer and must complete and return its personalised Employee Offer Application Form provided to each of the Employees in respect of their Employee Performance Rights. A total of 3,499,930 Employee Performance Rights will be issued to the Employees. The Employees (and/or their nominees) will only receive the total amount of Employee Performance Rights determined by the Company and as specified on their personalised Employee Offer Application Form provided by the Company.

Completed Employee Offer Application Forms should be returned to the Company prior to 5.00pm (WST) on the Closing Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised Employee Offer Application Form when completing your Application under the Employee Offer.

#### 4.13.7 Advisor Offer

The Advisor (and/or its nominees) is entitled to apply for the Advisor Options under the Advisor Offer and must complete and return its personalised Advisor Offer Application Form provided to each of the Advisors in respect of their Advisor Options. The Advisor (and/or its nominees) will be issued an allocated number Advisor Options under the Advisor Offer pursuant to Term Sheet, being a total of 13,999,720 Advisor Options. The Advisor (and/or its nominees) will only receive this total amount of Advisor Options specified on their personalised Advisor Offer Application Form provided by the Company.

Cheques must be made payable to "Falcon Minerals Limited – Offer Account" and crossed "Not Negotiable". All cheques must be in Australian currency.

An original completed and lodged Advisor Offer Application Form, together with a cheque for the Application Monies for the Advisor Options, constitutes a binding and irrevocable offer to subscribe for the number of Advisor Options specified in the Advisor Offer Application Form. The Advisor Offer Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon issue of the Securities.

Completed Advisor Offer Application Forms, together with a cheque for the Advisor Offer application monies, should be returned to the Company prior to 5.00pm (WST) on the Closing

Date by delivery or post to Falcon Minerals Limited care of Forrest Capital Pty Ltd, Unit 8-9, 88 Forrest Street, Cottesloe WA 6011. Refer to the instructions on the back of your personalised Advisor Offer Application Form when completing your Application under the Advisor Offer.

#### 4.14 Official Quotation

An application will be made to ASX not later than seven (7) days after the date of this Prospectus for the Company to be re-admitted to the Official List and for Official Quotation of the Securities on ASX.

The fact that ASX may re-admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Securities offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

#### 4.15 Issue of Shares

Application Monies will be held in trust for Applicants until the issue of the Securities. Any interest that accrues will be retained by the Company. No issue of Securities under this Prospectus will occur unless the Minimum Subscription is raised.

The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Securities under the Public Offer are expected to be issued on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Public Offer. Applicants who sell Securities before they receive their holding statements do so at their own risk.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered by this Prospectus will be issued. If no issue is made, all Application Monies will be refunded to Applicants (without interest).

#### 4.16 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement Pty Ltd (**ASXS**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASXS Operating Rules. On CHESS, 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 register of Shareholders.

The Company will not issue certificates to Shareholders. Instead, as soon as is practicable after issue, successful Applicants will receive a holding statement which sets out the number of Securities issued.

A holding statement will also provide details of a shareholder's Holder Identification Number (**HIN**) (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (**SRN**) (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Securities held. Security holders may also request statements at any other time (although the Company may charge an administration fee).

## 4.17 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. At the date of issue of this Prospectus the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

## 4.18 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered speculative and involves a number of risks inherent with a technology business. Section 1.3 contains details of key Risk Factors which prospective investors should be aware of and Section 9 contains more detailed Risk Factors. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent advisor.

## 4.19 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

### **United States**

The Prospectus has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Offers or the accuracy, adequacy or completeness of the Prospectus. Any representation to the contrary is a criminal offence.

The Securities to be issued pursuant to the Offers have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Offers are not being made in any US state or other jurisdiction where it is not legally permitted to do so.

US shareholders of ROBO 3D and Albion 3D should note that the Offers are made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offers are subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since the Company is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue the Company or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel the Company and its affiliates to subject themselves to a US court's judgment.

You should be aware that the Company may purchase securities otherwise than under the Offers, such as in privately negotiated purchases.

### **Hong Kong**

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

This document also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the Offers, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this document may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this document, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Falcon Shareholders in connection with the Offers, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong. Only the person to whom a copy of this document has been issued may take action in response to this document. The Offers are personal to the person to whom this document has been delivered, and an acquisition or subscription for securities under the Offers will only be accepted from such person.

This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or

disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offers by the person to whom this document is addressed.

## 4.20 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

## 4.21 Enquiries

Enquiries relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed the Company Secretary on (+61) 8 9382 1596.

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DO NOT WORRY ABOUT THE TOOLS BUT ABOUT HANDS, EYES, HEART  
AND A LONGING IN THE SOUL TO CREATE BEAUTY.  
— G. MICHELETTI



## 5. BOARD AND MANAGEMENT

## 5. Board and Management

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### 5.1 Current Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are set out in Section 1.9(b).

### 5.2 Details of Proposed Directors post re-compliance

The names and details of the Proposed Directors of the Company on and from Completion are set out in Section 1.9(c).

### 5.3 Current ROBO 3D Management

The names and details of the key management of ROBO 3D at the date of this Prospectus is detailed in Section 1.9(d).

### 5.4 Corporate Governance

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

The independent Directors of the Company are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement.

The responsibilities of the Board include:

- (a) protection and enhancement of Shareholder value;
- (b) formulation, review and approval of the objectives and strategic direction of the Company;
- (c) approving all significant business transactions including acquisitions, divestments and capital expenditure;
- (d) monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- (e) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (f) the identification of significant business risks and ensuring that such risks are adequately managed;
- (g) the review and performance and remuneration of executive Directors and key staff;
- (h) the establishment and maintenance of appropriate ethical standards; and
- (i) evaluating and, where appropriate, adopting with or without modification, the 3<sup>rd</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX CGC P&R**).

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website under its "Corporate Governance" heading.

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

However, notwithstanding the adoption of the Company's corporate governance charter and the aforementioned intention, and given the Company's change in business activities, developing business base and growing staffing complement, cultural adherence in practice to all aspects of the charter and the ASX CGC P&R remains an evolving "work in progress".

In particular, each of the recommendations of the ASX CGC P&R which will not be followed by the Company as at the time of re-admission to the official list, and the reasons why they respectively will not be followed, are set out below. Given the underlying issue and nature of the non-compliance with each of the recommendations and the intended temporal duration of the non-compliance, no alternate governance practices are intended to be adopted in lieu of each specified recommendation of the ASX CGC P&R.

The Company currently does not have any independent directors. Post-acquisition of ROBO 3D the Company will have one independent director, Patrick Glovac. When determining the independent status of a Director the Board used the Guidelines detailed in the ASX CGC P&R.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations. *Other than where specifically written in italic below the current practice will continue post-Completion.*

Recommendation		Current Practice
1.1	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a. The respective roles and responsibilities of its board and management; and</li> <li>b. Those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p>The Board is responsible for the overall corporate governance of the Company.</p> <p>The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> <li>a) maintain and increase shareholder value;</li> <li>b) ensure a prudential and ethical basis for the Company's conduct and activities; and</li> <li>c) ensure compliance with the Company's legal and regulatory objectives.</li> </ul> <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> <li>a) reviewing the corporate, commercial and financial performance of the Company on a regular basis;</li> <li>b) acting on behalf of, and being accountable to, the shareholders; and</li> <li>c) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.</li> </ul> <p>The Company is committed to the circulation of relevant materials to the Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.</p> <p>The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company.</p>

Recommendation		Current Practice
1.2	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director</li> </ol>	<p>The Board undertakes checks before appointing a director. Directors confirm each year they are not disqualified from acting.</p> <p>Directors appointed during the year must stand for election at the next AGM. Shareholders are provided relevant information about a director's character, experience, qualifications, etc prior to an election.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>All directors have written terms of appointment</p>
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.</p>	<p>The Company Secretary reports directly to the board and advises the board in relation to corporate governance matters.</p>
1.5	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>Have a diversity policy;</li> <li>Disclose that policy or a summary of it;</li> <li>Disclose the measurable objectives for achieving gender diversity and the its progress towards achieving them; and</li> <li>The respective proportions of men and women.</li> </ol>	<p>The composition of the Board is monitored (in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background.</p> <p>The Company is currently not of a size that justifies the formal establishment of measurable diversity objectives.</p> <p>There are no women in senior executive positions nor on the Board. However the proportion of women employees is 25% of the total workforce i.e. 1 out of 4.</p>
1.6	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>Disclose whether performance evaluations were undertaken.</li> </ol>	<p>The Company does not have a formal process to evaluate the performance of the board</p>
1.7	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>Have and disclose a process for periodically evaluating the performance of senior management; and</li> <li>Disclose whether performance evaluations were undertaken.</li> </ol>	<p>The Company does not currently have any senior executives who are not board members</p>
2.1	<p>A listed entity should have a nomination committee which:</p> <ul style="list-style-type: none"> <li>- Consists of at least 3 members, a majority of whom are independent directors;</li> <li>- Is chaired by an independent director;</li> </ul> <p>And disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul>	<p>In view of the size of the Company and the nature of its activities, the Board has considered that establishing formally constituted committees for Board nominations would contribute little to its effective management. Accordingly the nomination of new Directors are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).</p>

Recommendation		Current Practice
	If it does not have a nomination committee disclose that fact and the process it follows to address that role.	
2.2	A listed entity should have and disclose a board skills matrix.	<p>The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board is sufficient to meet the requirements of the Company.</p> <p>The Company does not currently have a formal skills matrix.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- The names of the directors considered by the board to be independent directors and length of service.</li> <li>- If a director has an interest / association / relationship that meets the factors of assessing independence.</li> </ul>	<p>The Company has disclosed the details of the directors in the Annual Report.</p> <p>The Board assesses the independence of each director to ensure that those designated as independent do not have any alliance to the interests of management, substantial shareholders or other relevant stakeholders.</p> <p>They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.</p>
2.4	A majority of the board should be independent directors.	The Company considers its two non-executive directors to be independent. Both of these directors were previously employees of the Company, however the Board believes the passage of time that has lapsed since they were employed is sufficient to deem them independent. Mr Ron Smit is an executive director and not independent.
2.5	<p>The chair should be an independent director.</p> <p>The roles of Chair and Chief Executive Officer should not be exercised by the same individual.</p>	The Company has a separate Chairman and Managing Director.
2.6	A listed entity should have a program for inducting new directors.	<p>New directors are provided with an induction to the Company as per the Nomination Committee Charter.</p> <p>A director development program has not been provided. However, the Directors keep themselves abreast of important developments to enable them to discharge their director obligations as effectively as possible.</p>
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>- have a code of conduct; and</li> <li>- disclose the code or a summary of it.</li> </ul>	The Company has a written code of conduct which sets out minimum standards necessary to guide the Board and employees in carrying out their duties and responsibilities.
4.1	<p>The board of a listed entity should have an audit committee which:</p> <ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> </ul>	The Company has an Audit Committee which met once during the year.

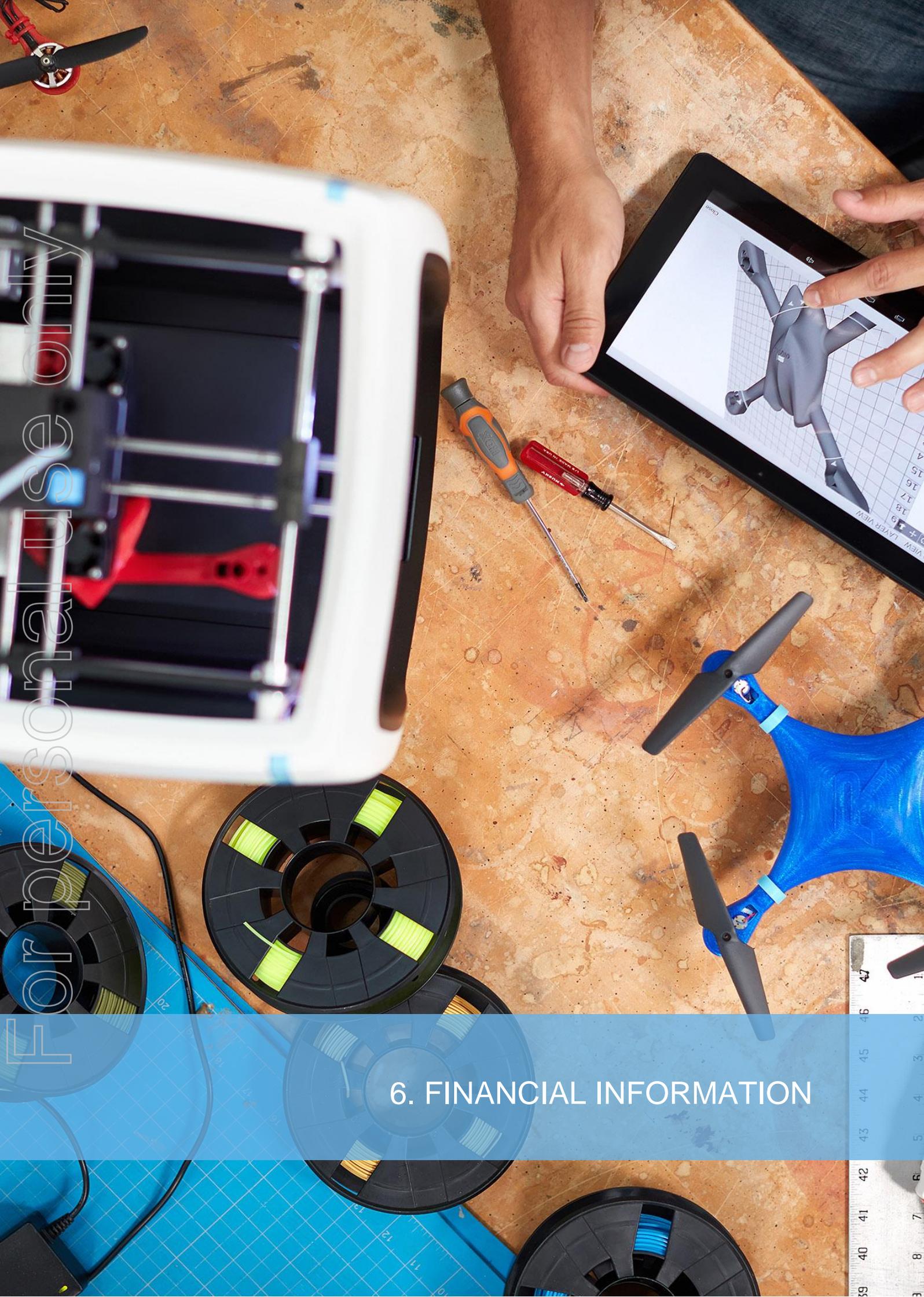
Recommendation		Current Practice
	<ul style="list-style-type: none"> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The relevant member qualifications;</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul>	
4.2	The board should receive declarations for CEO & CFO in accordance with S.295A of corporations act before approving financial statements.	<p>In relation to the financial statements for the financial year ended 30 June 2016 and the half-year ended 31 December 2015, the Company's CEO (who is also the acting CFO) and the Company Secretary have provided the Board with declarations, that in their opinion:</p> <ul style="list-style-type: none"> <li>• the financial records of the Company have been properly maintained;</li> <li>• the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and</li> <li>• the financial statements have been founded on the basis of a sound system of risk management and internal control which is operating effectively.</li> </ul>
4.3	A listed entity should ensure its external auditor attends its AGM.	The audit partner from the Company's auditors attends the AGM and is available to answer any questions arising
5.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>- Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>- disclose that policy or a summary of it.</li> </ul>	<p>It is the policy of the Company to fully comply with disclosure obligations contained in the Listing Rules of the Australian Securities Exchange Limited (ASX). It is the policy of the Company to nominate disclosing officers who are the only persons authorized to make public disclosures in accordance with these procedures. The Managing Director and the Company Secretary are the disclosing officers.</p> <p>At periodic Board meetings the full Board considers and reviews the continuous disclosure process and obligations of the Company.</p> <p>All of the above is set out in the Companies Continuous Disclosure Policy.</p>
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company maintains information in relation to governance documents, directors, Board charter, annual reports, ASX announcements and contact details on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has no investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company encourages shareholders to attend the Company's AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to.
6.4	A listed entity should give security holders the option to receive communications from, and send	The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence

Recommendation		Current Practice
	communication to, the entity and its security registry electronically.	from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Advanced Share Registry at <a href="http://www.advancedshare.com.au">www.advancedshare.com.au</a>
7.1	<p>The board of a listed entity should have a committee to oversee risk, which:</p> <ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a risk committee disclose that fact and the process it follows to address that role.</p>	The Company, due to its size and current stage of development does not have separately constituted risk committee. As the Company develops, the Board intends to review its practice, and if deemed necessary, establish a risk committee.
7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>- Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>- Disclose whether such a review has taken place.</li> </ul>	
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- If has an internal audit function, how the function is structured and what role it performs;</li> <li>- If it does not have an internal audit function, disclose that fact and the process it follows to address that function.</li> </ul>	The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and the control of these factors.
7.4	The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.	All material risks are announced to the market, in accordance with the requirements of the ASX Listing Rules and the Company's continuous disclosure policy.
8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>- have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent director; and</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a remuneration committee disclose that fact and the process it follows to address that role.</p>	The Company has a Remuneration Committee which meet once during the year.

Recommendation		Current Practice
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Executive director is paid a salary. Non-executive directors' fees are fixed periodically by the Remuneration Committee and outlined in the Annual Report.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>- Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme;</li> </ul> <p>Disclose that policy or a summary of it.</p>	Although the Company does not have a formal policy, the Company has a policy for trading in company securities which restricts the trading of the Company's Securities by those who receive equity based remuneration.

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## 6. FINANCIAL INFORMATION

## 6. Financial Information

### 6.1 Introduction

This Section contains a summary of the relevant historical financial information and pro forma historical financial information of Falcon Minerals Limited (to be renamed Robo 3D Limited) (“**the Company**”), Albion 3D Investments Pty Ltd (“**Albion 3D**”) and Robo3D, Inc. (“**Robo 3D**”) (collectively the “**Financial Information**”), which has been prepared by the Directors of the Company.

The Historical Financial Information comprises the:

- Albion 3D historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2016 (“**PE16**”) (“**Albion 3D Historical Statement of Profit or Loss and Other Comprehensive Income**”);
- Robo 3D historical Statements of Profit or Loss and Other Comprehensive Income for the financial years ended 30 June 2014 (“**FY2014**”), 30 June 2015 (“**FY2015**”) and 30 June 2016 (“**FY2016**”) (“**Robo 3D Historical Statements of Profit or Loss and Other Comprehensive Income**”);
- Robo 3D historical Statements of Cash Flows for FY2014, FY2015 and FY2016 (“**Robo 3D Historical Statements of Cash Flows**”);
- The Company’s Statements of Profit or Loss and Other Comprehensive Income for FY2014, FY2015 and FY2016 (“**Falcon Historical Statements of Profit or Loss and Other Comprehensive Income**”);
- The Company’s Statements of Cash Flows for FY2014, FY2015 and FY2016 (“**Falcon Historical Statements of Cash Flows**”); and
- The Company’s historical Statement of Financial Position as at 30 June 2014 and 30 June 2015 (“**Falcon Historical Statements of Financial Position**”).

The Pro Forma Historical Financial Information comprises the:

- pro forma historical consolidated Statement of Financial Position of the combined Company, Albion 3D and Robo 3D group (the “**Combined Group**”) as at 30 June 2016.

The Historical Financial Information has in respect of Albion 3D been audited by BDO East Coast Partnership (“**BDO**”), in respect of Robo 3D been audited by BDO USA, LLP (“**BDO USA**”), in respect of the Company been audited by Stantons International Audit and Consulting Pty Ltd (“**Stantons**”) and the Pro Forma Historical Financial Information has been reviewed by BDO Corporate Finance (East Coast) Pty Ltd (“**BDO Corporate Finance**”). BDO Corporate Finance’s Investigating Accountant’s Report on the Pro Forma Historical Financial Information is contained in Section 7. Investors should note the scope and limitations of that report.

The information in this Section 6 should be read in conjunction with the risk factors set out in Section 9 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars.

## 6.2 Basis of Preparation and Presentation of the Financial Information

### 6.2.1 Overview

The Directors of the Company are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Section 6 has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, the Corporations Act and the accounting policies of the Company. The Financial Information and accompanying commentary presented in this Section has also been disclosed with consideration to regulatory guidance issued by ASIC.

The Financial Information is presented in abbreviated form and does not contain all the disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In preparing the Financial Information, the accounting policies of the Company have been applied consistently throughout the periods presented. The significant accounting policies of the Company relevant to the Financial Information are set out within this Section 6.

The Directors have considered ASIC Regulatory Guide 170, and having regard to the requirements of this Regulatory Guide, note that any prospective financial information would contain such a broad range of potential outcomes and possibilities such that the Directors have concluded the Company cannot include prospective financial information in this Prospectus.

### 6.2.2 Preparation of Historical Financial Information

The historical financial Information of Albion 3D has been extracted from the financial statements of Albion 3D for the nine month period from incorporation through to 30 June 2016. The financial statements of Albion 3D have been audited by BDO who have issued an unmodified audit opinion in respect of the financial statements for the period ended 30 June 2016 with an emphasis of matter paragraph regarding the fact that there is a material uncertainty regarding the ability for the company to continue as a going concern in the event the Offer and associated capital raising does not proceed.

The Historical Financial Information of Robo 3D has been extracted from the financial statements of Robo 3D for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial statements of Robo 3D have been audited by BDO USA who have issued an unmodified audit opinion in respect of the financial statements for the years ended 30 June 2015 and 30 June 2016.

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BDO USA issued a qualified audit opinion with regard to the financial statements for the year ended 30 June 2014. The basis for the qualification was a result of BDO USA being unable to observe the taking of physical inventory at the commencement of FY14, since that date was prior to their appointment as statutory auditors of the Company. As the opening inventory balance affect the determination of the results of operations, BDO USA were unable to determine whether adjustments might be necessary to net income and cash flows for FY14. BDO USA's audit opinion was qualified accordingly.

BDO USA also included an emphasis of matter paragraph in the audit report for the year ended 30 June 2016 regarding the fact that there is a material uncertainty regarding the ability of Robo3D to continue as a going concern given the operating losses of US\$1,146,672 incurred during the year and the fact that as of 30 June 2016, the current liabilities exceeded the current assets by US\$1,538,968.

The Historical Financial Information of the Company has been extracted from the financial statements of the Company for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016. The financial statements of the Company have been audited by Stantons, who have issued an unmodified audit opinion in respect of the financial statements for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016. However, there was an emphasis of matter paragraph with regard to the financial statements for the year ended 30 June 2016 regarding the fact that there is a material uncertainty regarding the ability for the company to continue as a going concern in the event the Offer and associated capital raising does not proceed.

The Company and Albion 3D presents its financial reports in Australian dollars. Historical financial reports of Robo 3D were presented in US dollars. For the convenience of prospective investors, both Australian dollar and US dollar financial information for Robo 3D is included in this Prospectus.

### 6.2.3 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus, and has been extracted from the individual financial statements of the Company, Albion 3D and Robo 3D for the year/period ended 30 June 2016, with adjustments applied to reflect the impact of the Offer and the capital structure that will be in place following Completion of the Offer.

The Directors of the Company consider the Acquisition results in a reverse acquisition of the Company by Albion 3D. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes.

In order for the transaction to be accounted for under *AASB 3 Business Combinations* ("AASB 3"), the legal acquirer must meet the definition of a business. A business under AASB 3 is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. The Directors of

the Company have concluded that the Company does not meet the definition of a business as prescribed in *AASB 3* and as such, it has been deemed that the Acquisition cannot be accounted for in accordance with the guidance set out in *AASB 3*.

Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Directors of the Company intend to account for the Acquisition in the consolidated financial statements of the legal acquirer (the Company) as a continuation of the financial statements of the legal acquiree (Albion 3D), together with a share based payment measured in accordance with *AASB 2 Share Based Payments*, which represents a deemed issue of shares by the legal acquiree (Albion 3D), equivalent to the current shareholders' interest in the Company following the Acquisition. The excess of the assessed value of the share based payment over the net assets of the Company is expensed to the Statement of Profit or Loss and Other Comprehensive Income as a listing fee.

The Pro Forma Historical Financial Information presented in this Prospectus has been reviewed by BDO Corporate Finance. Investors should note the scope and limitations of BDO Corporate Finance's Investigating Accountant's Report (refer Section 7).

Refer to Section 6.10 for reconciliation between the Pro Forma Historical Financial Information and the statutory equivalent financial information.

#### 6.2.4 Explanation of certain non-IFRS and other financial measures

Albion 3D and Robo 3D use certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as 'non-IFRS financial measures'. Non-IFRS financial measures are intended to supplement the measures calculated in accordance with the Australian Accounting Standards and not as a substitute for those measures. As non-IFRS financial measures are not defined by the recognised body of accounting standards, they do not have a prescribed meaning and the way that Robo 3D calculates them may be different to the way that other companies calculate similarly titled measures. Readers should therefore not place undue reliance on non-IFRS financial information.

In the disclosures in this Prospectus, Albion 3D and Robo 3D use the following non-IFRS measures of performance to assist prospective investors with understanding the trends in financial performance and profitability.

- **EBITDA** is earnings before interest, tax, depreciation and amortisation expenses; and
- **EBIT** is earnings before interest and tax.

### 6.3 Albion 3D Historical Statement of Profit or Loss and Other Comprehensive Income

Set out below is a summary of Albion 3D's historical Statement of Profit or Loss and Other Comprehensive Income covering the nine month period from incorporation through to 30 June 2016 ("PE16").

**Table 1: Albion 3D Historical Statement of Profit or Loss and Other Comprehensive Income**

Amount in AUD	Audited PE16
<b>Income</b>	
Directors Fees - Received	18,000
Sundry Income	13,699
	<b>31,699</b>
<b>Expenses</b>	
Consulting fees	(172,500)
Legal costs	(32,588)
Travelling expenses	(45,795)
Audit fees	(31,000)
Facility fee - Loan	(13,699)
Unrealised foreign exchange loss	(101,965)
Other expenses	(17,187)
<b>EBITDA</b>	<b>(383,035)</b>
Depreciation and Amortisation	-
<b>EBIT</b>	<b>(383,035)</b>
Net interest income/(expense)	-
<b>Net profit/(loss) before tax</b>	<b>(383,035)</b>
Taxation expense	-
<b>Net profit/(loss) after tax</b>	<b>(383,035)</b>
Other comprehensive income	-
<b>Total comprehensive income for the year</b>	<b>(383,035)</b>

## 6.4 Robo 3D Historical Statements of Profit or Loss and Other Comprehensive Income

Set out below is a summary of Robo 3D's historical consolidated Statements of Profit or Loss and Other Comprehensive Income for FY2014, FY2015 and FY2016.

**Table 2: Robo 3D Historical Statements of Profit or Loss and Other Comprehensive Income**

In 000	US\$			A\$		
	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014
Revenue	4,436	2,393	1,525	6,077	2,872	1,662
Cost of sales	(2,523)	(1,410)	(1,364)	(3,457)	(1,692)	(1,487)
<b>Gross profit</b>	<b>1,913</b>	<b>983</b>	<b>161</b>	<b>2,621</b>	<b>1,179</b>	<b>176</b>
Employee benefits	(463)	(350)	(194)	(634)	(420)	(211)
General and administrative	(1,687)	(195)	(288)	(2,311)	(234)	(314)

Sales and marketing	(803)	(254)	(86)	(1,100)	(305)	(94)
Other (expenses)/income	(7)	(8)	(32)	(10)	(10)	(35)
<b>EBITDA</b>	<b>(1,047)</b>	<b>176</b>	<b>(439)</b>	<b>(1,434)</b>	<b>211</b>	<b>(479)</b>
Depreciation	(2)	(1)	-	(3)	(1)	-
<b>EBIT</b>	<b>(1,049)</b>	<b>175</b>	<b>(439)</b>	<b>(1,437)</b>	<b>210</b>	<b>(479)</b>
Net interest expense	(97)	(110)	(12)	(133)	(132)	(13)
<b>Net profit before tax</b>	<b>(1,146)</b>	<b>65</b>	<b>(451)</b>	<b>(1,570)</b>	<b>78</b>	<b>(492)</b>
Taxation expense	(1)	(2)	-	(1)	(2)	-
<b>Net profit after tax</b>	<b>(1,147)</b>	<b>64</b>	<b>(451)</b>	<b>(1,571)</b>	<b>76</b>	<b>(492)</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(1,147)</b>	<b>64</b>	<b>(451)</b>	<b>(1,571)</b>	<b>76</b>	<b>(492)</b>

**Notes:**

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.
- (2) US dollar financial information has been translated into Australian dollars at the average exchange rate for the relevant financial period, being 1.09 for FY2014, 1.20 for FY2015 and 1.37 for FY2016.

## 6.5 Robo 3D Historical Statements of Cash flows

Set out below is a summary of Robo 3D's historical consolidated Statements of Cash Flows for FY2014, FY2015 and FY2016.

**Table 3: Robo 3D Historical Statements of Cash Flows**

In 000	US\$			A\$		
	FY2016	FY2015	FY2014	FY2016	FY2015	FY2014
EBITDA	(1,047)	176	(439)	(1,434)	211	(479)
Changes in net working capital	(96)	(142)	117	(132)	(170)	128
Net cash flows from operating activities before investing activities, financing activities and tax	<b>(1,143)</b>	<b>33</b>	<b>(322)</b>	<b>(1,566)</b>	<b>40</b>	<b>(351)</b>
Purchase of intangible assets	(166)	-	-	(227)	-	-
Purchase of property, plant and equipment	(191)	(5)	-	(262)	(6)	-
Net cash flows before interest, tax and financing activities	<b>(1,500)</b>	<b>29</b>	<b>(322)</b>	<b>(2,055)</b>	<b>34</b>	<b>(351)</b>
Net proceeds from borrowings	1,500	25	221	2,055	30	241
Interest paid	(46)	(17)	(3)	(63)	(21)	(3)
Taxes paid	-	(2)	-	0	(2)	-
Dividends paid	(9)	-	-	(12)	-	-
<b>Net cash flows</b>	<b>(55)</b>	<b>35</b>	<b>(104)</b>	<b>(75)</b>	<b>42</b>	<b>(113)</b>

**Notes:**

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.
- (2) US dollar financial information has been translated into Australian dollars at the average exchange rate for the relevant financial period, being 1.09 for FY2014, 1.20 for FY2015 and 1.37 for FY2016.

## 6.6 Falcon Historical Statements of Profit or Loss and Other Comprehensive Income

Set out below is a summary of Falcon's historical consolidated Statements of Profit or Loss and Other Comprehensive Income for FY2014, FY2015 and FY2016.

**Table 4: Falcon Historical Statements of Profit or Loss and Other Comprehensive Income**

A\$ in 000s	FY2016	FY2015	FY2014
Revenue	181	28	66
Exploration expenditure written off	(67)	(155)	(137)
Share based payments	-	-	(70)
Occupancy expenses	(18)	(20)	(32)
Employee benefit expenses	(198)	(55)	(110)
Compliance and professional fees	(336)	(79)	(75)
Administration expenses	(41)	(22)	(27)
<b>EBITDA</b>	<b>(479)</b>	<b>(304)</b>	<b>(386)</b>
Depreciation	(6)	(3)	(19)
<b>EBIT</b>	<b>(485)</b>	<b>(307)</b>	<b>(404)</b>
Interest	-	-	-
<b>Net profit before tax</b>	<b>(485)</b>	<b>(307)</b>	<b>(404)</b>
Taxation expense	-	-	-
<b>Net profit before tax</b>	<b>(485)</b>	<b>(307)</b>	<b>(404)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>(485)</b>	<b>(307)</b>	<b>(404)</b>

**Notes:**

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.

## 6.7 Falcon Historical Statements of Cash Flows

Set out below is a summary of Falcon's historical consolidated Statements of Cash Flows for FY2014, FY2015 and FY2016.

**Table 5: Falcon Historical Statements of Cash Flows**

A\$ in 000s	FY2016	FY2015	FY2014
Payments to suppliers and employees	(662)	(363)	(411)

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<b>Net cash flows from operating activities before investing activities, financing activities and tax</b>	(662)	(363)	(411)
Purchase of plant and equipment	(2)	-	(1)
Proceeds from sale of plant and equipment	-	-	110
<b>Net cash flows before interest, tax and financing activities</b>	<b>(664)</b>	<b>(363)</b>	<b>(303)</b>
Refund of bonds	5	12	-
Interest received	22	23	42
Unsecured loan provided to Albion 3D	(250)	-	-
Advanced deposit provided to Albion 3D	(250)	-	-
Net proceeds from share issue	734	-	-
<b>Net cash flows</b>	<b>(403)</b>	<b>(328)</b>	<b>(261)</b>

**Notes:**

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.

## 6.8 Falcon Historical Statements of Financial Position

Set out below is a summary of Falcon's historical Statements of Financial Position as at 30 June 2014 and 30 June 2015.

**Table 6: Falcon Historical Statements of Financial Position**

A\$ in 000s	30-Jun-15	30-Jun-14
<b>Current assets</b>		
Cash and cash equivalents	713	1,041
Other receivables	7	5
Prepayments	12	9
<b>Total current assets</b>	<b>731</b>	<b>1,055</b>
<b>Non-current assets</b>		
Plant and equipment	9	12
Financial assets	8	19
<b>Total non-current assets</b>	<b>17</b>	<b>31</b>
<b>Total assets</b>	<b>748</b>	<b>1,086</b>
<b>Current liabilities</b>		
Trade and other payables	(15)	(33)
Provisions	(8)	(22)
<b>Total liabilities</b>	<b>(23)</b>	<b>(55)</b>
<b>Net assets</b>	<b>725</b>	<b>1,032</b>
<b>Equity</b>		
Issued capital	20,468	20,468

Accumulated losses	(19,980)	(19,673)
Reserves	237	237
<b>Total equity</b>	<b>725</b>	<b>1,032</b>

**Notes:**

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.

## 6.9 Management Discussion and Analysis on Historical Financial Information

The management discussion and analysis (MD&A) below relates to the Robo 3D Historical Statements of Profit or Loss and Other Comprehensive Income and Robo 3D Historical Statements of Cash Flows and should be read in conjunction with the description of the basis upon which the information has been prepared.

The MD&A provides a brief discussion of the main factors which affected Robo 3D's operating performance and cash flows between FY2014 and FY2015. The factors described below are a summary only and do not represent everything that affected Robo 3D's historical financial performance.

The information in this Section should also be read in conjunction with the risk factors set out in Section 9 and other information contained in this Prospectus.

### 6.9.1 Year on year management discussion and analysis

#### 6.9.1.1 FY2014 compared to FY2015

**Table 7: Selected financial performance items**

\$000	A\$		Change (%)
	FY2014 Audited	FY2015 Audited	
<b>Revenue</b>	1,662	2,872	72.8%
Costs of Sales ("COS")	(1,487)	(1,692)	(13.8%)
<b>Gross profit</b>	<b>176</b>	<b>1,179</b>	<b>570.7%</b>
<i>Gross profit %</i>	10.6%	41.1%	-
Operating expenses	(654)	(969)	(48.0)%
<b>EBITDA</b>	<b>(479)</b>	<b>211</b>	<b>144.0%</b>
<i>EBITDA %</i>	(28.8)%	7.3%	-
<b>EBIT</b>	<b>(479)</b>	<b>210</b>	<b>143.8%</b>
<i>EBIT %</i>	(28.8)%	7.3%	-
<b>EBITDA</b>	<b>(479)</b>	<b>211</b>	
Non-cash items in EBITDA	-	-	
Changes in net working capital	128	(170)	

<b>Net cash flow from operating activities before investing activities, financing activities and tax</b>	(351)	40	
Capital expenditure	-	(6)	
<b>Net cash flows before interest, tax and financing activities</b>	<b>(351)</b>	<b>34</b>	

### Revenue

The increase in revenue by c.73% from A\$1.7 million in FY2014 to A\$2.9 million in FY2015 was primarily driven by growth of sales of the “R1” 3D printer on [www.robo3d.com](http://www.robo3d.com). In addition, the US dollar strengthened against the Australian dollar (financial information was translated to Australia dollars in FY2014 applying a rate of 1.09 compared to 1.20 for FY2015).

### Gross profit %

The improvement in gross profit % during FY2015 was attributable to the revenue growth discussed above supported by reductions in material cost due to increased volumes, combined with a reduction in sales price discounting.

### Operating expenses

The increase in operating expenses by c.48% in FY2015 was primarily driven by an increase in marketing and advertising expenses to support the revenue growth of c.73% noted during the year and an increase in employee expenses due to the additional hiring of new engineering and sales staff.

### EBITDA and EBIT margins

EBITDA and EBIT margins increased during FY2015 due to a combination of the factors discussed above.

### Net cash flow from operating activities before investing activities, financing activities and tax

Net cash flow from operating activities before investing activities, financing activities and tax increased during FY2015 driven by an improvement in operating performance as represented by an increase in EBITDA from a negative A\$479k in FY2014 to A\$211k in FY2015 which was offset by an increase in working capital of \$170k during FY2015.

## 6.9.1.2 FY2015 compared to FY2016

Table 8: Selected financial performance items

\$000	A\$		Change (%)
	FY2015 Audited	FY2016 Audited	
<b>Revenue</b>	2,872	6,077	111.6%
Costs of Sales (“COS”)	(1,692)	(3,457)	(104.3%)
<b>Gross profit</b>	<b>1,179</b>	<b>2,620</b>	<b>122.0%</b>
<i>Gross profit %</i>	41.1%	43.1%	
Operating expenses	(969)	(4,055)	318.5%
<b>EBITDA</b>	<b>211</b>	<b>(1,434)</b>	<b>(779.6%)</b>
<i>EBITDA %</i>	7.3%	(23.6%)	

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<b>EBIT</b>	<b>210</b>	<b>(1,437)</b>	<b>(784.3%)</b>
<i>EBIT %</i>	7.3%	(23.7%)	
<b>EBITDA</b>	<b>211</b>	<b>(1,434)</b>	
Non-cash items in EBITDA	-	-	
Changes in net working capital	(170)	(132)	
<b>Net cash flow from operating activities before investing activities, financing activities and tax</b>	40	(1,566)	
Capital expenditure	(6)	(489)	
<b>Net cash flows before interest, tax and financing activities</b>	<b>34</b>	<b>(2,055)</b>	

### Revenue

The increase in revenue from A\$2.9 million in FY2015 to A\$6.1 million in FY2016 was driven by expansion in existing channels such as the company's own website [www.robo3d.com](http://www.robo3d.com) as well as Amazon, complemented by distribution into new USA retailers including Best Buy and Staples. In addition, the US dollar strengthened against the Australian dollar (financial information was translated to Australia dollars in FY2015 applying a rate of 1.20 compared to 1.37 for FY2016).

### Gross profit %

The improvement in gross profit % during FY2016 was driven by management focus to reduce discounting, as well as increasing sales from bundling into of Robo 3D's products, such as packaging 3D printers with project kits.

### Operating expenses

The increase in operating expenses in FY2016 was primarily driven by an increase in general and administrative expenses attributable to the consulting fees associated with the Management Services Agreement with Crowd & Company, who provided resources for sales, marketing, customer service, finance, supply chain, as well as the Chief Executive Daniel Koziol. In addition, with the additional funds introduced by Albion 3D throughout the year, Robo 3D increased its marketing and advertising expenses to drive revenue growth, including co-marketing initiatives with USA retailers as well as increased spending across online advertising channels.

### EBITDA and EBIT margins

EBITDA and EBIT margins decreased during FY2016 primarily on account of the increase in operating expenses for the reasons discussed above.

### Net cash flow from operating activities before investing activities, financing activities and tax

Net cash flow from operating activities before investing activities, financing activities and tax decreased during FY2016 driven by a significant increase in operating expenses (as discussed above) that offset the revenue growth and gross profit improvement with a resultant reduction in EBITDA from A\$211k in FY2015 to a loss of A\$1.4 million during the year.

## 6.10 Pro Forma historical Statement of Financial Position

## 6.10.1 Overview

Set out in the table below are the adjustments that have been made to the audited statements of financial position of the Company, Albion 3D and Robo 3D as at 30 June 2016 in order to present the Pro Forma historical consolidated Statement of Financial Position of the Company, Albion 3D and Robo 3D as at 30 June 2016.

The adjustments include the impact of the change in capital structure that will be in place immediately following the Completion of the Offer, as if the Offer had occurred as at 30 June 2016. These adjustments include assumptions relating to matters that are known as at the date of the Prospectus.

**Table 9: Pro Forma historical Statement of Financial Position as at 30 June 2016**

Amount in AUD (unless stated otherwise)	Robo 3D	Robo 3D	Albion 3D	Falcon	Notes	Minimum subscription		Maximum subscription	
	Audited (USD)	Audited	Audited	Audited		Pro forma adjustments	Pro forma balance	Pro forma adjustments	Pro forma balance
	30-Jun-16	30-Jun-16	30-Jun-16	30-Jun-16					
<b>Current assets</b>									
Cash and cash equivalents	37,265	50,182	100	310,424	1	4,829,316	5,190,022	6,704,116	7,064,822
Trade and other receivables	497,983	670,594	47,330	179,074	2	(47,330)	849,668	(47,330)	849,668
Inventories	686,632	924,632	-	-		-	924,632	-	924,632
Other assets - Prepayments	39,598	53,323	-	12,629		-	65,952	-	65,952
	<b>1,261,478</b>	<b>1,698,731</b>	<b>47,430</b>	<b>502,127</b>		<b>4,781,986</b>	<b>7,030,275</b>	<b>6,656,786</b>	<b>8,905,075</b>
<b>Non current assets</b>									
Investments	-	-	2,020,260	-	3	(2,020,260)	-	(2,020,260)	-
Intangible assets	191,154	257,412	3,164	-	4	5,952,532	6,213,108	5,952,532	6,213,108
Plant and equipment	167,683	225,805	-	5,222		-	231,027	-	231,027
Deferred tax asset	-	-	-	-	5	155,191	155,191	192,751	192,751
Other financial assets	-	-	-	502,500	6	(500,000)	2,500	(500,000)	2,500
	<b>358,837</b>	<b>483,217</b>	<b>2,023,424</b>	<b>507,722</b>		<b>3,587,463</b>	<b>6,601,826</b>	<b>3,625,023</b>	<b>6,639,386</b>
<b>Total assets</b>	<b>1,620,315</b>	<b>2,181,949</b>	<b>2,070,854</b>	<b>1,009,849</b>		<b>8,369,449</b>	<b>13,632,101</b>	<b>10,281,809</b>	<b>15,544,461</b>
<b>Current liabilities</b>									
Trade and other payables	(1,279,794)	(1,723,396)	(331,564)	(19,185)	7	297,330	(1,776,815)	297,330	(1,776,815)
Loans	(1,500,000)	(2,019,930)	(2,122,225)	-	8	4,142,155	-	4,142,155	-
Deferred revenue	(20,652)	(27,810)	-	-		-	(27,810)	-	(27,810)
Provisions	-	-	-	(16,330)		-	(16,330)	-	(16,330)
	<b>(2,800,446)</b>	<b>(3,771,137)</b>	<b>(2,453,789)</b>	<b>(35,515)</b>		<b>4,439,485</b>	<b>(1,820,956)</b>	<b>4,439,485</b>	<b>(1,820,956)</b>
<b>Total liabilities</b>	<b>(2,800,446)</b>	<b>(3,771,137)</b>	<b>(2,453,789)</b>	<b>(35,515)</b>		<b>4,439,485</b>	<b>(1,820,956)</b>	<b>4,439,485</b>	<b>(1,820,956)</b>
<b>Net assets</b>	<b>(1,180,131)</b>	<b>(1,589,188)</b>	<b>(382,935)</b>	<b>974,334</b>		<b>12,808,934</b>	<b>11,811,145</b>	<b>14,721,294</b>	<b>13,723,505</b>
<b>Equity</b>									
Issued capital	394,006	530,576	100	21,201,646	9	(6,802,797)	14,929,525	(4,890,719)	16,841,603
Reserves	-	-	-	237,090	10	(237,090)	-	(237,090)	-
Accumulated losses	(1,574,137)	(2,119,764)	(383,035)	(20,464,402)	11	19,848,821	(3,118,380)	19,849,104	(3,118,098)
<b>Total Equity</b>	<b>(1,180,131)</b>	<b>(1,589,188)</b>	<b>(382,935)</b>	<b>974,334</b>		<b>12,808,934</b>	<b>11,811,145</b>	<b>14,721,294</b>	<b>13,723,505</b>

- (1) All amounts disclosed in the tables are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.
- (2) The cash and cash equivalents balance above does not account for working capital spent during the period from 1 July 2016 to date. From 1 July 2016 to date, the Company, Robo 3D and Albion 3D have spent a total of approximately \$1.21 million towards their working capital requirements. The estimated working capital requirements for the Company, Albion 3D and Robo 3D combined until completion of the Offer is estimated to be approximately \$230,000 per month.
- (3) Robo 3D US dollar financial information has been translated to Australian dollars at 1.35, being the spot rate as at 30 June 2016.

## 6.10.2 Pro Forma Adjustments to Statement of Financial Position

*Note 1 – Cash and cash equivalents*

CASH AND CASH EQUIVALENTS AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	100	100
Audited balance of Robo 3D as at 30 June 2016	50,182	50,182
Audited balance of Falcon as at 30 June 2016	310,424	310,424
<i>Pro-forma adjustments:</i>		
Additional cash funding from Albion 3D to Robo 3D	1,346,620	1,346,620
Proceeds from shares issued under the Offer	4,000,000	6,000,000
Offer costs	(517,304)	(642,504)
	4,829,316	6,704,116
<b>Pro-forma Balance</b>	<b>5,190,022</b>	<b>7,064,822</b>

As a condition precedent to the Transaction, Albion 3D is required to invest US\$2.5 million into Robo 3D and the additional cash funding of A\$1.3 million represents the remaining outstanding balance of US\$1.0 million which was paid post 30 June 2016.

Additionally, the Offer is expected to raise a minimum of A\$4.0 million and a maximum of A\$6.0 million before payment of Offer costs. Offer costs are expected to total between approximately A\$0.5 million (minimum) and A\$0.6 million (maximum) (inclusive of non-recoverable GST where applicable).

*Note 2 – Trade and other receivables*

TRADE AND OTHER RECEIVABLES AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	47,330	47,330
Audited balance of Robo 3D as at 30 June 2016	670,594	670,594
Audited balance of Falcon as at 30 June 2016	179,074	179,074
<i>Pro-forma adjustments:</i>		
Elimination of inter-company balance between Albion 3D and Robo 3D	(47,330)	(47,330)
	(47,330)	(47,330)
<b>Pro-forma Balance</b>	<b>849,668</b>	<b>849,668</b>

*Note 3 – Investments*

INVESTMENTS AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	2,020,260	2,020,260

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<i>Pro-forma adjustments:</i>		
Additional amounts invested post 30 June 2016	1,346,620	1,346,620
Elimination of investment in Robo 3D on consolidation	(3,366,880)	(3,366,880)
	<u>(2,020,260)</u>	<u>(2,020,260)</u>
<b>Pro-forma Balance</b>	<b>-</b>	<b>-</b>

Investments of A\$2.0 million as at 30 June 2016 represent the convertible note investment by Albion 3D in Robo 3D of US\$1.5 million. The pro forma adjustments represent the additional investment of US\$1.0 million made by Albion 3D post 30 June 2016 (as discussed in Note 1) and the subsequent elimination of these investments on consolidation of the Albion 3D and Robo 3D financial statements.

*Note 4 – Intangible assets*

INTANGIBLE ASSETS AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	3,164	3,164
Audited balance of Robo 3D as at 30 June 2016	257,412	257,412
<i>Pro-forma adjustments:</i>		
Goodwill arising on acquisition of 100% of Robo 3D by Albion 3D	5,952,532	5,952,532
	<u>5,952,532</u>	<u>5,952,532</u>
<b>Pro-forma Balance</b>	<b>6,213,108</b>	<b>6,213,108</b>

The increase in the intangible assets balance to A\$6.2 million relates to the goodwill of A\$6.0 million arising on the acquisition of 100% of the issued share capital of Robo 3D by Albion 3D calculated as the difference between the deemed consideration paid less the net assets acquired.

*Note 5 – Deferred tax asset*

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DEFERRED TAX ASSET AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	-	-
Audited balance of Robo 3D as at 30 June 2016	-	-
Audited balance of Falcon as at 30 June 2016	-	-
<i>Pro-forma adjustments:</i>		
Deferred tax asset relating to capital raising costs	155,191	192,751
	155,191	192,751
<b>Pro-forma Balance</b>	<b>155,191</b>	<b>192,751</b>

Offer costs are expected to total between approximately A\$0.5 million (minimum) and A\$0.6 million (maximum). It is assumed the offer costs are deductible to the Company for tax purposes over five years, resulting in deferred tax assets of A\$0.1 million (minimum) and A\$0.2 million (maximum) respectively.

*Note 6 – Other financial assets*

OTHER FINANCIAL ASSETS AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Falcon as at 30 June 2016	502,500	502,500
<i>Pro-forma adjustments:</i>		
Elimination of inter-company balance between Falcon and Albion 3D	(500,000)	(500,000)
	(500,000)	(500,000)
<b>Pro-forma Balance</b>	<b>2,500</b>	<b>2,500</b>

*Note 7 – Trade and other payables*

TRADE AND OTHER PAYABLES AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	331,564	331,564
Audited balance of Robo 3D as at 30 June 2016	1,723,396	1,723,396
Audited balance of Falcon as at 30 June 2016	19,185	19,185
<i>Pro-forma adjustments:</i>		
Elimination of inter-company balance between Albion 3D and Robo 3D	(47,330)	(47,330)
Elimination of inter-company balance between Falcon and Albion 3D	(250,000)	(250,000)
	(297,330)	(297,330)
<b>Pro-forma Balance</b>	<b>1,776,815</b>	<b>1,776,815</b>

### Note 8 – Loans

LOANS AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	2,122,225	2,122,225
Audited balance of Robo 3D as at 30 June 2016	2,019,930	2,019,930
<i>Pro-forma adjustments:</i>		
Additional Albion 3D loan funding received post 30 June 2016	1,346,620	1,346,620
Additional Robo 3D loan funding received post 30 June 2016	1,346,620	1,346,620
Elimination of inter-company balance between Falcon and Albion 3D	(250,000)	(250,000)
Conversion of Albion 3D loans into equity	(3,218,845)	(3,218,845)
Conversion of Robo 3D loans into equity	(3,366,550)	(3,366,550)
	<u>(4,142,155)</u>	<u>(4,142,155)</u>
<b>Pro-forma Balance</b>	<b>-</b>	<b>-</b>

The removal of the loan balance is attributable to the conversion of loans into equity and the elimination of inter-company balance between Falcon and Albion 3D.

### Note 9 – Issued Capital

ISSUED CAPITAL AMOUNT IN AUD	Proforma after Offer			
	Minimum	Maximum		
	<b>Number of shares (min)</b>	<b>Number of shares (max)</b>		
Fully paid ordinary share capital of Albion 3D as at 30 June 2016	100	100	100	100
Fully paid ordinary share capital of Robo 3D as at 30 June 2016	10,000	10,000	530,576	530,576
Fully paid ordinary share capital of Falcon as at 30 June 2016*	36,287,883	36,287,883	21,201,646	21,201,646
<i>Pro-forma adjustments:</i>				
Elimination of Albion 3D share capital	(100)	(100)	-	-
Elimination of Robo 3D share capital	(10,000)	(10,000)	(530,576)	(530,576)
Elimination of Falcon share capital	(36,287,883)	(36,287,883)	(21,201,646)	(21,201,646)
Deemed fair value of payment to Falcon shareholders on reverse acquisition	36,287,883	36,287,883	3,628,788	3,628,788
Consideration shares issued to Albion 3D vendors	98,488,030	98,488,030	3,218,845	3,218,845
Consideration shares issued to Robo 3D vendors	43,629,264	43,629,264	4,363,014	4,363,014

Shares issued under the Offer	40,000,000	60,000,000	4,000,000	6,000,000
Offer costs in relation to new equity raised	-	-	(281,222)	(369,144)
	182,107,194	202,107,194	(6,802,797)	(4,890,719)
<b>Pro-forma Balance</b>	<b>218,405,177</b>	<b>238,405,177</b>	<b>14,929,525</b>	<b>16,841,603</b>
<i>*Number of shares shown on a post consolidation basis</i>				

The Company will issue 98,488,030 ordinary shares to the vendors of Albion 3D and 43,629,264 ordinary shares to the vendors of Robo 3D. The number of ordinary shares issued under the offer will be 40,000,000 (assuming a minimum subscription of A\$4.0 million). As there is no current market for Albion 3D shares, the fair value of 100% of Falcon is assessed as A\$3,628,788 based on 36,287,883 million post-consolidation Falcon shares on issue immediately prior to the acquisition, at an issue price of A\$0.10 per Share. Offer costs directly attributable to the new equity raised will be recorded against share capital.

*Note 10 – Reserves*

RESERVES AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Falcon as at 30 June 2016	237,090	237,090
<i>Pro-forma adjustments:</i>		
Elimination on Acquisition by Albion 3D	(237,090)	(237,090)
	(237,090)	(237,090)
<b>Pro-forma Balance</b>	<b>-</b>	<b>-</b>

The pro forma adjustment pertains to the elimination of Falcon balances as part of the Reverse acquisition.

*Note 11 – Accumulated losses*

ACCUMULATED LOSSES AMOUNT IN AUD	Proforma after Offer	
	Minimum	Maximum
Audited balance of Albion 3D as at 30 June 2016	(383,035)	(383,035)
Audited balance of Robo 3D as at 30 June 2016	(2,119,764)	(2,119,764)
Audited balance of Falcon as at 30 June 2016	(20,464,402)	(20,464,402)
<i>Pro-forma adjustments:</i>		
Elimination of Robo 3D balance on acquisition by Albion 3D	2,119,764	2,119,764
Elimination of Falcon balance on acquisition by Albion 3D	20,464,402	20,464,402
Listing expense recognised on reverse acquisition	(2,654,454)	(2,654,454)
Offer costs in relation to listing of existing equity	(80,891)	(80,608)

	19,848,821	19,849,104
<b>Pro-forma Balance</b>	<b>(3,118,380)</b>	<b>(3,118,098)</b>

The proposed acquisition of Albion 3D by the Company is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of Albion 3D will obtain control of the Company. However, the Company is not considered to meet the definition of a business under AASB 3 and as such, it has been concluded that the acquisition cannot be accounted for in accordance with the guidance set out in AASB 3. Therefore, consistent with the accepted practice for transactions similar in nature to the acquisition, the Directors intend to account for the acquisition in the consolidated financial statements of the Company as a continuation of the financial statements of Albion 3D, together with a share based payment measured in accordance with AASB 2. The excess of the assessed value of the share based payment over the net assets of the Company is expensed to the Statement of Profit or Loss and Other Comprehensive Income as a listing fee.

The Company will issue 98,488,030 ordinary shares to the vendors of Albion 3D and 43,629,264 ordinary shares to the vendors of Robo 3D (via Albion 3D) who, as a result, will collectively own 79.7% of the Company at settlement of the acquisition immediately prior to the Offer. The remaining 20.3% will be owned by the current shareholders of Falcon.

As there is no current market for Albion 3D shares, the fair value of 100% of Falcon is assessed as A\$3,628,788 based on 36,287,883 million post-consolidation Falcon shares on issue immediately prior to the acquisition, at an issue price of A\$0.10 per Share. Consequently, a listing expense of \$2,654,454 is expensed to the Statement of Profit & Loss and Other Comprehensive Income which represents the excess of the deemed fair value of the share based payment less the net assets of Falcon of \$974,334 as at 30 June 2016 immediately prior to settlement of the acquisition, as set out below.

**Table 10: Share based payment calculation**

AMOUNT IN AUD	30 June 2016
Cash and cash equivalents	310,424
Trade and other receivables	179,074
Other assets	12,629
Plant and equipment	5,222
Financial assets	502,500
Trade and other payables	(19,185)
Provisions	(16,330)
Net assets of the Company acquired on reverse acquisition	974,334
Assessed fair value of assets acquired:	
- Post consolidation Company shares on issue (#)	36,287,883
- Post-consolidation Company value per share under the Prospectus	\$0.10
Deemed fair value of share based payment, assessed in accordance with AASB 2	<b>3,628,788</b>

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Pro forma listing expense recognised on reverse acquisition	2,654,454
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Acquisitions costs are expected to total between approximately A\$517,304 (minimum) and A\$642,504 (maximum) (inclusive of non-recoverable GST where applicable). Of these costs A\$281,222 is recorded against share capital (tax effected) and A\$80,891 is recorded against retained earnings (tax effected) under the minimum capital raising scenario (A\$369,144 and A\$80,608 respectively under the maximum) based on the nature of the cost and whether it is considered directly attributable to the offer. It is assumed the offer costs are deductible to the Company for tax purposes over five years, resulting in deferred tax assets of A\$155,191 (minimum) and A\$192,751 (maximum) respectively.

## 6.11 Debt Facilities

Immediately following completion of the Acquisition and Offer, the Combined Group will have no bank debt arrangements or other financing arrangements with third parties.

## 6.12 Commitments

### 6.12.1 Exploration Licence Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay lease rentals to meet the minimum expenditure requirements of the Western Australian and Queensland Department of Minerals and Energy. These obligations are subject to renegotiation upon enquiry of the exploration licences or when application for a mining lease is made. These obligations are not provided for in the financial statements.

The Company has 2 tenements that it manages and operates (Collurabbie Project) and these have been conditionally sold to Rox Resources Limited (Refer ASX announcement dated 20 October 2016) with the sale process expected to complete soon after the company relists on the ASX.

The exploration licence commitments total approximately \$90,000/year and this obligation will transfer to Rox Resources Limited on completion of the sale.

**Table 11: Exploration licence commitments as at 30 June 2016 as per the audited financial statements of Falcon**

	(A\$)
	30 June 2016
No later than one year	96,212
Later than one year and not later than five years	144,781
	<b>240,993</b>

## 6.13 Lease Commitments

Immediately following completion of the Acquisition and Offer, the Combined Group has the following operating lease commitments pertaining to an office building.

Table 12: Lease commitments as at 30 June 2016

	(A\$) 30 June 2016
No later than one year	57,636
Later than one year and not later than five years	-
Later than five years	-
	<b>57,636</b>

## 6.14 Liquidity and Capital Resources

Following completion of the Offer, the Company's principal sources of funds will be cash flow from operations and proceeds from the Offer.

## 6.15 Dividend Policy

The Company does not expect to pay a dividend in the first year following the Offer. Future dividend policy shall be set by the Company's Board consistent with the business objectives, opportunities for investment and market conditions at that time. The ability of the Company to pay any dividend in the future is dependent upon many factors including future profitability. The Directors are therefore unable to give any assurance regarding the payment of dividends in the future, if at all.

## 6.16 Significant Accounting Policies

The significant accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

### 6.16.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### *Reporting basis and conventions*

The financial statements have been prepared under the historical cost convention with the exception of financial instruments; which have been accounted for at fair value as established by IFRS.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section 6.16.

### 6.16.2 Going Concern

The financial information has been prepared on a going concern basis which contemplates continuation of normal trading activities and realisation of assets and settlement of liabilities in the normal case of business.

### 6.16.3 Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### Sale of goods

Sales of goods revenue is recognized at the point of sales, where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer. Amounts disclosed as revenue are net of sales returns and sales discounts. The Company has established a provision for sales returns based upon estimated and known returns. Product returns are recorded as reduction of revenues and classified within trade and other payables.

The Company ships its products through multiple carriers either to distributors or end customers. Therefore, the Company estimates the number of days for the product to be delivered to the customer to determine which shipments are recognised as revenue at the end of the period. The delivery date estimates are based on average shipping transit times, which are determined to be five working days. The Company updates its estimates periodically based on updated transit times from the carriers. However, actual shipping times may differ from their estimates.

### 6.16.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash. The Company also includes deposits-in-transit from banks for payments related to third-party credit card and debit card transactions within cash equivalents.

### 6.16.5 Trade and other receivables

Trade receivables are initially recognised at fair value less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amounts directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

### 6.16.6 Inventories

Finished goods inventories are stated at the lower of cost or net realisable value on an average cost basis. Cost comprises purchase prices including taxes, transport and handling, and any other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Any write-down to net realisable value is recognised as an expense in the period in which the write-down occurs. Any reversal is recognised in the statement of profit or loss and other comprehensive income or loss in the period in which the reversal occurs.

### 6.16.7 Property and equipment

Property and equipment, which consists of capitalised software, promotional fixtures and assets under construction is stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of two to three years.

### 6.16.8 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if all of the following have been demonstrated:

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

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 6.16.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount; however, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 6.16.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 90 days of recognition.

### 6.16.11 Short-term employee benefits

Liabilities for wages and salaries and paid-time off expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### 6.16.12 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the

transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 6.16.13 Finance expenses

Finance costs, which include interest expenses on term loans, line of credits and bank charges, are expensed in the period in which they are incurred.

### 6.16.14 Equity

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders and other stakeholders. The Company sets the amount of capital it requires in proportion to risk and will manage its capital structure and make adjustments to it in the light of changes in the economic environment. In order to maintain or adjust the capital structure, the Company may issue dividends paid to shareholders, return capital to shareholders, issue new shares or classes of shares, or sell assets to reduce debt.

## 6.17 Significant Accounting Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgment. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor financial position.

#### *Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgment. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

#### *Property and Equipment*

Property and equipment are initially recognised at cost. Cost includes the direct purchase price as well as directly attributable costs and the estimate present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. The Company's property and equipment consist of third party software purchased for use. The Company depreciates the value of its software straight-line over 3 years.

#### *Warranty provision*

The Company offers a 12 month limited warranty from the original date of sale on certain products. In determining the level of provision required for warranties, the Company has made judgments in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

#### *Fair Value of Short-Term Debt*

From time to time, the Company will enter into short term financing agreements to fund operations. Amounts borrowed under these agreements are generally due within 12 months of the withdrawal date (unless otherwise disclosed). Due to the short term nature of these financing agreements, the Company estimates that the fair value of the outstanding short-term debt is equivalent to the contractual value of the outstanding balance (unless otherwise disclosed).

#### *Provision for Sales Returns*

For sales of goods directly to consumers, via online sales, the consumer has the right to return goods within 30 days of the purchase date for any reason. For sales made to third party retailers, the Company will honour the retailers' return policy. The Company's third party retailer customers offer return policies from 30-90 days.

#### *Fair Value Measurement*

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value. IFRS 13, Fair Value Measurements, establishes a framework for measuring and disclosing fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the value technique utilise are (the 'fair value hierarchy'):

<i>Level</i>	<i>Input Definition</i>
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Level 1	Quoted prices in active markets for identical items (unadjusted)
Level 2	Observable direct or indirect inputs other than Level 1 inputs
Level 3	Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

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#### *Income Taxes*

The Company is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

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## 7. INVESTIGATING ACCOUNTANT'S REPORT

## 7. Investigating Accountant's Report

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Level 14, 140 William St  
Melbourne VIC 3000  
GPO Box 5099 Melbourne VIC 3001  
Australia

The Directors  
Falcon Minerals Limited (to be renamed Robo 3D Limited)  
Suite 1, 245 Churchill Avenue  
SUBIACO WA 6005

17 November 2016

Dear Directors

### INVESTIGATING ACCOUNTANT'S REPORT

#### Introduction

BDO Corporate Finance (East Coast) Pty Ltd ('**BDO Corporate Finance**') has been engaged by Falcon Minerals Limited (to be renamed Robo 3D Limited) ('**the Company**'), to prepare this Investigating Accountant's Report ('**Report**') in relation to certain financial information of the Company in connection with the Company's acquisition of 100% of the issues share capital of Albion 3D Investments Pty Ltd ('**Albion 3D**') and ROBO 3D, Inc. ('**ROBO 3D**'), the issue of fully paid ordinary shares in the Company to raise a minimum of A\$4,000,000 and re-listing of the Company on the Australian Securities Exchange ('**the Transaction**'), for inclusion within a prospectus to be issued on or about 18 November 2016 ('**Prospectus**').

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

#### Scope

You have requested BDO Corporate Finance to perform a limited assurance engagement in relation to the pro forma historical financial information described below and disclosed in the Prospectus.

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

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction other than Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

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### *Pro Forma Historical Financial Information*

You have requested BDO Corporate Finance to review the following pro forma historical consolidated financial information (the '**Pro Forma Historical Financial Information**') of the Company included in the Prospectus:

- the pro forma historical consolidated Statement of Financial Position as at 30 June 2016.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company, Albion 3D and ROBO 3D, after adjusting for the effects of pro forma adjustments described in section 6.10 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 6.2 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the event(s) or transaction(s) described in section 6.10 of the Prospectus on the combined Company, Albion 3D and Robo 3D financial position as at 30 June 2016. As part of the process, information about the Company's, Albion 3D's and ROBO 3D's financial position has been extracted by the Company from the individual financial statements of the Company, Albion 3D and ROBO 3D for the relevant period ended 30 June 2016.

The financial statements of the Company for the year ended 30 June 2016 were audited by Stantons International Audit and Consulting Pty Ltd ('**Stantons**') in accordance with Australian Auditing Standards. Stantons issued an unqualified audit opinion in respect of these financial statements, with an emphasis of matter paragraph regarding the fact there is a material uncertainty regarding the ability for the Company to continue as a going concern in the event that the Transaction does not proceed. The financial statements of Albion 3D for the period ended 30 June 2016 were audit by BDO East Coast Partnership ('**BDO**') in accordance with Australian Auditing Standards. BDO issued an unqualified audit opinion in respect of these financial statements, with an emphasis of matter paragraph regarding the fact there is a material uncertainty regarding the ability for the Company to continue as a going concern in the event that the Transaction does not proceed. The financial statements of ROBO 3D for the year ended 30 June 2016 were audited by BDO USA, LLP ('**BDO USA**') in accordance with International Standards on Auditing. BDO USA issued an unqualified audit opinion in respect of these financial statements, with an emphasis of matter paragraph regarding the fact there is a material uncertainty regarding the ability for the Company to continue as a going concern in the event that the Transaction does not proceed.

### **Directors' Responsibility**

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



### Our Responsibility

Our responsibility is to express limited assurance conclusions on the Pro Forma Historical Financial Information, based on our limited assurance engagement. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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

### Conclusions

#### *Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in Section 6.10 of the Prospectus, and comprising:

- the pro forma historical consolidated Statement of Financial Position of the Company as at 30 June 2016;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the Prospectus.

### Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of the Company not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

### Independence

BDO Corporate Finance is a member of BDO International Ltd. BDO Corporate Finance does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

### General Advice Warning

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



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

BDO Corporate Finance has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO Corporate Finance has not authorised the issue of the Prospectus. Accordingly, BDO Corporate Finance makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

**Financial Services Guide**

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

BDO Corporate Finance (East Coast) Pty Ltd

A handwritten signature in black ink, appearing to read 'G. Ellis', is written over a faint, light-colored signature line.

**Greg Ellis**

Director and Representative

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## Financial Services Guide

This Financial Services Guide is issued in relation to an investigating accountant's report ("Report") prepared by BDO Corporate Finance (East Coast) Pty Limited (ABN 70 050 038 170) ("BDO Corporate Finance") at the request of the directors ("Directors") of Falcon Minerals Limited (to be renamed Robo 3D Limited) ("the Company") to provide general financial product advice in the form of a Report in relation to the re-listing and associated capital raising of the Company ("Proposal"). The Report is intended to accompany a Prospectus ("Document") that is to be provided by the Directors to help potential investors make an informed decision in relation to the financial product.

### Engagement

BDO Corporate Finance has been engaged by the Directors to prepare the Report expressing our opinion in respect of the Pro Forma Historical Financial Information to be included in the Document to be issued in connection with the Proposal.

### Financial Services Guide

BDO Corporate Finance holds an Australian Financial Services Licence (Licence No: 247420) ("Licence"). As a result of our Report being provided to you, BDO Corporate Finance is required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of a Licence.

### Financial services BDO Corporate Finance is Licenced to provide

The Licence authorises BDO Corporate Finance to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, to carry on a financial services business to provide general financial product advice for securities and certain derivatives to retail and wholesale clients.

BDO Corporate Finance provides financial product advice by virtue of an engagement to issue the Report in connection with the issue of securities of another person.

Our Report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our Report (as a retail client) because of your connection with the matters on which our Report has been issued.

Our Report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

### General financial product advice

Our Report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives (either financial or otherwise), your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the Proposal described in the Document may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

### Benefits that BDO Corporate Finance may receive

BDO Corporate Finance has charged fees for providing our Report. The basis on which our fees will be determined has been agreed with, and our fees will be paid by, the person who engaged us to provide the Report. Our fees have been agreed on either a fixed fee or time cost basis.

BDO Corporate Finance will receive a fee of approximately A\$50,000 (plus GST and disbursements) in relation to the preparation of the Report. The fee is not contingent upon the outcome of the Proposal, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Proposal.

### Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of BDO Corporate Finance or related entities but any bonuses are not directly connected with any assignment and in particular are not directly related to the engagement for which our Report was provided.

### Referrals

BDO Corporate Finance does not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that BDO Corporate Finance is Licenced to provide.

### Associations and relationships

BDO Corporate Finance is a member of a national association of independent entities which are all members of BDO (Australia) Ltd, an Australian company limited by guarantee. BDO Corporate Finance and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms.

BDO's contact details are as set out on our letterhead.

### Complaints resolution

As the holder of a Licence, we are required to have a process for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, BDO Corporate Finance (East Coast) Pty Limited, Level 10, 1 Margaret Street, Sydney NSW 2000.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical. If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service Limited ("FOS"). FOS is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. BDO is a member of FOS. FOS may be contacted directly via the details set out below.

Financial Ombudsman Service Limited

GPO Box 3  
Melbourne VIC 3001

Toll free: 1300 78 08 08  
Email: [info@fos.org.au](mailto:info@fos.org.au)

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## 8. MATERIAL CONTRACTS

## 8. Material Contracts

### 8.1 Revised Term Sheet

As announced on 8 September 2016, the Company entered into the binding Revised Term Sheet with Albion 3D, the Founders, ACP, Oaktone, Tim Grice and Ryan Legudi to acquire 100% of the issued shares in Albion 3D and 100% of the issued capital of ROBO 3D subject to the terms and conditions set out below.

As part of the Acquisition the Company will:

- (a) pay to Albion 3D a non-refundable deposit of AUD\$250,000 which was used by Albion 3D for the necessary Tranche 1 and Tranche 2 funding under its Secured Loan Agreement and Stock Purchase Agreement with ROBO 3D;
- (b) provide additional funding to Albion 3D by way of a further unsecured loan of AUD\$250,000 for the purpose of Albion 3D providing the necessary Tranche 1 and Tranche 2 funding under its Secured Loan Agreement and Stock Purchase Agreement with ROBO 3D (this loan is repayable by Albion 3D to the Company in the specific circumstances where the Acquisition does not complete);
- (c) re-comply with Chapters 1 and 2 of the Listing Rules because Completion of the Acquisition will change the nature and scale of the Company's business;
- (d) undertake a consolidation of the Company's existing issued capital on a 1 for 7.143 basis;
- (e) conduct a capital raising at an issue price of \$0.10 (on a Post-Consolidation basis) to raise a minimum of \$4,000,000 (subject to compliance with regulatory requirements) with the ability for the Company to take oversubscriptions of a further \$2,000,000 to fund the future operations of the Company;
- (f) issue 98,488,030 Shares in the Company (Post-Consolidation) to the Albion 3D Vendors (and/or their nominees), being third parties who are either:
  - (i) shareholders of Albion 3D;
  - (ii) assigned their debt funding arrangements with Albion 3D to the Company (with the value of the third parties debt to be converted into fully paid ordinary shares in the Company); or
  - (iii) assisted Albion 3D with facilitating and completion of the Acquisition.

The Shares issued to the Albion 3D Vendors may be subject to ASX escrow restrictions.

- (g) issue 43,629,264 Shares in the Company (Post-Consolidation) to the ROBO 3D Vendors (and/or their nominees). The Shares issued to the ROBO 3D Vendors may be subject to ASX escrow restrictions.
- (h) issue a total of 13,999,720 Performance Rights (Post-Consolidation) as ongoing employment incentives to the Executors, Founders and Employees who will be involved in the ongoing development of the Company and the ROBO 3D business post completion of the Acquisition (**Performance Rights**). The Performance Rights will be issued as follows:
  - (i) 4,899,902 Performance Rights (Post-Consolidation) to the Executives (and/or their nominees) on the terms set out in Section 10.10;
  - (ii) 5,599,888 Performance Rights (Post-Consolidation) to the Founders (and/or their nominees) on the terms set out in Section 10.11; and

- (iii) 3,499,930 Performance Rights (Post-Consolidation) to Employees (and/or their nominees) on the terms set out in Section 10.12.
- (i) in conjunction with the Capital Raising, issue 13,999,720 Advisor Options (Post-Consolidation) to Forrest Capital (and/or its nominees), each exercisable at a 50% premium to the capital raising price (being \$0.15), and expiring 3 years from the date of issue (**Advisor Options**).
- (j) change its name to “Robo 3D Limited”; and
- (k) change the composition of the Board.

The Revised Term Sheet may be terminated by any of the Company, the Founders or Albion 3D should completion of the Acquisition not have occurred on or before 31 December 2016;

The Revised Term Sheet otherwise contains warranties, terms and conditions that are considered standard for an agreement of this type.

## 8.2 Corporate Advisor Mandates

On 14 October 2016, the Company engaged Forrest Capital Pty Ltd (**Advisor**) as a Corporate Advisor for the Acquisition, the Capital Raise and the Offer.

Forrest agrees to provide corporate advisory services to the Company in respect of its acquisition of ROBO 3D.

In consideration for the services provided, Company agrees to pay the Advisor the following fees:

- (a) \$5,000 per month (plus GST) for a period of 18 months from the date of engagement;
- (b) a management fee of 2% and a capital raising fee of 4% (plus GST) of any equity raised by the Advisor or introduced to the Company by the Advisor;
- (c) the Company also agrees to issue the 13,999,720 Advisor Options (Post-Consolidation), at an issue price of \$0.0001 per Advisor Option, with an exercise price of a 50% premium to the capital raising price (for the avoidance of doubt, \$0.15 per option) and expiring on a date 3 years from the date of their issue, to the Advisor and its nominees (who will be unrelated parties) of the Company who assist the Advisor with the Capital Raising.

The Advisor’s engagement as corporate advisor can be terminated by either party providing 3 months’ notice.

On 14 October 2016, the Company also engaged GTT Ventures Pty Ltd as Corporate Advisor and co-lead manager for the Capital Raising and the Public Offer.

The consideration the Company agrees to pay GTT is \$5,000 per month (plus GST) for a period of 18 months from date of completion of the acquisition. GTT will also receive a management fee of 2% and a capital raising fee of 4% (plus GST) of any equity raised by GTT or introduced to the Company by GTT.

GTT’s engagement as corporate advisor lasts for a minimum of 18 months from the date of Completion.

The Corporate Advisor Mandates otherwise contains terms and conditions (including warranties and representations) typical for an agreement of this nature.

## 8.3 ROBO 3D Stock Purchase Agreement

On 24 November 2015, ROBO 3D, Albion 3D and each of the Founders entered a Stock Purchase Agreement. This Agreement was to formalise and give effect to Albion 3D’s acquisition of 51% of the common stock of ROBO 3D.

Under the Stock Purchase Agreement,

- (a) Albion 3D has the right to acquire 51% of the authorised (but unissued) share capital of ROBO 3D in three tranches:
- (i) 2,000 shares within 15 days of Albion 3D's satisfaction with the conditions precedent of the Stock Purchase Agreement;
  - (ii) 1,000 shares on or before 30 November 2015, unless agreed otherwise; and
  - (iii) 2,100 shares on or before 28 February 2016, unless agreed otherwise.
- (b) The above shares in ROBO 3D are purchased for the following consideration:
- (i) Tranche 1 – USD \$500.00 per share (being a total of US\$1,000,000);
  - (ii) Tranche 2 – USD \$500.00 per share (being a total of US\$500,000); and
  - (iii) Tranche 3 – USD \$476.19 per share (being a total of US\$1,000,000).

Following the issue of Tranche 3, Albion 3D will have invested in aggregate US\$2.5 million in ROBO 3D in return for a 51% ownership;

- (c) The Founders agree to indemnify ROBO 3D and Albion 3D, and hold each of them harmless for all and any losses and expenses in excess of US\$200,000 incurred by ROBO 3D or Albion 3D as a result of the consulting agreement dated 1 March 2014 between Robo3D, LLC and Mr Alexander Nawrocki (please refer to Section 10.4(c) for further details regarding the indemnity).

The Stock Purchase Agreement otherwise contains terms and conditions (including warranties and representations) typical for an agreement of this nature.

## 8.4 Secured Loan Agreement

On 24 September 2015, ACP and ROBO 3D entered into a Loan and Security Agreement, whereby ACP would make an equity investment up to USD\$2.5 million in ROBO 3D. ROBO 3D required financing to fund stock purchases, to design promotional models, and to commence production for a large US customer order.

Under the Secured Loan Agreement:

- (a) ACP extends to ROBO 3D a line of credit up to USD\$1 million;
- (b) ACP is to advance an initial investment of USD\$500,000 upon entering the Agreement;
- (c) ROBO 3D can request funding in multiple advances, no one advance to exceed \$1 million;
- (d) Interest on advances accrues daily at variable rates;
- (e) ROBO 3D shall pay to ACP a facility fee of 1% of each advance, and shall also pay ACP's expenses;
- (f) The Secured Loan Agreement remains in full force and effect until there are no outstanding amounts owed to ACP under it (or other loan agreement) from ROBO 3D;
- (g) ACP has the right, within 6 months from the initial advance, to convert any or all of the amounts outstanding into common stock of ROBO 3D;
- (h) All amounts converted by ACP under the agreement will convert at a conversion price per share that values the outstanding common stock at an amount equal to US\$2.5 million, less advanced principal and any accrued interest.
- (i) ROBO 3D grants ACP a security interest in the assets of ROBO 3D. The security is a first-priority security interest over all the personal property of ROBO 3D; and

- (j) ACP's security interest in ROBO 3D is terminated upon payment in full of all outstanding amounts under the Loan and Security Agreement.

## 8.5 Secured Loan Assignment and Assumption Deed

On 27 November 2015, ACP and Albion 3D entered into an Assignment and Assumption Agreement whereby ACP assigns all of its rights title and interest in, and delegates all of its obligations and liabilities under, the Secured Loan Agreement to Albion 3D.

Albion 3D assumed all of ACP's obligations and covenants under the Secured Loan Agreement (including the right to be repaid by ROBO 3D of all monies secured).

## 8.6 Secured Loan Variation Letter

On 30 November 2015, the Founders, ROBO 3D, ACP and Albion 3D varied the Stock Purchase Agreement and the Secured Loan Agreement by letter agreement.

The purpose of the variation was to increase the amount that can be borrowed under the Secured Loan Agreement and to provide for repayment of outstanding moneys under the Secured Loan Agreement to be made by the issue of common stock by ROBO 3D under the Stock Purchase Agreement. The terms of the Secured Loan Variation Letter are as follows:

### ***Variation to the Secured Loan Agreement***

- (a) The parties acknowledge that ACP has advanced USD\$1 million to ROBO 3D under the Secured Loan Agreement;
- (b) The amount that ROBO 3D is permitted to request in further advances is increased to USD\$1.5 million;
- (c) Repayment of the funds advanced under the Secured Loan Agreement shall be by way of the issue of the equivalent value of common stock in ROBO 3D in accordance with the (varied) Stock Purchase Agreement rather than by cash;
- (d) ROBO 3D must pay all accrued interest under the Secured Loan Agreement immediately, and no further interest shall accrue on moneys advanced;
- (e) ROBO 3D's ability to terminate the Secured Loan Agreement early is removed; and
- (f) Albion 3D is given the right to convert, at any time, all or any portion of the moneys advanced under the Secured Loan Agreement into common stock of ROBO 3D in accordance with the (varied) Stock Purchase Agreement.

### ***Variation to Stock Purchase Agreement***

- (g) Tranche 2 investment date is extended from 28 November 2015 to 31 December 2015;
- (h) Albion 3D will advance USD\$1.5 million to ROBO 3D pursuant to the Secured Loan Agreement;
- (i) Albion 3D has the option pay the Purchase Price of ROBO 3D's stock for Tranche 1 and Tranche 2 under the Stock Purchase Agreement by setting off the principal amounts owing under the Secured Loan Agreement.

## 8.7 Variations and Extensions of Stock Purchase Agreement and Loan Agreement

On 29 January 2016, 28 March 2016, 27 June 2016, 31 July 2016, 31 August 2016 and 31 October 2016 ROBO 3D, Albion 3D and the Founders entered into letter agreements to extend the terms and operation of the Stock Purchase Agreement. By virtue of these letter agreements:

- (a) the facility under the Secured Loan Agreement was increased to a maximum of US\$2.5 million; and
- (b) the operation of the Stock Purchase Agreement has been extended to 31 December 2016.

## 8.8 Short Form Share Sale Agreements – Penrose Corporation & Lamb

In order to ensure that Albion 3D acquires 100% of ROBO 3D immediately prior to the Completion, the Company, Albion 3D and ROBO 3D entered into Short Form Share Sale Agreements with both of the minority shareholders in ROBO 3D, namely the Penrose Corporation (**Penrose**) and Mr Christopher Lamb.

Penrose (a company registered in California) entered into a Short Form Share Sale Agreement on 1 September 2016 whereby Penrose agreed to transfer all of its shares in ROBO 3D to Albion 3D.

Under the Short Form Share Sale Agreement:

- (a) Penrose agrees to transfer its holdings in ROBO 3D (being 700 fully paid ordinary shares) to Albion 3D;
- (b) Consideration payable to Penrose is the issue of 44,520,547 (pre-Consolidation) Shares in the Company;
- (c) Completion of the Short Form Sale Agreement is interdependent on completion of the Acquisition;
- (d) Completion of the Short Form Share Sale Agreements is to occur contemporaneously with that of the Stock Purchase Agreement and the Revised Term Sheet.

On the same date, the Company, Albion 3D and ROBO 3D also entered into a Short Form Share Sale Agreement (on the same terms and conditions) with Mr Christopher Lamb (the other minority shareholder of ROBO 3D), whereby Mr Lamb agrees to transfer all of his 150 fully paid ordinary shares in ROBO 3D to Albion 3D in consideration for 9,540,118 (pre-Consolidation) Shares in the Company.

Both Short Form Share Sale Agreements otherwise contains terms and conditions (including warranties and representations) typical for an agreement of this nature.

## 8.9 Company Secretarial and Accounting Services Mandate

On 5 October 2016, ROBO 3D executed a letter mandate with Leydin Freyer Corp Pty Ltd (**Company Secretary**) whereby the Company Secretary agrees to provide all necessary company secretarial and accounting services to the Company.

In return for the services to be provided by the Company Secretary, ROBO 3D agrees to pay the Company Secretary a fee of AUD\$7,500 per month (plus GST).

The Company Secretary's mandate can be terminated by either party by giving one months' notice or less period as agreed.

## 8.10 Ryan Legudi (Executive Director – Incoming) Executive Services Agreement

On 16 November 2016 the Company and Mr Ryan Legudi entered into an Executive Services Agreement whereby Mr Legudi was appointed as Executive Director and Chief Executive Officer of the Company (**CEO**). The CEO's appointment is conditional upon the Company acquiring 100% of the issued capital in Albion 3D, and commences on the date of Completion.

Pursuant to the CEO's Executive Services Agreement, the CEO:

- (a) will act as an Executive Director and CEO of the Company;
- (b) is responsible for review and implementation of the strategic direction of the Group, subject to the overall control of the Board;
- (c) assumes and exercises such powers and performs such duties from time to time vested in or assigned to him by the Board;
- (d) will devote the whole of his time and attention to the business of the Company;
- (e) will be paid an annual salary of AUD\$225,000 plus statutory superannuation (currently 9.5%);
- (f) is eligible to partake in the Company's Performance Rights Plan; and
- (g) may be terminated by the Company without cause by giving 6 month's written notice.

The Executive Services Agreement otherwise contains terms considered standard for a document of this nature.

## 8.11 Tim Grice (Executive Director – Incoming) Executive Service Agreement

On 14 November 2016 the Company and Mr Tim Grice entered into an Executive Services Agreement whereby Mr Grice was appointed as an Executive Director of the Company (**Executive**). The Executive's appointment is conditional upon the Company acquiring 100% of the issued capital in Albion 3D, and commences on the date of Completion.

Pursuant to the Executive Services Agreement, the Executive:

- (a) will act as an Executive Director of the Company;
- (b) is responsible for the review and implementation of corporate partnerships in line with the strategic direction of the Company, subject to the overall control of the Board;
- (c) assumes and exercises such powers and performs such duties from time to time vested in or assigned to him by the Board;
- (d) will devote the whole of his time and attention to the business of the Company;
- (e) will be paid an annual salary of AUD\$150,000 plus statutory superannuation (currently 9.5%);
- (f) is eligible to partake in the Company's Performance Rights Plan; and
- (g) may be terminated by the Company without cause by giving 6 month's written notice.

The Executive Services Agreement otherwise contains terms considered standard for a document of this nature.

## 8.12 Patrick Glovac (Non-Executive Director – incoming) Letter of Appointment

On 15 November 2016 Mr Patrick Glovac and the Company entered into a letter agreement appointing Mr Glovac as a Non-Executive Director of the Company.

Pursuant to the Appointment Letter, Mr Glovac:

- (a) will be paid a base fee of \$4,500 per month, inclusive of statutory superannuation (currently 9.5%) paid monthly. The base salary starts to accrue on and from 1 July 2016;
- (b) is not entitled to other remuneration (including shares in the Company) until such time as the Company's board reviews the appointment;
- (c) shares responsibilities with other directors for the direction of the Company; and in particular:
  - (i) has responsibility (along with other non-executive directors) for the appointment and supervision of executive management; and
  - (ii) monitoring the performance of management.

The Appointment Letter otherwise contains terms considered standard for a document of this nature.

## 8.13 Randy Waynick (Chief Operating Officer – incoming)

On 9 November 2016, ROBO 3D executed an employment agreement with Randall (Randy) Waynick whereby Mr Waynick was appointed as Vice President of Revenue and Chief Operating Officer.

Pursuant to the agreement, Mr Waynick:

- (a) will be paid a salary of USD\$312,000 per annum;
- (b) is employed for a fixed term of 2 years, commencing on 1 September 2016;
- (c) is entitled to receive a minimum of 2 years remuneration (except where Mr Waynick elects ends his own employment during the minimum employment period);
- (d) will be issued up to 4,000,000 (four million) performance rights in the Company under the Performance Rights Plan, on milestones to be mutually agreed by Mr Waynick and ROBO 3D, and subject to all ASX Listing Rule and Corporations Act requirements; and
- (e) will be paid the following bonuses:
  - (i) guaranteed cash bonus of USD\$117,188 should he remain employed with the company through to July 2017;
  - (ii) a performance bonus to the maximum value of USD\$117,188 payable equally in cash and equity and payable immediately following completion of 2017 audited accounts, subject to ASX approval and the successful achievement of key performance indicators to be agreed by Mr Waynick and ROBO 3D;
  - (iii) guaranteed cash bonus of USD\$78,125 should he remain employed with the company through to July 2018; and
  - (iv) a performance bonus to the maximum value of USD\$78,125 payable equally in cash and equity and payable immediately following completion of 2018 audited accounts, subject to ASX approval and the successful achievement of key performance indicators to be agreed by Mr Waynick and ROBO 3D.

The employment agreement otherwise contains terms and conditions (including warranties and representations) typical for an agreement of this nature.

## 8.14 Braydon Moreno (Director of Marketing – incoming) Employment Agreement

On 1 September 2016, ROBO 3D and Braydon Moreno entered an employment agreement whereby Mr Moreno was appointed Marketing Director and Head of Education for ROBO 3D.

Pursuant to the employment agreement, Mr Moreno:

- (a) is employed for a minimum of 2 years, with automatic renewals of 1 year each, subject to termination on 60 days' notice;
- (b) is entitled to receive a minimum of 2 years remuneration, regardless of termination for cause during the minimum employment period;
- (c) has primary responsibility for ROBO 3D's:
  - (i) marketing budget, strategy and plan;
  - (ii) consumer and retail channel communication strategies; and
  - (iii) education strategy, budget and plan including educational product roll-out;
- (d) will be paid an annual base salary of USD\$150,000;
- (e) shall receive the following cash bonuses:
  - (i) USD\$50,000 as recognition of performance during the 12 months to 30 June 2016;
  - (ii) USD\$25,000 upon the launch of the C2 model 3D printer; and
  - (iii) USD\$25,000 upon the launch of the R2 model 3D printer;

(however cash bonuses will not be paid unless ROBO 3D has a minimum cash balance of USD\$500,000); and
- (f) is restricted from soliciting or influencing or attempting to solicit or influence customers, suppliers or employees for a 12 months following termination.

The Employment Agreement otherwise contains terms considered standard for a document of this nature.

The Company has also entered into a letter agreement with Mr Moreno for the purpose of specifying the terms and conditions on which he is appointed as a Director of the Company. The Company will not pay Mr Moreno any further remuneration for this appointment. The terms and conditions of the appointment are otherwise identical to those set out in Mr Glovac's letter of appointment above.

## 8.15 Jacob Kabili (Engineering Director) Employment Agreement

On 1 September 2016, ROBO 3D and Jacob Kabili entered an employment agreement whereby Mr Kabili was appointed Engineering Director of ROBO 3D.

Pursuant to the employment agreement, Mr Kabili:

- (a) is employed for a minimum of 2 years, with automatic renewals of 1 year each, subject to termination on 60 days' notice;

- (b) is entitled to receive a minimum of 2 years remuneration, regardless of termination for cause during the minimum employment period;
- (c) has primary responsibility for ROBO 3D's:
  - (i) product and IP strategy;
  - (ii) engineering plan; and
  - (iii) product optimization;
- (d) will be paid an annual base salary of USD\$150,000;
- (e) shall receive the following cash bonuses:
  - (iv) USD\$50,000 as recognition of performance during the 12 months to 30 June 2016;
  - (v) USD\$25,000 upon the launch of the R2 Mini model 3D printer; and
  - (vi) USD\$25,000 upon the launch of the R2 Creator model 3D printer;
 (however cash bonuses will not be paid unless ROBO 3D has a minimum cash balance of USD\$500,000); and
- (f) is restricted from soliciting or influencing or attempting to solicit or influence customers, suppliers or employees for a 12 months following termination.

The Employment Agreement otherwise contains terms considered standard for a document of this nature.

## 8.16 Manufacturing and Supply Agreement

In May 2013, ROBO 3D LLC and Huzhou Dear Industry Co. Ltd. (**Huzhou**) entered into a Manufacturing and Supply Agreement, which has been subsequently assigned from ROBO 3D LLC to ROBO 3D whereby Huzhou agreed to be a supplier and non-exclusive international manufacturer of ROBO 3D printer products.

Pursuant to the Manufacturing and Supply Agreement:

- (a) ROBO 3D shall:
  - (i) meet mutually agreed sales goals and growth in unit volume;
  - (ii) provide Huzhou with a non-binding full-year estimate of manufacturing requirements;
  - (iii) maintain sufficient inventory to permit prompt shipping of customer orders; and
  - (iv) notify Huzhou within 10 days of receipt of any delivery; and may refuse to accept delivery of any order not conforming to specifications;
- (b) Huzhou shall:
  - (i) maintain manufacturing capacity sufficient to meet ROBO 3D's needs;
  - (ii) provide technical support, services and assistance to enable ROBO 3D to effectively market, distribute and sell the printer products;
  - (iii) ship the printer products to ROBO 3D;

### **Termination**

- (a) Either party may terminate the Agreement providing a minimum of six months' notice.

- (b) Huzhou may immediately terminate the Agreement if ROBO 3D fails to perform any of its material obligations and such failure is not rectified within 30 days from written notice; and
- (c) ROBO 3D may immediately terminate the Agreement if Huzhou makes any representation or warranty that is materially inaccurate; or if Huzhou fails to provide the products in satisfactory form and this continues for 30 days.

The Manufacturing and Supply Agreement otherwise contains warranties, terms and conditions that are considered standard for an agreement of this type.

## 8.17 Outsourced Engineering – Outerspace Design

On 16 August 2016, ROBO 3D and Outerspace Design Group Pty Ltd (**OSD**), an Australian design company, agreed a statement of work for a Product Development Agreement whereby OSD will provide ROBO 3D with engineering support, project management and product development services for ROBO 3D's new series of printers (R2 series).

Pursuant to the statement of work:

- (a) OSD will support the development of ROBO 3D's R2 and C2 models with product engineering and design; and packaging design capabilities, as well as product development and integration with current ROBO 3D engineering team members;
- (b) OSD and ROBO 3D implement monthly production targets for the R2 and C2 models;
- (c) OSD's estimated costs are USD\$220,000 up to 31 December 2016, to be invoiced monthly; and
- (d) Either party may terminate by giving 7 business days' notice.

## 8.18 Initial Seed Financier and Further Seed Financier Convertible Loans

Albion 3D entered into various convertible loan letter agreements with the Initial Seed Financiers on or about January 2016, and entered into further convertible loan letter agreements on or about October 2016 with the Further Seed Financiers (**Convertible Loans**). The Initial Seed Financiers and the Further Seed Financiers make up a portion of the Albion 3D Vendors.

The Convertible Loans were entered into for the purposes of assisting Albion 3D meet its funding obligations and investment in ROBO 3D pursuant to the Stock Purchase Agreement and Secured Loan Agreement.

The material terms of the Convertible Loans with the Initial Seed Financiers and the Further Seed Financiers are as follows:

- (e) the Initial Seed Financier and the Further Seed Financier (as relevant) agree to advance funds to Albion 3D pursuant to the Convertible Loan;
- (a) the Convertible Loans are interest free; and
- (b) the Initial Seed Financiers and the Further Seed Financiers loan amount will be repaid in either of the following two ways:
  - (i) on successful completion of the ASX listing of Albion 3D (via the Acquisition and the Company's successful readmission to Official Quotation), the obligation to repay the loan amount will be assigned to the Company, and the seed financier will be repaid by the issue of fully paid ordinary shares in the Company (being Albion 3D Consideration

Shares pursuant to the Albion 3D Vendor Offer), at a discount to the Public Offer raising price and in accordance with the terms of the Convertible Loans; or

- (ii) in the event the ASX listing of Albion 3D does not proceed, each seed financier will be assigned a corresponding portion of Albion 3D's rights to repayment from ROBO 3D pursuant to the Secured Loan Agreement.

As noted above, the Convertible Loans will be assigned to, and be repaid by, the Company (by the issue of the Albion 3D Consideration Shares) at completion of the Acquisition.

## 8.19 Management Services Agreement

On 20 November 2015, ROBO 3D and Crowd & Company (**Crowd**) entered into the Management Services Agreement. Crowd specialises in the operation and management of companies; ROBO 3D requires Crowd's management services which Crowd is willing to provide to ROBO 3D. Under the Management Services Agreement, Mr Daniel Koziol of Crowd was appointed Chief Executive Officer (CEO) of ROBO 3D.

The Term of the Management Services Agreement is one year, with successive one year renewals until termination.

On 17 August 2016, at the meeting of the board of directors of ROBO 3D, a motion was carried to terminate Mr Daniel Koziol from the role of CEO of ROBO 3D, with immediate effect. In addition, the board of directors accepted Mr Koziol's resignation as a director.

The Management Services Agreement has not been extended and will automatically terminate on 19 November 2016. Upon termination, ROBO 3D will be liable to pay Crowd an 'Exit Fee' equal to 5% of the Net Sales Proceeds generated on the sale of ROBO 3D Shares to a third party. Net Sale Proceeds shall be determined at fair market value of the consideration shares allotted to the vendors of ROBO 3D. The Company currently estimates the Exit Fee to be approximately USD\$70,000.

## 8.20 Director Deeds of Indemnity and Access

Please refer to Section 1.10(e) for details of the deeds of indemnity and access entered into by the Company and each of its Directors.

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## 9. RISK FACTORS

## 9. Risk Factors

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Any investment in the Company should be considered speculative.

The activities of the Company are subject to a number of risks and other factors, which may impact its future performance. Prospective investors should consider the Risk Factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Shares.

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

### 9.1 Specific risks – ROBO 3D

A number of specific risk factors that may impact the future performance of the Company in relation to its proposed acquisition of ROBO 3D pursuant to the Revised Term Sheet. In the event that the acquisition of ROBO 3D completes, the following risks in relation to ROBO 3D and its products are described below. Shareholders should note that this list is not exhaustive.

#### (a) Commercialisation Risk

ROBO 3D is now in the process of commercialising its products, and will look to do this by commercialising and integrating its 3D printing technology into traditional bricks and mortar retail and online channels. There is a risk that ROBO 3D will not be able to successfully commercialise its 3D products by being unable to attract sufficient sales volume via these retail distribution customers.

#### (b) Competition and new technologies

The industry in which ROBO 3D is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While ROBO 3D will undertake all reasonable due diligence in its business decisions and operations, ROBO 3D will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of ROBO 3D's business. For instance, FDM printing technology underpins ROBO 3D's printer models, however competing technologies including but not limited to SLA, DLP and SLS could overtake the advancements made by ROBO 3D's products. In that case, ROBO 3D's revenues and profitability could be adversely affected. Due to the differences in the capabilities of the different printing technologies, it may be that no single technology will become dominant in the market.

#### (c) Scalability of 3D printer production

3D printing is limited in its scalability, which limits its application in some industries and it is a limitation inherent to the technology. Speed of production will only come from improvements in printing materials and increases in the speed of printers.

#### (d) Competitive marketplace

Competition in the 3D printing consumer/desktop segment space is dominated by several large businesses, with a growing number of newer market entrants. Newer entrants seek to gain market share via crowd funding campaigns, aggressive pricing strategies and focused digital marketing strategies.

#### (e) Research and collaboration agreements

ROBO 3D is likely to require the use of both internal and external expertise to improve, upgrade and refine the user experience for 3D printer users. The Company will need to carefully manage the issue of

background intellectual property rights and any sharing of intellectual property as a result of R&D collaborations.

#### **(f) Special reputational risks**

ROBO 3D operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about ROBO 3D may have a disproportionate effect on ROBO 3D's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on ROBO 3D's profitability.

#### **(g) Limited Trading History**

The business of ROBO 3D is yet to be fully commercialised and the bulk of its revenues to-date have been as a result of a successful crowdfunding campaign to launch the company, important revenue traction with online sales including Amazon, as well as trial/pilot programs with traditional brick and mortar retailers. There is greater uncertainty in relation to the business of ROBO 3D and investors should consider ROBO 3D's prospects in light of its limited financial history. In addition, there is no guarantee that ROBO 3D will be able to successfully commercialise its products and if it is unable to do so, it will not be able to realise significant revenues in the future.

#### **(h) Reliance on key personnel**

The recent development of the business of ROBO 3D has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of ROBO 3D senior management. Although ROBO 3D has entered into service contracts with Messrs Moreno and Kabili, there is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term. In addition, there is no assurance that employment contracts for Mr Moreno, Mr Kabili and Mr Waynick will be renewed. If such contracts were terminated or breached, or if the relevant employees were no longer to continue in their current roles, ROBO 3D would need to employ alternative staff, and ROBO 3D's operations and business could be adversely affected.

#### **(i) Customer service risk**

Customers may need to engage with ROBO 3D's customer service personnel in certain circumstances. For instance, if a customer has a question about the services or products provided by ROBO 3D, or if there is a dispute between a customer and ROBO 3D. ROBO 3D needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If ROBO 3D loses key customer service personnel, or fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on ROBO 3D's revenue.

#### **(j) Risks associated with the regulatory environment**

ROBO 3D's operating entities are based in the USA and are subject to the laws and regulations of the USA. ROBO 3D's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance, could impact upon ROBO 3D's profitability. In addition, if regulators took the view that ROBO 3D had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to ROBO 3D and a consequent impact upon its revenue.

## (k) Liquidity and dilution risk

Upon re-listing there will be a minimum 40% free float of the total shares (15% existing shareholders + 25% Public Offer based on maximum capital raising of \$6,000,000 under the Prospectus). There are currently 259 million shares on issue with approximately 25% of the total Shares on issue following re-quotations of the Company's shares being offered to the public pursuant to a maximum capital raising of \$6,000,000 under the Prospectus (assuming that no Performance Shares convert into new Shares and no Advisory Options are exercised). Upon re-compliance, a significant portion of the ROBO 3D Vendor Shares and Albion 3D Vendor Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider there to be an increased liquidity risk if a large portion of the issued capital of the Company is unable to be traded freely for a period of up to 24 months.

## (l) Supplier risk

ROBO 3D currently utilises one contract manufacturer in China for the assembly of its R1+PLUS 3D printer, operating under a non-exclusive manufacturing agreement. If our relationship with this manufacturer were to terminate or our manufacturing arrangements were to be disrupted, our business could be adversely affected. We purchase components and other consumables that are used in our production from third-party suppliers. We currently use only a limited number of suppliers, therefore our reliance on a limited number of vendors involves a number of risks, including:

- potential shortages of some key components or consumables;
- printed material performance or quality shortfalls, if traceable to particular consumables or other components, since the supplier of the faulty consumable or component cannot readily be replaced;
- discontinuation of a consumable or other components on which we rely;
- potential insolvency of these vendors; and
- reduced control over delivery schedules, manufacturing capabilities, quality and costs.

If certain suppliers were to decide to discontinue production, or the supply to us, of a consumable or other component that we use, the unanticipated change in the availability of supplies, or unanticipated supply limitations, could cause delays in, or loss of, sales, increased production or related costs and, consequently, reduced margins, and damage to our reputation. In addition, because we use a limited number of suppliers, increases in the prices charged by our suppliers may have an adverse effect on our results of operations, as we may be unable to find a supplier who can supply us at a lower price. As a result, the loss of a limited source supplier could adversely affect our relationships with our customers and our results of operations and financial condition.

## (m) Outsourcing Risk

ROBO 3D outsources to consultants for expert advice and contractors for research and development, marketing support, customer service support, quality control services, manufacturing, engineering and design and other services. There is no guarantee that such experts or organisations will be available as required or will meet expectations.

## (n) Future capital needs

Further funding may be required by ROBO 3D to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of ROBO 3D and consequently its performance.

## (o) Liability claims

ROBO 3D may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, ROBO 3D may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against ROBO 3D, ROBO 3D may be fined or sanctioned and its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

## (p) Insurance coverage

ROBO 3D faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. ROBO 3D maintains insurance coverage for its employees (as required by law in the USA), and general liability insurance up to US\$5,000,000. However ROBO 3D may still incur substantial losses or liabilities if its insurance coverage is unavailable or inadequate to cover such losses or liabilities, which may adversely affect its financial position. ROBO 3D is currently undergoing a review of its current insurances and does not currently maintain insurances for following risks: transit/cargo insurance, data breach, fiduciary liability, employment practices liability, fiduciary liability, directors and officers liability or contingent business income insurance. Upon finalisation of the review, the Board will determine what further insurances should be implemented for the purpose of risk mitigation in respect of the ROBO 3D business.

## (q) Acquisition and integration risks

We may engage in acquisitions or investments that could disrupt our business, cause dilution to our shareholders and harm our financial condition and results of operations. In connection with these acquisitions or investments, we may:

- issue forms of equity that would dilute our existing shareholders' percentage of ownership;
- incur debt and assume liabilities; and/or
- incur amortisation expenses related to intangible assets or incur large and immediate write-offs.

If we complete an acquisition or investment, we cannot assure you that it will ultimately strengthen our competitive position or that it will be viewed positively by customers, suppliers, employees, financial markets or investors. Furthermore, future acquisitions or investments could pose numerous additional risks to our operations, including:

- problems integrating the purchased business, products, services or technologies;
- challenges in achieving strategic objectives, cost savings and other anticipated benefits;
- increases to our expenses;
- the assumption of significant liabilities that exceed the limitations of any applicable indemnification provisions or the financial resources of any indemnifying party;
- Inability to maintain relationships with key customers, vendors and other business partners of our current or acquired businesses;
- diversion of management's attention from their day-to-day responsibilities;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- entrance into marketplaces where we have no or limited prior experience and where competitors have stronger marketplace positions;
- potential loss of key employees, particularly those of the acquired entity; and

- historical financial information may no longer be representative or indicative of our results as a combined company.

Alternatively, while certain acquisitions or investments may be of strategic importance for the execution of our business plan, we may not ultimately be able to complete such acquisitions or investments on favourable terms, or at all, which may in turn materially affect our ability to grow or even cause us to lose market share, and could have a material adverse effect on our business, financial condition and results of operations.

## (r) Technology Rights and Protection of Rights

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of technology research and development, together with the protection and maintenance of existing rights and patents. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. Because the patent position of technology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in technology patents nor their enforceability can be predicted. There can be no assurance that any patents that ROBO 3D may own or control now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

Although the Company is not aware of any material third party interest in relation to the rights to ROBO 3D's technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect ROBO 3D's technologies, there can be no assurance that these measures have been, or will be sufficient. Furthermore, ROBO 3D has a patent pending (i.e. an application for a patent has been made but the patent has not yet been granted). There is no guarantee that the applications for the patent will be successful, not any future applications for patents.

## 9.2 Specific risks – exploration licences

### Exiting of Licences

If the Acquisition of ROBO 3D completes, the Company will seek to either divest its exploration assets or relinquish the licenses. There can be no assurances the Company will be able find buyers for its assets or how much they will be worth. Additionally if the Company is unable to find buyers for the assets then the Company will incur some costs in relinquishing the licenses.

## 9.3 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

### (a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and Securities price may be affected by these factors, which are beyond the Company's control.

### (b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

### (c) Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

### (d) Exchange rate risk

The Company will be domiciled in Australia but may source products and services from overseas.

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since the Company's financial statements are prepared in Australian dollars, this may impact its performance and position.

### (e) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

### (f) Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlines in this Section could affect the performance valuation, financial performance and prospects of the Company.

### (g) Unforeseen expenditure risk

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

### (h) Sharemarket conditions

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities.

### **(i) Long term investment**

Investors are strongly advised to regard an investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

### **(j) Speculative nature of investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for Shares.

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## 10. ADDITIONAL INFORMATION

## 10. Additional Information

### 10.1 Continuous Disclosure

The Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office. Copies of announcements made by the Company to ASX may be obtained from [www.asx.com.au](http://www.asx.com.au).

The Company has adopted a continuous disclosure policy so as to comply with its continuous disclosure obligations.

Those obligations include being required to notify ASX immediately of any information concerning the Company of which it is, or becomes, aware of and which a reasonable person would expect to have a material effect on the price or value of the Company's Securities. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly activities and cash-flow reports, to be provided to ASX within a specified time after the end of each quarter;
- (b) half yearly reports and preliminary financial statements, to be provided to ASX within a specified time after the end of each half and full year accounting period respectively; and
- (c) financial statements, to be lodged with ASX within a specified time after the end of each accounting period.

### 10.2 Privacy Disclosure

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments, 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 requirement.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the

information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 10.3 Taxation Implications

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

## 10.4 Litigation

### (a) The Company

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company, the outcome of which will have a material adverse effect on the business or financial position of the Company.

### (b) Albion 3D

As at the date of this Prospectus, Albion 3D is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against Albion 3D, the outcome of which will have a material adverse effect on the business or financial position of the Company on and from completion of the Acquisition.

### (c) Robo 3D

On March 1, 2016 Alexander Nawrocki, an individual, filed a complaint in the Superior Court of San Diego County, California (case no. 37-2016-00006882-CU-BC-CTL) against Robo3D LLC, a California limited liability company, Braydon Moreno, Jacob Kabili and Christopher Lamb. The complaint arises out of a consulting agreement dated March 7, 2014 between Mr. Nawrocki and Robo3D, LLC and alleges claims for breach of contract, quantum meruit and fraud in the inducement. Mr. Nawrocki requested damages of \$325,000 in consulting fees, a 10% equity stake in Robo3D LLC or the fair market value thereof, punitive and exemplary damages, attorney's fees, interest and other amounts to be proved at trial. Robo3D LLC and Messrs. Moreno, Kabili and Lamb filed a motion to compel arbitration. On August 5, 2016, the Court approved the motion and ordered the parties to arbitrate the dispute. Robo3D LLC and Messrs. Moreno, Kabili and Lamb deny the allegations in the complaint and intend to vigorously defend the matter in the arbitration proceeding.

Neither the Company, Albion 3D, nor ROBO 3D are currently parties to the Nawrocki lawsuit or the arbitration proceeding. Robo3D LLC is a limited liability company that was formed by Messrs. Moreno, Kabili and Michael Pilkington on January 22, 2013. In May 2015 Robo3D LLC redeemed the membership interests held by Michael Pilkington and in June 2015 Robo3D LLC assigned certain of its assets and liabilities to ROBO 3D. If ROBO 3D

were to incur any liability arising out of the Nawrocki lawsuit, Messrs. Moreno and Kabili have agreed to indemnify ROBO 3D and Albion Capital Partners to the extent that losses exceed \$200,000. The indemnification agreement is contained in the Stock Purchase Agreement dated November 24, 2015 among Robo3D, Inc., Mr. Moreno, Mr. Kabili and Albion 3D.

## 10.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (d) to induce him to become, or to qualify him as, a Director; or
- (e) for services rendered by him in connection with the formation or promotion of the Company or the Offers.

The interests of the Directors and Proposed Directors in the Securities of the Company as at the date of this Prospectus and their proposed participation in the Offers are set out in Sections 1.10 and 1.11.

## 10.6 Expenses of the Offer

The total expenses of the Offers payable by the Company are estimated at approximately \$437,207 (on the basis of the minimum subscription of \$4,000,000). See the table below for further details:

Item of expenditure	Minimum subscription (\$4,000,000)	Full subscription (\$6,000,000)
ASIC fees	\$2,350	\$2,350
ASX fees	\$26,498	\$27,882
Broker Commissions for Public Offer	\$240,000	\$360,000
Legal Fees (USA and Australia)	\$103,359	\$103,359
Investigating Accountant's Fees	\$52,500	\$52,500
Printing and Distribution	\$1,500	\$1,500
Share Registry	\$11,000	\$11,000
<b>TOTAL</b>	<b>\$437,207</b>	<b>\$558,591</b>

### Notes:

1. Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company. The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offers will be reduced and the additional funds will be put towards working capital.
2. These expenses have been paid or will be payable by the Company.
3. These amounts are exclusive of GST

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## 10.7 Interests and Consents of Promoters, Experts and Advisors

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

Each of the parties referred to in this Section:

- (a) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that party; and
- (c) has given and has not, before the date of lodgement of this Prospectus, with ASIC, withdrawn its written consent:
- (d) to be named in this Prospectus in the form and context which it is named; and
- (e) to the inclusion in this Prospectus of the statement(s) and/or report(s) (if any) by that person in the form and context in which it appears in this Prospectus.

BDO Corporate Finance (East Coast) Pty Ltd (**BDO Corporate Finance**) has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay BDO Corporate Finance \$52,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance has not been paid for any other professional services. BDO Corporate Finance has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 7 of this Prospectus in the form and context in which the information and report is included. BDO Corporate Finance has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. BDO Corporate Finance has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in

this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

Nova Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Nova Legal \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has received fees totalling approximately \$237,504 from the Company in respect of legal services provided to the Company. Nova Legal has given its written consent to being named as the solicitors to the Company in this Prospectus. Nova Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Nova Legal has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

Forrest Capital Pty Ltd will be paid fees for Corporate Advisor services in relation to this Prospectus as set out in Section 8.2. Forrest Capital Pty Ltd have provided corporate advisor and lead manager services to the Company under the Corporate Advisor Mandate described in Section 8.2 and fees of \$5,000 per month (ex GST) from the date of Completion for a period of 18 months are payable for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Forrest Capital has not received any fees from the Company. Forrest Capital Pty Ltd has given, and has not withdrawn its consent to being named as Corporate Advisor to the Company in this Prospectus. Forrest Capital Pty Ltd has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

GTT Ventures Pty Ltd (**GTT Ventures**) will be paid fees for Corporate Advisor services in relation to this Prospectus as set out in Section 8.2. GTT Ventures have provided corporate advisor and lead manager services to the Company under the Corporate Advisor Mandate described in Section 8.2 and fees of \$5,000 per month (ex GST) from the date of Completion for a period of 18 months are payable for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, GTT Ventures Pty Ltd has received fees totalling \$46,957 from the Company. GTT Ventures has given, and has not withdrawn its consent to being named as Corporate Advisor to the Company in this Prospectus. GTT Ventures has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

Advanced Share Registry Services Ltd (**Advanced**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to Advanced appear for information purposes only. Advanced have not been involved in, authorised or caused the issue of this Prospectus. Advanced has not authorised or caused the issue of the Prospectus or the making of the Offers.

Stantons International Securities Limited has given its written consent to being named as the Company's Auditor in this Prospectus in the form and context in which it is included and to the inclusion of the Company's audited financial statements and to statements by Stantons

International Securities Limited in its capacity as the auditor in relation to those audited financial statements. References to Stantons International Securities Limited appear for information purposes only. Stantons International Securities Limited have not been involved in, authorised or caused the issue of this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO East Coast Partnership has given its written consent to being named as Albion 3D's Auditor in this Prospectus in the form and context in which it is included and to the inclusion of Albion 3D's audited financial statements and to statements by BDO East Coast Partnership in its capacity as the auditor in relation to those audited financial statements. References to BDO East Coast Partnership appear for information purposes only. BDO East Coast Partnership have not been involved in, authorised or caused the issue of this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO USA, LLP has given its written consent to being named as ROBO 3D's Auditor in this Prospectus in the form and context in which it is included and to the inclusion of ROBO 3D's audited financial statements and to statements by BDO USA, LLP in its capacity as the auditor in relation to those audited financial statements. References to BDO USA, LLP appear for information purposes only. BDO USA, LLP have not been involved in, authorised or caused the issue of this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

## 10.8 Rights and Restrictions Attaching to Shares

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

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the Shares that may be issued pursuant to the exercise of the New Shares offered under this Prospectus will rank equally with existing Shares on issue.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) If the Company is wound up, the liquidator may, with the sanction of a special resolution:
- (i) divide among the Shareholders the whole or any part of the Company's property; and
  - (ii) decide how the division is to be carried out between the Shareholders.
- Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

## 10.9 Terms and Conditions of Advisor Options

### (a) Entitlement

Each Advisor Option (**Option**) entitles the holder to subscribe for one fully paid ordinary share in the Company (**Share**) upon exercise of the Option.

### (b) Exercise Price and Expiry Date

The Options have an exercise price set at a 50% premium to the price of the Shares issued under the Capital Raising, being \$0.15, (**Exercise Price**) and an expiry date which is 3 years after the date on which the Options are granted (**Expiry Date**).

### (c) Exercise Period

The Options are exercisable at any time on or prior to 5:00pm (Perth time) on the Expiry Date.

### (d) Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

### (e) Shares issued on exercise

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

#### (f) Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

#### (g) Timing of issue of Shares

Subject to the Company obtaining any necessary shareholder or regulatory approval required for the issue of the underlying Share, after an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

#### (h) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

#### (i) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price unless permitted by paragraph 10 below pursuant to ASX Listing Rule 6.22.

#### (j) Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

### (k) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

### (l) Options not quoted

The Company will not apply to ASX for quotation of the Options.

### (m) Options transferable

The Options are transferable.

### (n) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

## 10.10 Terms and Conditions of Executive Performance Rights

The key terms related to the vesting of the Management Performance Rights will be as follows (subject to any amendments required by ASX and the minimum conditions prescribed by ASX pursuant to Guidance Note 19):

(a) The Milestones related to the vesting of the Performance Rights will be as follows:

Tranche	# of Performance Rights (pre-consolidation)	# of Performance Rights (post-consolidation)	Vesting Condition	Tenure Period
Tranche 1	12,500,000	1,749,966	Performance Rights shall convert to Shares upon the 10 trading day VWAP for the closing price of the Company's Shares being 150% of the price of the Shares issued under the Public Offer under Prospectus. For the avoidance of doubt, the milestone is \$0.15 per Share	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.

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Tranche	# of Performance Rights (pre-consolidation)	# of Performance Rights (post-consolidation)	Vesting Condition	Tenure Period
			on a Post-Consolidation basis.	
Tranche 2	12,500,000	1,749,966	Performance Rights shall convert to Shares upon the 10 trading day VWAP for the closing price of the Company's Shares being 200% of the price of the Shares issued under the Public Offer under Prospectus. For the avoidance of doubt, the milestone is \$0.20 per Share on a Post-Consolidation basis.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.
Tranche 3	3,750,000	524,988	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$7.5 million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.
Tranche 4	6,250,000	874,982	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$10.0 million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.

- (b) General provisions that apply to the Performance Rights are:
- (i) Each Performance Right which has vested (and not lapsed or expired) entitles the participating holder to one fully paid ordinary share in the Company on vesting. Subject to the terms of grant, the Company may issue new shares or arrange a transfer or purchase of existing shares. An application will be made by the Company to ASX for the official quotation of the Shares issued upon the vesting of each Performance Right within the time period required under the Listing Rules.
  - (ii) The Company may determine to issue shares to the participant or a trustee (to be held for and then transferred to the participant).
  - (iii) Without the prior approval of the Board, Performance Rights cannot be transferred, disposed of or be dealt with by a participant.
  - (iv) Unless the Tenure Period set by the Board expires at an earlier date or the Board determines otherwise in an invitation, Performance Rights will lapse on the latest of:
    - a. expiry of 12 months after the participant's death, if death occurs before the Performance Rights would otherwise lapse;

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- b. expiry of 12 months after the date the participant ceases to be employed due to total and permanent disablement or redundancy;
- c. the date the participant ceases to be employed for any other reason; or
- d. if the Board extends the time during which the Performance Right may be vested (which cannot be later than the expiry of the Tenure Period), the expiry of that time.
- (v) Unvested Performance Rights will also lapse if the participant has acted fraudulently or dishonestly.
- (vi) Performance Rights do not carry entitlements to participate in new issues of securities made by the Company, until the participant has validly vested the Performance Rights and become a shareholder of the Company prior to the record date for the new issue.
- (vii) In any reorganisation of the Company's issued capital, the number of Performance Rights may be adjusted to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital.
- (viii) The Board may determine that any Performance Rights will become vested and may be vested in any period, whether or not any or all applicable vesting conditions have been satisfied, including if there is a change of control of or takeover of the Company.
- (ix) Subject to paragraph (viii), a Performance Right may only be vested if:
- a. where the participant is an employee at the time of vesting, the Performance Right has vested at the time of vesting;
- b. where:
- i. the participant's employment with the Company ceases due to death, total and permanent disablement, redundancy or retirement; or
- ii. the participant's employer (being a company other than the Company) ceases to be a company within the Company group, whether or not after the cessation the participant remains an employee of that company,
- the Performance Right has vested on the employee's last employment date;
- c. at the time of vesting:
- i. the Tenure Period has commenced;
- ii. the Performance Right has not lapsed; and
- iii. the relevant vesting condition (if any) has been satisfied or waived; and

- d. where the participant is an individual, the participant is not bankrupt and has not committed an act of bankruptcy and where the participant is deceased, the Participant's estate is not bankrupt.
- (x) If there is a successful takeover in relation to the Company or a Related Entity prior to the vesting of all the Performance Rights:
- a. on or prior to the expiry of the Tenure Period, then on the date that the Successful Takeover occurs, for the right to every Performance Right that has not vested, one Share will be issued; and
- b. provided however, if the number of Shares to be issued as a result of the Performance Rights due to a Successful Takeover in relation to the Company or a Related Entity is in excess of 10% of the total fully diluted share capital of the Company at the time of the issue, then the number of Shares to be issued in respect of the Performance Rights will be prorated so that the aggregate number of Shares issued for all Performance Rights that remain unissued is equal to 10% of the entire fully diluted share capital of the Company.

## 10.11 Terms and Conditions of Founder Performance Rights

The key terms related to the vesting of the Founder Performance Rights will be as follows (subject to any amendments required by ASX and the minimum conditions prescribed by ASX pursuant to Guidance Note 19):

(a) The Milestones related to the vesting of the Performance Rights will be as follows:

Tranche	# of Performance Rights (pre-consolidation)	# of Performance Rights (post-consolidation)	Vesting Condition	Tenure Period
Tranche 1	15,000,000	2,099,958	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$10 million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.
Tranche 2	25,000,000	3,499,930	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$15.0million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.

(b) General provisions that apply to the Performance Rights are:

- (i) Each Performance Right which has vested (and not lapsed or expired) entitles the participating holder to one fully paid ordinary share in the Company on vesting. Subject to the terms of grant, the Company may issue new shares or arrange a transfer or purchase of existing shares. An

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application will be made by the Company to ASX for the official quotation of the Shares issued upon the vesting of each Performance Right within the time period required under the Listing Rules.

- (ii) The Company may determine to issue shares to the participant or a trustee (to be held for and then transferred to the participant).
- (iii) Without the prior approval of the Board, Performance Rights cannot be transferred, disposed of or be dealt with by a participant.
- (iv) Unvested Performance Rights will lapse if the participant has acted fraudulently or dishonestly.
- (v) Performance Rights do not carry entitlements to participate in new issues of securities made by the Company, until the participant has validly vested the Performance Rights and become a shareholder of the Company prior to the record date for the new issue.
- (vi) In any reorganisation of the Company's issued capital, the number of Performance Rights may be adjusted to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital.
- (vii) The Board may determine that any Performance Rights will become vested and may be vested in any period, whether or not any or all applicable vesting conditions have been satisfied, including if there is a change of control of or takeover of the Company.
- (viii) Subject to paragraph (vii), a Performance Right may only be vested if:
  - a. at the time of vesting:
    - i. the Tenure Period has commenced;
    - ii. the Performance Right has not lapsed; and
    - iii. the relevant vesting condition (if any) has been satisfied or waived; and
  - b. where the participant is an individual, the participant is not bankrupt and has not committed an act of bankruptcy and where the participant is deceased, the Participant's estate is not bankrupt.
- (ix) If there is a successful takeover in relation to the Company or a Related Entity prior to the vesting of all the Performance Rights:
  - a. on or prior to the expiry of the Tenure Period, then on the date that the Successful Takeover occurs, for the right to every Performance Right that has not vested, one Share will be issued; and
  - b. provided however, if the number of Shares to be issued as a result of the Performance Rights due to a Successful Takeover in relation to the Company or a Related Entity is in excess of 10% of the total fully diluted share capital of the Company at the time of the issue, then the number of Shares to be issued in respect of the Performance Rights will be prorated so that the aggregate number of Shares issued for all Performance Rights that remain unissued is equal to 10% of the entire fully diluted share capital of the Company.

## 10.12 Terms and Conditions of Employee Performance Rights

The key terms related to the vesting of the Employee Performance Rights will be as follows (subject to any amendments required by ASX and the minimum conditions prescribed by ASX pursuant to Guidance Note 19):

(a) The Milestones related to the vesting of the Performance Rights will be as follows:

Tranche	# of Performance Rights (pre-consolidation)	# of Performance Rights (post-consolidation)	Vesting Condition	Tenure Period
Tranche 1	9,375,000	1,312,474	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$10 million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.
Tranche 2	15,625,000	2,187,456	Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US\$15.0million.	Within 4 years from the successful re-admission of the Company to ASX and raising the minimum subscription under the Prospectus.

(b) General provisions that apply to the Performance Rights are:

- (x) Each Performance Right which has vested (and not lapsed or expired) entitles the participating holder to one fully paid ordinary share in the Company on vesting. Subject to the terms of grant, the Company may issue new shares or arrange a transfer or purchase of existing shares. An application will be made by the Company to ASX for the official quotation of the Shares issued upon the vesting of each Performance Right within the time period required under the Listing Rules.
- (xi) The Company may determine to issue shares to the participant or a trustee (to be held for and then transferred to the participant).
- (xii) Without the prior approval of the Board, Performance Rights cannot be transferred, disposed of or be dealt with by a participant.
- (xiii) Unvested Performance Rights will lapse if the participant has acted fraudulently or dishonestly.
- (xiv) Performance Rights do not carry entitlements to participate in new issues of securities made by the Company, until the participant has validly vested the Performance Rights and become a shareholder of the Company prior to the record date for the new issue.
- (xv) In any reorganisation of the Company's issued capital, the number of Performance Rights may be adjusted to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital.

- (xvi) The Board may determine that any Performance Rights will become vested and may be vested in any period, whether or not any or all applicable vesting conditions have been satisfied, including if there is a change of control of or takeover of the Company.
- (xvii) Subject to paragraph (vii), a Performance Right may only be vested if:
- a. at the time of vesting:
    - i. the Tenure Period has commenced;
    - ii. the Performance Right has not lapsed; and
    - iii. the relevant vesting condition (if any) has been satisfied or waived; and
  - b. where the participant is an individual, the participant is not bankrupt and has not committed an act of bankruptcy and where the participant is deceased, the Participant's estate is not bankrupt.
- (xviii) If there is a successful takeover in relation to the Company or a Related Entity prior to the vesting of all the Performance Rights:
- a. on or prior to the expiry of the Tenure Period, then on the date that the Successful Takeover occurs, for the right to every Performance Right that has not vested, one Share will be issued; and
  - b. provided however, if the number of Shares to be issued as a result of the Performance Rights due to a Successful Takeover in relation to the Company or a Related Entity is in excess of 10% of the total fully diluted share capital of the Company at the time of the issue, then the number of Shares to be issued in respect of the Performance Rights will be prorated so that the aggregate number of Shares issued for all Performance Rights that remain unissued is equal to 10% of the entire fully diluted share capital of the Company.

### 10.13 Performance Rights Plan

In addition to the classes of Performance Rights the Company will issue pursuant to the Executive Offer, the Founder Offer and the Employee Offer, the Company has obtained Shareholder approval at the General Meeting and adopted a Performance Rights Plan (**Plan**). To date, no Performance Rights have been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees. Any future issues of Performance Rights under the Plan to a related party or a person or a persons whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms of the Plan are set out below:

- (a) Under the Plan, the Board may grant Performance Rights to eligible employees (including Directors) of the Company (or any of its subsidiaries) determined by the Board.
- (b) The Board may determine the number and value of any Performance Rights to be granted under the Plan. Without limiting its discretion, the Board may also determine the exercise price, vesting conditions, exercise conditions, exercise period and any other terms applicable to a particular grant of Performance Rights in an invitation to an eligible employee.
- (c) Performance Rights will not be listed on the ASX. Each Performance Right which has vested and not lapsed or expired entitles the participating employee to one fully paid ordinary share in the Company on exercise. Subject to the terms of grant, the Company will issue new shares.
- (d) The Company must have reasonable grounds to believe that the number of Shares to be received on exercise of the Performance Rights when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under either (i) an incentive plan under ASIC Class Order 14/1000; or (i) other ASIC exempt arrangement, must not exceed 5% of the total number of issued Shares at the time the offer to acquire Performance Rights is made.
- (e) Without the prior approval of the Board (or as required by law), Performance Rights cannot be transferred, disposed of or be dealt with by a participant.
- (f) Shares to be delivered upon exercise of a Performance Right may be subject to disposal restrictions or forfeiture conditions determined by the Board at the time of grant.
- (g) Unless the exercise period set by the Board expires at an earlier date or the Board determines otherwise in an offer, Performance Rights will:
- (i) lapse on the date the participant ceases to be employed as a result of resignation, termination for poor performance or termination for cause;
  - (ii) continue until the expiry date in the event that the participant's employment is terminated for any other reason including death, disability, redundancy, retirement or termination by agreement;
  - (iii) continue past the participant ceasing employment, if the Board extends the time during which the Performance Right may be exercised.
- (h) Unexercised Performance Rights will also lapse if in the opinion of the Company, the participant has acted fraudulently or dishonestly.
- (i) Performance Rights do not carry entitlements to participate in new issues of securities made by the Company, until the participant has validly exercised the Performance Rights and become a shareholder of the Company prior to the record date for the new issue. However, subject to the Listing Rules, adjustments may be made to the number of shares to which Performance Rights relate or the exercise price, to take into account changes to the capital structure of the Company that occur by way of pro rata issue or bonus issue respectively.

- (j) In any reorganisation of the Company's issued capital, the number of Performance Rights may be adjusted to the extent necessary to comply with the Listing Rules applying to a reorganization of capital.
- (k) The Board may determine that any Performance Rights will become vested and may be exercised in any period, whether or not any or all applicable exercise conditions have been satisfied, including if there is a change of control of or takeover of the Company.

## 10.14 Corporate Structure

As at the date of this Prospectus, the Company has no subsidiaries.

Subject to Completion of the Acquisition, the Company will become the ultimate Australian parent entity of Albion 3D and ROBO 3D. The corporate structure of the Company at Completion of the Acquisition will be as follows:

- (a) The Company will own 100% of the issued capital of Albion 3D;
- (b) Albion 3D will own 100% of the issued capital of ROBO 3D;
- (c) Albion 3D and ROBO 3D have no other subsidiaries.

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## 11. DIRECTORS' AUTHORISATION

## 11. Directors' Authorisation

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This Prospectus is authorised by each of the Directors of the Company and each has consented to the lodgement of this Prospectus in accordance with section 720 of the *Corporations Act 2001*.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'Ron Smit', written over a faint, vertical watermark that says 'For personal use only'.

Ron Smit

Managing Director

For and on behalf of Falcon Minerals Limited (to be renamed Robo 3D Limited)

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## 12. GLOSSARY OF TERMS

## 12. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian Dollars.

**ACP** means Albion Capital Partners Pty Ltd (ACN 108 235 918).

**Acquisition** means the Company's acquisition of:

- (a) 100% of the issued capital in Albion 3D from the Albion 3D Vendors; and
- (b) 100% of the issued capital in ROBO 3D from the ROBO 3D Vendors,

and pursuant to the terms of the Revised Term Sheet.

**Advisor** means Forrest Capital Pty Ltd (ACN 118 115 834) (and/or its nominees).

**Advisor Offer** means the offer of 13,999,720 Advisor Options (on the terms set out in Section 10.9) to the Advisor (and/or its nominees), at an issue price of \$0.0001 per Advisor Option and in consideration for the provision of corporate advisory services.

**Advisor Offer Application Form** means a personalised application form provided by the Company for the Advisor Options offered pursuant to the Advisor Offer.

**Advisor Options** means the options issued to the Corporate Advisor on the terms and conditions set out in Section 10.9.

**Albion 3D** means Albion 3D Investments Pty Ltd (ACN 608 650 317).

**Albion 3D Consideration Shares** means the 98,488,030 Shares issued by the Company to the Albion 3D Vendors pursuant to the Revised Term Sheet.

**Albion 3D Vendors** means parties who:

- (a) are shareholders of Albion 3D; or
- (b) are Initial Seed Financiers and Further Seed Financiers that have assigned their debt funding arrangements with Albion 3D (for the purpose of Albion 3D's funding of ROBO 3D), being the Convertible Loans, to the Company (with the value of the Initial Seed Financiers and Further Seed Financiers debt to be converted into fully paid ordinary shares in the Company); or
- (c) have assisted Albion 3D with facilitating and completion of the Acquisition.

**Albion 3D Vendor Offer** means the offer of 98,488,030 Shares to the Albion 3D Vendors in consideration for 100% of the issued capital of Albion 3D and repayment of the Convertible Loans.

**Albion 3D Vendor Offer Application Form** means a personalised application form provided by the Company to the Albion 3D Vendors for the Shares offered pursuant to the Albion 3D Vendor Offer.

**Application Form(s)** or **Form(s)** means an application form provided by the Company for the Securities offered pursuant to this Prospectus.

**Application Monies** means application monies for Securities received and banked by the Company.

**Applications** means completed Application Forms submitted to and received by the Company accompanied by Application Monies.

**Article** means an article of the Company's Constitution.

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

**ASX CGC P&R** means the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**ASXS** means ASX Settlement Pty Limited ACN 008 504 532.

**ASXS Operating Rules** means the operating rules of ASXS, except to the extent of any relief given by ASXS.

**Board** means the Directors of the Company as at the date of this Prospectus.

**Business Day** means a day on which ASX is open for trading.

**Capital Raising** means the capital raising under the Public Offer the subject of this Prospectus.

**Chapter** means a chapter of either the Listing Rules or the Corporations Act.

**CHESS** means Clearing House Electronic Subregistry System.

**Closing Date** means the date specified as the closing date for the Offers in the Indicative Timetable of the Offers (or such earlier or later date determined by the Directors).

**Company** or **Falcon** or **Falcon Minerals** means Falcon Minerals Limited (to be renamed Robo 3D Limited) (ACN 009 256 535).

**Company Secretary** means the Company Secretary at the date of this Prospectus, being Dean Calder.

**Conditions** or **Conditions of the Offers** means the conditions of the Offers defined in Section 4.7.

**Consideration** means the Consideration Shares pursuant to the Revised Term Sheet as defined in Section 8.1.

**Consideration Shares** means the Albion 3D Consideration Shares and the ROBO 3D Consideration Shares, being a total of 142,117,294 Shares (on a Post-Consolidation basis).

**Consolidation** means the consolidation of Securities on issue on the basis set out in Section 4.3 to be undertaken by the Company (Shareholder approval for which was obtained at the General Meeting).

**Constitution** means the current constitution of the Company.

**Convertible Loans** means the convertible loan agreements between the Initial Seed Financiers and the Further Seed Financiers (as relevant) and Albion 3D on the terms set out in Section 8.18.

**Corporate Advisor** means Forrest Capital or GTT (as relevant).

**Corporate Directory** means the corporate directory of the Company as set out on page 2 of this Prospectus.

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

**Deposit** means the \$250,000 non-refundable deposit paid to Albion 3D by the Company.

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

**Employees** means employees of the Company and its Subsidiaries that are selected by the Board to participate in the Employee Offer.

**Employee Offer** means the offer of up to 3,499,930 Employee Performance Rights (on a Post-Consolidation basis) to the Employees, as outlined in Section 4.1(f).

**Employee Offer Application Form** means a personalised application form provided by the Company to the Employees for the Employee Performance Rights offered pursuant to the Employee Offer.

**Employee Performance Rights** means the Performance Rights issued to the Employees, pursuant to the Employee Offer, on the terms set out in Section 10.12.

**Executives** means Ryan Legudi and Tim Grice.

**Executive Offer** means the offer of up to 4,899,902 Executive Performance Rights (on a Post-Consolidation basis) to the Executives, as outlined in Section 4.1(d).

**Executive Performance Rights** means the Executive Performance Rights issued to the Executives, pursuant to the Executive Offer, on the terms set out in Section 10.10.

**Executive Offer Application Form** means a personalised application form provided by the Company to the Executives for the Executive Performance Rights offered pursuant to the Executive Offer.

**Exposure Period** means the exposure period in accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.

**Forrest Capital** means Forrest Capital Pty Ltd.

**Founders** means founders of ROBO 3D, being Braydon Moreno and Jacob Kabili.

**Founder Offer** means the offer of up to 5,599,888 Founder Performance Rights (on a Post-Consolidation basis) to the Founders, as outlined in Section 4.1(e).

**Founder Offer Application Form** means a personalised application form provided by the Company to the Founders for the Founder Performance Rights offered pursuant to the Founder Offer.

**Founder Performance Rights** means the Founder Performance Rights issued to the Founders, pursuant to the Founder Offer, on the terms set out in Section 10.11.

**Further Seed Financiers** means the further parties that provided loan finding to Albion 3D pursuant to the Convertible Loan (with the value of their loan to be converted to Albion 3D Consideration Shares).

**General Meeting** means the general meeting of the Company held on 18 November 2016 for the purpose of approving resolutions in connection with the Acquisition.

**GST** means Goods and Services Tax.

**GTT** means GTT Ventures Pty Ltd.

**HIN** means Holder Identification Number.

**Indicative Timetable** means the indicative timetable for the Offers set out in this Prospectus.

**Initial Seed Financiers** means the initial parties that provided loan finding to Albion 3D pursuant to the Convertible Loan (with the value of their loan to be converted to Albion 3D Consideration Shares).

**Investigating Accountant** means BDO Corporate Finance (East Coast) Pty Ltd.

**Investigating Accountant's Report** means the report in Section 7 prepared by the Investigating Accountant.

**Investment Overview** means the investment overview contained in Section 1 of this Prospectus.

**Issue Date** means the date, as determined by the Directors, on which the Securities offered under this Prospectus are issued, which is anticipated to be the date identified in the Indicative Timetable.

**Loan** means the loan of \$250,000 from the Company to Albion 3D pursuant to the terms and conditions of the Revised Term Sheet set out in Section 8.1.

**Maximum Subscription** means \$6,000,000 as set out in Section 4.1(a).

**Minimum Subscription** means \$4,000,000 as set out in Section 4.10.

**Notice of Meeting** means the notice of General Meeting of the Company held on 18 November 2016.

**Oaktone** means Oaktone Nominees Pty Ltd (ACN 074 566 635) in its own capacity (as an Albion 3D Vendor) and in its capacity as bare trustee for various other Albion 3D Vendors.

**Offer Period** means the period from the Opening Date up to and including the Closing Date.

**Offers** means the Public Offer, ROBO 3D Vendor Offer, the Albion 3D Vendor Offer, the Executive Offer, the Founder Offer, the Employee Offer and the Advisor Offer made under this Prospectus.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX of the Securities on the Official List.

**Opening Date** means the date specified as the opening date in the Indicative Timetable of the Offer.

**Option or Options** means a listed or unlisted option granted by the Company to subscribe for one Share.

**Optionholder** or **Optionholders** means any person holding Options.

**Original Term Sheet** means the term sheet between the Company, Albion 3D, Oaktone, ACP, RL and TGrice (dated 3 December 2015) which was replaced by the Revised Term Sheet.

**Performance Rights** means the either the Executive Performance Rights, the Founder Performance Rights or the Employee Performance Rights on the terms and conditions set out in Sections 10.10, 10.11 or 10.12 respectively or performance rights issued under the Plan.

**Performance Milestones** means the performance milestones for the Performance Rights.

**Plan** means the performance rights plan the Company adopted following Shareholder approval at the General Meeting.

**Post-Consolidation** means after the Consolidation.

**Pre-Consolidation** means before the Consolidation.

**Proposed Directors** means Ryan Legudi, Tim Grice, Patrick Glovac and Braydon Moreno as set out in Section 5.2.

**Prospectus Expiry Date** means the date that is 13 months after the date this Prospectus was lodged with ASIC.

**Prospectus** means this Prospectus dated 18 November 2016, which was lodged with ASIC on that date.

**Public Offer** means the Company's public offer capital raising at an issue price of \$0.10 per Share (Post Consolidation) to raise a minimum of \$4,000,000 with the ability to take oversubscriptions of a further \$2,000,000 to raise up to a maximum of \$6,000,000 via the issue of 60,000,000 Shares (before costs of the offer).

**Related Party** has the meaning ascribed to that term as set out in the Corporations Act and the Listing Rules.

**Revised Term Sheet** means the term sheet dated 8 September 2016, between the Company, Albion 3D, Jacob Kabili and Braydon Moreno (being the Founders), Oaktone, ACP, Ryan Legudi and Tim Grice, which supersedes and replaces the Original Term Sheet.

**Risk Factors** refers to the risk factors set out in Section 9.

**ROBO 3D** means ROBO 3D Inc., a California corporation of 4901 Morena Blvd, No. 812, San Diego, California 92117, which conducts a business of design, manufacture and commercialisation of 3D printing products and technology.

**ROBO 3D Vendors** means all the shareholders of ROBO 3D (including the Founders).

**ROBO 3D Vendor Offer** means the offer of up to 43,629,264 Shares (on a Post-Consolidation basis) to the ROBO 3D Vendors, as outlined in Section 4.1(b).

**ROBO 3D Vendor Offer Application Form** means a personalised application form provided by the Company to the ROBO 3D Vendors for the Shares offered pursuant to the ROBO 3D Vendor Offer.

**RL** means RFL Capital Pty Ltd (ACN 142 853 316, as trustee for The Ryan Legudi Family Trust).

**Section** refers to a section of this Prospectus.

**Securities** means a security of the Company, being a Share, Performance Share or Option issued or granted (as the case may be).

**Security holder** means any person holding Securities.

**Settlement** or **Completion** means settlement or completion of the Acquisition under the Term Sheet, as defined in Section 8.1.

**Share or Shares** means ordinary fully paid shares in the capital of the Company.

**Share Registry** means Advanced Share Registry Services.

**Shareholder(s)** means any person holding Shares.

**SRN** means Shareholder Reference Number.

**Subsidiaries** means the subsidiaries of the Company on and from completion of the Acquisition (including ROBO 3D).

**TGrice** means Tim Peter Grice, as trustee for The Grice Family Trust.

**Vendor Offer Application Form** means a personalised application form provided by the Company to the Vendors for the Consideration Shares offered pursuant to the Vendor Offer.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

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## 13. APPLICATION FORM

## 13. Application Form

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Falcon Minerals Limited  
 ACN 009 256 535  
 TO BE RENAMED " ROBO 3D LIMITED "

Share Registrars use only	Broker/Dealer stamp only
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### PUBLIC OFFER APPLICATION FORM

Pursuant to the Prospectus dated 18 November 2016 (**Prospectus**), **Falcon Minerals Limited (the Company)** invites applications for 40,000,000 Shares at an issue price of 10 cents each to raise a Minimum Subscription amount of \$4,000,000 (Minimum Subscription), with the ability to offer up to a further 20,000,000 Shares, to raise a further \$2,000,000 for a total raising of up to \$6,000,000 (Public Offer). All Shares issued pursuant to the Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 10.8 of the Prospectus.

If the Minimum Subscription is not received within four months from the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

The Public Offer is scheduled to close at 5.00pm (WST) on 7 December 2016 (Closing Date) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Public Offer Application Form must at the same time give the other person access to the Prospectus. **The Prospectus contain important information relevant to your decision to invest and you should read the entire the Prospectus before applying for Shares. If you are in doubt as to how to deal with this Public Offer Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.**

1 Number of Shares you are applying for 2 Total amount payable (multiply box 1 by \$0.10 per share)

A\$

Applications for Shares must be a minimum of 20,000 Shares (\$2,000) and thereafter in multiples of 2,000 Shares (\$200).

3 Write the name(s) you wish to register the shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town State Postcode

5 CHESS Participants only – Holder Identification Number (HIN) *Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.*

6 EMAIL ADDRESS (see reverse of form – this is for all communications legally permissible and despatched by the Company)

7 TFN/ABN/EXEMPTION CODE

Applicant 1 Applicant #2 Applicant #3

If NOT an individual TFN/ABN, please note the type in the box  
 C = Company; P = Partnership; T = Trust; S = Super Fund

8 PAYMENT DETAILS

Payment by Cheque  
 Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to "FALCON MINERALS LIMITED – OFFER ACCOUNT" crossed "NOT NEGOTIABLE" and forwarded to Forrest Capital Pty Ltd to arrive no later than the Closing Date.

Please enter cheque, bank draft or money order details	<b>Drawer</b>	<b>Bank</b>	<b>Branch</b>	<b>Amount</b>
				\$

9 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number Contact Name (PRINT)

- 10 DECLARATION AND STATEMENTS
- By lodging this Public Offer Application Form:
- I/We declare that I/we have received a copy of the Prospectus issued by the Company and that I/we are eligible to participate in the Offer.
  - I/We declare that all details and statements made by me/us are complete and accurate.
  - I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.
  - I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus .
  - I/we authorise the Company to complete and execute any documentation necessary to effect the issue of shares to me/us; and
  - I/We acknowledge that returning the Public Offer Application Form with the application monies will constitute my/our offer to subscribe for Shares in Falcon Minerals Limited and that no notice of acceptance of the application will be provided.

# INSTRUCTIONS FOR COMPLETION OF THIS PUBLIC OFFER APPLICATION FORM

## YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS PUBLIC OFFER APPLICATION FORM

Please complete all relevant sections of this Public Offer Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Public Offer Application Form.

### 1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 20,000 Shares (\$2,000) and thereafter in multiples of 2,000 Shares (\$200).

### 2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.10 – the application price per Share.

### 3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

## CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

### 4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – [www.advancedshare.com.au](http://www.advancedshare.com.au)

### 5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

### 6 Email Address

Our company annual report and company information will be available at [www.falconminerals.com.au](http://www.falconminerals.com.au). You may elect to receive all communications despatched by Falcon Minerals Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

### 7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Public Offer Application Form.

## 8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Falcon Minerals Limited Public Offer as outlined on this Public Offer Application Form and within the Prospectus.

Your cheque should be made payable to "FALCON MINERALS LIMITED – OFFER ACCOUNT" in Australian currency, crossed "NOT NEGOTIABLE" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Public Offer Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected.

### 9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

### 10 Declaration

Before completing the Public Offer Application Form the Applicant(s) should read the Prospectus in full. By lodging the Public Offer Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Public Offer Application Form.

## HOW TO LODGE YOUR PUBLIC OFFER APPLICATION FORM

Mail or deliver your completed Public Offer Application Form with your cheque to the following address.

### Mailing Address

Falcon Minerals Limited  
C/- Forrest Capital Pty Ltd  
Unit 8-9, 88 Forrest Street  
Cottesloe WA 6011

### Hand Delivery

Falcon Minerals Limited  
C/- Forrest Capital Pty Ltd  
Unit 8-9, 88 Forrest Street  
Cottesloe WA 6011