

**TRANSCENDENCE TECHNOLOGIES LIMITED**  
**ACN 096 781 716**

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**RIGHTS ISSUE PROSPECTUS – LOYALTY OPTIONS**

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For a pro rata non-renounceable rights issue of one (1) Loyalty Option (exercisable at \$0.05 on or before the date which is 3 years after the date of issue) for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Loyalty Option (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). Refer to section 8.4.1 for details regarding the terms of the Underwriting Agreement.

This Prospectus also contains an offer of 24,000,000 Options to the Underwriter (**Underwriter Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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

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## 1. CORPORATE DIRECTORY

### Directors

Peter Wall (Non-Executive Chairman)

Jeremy King (Non-Executive Director)

Edwin Bulseco (Non-Executive Director)

### Company Secretary

Sarah Smith

**ASX Code:** TTL

### Share Registry\*

Link Market Services Limited  
Level 4, 152 St Georges Terrace  
Perth WA 6000

Telephone: 1300 554 474  
International: +61 1300 554 474  
Facsimile: +61 (02) 9287 0303

### Solicitors

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

### Registered Office

C/o Grange Consulting Group Pty Ltd  
945 Wellington Street  
West Perth WA 6005

Telephone: + 61 (08) 9322 7600  
Facsimile: +61 (08) 9322 7602

Website: [www.tt-limited.com](http://www.tt-limited.com)

### Underwriter and Lead Manager

Patersons Securities Limited  
Level 23 Exchange Tower  
2 The Esplanade  
Perth WA 6000

### Auditor\*

BDO Corporate Finance (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

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

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	13 July 2016
Lodgement of Prospectus & Appendix 3B with ASX	13 July 2016
Notice sent to Optionholders	13 July 2016
Notice sent to Shareholders	15 July 2016
Ex date	18 July 2016
Record Date for determining Entitlements	19 July 2016
Prospectus despatched to Shareholders & Company announces despatch has been completed	22 July 2016
Opening Date of Entitlement Offer	22 July 2016
Opening Date of Underwriter Offer	22 July 2016
Last day to extend the Closing Date of the Entitlement Offer	28 July 2016
Closing Date of Entitlement Offer*	3 August 2016
Securities quoted on a deferred settlement basis	4 August 2016
ASX and Underwriter notified of under subscriptions	8 August 2016
Issue Date of Loyalty Options	10 August 2016
Quotation of Loyalty Options issued under the Offer*	10 August 2016
Closing Date of Underwriter Offer	15 August 2016
Issue Date of Underwriter Options	15 August 2016

\* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on ASX may vary.

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### 3. IMPORTANT NOTES

This Prospectus is dated 13 July 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### 3.1 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

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## 4. DETAILS OF THE OFFER

### 4.1 The Entitlement Offer

The purpose of the Entitlement Offer is to recognise the invaluable support the Company has received from its Shareholders. The Entitlement Offer is an opportunity for Shareholders to participate in the development of the Company.

The Entitlement Offer is being made as a pro rata non-renounceable rights issue of one (1) Loyalty Option (exercisable at \$0.05 on or before the date which is 3 years after the date of issue) for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Loyalty Option. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 34,554,134 Loyalty Options will be issued pursuant to this Entitlement Offer to raise up to approximately \$69,108. If all the Loyalty Options issued under the Entitlement Offer are exercised, the Company will receive approximately \$1.7 million.

As at the date of this Prospectus, the Company has 25,790,240 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

### 4.2 Underwriter Offer

This Prospectus also includes an offer of 24,000,000 listed options (**Underwriter Options**) pursuant to the Underwriting Agreement in part payment of fees to the Underwriter. The Underwriter Options will be offered on the same terms as the Loyalty Options offered under the Entitlement Offer. The material terms of the Underwriting Agreement are summarised in Section 8.4.

The purpose of the Underwriter Offer is to remove the need for an additional disclosure document to be issued upon the sale of the Underwriter Options (or any Shares issued on conversion of the Underwriter Options) that are issued under the Underwriter Offer.

The Underwriter Options will be issued to the Underwriter at the time of quotation of the Shortfall Options and will be issued out of the Company's annual placement capacity.

Only the Underwriter (or their nominees) may accept the Underwriter Offer. A personalised Application Form in relation to the Underwriter Offer will be issued to the Underwriter together with a copy of this Prospectus. Application for quotation of the Underwriter Options will be made to ASX in accordance with the timetable in Section 2.

### 4.3 Minimum subscription

The minimum subscription under the Entitlement Offer will be \$69,108 being the full subscription. There is no minimum subscription under the Underwriter Offer.

### 4.4 Acceptance

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
  - (i) complete the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of Loyalty Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (iii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.002 per Loyalty Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

### 4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Transcendence Technologies Limited – Entitlement Offer Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

### 4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Loyalty Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### 4.7 Underwriting

The Entitlement Offer is fully underwritten by the Underwriter. Refer to section 8.4.1 of this Prospectus for details of the terms of the underwriting.

#### 4.8 Effect on control of the Company

The Underwriter is not presently a shareholder of the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act.

The Underwriter's relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that all of the Options issued to the Underwriter are exercised, that no other Options are exercised, no further Shares are issued and no sub-underwriter takes up any of the Underwritten Securities.

Event	Shares held by Underwriter (assuming all Options held by the Underwriter are exercised)	Voting power of Underwriter (assuming all Options held by the Underwriter are exercised)
Date of Prospectus	Nil	Nil
Completion of Entitlement Offer		
• Fully subscribed	24,000,000	12.19%
• 75% subscribed	32,638,534	15.88%
• 50% subscribed	41,277,067	19.28%
• 25% subscribed	49,915,601	22.42%
• 0% subscribed	58,554,134	25.31%

The number of Shares held by the Underwriter on conversion of its Options and its voting power in the table above show the potential effect of the underwriting of the Entitlement Offer. However, it is unlikely that no Shareholders will take up Entitlements under the Entitlement Offer and therefore the Underwriter receiving the full Underwritten Securities. The Underwriter has also indicated that it will seek sub-underwriters in respect of its sub-underwriting obligations under the Underwriting Agreement. It is a term of the Underwriting Agreement that the Underwriter may not be issued with such number of Options such that, upon exercise of all Options held, the Underwriter's voting power could increase above 20%.

In addition, Shareholders should note that, if they do not participate in the Entitlement Offer, their holdings, upon the future exercise of the Loyalty Options offered pursuant to the Entitlement Offer, are likely to be diluted by approximately

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17% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	5.79%	2,000,000	10,000,000	4.82%
Shareholder 2	5,000,000	2.89%	1,000,000	5,000,000	2.41%
Shareholder 3	1,500,000	0.87%	300,000	1,500,000	0.72%
Shareholder 4	400,000	0.23%	80,000	400,000	0.19%
Shareholder 5	50,000	0.03%	10,000	50,000	0.02%
Total	172,770,669		34,554,134		

**Notes:**

1. This table does not take into account Options on issue at the date of this Prospectus.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are taken up by the Underwriter.
3. This table assumes that the Loyalty Options are exercised.
4. The Underwriter Options are not included for the purposes of this calculation.

#### 4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Loyalty Option to be issued under the Shortfall Offer shall be \$0.002 being the price at which the Loyalty Options have been offered under the Entitlement Offer.

The Directors reserve the right to issue Shortfall Options at their absolute discretion in conjunction with the Underwriter. Accordingly, do not apply for Shortfall Options unless instructed to do so by the Directors or the Underwriter.

#### 4.10 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

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

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#### **4.11 Issue**

Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Loyalty Options issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Options issued is less than the number applied for, or where no allotment is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.12 Overseas shareholders**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

##### ***New Zealand***

The Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

##### ***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.13 Enquiries**

Any questions concerning the offers made under this Prospectus should be directed to Ms Sarah Smith, Company Secretary, on +61 8 9322 7600.

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## 5. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

### 5.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to reward the loyalty of Company shareholders and will result in the raising of up to approximately \$69,108.

The funds raised from the Entitlement Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Expenses of the Offers <sup>1</sup>	\$37,456	54.20
2.	Working capital	\$31,652	45.80
	<b>Total</b>	<b>\$69,108</b>	<b>100%</b>

**Notes:**

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening 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.

No funds will be raised from the Underwriter Offer as the Underwriter Options will be issued in part payment of the fees due to the Underwriter under the Underwriting Agreement.

### 5.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$31,652 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Options on issue from 25,790,240 Options as at the date of this Prospectus to 84,344,374 Options.

### 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2016 and the unaudited pro-forma balance sheet as at 31 May 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all

of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31/05/2016	Movement	PROFORMA 31/05/2016
<b>CURRENT ASSETS</b>			
Cash <sup>1</sup>	\$3,612,807.00	\$57,348.27	\$3,670,155.27
Other current assets	\$49,849.00		\$49,849.00
<b>TOTAL CURRENT ASSETS</b>	<b>\$3,662,656.00</b>		<b>\$3,720,004.27</b>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	\$0		\$0
<b>TOTAL NON-CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>	<b>\$3,662,656.00</b>		<b>\$3,720,764.00</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	\$221,970.00	12,000.00	\$209,970.00
Financial Liabilities	\$289,828.00		\$289,828.00
Share applications in advance	\$3,589,000.00		\$3,589,000.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$4,100,798.00</b>		<b>\$4,088,798.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$4,100,798.00</b>		<b>\$4,088,798.00</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>(\$438,142.00)</b>		<b>(\$368,793.73)</b>
<b>EQUITY</b>			
Share capital	\$10,402,625.00		\$10,402,625.00
Options Reserve	\$0	\$69,348.27	\$69,108.00
Retained loss	(\$10,840,767.00)		(\$10,840,767.00)
<b>TOTAL EQUITY</b>	<b>(\$438,142.00)</b>		<b>(\$368,793.73)</b>

Note:

1. Consideration received of \$69,108 per issue of Loyalty Options plus \$240 per issue of Underwriter Options less \$12,000 paid for Underwriter Fees.

#### 5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued and no existing Options are exercised, is set out below.

##### Shares

	Number
Shares currently on issue <sup>1</sup>	172,770,669
Shares offered pursuant to the Offer	N/A
<b>Total Shares on issue after completion of the Offer</b>	<b>172,770,669</b>

Notes:

- 1 18,102,883 Shares are subject to ASX imposed escrow.

## Options

	Number
Options currently on issue: <sup>1</sup> <ul style="list-style-type: none"><li>15,790,240 unlisted Options each exercisable at \$0.03 on or before 10 June 2019</li><li>10,000,000 unlisted Options each exercisable at \$0.05 on or before 31 January 2019</li></ul>	25,790,240
Loyalty Options offered pursuant to the Entitlement Offer (Quoted exercisable at \$0.05 on or before the date being three years from the date of issue of the Loyalty Options) <sup>2</sup>	34,554,134
Underwriter Options offered pursuant to the Underwriter Offer (to be issued on the same terms as the Loyalty Options) <sup>2</sup>	24,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>84,344,374</b>

**Notes:**

- 25,790,240 Options are subject to ASX imposed escrow.
- The full terms and conditions of the Loyalty Options and Underwriter Options are set out in section 6.1.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 198,560,909 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 257,115,043 Shares.

### 5.5 Details of substantial holders

Based on publicly available information as at 13 July 2016, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Revolve Projects Pty Ltd	8,785,000	5.68%

The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only Options are being issued.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 6.1 Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date being three years from the date of issue of the Loyalty Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

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

(m) **Quoted**

The Company will apply for quotation of the Options issued under this Prospectus.



(n) **Transferability**

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

**6.2 Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

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

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

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

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the

holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

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## 7. RISK FACTORS

### 7.1 Introduction

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

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

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

### 7.2 Company specific

#### (a) Establishment of agreements and contracts

The Company will need to establish various agreements with software development companies to support rolling out and commercialising of the systems that it develops. If the Company is unable to establish these agreements and contracts it may impact on its ability to run its business and create revenue which may in turn impact on Shareholder returns.

#### (b) Technology development and product commercialisation

The success of the Company will be impacted by the successful development and commercialisation of its technologies.

These technologies are in the development phase. Should the development not be completed in accordance with specifications or should the results of further testing indicate technology performance is below market requirements, the Company will have to expend additional time and resources to rectify any outstanding issues which will delay the commercialisation of the technology.

#### (c) Product Development

The Company believes that it provides a meaningful and engaging offering. Moreover, in addition to its current products and services, the Company is planning to continue innovation and development on its technologies and associated products. There is the risk that delays in product development, cost overruns or difficulties in delivering new features will negatively impact the Company and its business.

#### (d) Restriction of Access

The Company may be significantly affected by other companies restricting access to their platforms from a programming perspective. As such, the Company cannot ensure that restrictions may not be put in place. However this risk can be mitigated to some extent by the Company developing other methods to enable access to required data.

(e) **Changes to Government policies/compliance**

Application of the Company's vision of information collating systems for mobile devices could be severely undermined if the Australian Government was to dismantle compliance requirements and associated penalties for trustees in the superannuation system. In this case though, the Company will still be in a strong position to provide its services for improving efficiency for fund administration.

Likewise, profitability could be significantly curtailed if established industry players in the accounting and finance industry were to adopt the vision of the Company and implement user friendly mobile interfaces that integrate well with messaging. In that case, the Company will still be in a strong position to compete since SMSF administration is spread across so many different administration providers.

(f) **Protection of intellectual property rights**

The Company's business is substantially reliant on its ability to protect and maintain its intellectual property interests. The ability of the Company to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties will therefore be an integral part of the Company's business.

The Company is looking at patent applications in order to protect its multi-platform compliance technology. However, if the Company fails to protect its future developments and intellectual property rights, competitors may gain access to its technology which would in turn harm its business.

The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company or its partners.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which its technologies may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights or defending against claims it has infringed on a third party's patent or other intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(g) **Reliance on attracting and retaining skilled labour**

Success of the Company's activities will rely substantially on its ability to attract and retain skilled staff to assist with ongoing product development and planned product commercialisation activities. The departure, either temporary or permanent, of those key staff, or any delay in their

replacement, could adversely affect the Company's performance. Similarly, as a company seeking to grow and expand, its success in securing new talent will be critical going forward and may be constrained for a number of reasons. Market competition for such labour is intense, and the potential to employ undesirable staff is high. If the Company is unable to attract and retain skilled staff, this could potentially have adverse consequences to the Company's profitability.

(h) **International Expansion**

It is intended that the Company's products and services will be used in various countries which will therefore likely be subject to multiple overseas jurisdictions. In each different jurisdiction there may be increased compliance and operating costs. If and when it becomes necessary to have a local presence in overseas markets there will be increased overheads as well as development and marketing costs. There is no guarantee such expansions will be successful and increased costs may adversely impact the profitability and working capital of the Company.

(i) **Foreign Exchange Risks**

The Company may have costs and expenses in other jurisdictions such as the United States of America and Europe. The Company is potentially a global business and may generate revenue outside of Australia. Such financial transactions will likely be denominated in foreign currency, will be converted to Australian currency for reporting purposes and will therefore be affected by currency fluctuations, which may adversely impact on financial performance and position.

(j) **Failure to deal with growth**

The Company has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm the Company's business. Any failure to meet user demand properly could adversely affect the business, including demand for the technology, products and services, revenue, customer satisfaction and public perception.

(k) **Contracts**

The Company may enter into agreements with counterparties. In such cases, there is the risk that counterparties may default on their obligations, which may in turn necessitate legal action. This could result in significant financial loss for the Company. In some cases, the contracts that the Company has entered into are governed in jurisdictions outside Australia. It may be more difficult to resolve disputes in such jurisdictions than it would be under Australian law. As such, the Company cannot ensure that an appropriate legal resolution will be achieved.

(l) **Future Capital Requirements**

Future funding will be required by the Company to develop various projects. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, which may adversely affect the business and financial condition of the Company and its performance.

### **7.3 Industry specific**

#### **(a) Competition Risk**

There is significant competition in the technology industry generally. The Company's competitors include companies with significantly greater financial, technical, human, research and development and marketing resources than are currently available to the Company. The Company's competitors may develop technologies and products that perform better and have greater market acceptance. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose product developments, activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

#### **(b) 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 such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its business.

#### **(c) Contractors and Service Providers**

The Directors are unable to predict the risk of financial failure, default, insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity. Such events could adversely impact on the Company's operations.

### **7.4 General risks**

#### **(a) Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and future activities, as well as on its ability to fund those activities.

#### **(b) Market conditions**

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;

- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

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

(c) **Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor E-Collate is currently engaged in any litigation.

(d) **Dividends**

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

(e) **Taxation**

The acquisition and disposal of Shares and/or Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares and/or Options from a taxation viewpoint and generally.

In addition, the Underwriter shall be required to seek its own tax advice in respect of the Underwriter Offer.

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

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.



## 7.5 **Speculative 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 Options offered under this Prospectus

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

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

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with the ASIC.

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the tables below.

Date	Description of Announcement
14/06/2016	Initial Director's Interest Notice X 2
10/06/2016	Final Director's Interest Notice
08/06/2016	Updated Pro-Forma Statement of Financial Position
08/06/2016	Updated Statement of Commitments
08/06/2016	Confirmations
08/06/2016	Securities Trading Policy
08/06/2016	Top 20 Holders
08/06/2016	Restricted Securities
08/06/2016	Capital Structure
08/06/2016	Constitution
08/06/2016	Distribution Schedule
08/06/2016	Appendix 1A and Information Form and Checklist
08/06/2016	Pre Reinstatement Disclosure
08/06/2016	ASX Notice - Reinstatement
08/06/2016	Reinstatement to Official Quotation - 10 June 2016
08/06/2016	Board Changes
02/06/2016	Close of Public Offer
27/04/2016	Quarterly Activities Report & Appendix 4C
12/04/2016	Close of Supplementary Prospectus Withdrawal Period
12/04/2016	Change of Registered Address
11/04/2016	Final Director's Interest Notice
08/04/2016	Director Resignation
08/04/2016	Extension of Prospectus
16/03/2016	Company Update
16/03/2016	Second Supplementary Prospectus

Date	Description of Announcement
11/03/2016	Supplementary Prospectus
07/03/2016	Half Yearly Report and Accounts
24/02/2016	Change of Director's Interest Notice PW
24/02/2016	Change of Director's Interest Notice
24/02/2016	Change of Director's Interest Notice MR
24/02/2016	Appendix 3B
01/02/2016	Quarterly Cashflow Report
01/02/2016	Quarterly Activities Report
06/01/2016	Appendix 3B
24/12/2015	Prospectus Closed Over Subscribed
18/12/2015	Extension of automatic removal of long term suspended entity
18/12/2015	Appendix 3B
14/12/2015	Prospectus
09/12/2015	Results of Meeting
07/12/2015	Corrected - Appendix 3X
24/11/2015	Final Director's Interest Notice
24/11/2015	Director Appointment/Resignation
11/11/2015	Notice of Annual General Meeting/Proxy Form
05/11/2015	GRP Corporation and E-Collate Complete Due Diligence
28/10/2015	Quarterly Cashflow Report
28/10/2015	Quarterly Activities Report
28/10/2015	Appendix 4G
27/10/2015	Annual Report to shareholders

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

### 8.3 Market price of shares

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

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

Highest	\$0.033	10 June 2016 - 14 June 2016
Lowest	\$0.028	6 July 2016
Last	\$0.030	12 July 2016

## 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

### 8.4.1 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to underwrite the Offer for 34,554,134 Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a lead management fee of \$12,000 plus 24,000,000 Options at an issue price of \$0.00001 per Option.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. For example, the Underwriter may terminate its obligations under the Underwriting Agreement if:

- (c) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (d) **(Share price)**: the Shares finish trading on the ASX under the ASX code of "TTL" on any two (2) consecutive trading days with a closing price that is less than \$0.002; or
- (e) **(Prospectus)**: the Company does not lodge the Prospectus on the lodgement date, as set out in Section 2, or the Prospectus or the Offer is withdrawn by the Company; or
- (f) **(Supplementary prospectus)**:
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of a Material Adverse Change (as defined in the Underwriting Agreement), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
- (g) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Options; or

- (h) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (i) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so; or
- (j) **(Unable to Issue Securities)**: the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (k) **(future matters)**: any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe; or
- (l) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (m) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX within 7 days of the lodgement date, as set out in Section 2; or
- (n) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date (as defined in the Underwriting Agreement) has arrived, and that application has not been dismissed or withdrawn; or
- (o) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (p) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect (as defined in the Underwriting Agreement); or
- (q) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or

- (r) **(Indictable offence)**: a director or senior manager of the Company is charged with an indictable offence,

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

#### 8.4.2 **Mandate Agreement**

On 7 July 2016, the Underwriter and the Company entered into a lead manager and underwriting mandate (**Mandate Agreement**) pursuant to which the Underwriter agreed to fully underwrite the Offer for 34,554,134 Options (**Underwritten Securities**) and act as the sole lead manager to the Offer.

Pursuant to the Mandate Agreement, the Company has agreed to pay the Underwriter a lead management fee of \$12,000 plus 24,000,000 Options at an issue price of \$0.00001 per Option. For the avoidance of doubt, the parties agree that these fees will be fully satisfied by the Company's obligation to pay the Underwriter the fees set out in section 8.4.1 above pursuant to the Underwriting Agreement.

The Company may terminate the Mandate Agreement at any time prior to the Company entering into a trading halt with respect to the Offer upon providing written notice to the Company if one or more of the following events occurs:

- (a) the Underwriter fails to rectify a material breach of the Mandate Agreement, having been given two Business Days' notice of such breach; or
- (b) on a no fault basis with two Business Days' notice if the Company is dissatisfied with the services of the Underwriter pursuant to the Mandate Agreement.

The Underwriter may terminate the Mandate Agreement at any time upon providing written notice to the Company if one or more of the following events occurs:

- (a) either the All Ordinaries Index or the S&P ASX 200 Index is at any time after the date of the Mandate Agreement 10% or more below its respective level as at the close of business on the date of acceptance of the Mandate Agreement;
- (b) in the Underwriter's judgment either or both of the Australian equity capital market conditions and the ASX trading conditions are not conducive to the completion of the Offer; or
- (c) in the Underwriter's sole and absolute opinion the conditions precedent of the Mandate Agreement have not been complied with before 15 July 2016 or a later date agreed to in writing.

The Mandate Agreement contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

## 8.5 Interests of Directors

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

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

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

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

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Peter Wall	2,150,000	Nil	430,000	\$860
Jeremy King	500,000	500,000	100,000	\$200
Edwin Bulseco	525,000	500,000	105,000	\$210

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Shareholders in general meeting and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.



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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2017 Financial Year	2016 Financial Year	2015 Financial Year
Peter Wall	\$36,000	\$21,000	-
Jeremy King	\$36,000	\$3,000	-
Edwin Bulseco	\$36,000	\$3,000	-

## 8.6 Interests of experts and advisers

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

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

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

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

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

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Patersons Securities Limited will be paid a lead management fee of approximately \$12,000 together with 24,000,000 Options at an issue price of \$0.00001 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has been paid fees totalling \$388,487.27 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$12,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$188,193.61 (excluding GST and disbursements) for legal services provided to the Company.

## 8.7 Consents

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

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Patersons Securities Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$37,456 (excluding GST) and are expected to be applied towards the items set out in the table below:

	<b>\$</b>
ASIC fees	2,350
ASX fees	7,106
Underwriting fees	12,000
Legal fees	12,000
Printing and distribution	4,000
<b>Total</b>	<u>37,456</u>

## 8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9322 7600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the company announcements platform at [www.asx.com.au](http://www.asx.com.au).

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

## 8.10 Financial forecasts

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

## 8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 8.12 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

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

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

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**Jeremy King**  
**Director**  
**For and on behalf of**  
**TRANSCENDENCE TECHNOLOGIES LIMITED**

For personal use only

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10. **GLOSSARY**

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Options pursuant to the Offer.

**Application Form** means an Entitlement and Acceptance Form.

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

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

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Transcendence Technologies Limited (ACN 096 781 716).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

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

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

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Entitlement Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Loyalty Option** means an Option to acquire a Share under the Entitlement Offer on the terms and conditions set out in section 6.1 of this Prospectus.

**Loyalty Optionholder** means a holder of a Loyalty Option.

**Mandate Agreement** has the meaning set out at section 8.4.2.

**Offers** means the Entitlement Offer and the Underwriter Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

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

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 4.9 of this Prospectus.

**Shortfall Option** means those Loyalty Options issued pursuant to the Shortfall.

**Underwriter** means Patersons Securities Limited (ACN 008 896 311).

**Underwriter Offer** means the offer of 24,000,000 Options on the terms and conditions set out in this Prospectus.

**Underwriter Options** means an Option to acquire a Share under the Underwriter Offer on the terms and conditions set out in section 6.1 of this Prospectus.

**Underwriting Agreement** has the meaning given to the term in section 8.4.1.

**Underwritten Securities** means up to 34,554,134 Loyalty Options.

**WST** means Western Standard Time as observed in Perth, Western Australia.