



INNOVATIVE SCIENCE • REAL VALUE

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Companies Announcements Office
Australian Stock Exchange

13 September 2019

Successful \$4.16 million Capital Raising

SciDev Ltd (ASX:SDV, **SciDev** or the **Company**) is pleased to advise that it has received binding commitments from local institutional and sophisticated investors to successfully raise gross proceeds of \$4.16 million by way of a placement of new fully paid ordinary shares ("the Placement").

The Placement was anchored by leading Australian fund manager Perennial Value Management.

The Company also welcomes the continued support from existing key institutional shareholders and other well-known Australian institutional funds that are now on the Company's share register.

The funds from the Placement will predominantly be used to:

- Increase inventory to deliver into SDV's recently announced multi-year contract with Iluka (ref ASX release 30 August 2019);
- Continue development of SDV's OptiFlox® and MaxiFlox® technology in the Mining and Oil & Gas industries in North America; and
- Increase working capital required for the ongoing execution of existing business development opportunities both domestically and overseas.

Placement Details

The Placement will result in the issue of 16,000,000 new fully paid ordinary shares at an issue price of \$0.26 per share to raise total proceeds of \$4.16 million. The issue price of \$0.26 per share represents an 8.8% discount to the Company's last traded price of \$0.285.

The Placement was oversubscribed. The 16,000,000 new shares issued represents 15% of the existing company's shares on issue, which is the maximum number of ordinary shares that were able to be issued under ASX Listing Rule 7.1.

Settlement of the Placement is expected to occur on the 19th September 2019, with the issue and trading of the new shares expected to commence on the 20th September.

An Appendix 3B New Issues Notice will be lodged in due course. The Company was required to issue a cleansing prospectus in order to undertake the Placement; a copy of which is attached.

Commenting on the completion of the Placement, SciDev CEO, Lewis Utting said:

"SciDev is delighted with the strong response from the institutional investment community. This milestone is a testament to the hard work from the team. I would like to thank our existing holders for their continued support, welcome the addition of some strong institutional funds on to the register and long-term holders Taylor Collision for their support. Funds received from the placement will help the company execute recent contract wins and deliver on our growing number of business development opportunities."

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About SciDev

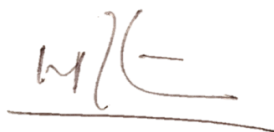
SciDev is a leader in the development and application of both chemistry and process control for solids-liquid separation. SciDev brings together world-class technology, chemistry, management and manufacturing capabilities to solve pressing operational and environmental issues for the mineral processing, tailings, water treatment and Oil & Gas markets.

On behalf of SciDev Ltd



Lewis Utting

Managing Director and CEO



Heath Roberts

Company Secretary

For Further Information:

Corporate

Lewis Utting - Managing Director & CEO

Heath Roberts - Company Secretary

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Investors

Craig Sainsbury – Market Eye

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SCIDEV

INNOVATIVE SCIENCE • REAL VALUE

SciDev Limited

ABN 25 001 150 849

Prospectus

For the Offer to Placement Participants of up to 16,000,000 Shares at \$0.26 per Share to raise up to \$4,160,000.

This Prospectus is also being used in order to facilitate secondary trading of the Shares acquired by Placement Participants.

The Offer is not underwritten.

This Offer closes at 5.00pm AEST on Monday 16 September 2019. Valid acceptances must be received before that date.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker, financial or other professional adviser.

The Shares offered by this Prospectus should be considered speculative.

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Important notes

This Prospectus is dated 13 September 2019 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to ASX for Official Quotation of the Shares offered pursuant to this Prospectus within 7 days after the date of this Prospectus.

Placement Participants should read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered speculative.

Applications for Shares by Placement Participants will only be accepted where they comply with the instructions on the Application Form accompanying this Prospectus as described in Section 1.7 of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

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 preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

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 or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the Shares the subject of the Offer have been, nor will be, registered under the United States Securities Act of 1933, as amended or under the securities legislation of any state of the United States of

America, or any applicable securities laws of a country of jurisdiction outside of Australia. Accordingly, subject to certain exceptions, the Shares the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia.

Electronic prospectus

This Prospectus will be available in electronic form on the following website: www.scidev.com.au.

Obtaining a copy of the Prospectus

A hard copy of this Prospectus will be available for Australian residents free of charge during the offer period by contacting the Share Registry on 02 9290 9600 between 8.30am and 5.00pm (AEST), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, please call 1300 737 760.

The Public Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company on (02) 9290 9600.

Applications for New Shares under the Offer in this Prospectus may only be made on either a printed copy of the Application Form attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available at www.scidev.com.au.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with Section 724 of the Corporations Act.

Privacy

The Company collects personal 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 personal information in 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), the ASX, ASIC and other regulatory authorities.

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.

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

its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

The Company may disclose personal information about Applicants to agents and service providers located outside Australia.

By submitting an Application Form, each Applicant consents to the disclosure of their personal information to the Company's agents and service providers outside Australia. Please note that by so consenting, the Company will not be required to take reasonable steps to ensure the recipient complies with the *Privacy Act 1988* (Cth), nor will the Applicant be able to seek redress against the Company, or the recipient, under the *Privacy Act 1988* (Cth) for any breach of the *Privacy Act 1988* by the recipient.

Important dates*

| Event | Date* |
|--|-------------------|
| Announcement of Offer | 13 September 2019 |
| Prospectus lodged at ASIC and ASX | 13 September 2019 |
| Despatch of Prospectus | 13 September 2019 |
| Opening Date | 13 September 2019 |
| Closing Date** 5.00pm AEST | 16 September 2019 |
| DVP Settlement | 19 September 2019 |
| Issue date | 20 September 2019 |
| Expected date of Quotation of Shares** | 20 September 2019 |

* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

** The Directors may extend the Closing Date at their discretion. As such, the date the Shares are expected to commence trading on ASX may vary.

Investment overview

This section provides a summary of information that is key to a decision to invest in Shares. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer, or if you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser.

| Question | Response | Where to find more information |
|--|---|--|
| What is being offered and at what price? | <p>The Company is offering to issue of up to 16,000,000 Shares to Placement Participants at \$0.26 per new Share to raise up to \$4,160,000.</p> <p>There will be no minimum subscription under the Offer.</p> <p>The Placement Participants will be 'Excluded Offerees' in the context of S708 of the Corporations Act identified by the Company. The offer of Shares is not being made to the Company's existing shareholder base (that is, as a rights issue or an SPP, or like structured offer) nor to the public broadly.</p> | section 1.1 (Offer) |
| How many new securities will be offered and what is the minimum number that will be issued? | <p>A total of up to 16,000,000 new Shares will be offered under the Offer to raise up to \$4,160,000.</p> <p>.</p> | section 1.1 (Offer) |
| What is the amount that will be raised under the Offer and what is the purpose of the Offer? | <p>The Company seeks to raise approximately \$4,160,000 under the Offer (before expenses).</p> <p>The purpose of the Offer is to raise funds to:</p> <p>Provide additional capital to support recent contract wins</p> <p>Increase inventory holdings</p> <p>Provide funding for strategic growth opportunities</p> <p>Costs of the Issue and</p> <p>General working capital.</p> | section 1.1 (Offer) |
| Who is eligible to participate in the Offer? | <p>The Offer is made to Placement Participants only. An eligible Placement Participant is an investor with a registered address in Australia and who is not a Director or Related Party to the Company or their Associates and who is an Excluded Offeree.</p> <p>If you are not eligible to be a Placement Participant, you are not able to participate in the Offer.</p> <p>The Placement Participants will be 'Excluded Offerees' in the context of S708 of the Corporations Act identified by the</p> | section 1.7 (How do I apply under the Offer) |

| Question | Response | Where to find more information |
|--|--|--|
| | Company. The offer of Shares is not being made to the Company's existing shareholder base (that is, as a rights issue or an SPP, or like structured offer). | |
| What do Applicants pay when applying under the Offer? | <p>All Applicants under the Offer will pay 26 cents (\$0.26) per new Share.</p> <p>Applicants will be required to subscribe for a minimum of \$26,000 each, representing 100,000 Shares.</p> <p>The Company will retain any interest earned on the Application monies.</p> | Section 1.7 (How do I apply under the Offer) |
| How do I apply for Shares under the Offer? | The process for applying for Shares under the Offer is set out in Section 1.7. The Share Registry may seek to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided. | Section 1.7 (How do I apply under the Offer) |
| Who is the Lead Manager to the Offer? | The Lead Manager to the Offer is Taylor Collison Limited | |
| Is there a limit to how many Shares a Placement Participant may hold | The Company will not accept Applications from Placement Participants that would see their holding and that of their Associates increasing to above 19.9% as a result of the Offer. Applications that would result in an eligible Placement Participant holding greater than 19.9% will either be rejected or scaled back at the discretion of the Directors. | |
| Is the Offer underwritten? | No, the Offer is not underwritten. | |
| Is Shareholder approval required? | No. The Offer is not being made to Directors or Related Parties to the Company or their Associates, is within the Company's securities issuing capacity under Listing Rule 7.1 of the ASX Listing Rules and no eligible Placement Participant shall be entitled to acquire more than 19.9% of the Shares in the Company as a result of the Offer. | |
| What are the highlights of investment in the Company | <p>Newly refreshed board and management team with strategic investors in place to support execution of material contracts</p> <p>Board and management represent >20% of the register with all securities purchased on market and through placements</p> <p>Established a presence in North America with business with initial orders into the Oil & Gas sector</p> <p>Significant increase in existing revenues in Q1 FY20</p> <p>Signed major contract with blue chip customer, Iluka Resources. First purchase order under that contract received ~\$1million</p> | section 2 (Company update) |

| Question | Response | Where to find more information |
|--|---|--|
| | Exposure to a growing business in an under exposed sector on the ASX. | |
| What are the key risks of investment in the Company? | <p>Additional Requirements for Capital</p> <p>Production Costs</p> <p>Chemical Equipment Supply Chain</p> <p>Exposure to Mining and Oil/Gas Industries</p> <p>Imposition of Tariffs and Trade Barriers</p> <p>Environmental Risks</p> <p>General Counterparty Risk</p> <p>Reliance on Key Personnel</p> <p>These and other risks are set out in more detail in section 4 'Risk Factors'.</p> <p>These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their financial or other professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.</p> | section 4 (Risk Factors) |
| What is the effect on control of the Company? | The Offer is unlikely to have a significant effect on the control of the Company as no eligible Placement Participant shall be able to acquire Shares that would enable them to hold more than 19.9% of the Company as a result of the Offer. | section 3.3 (Effect on capital structure) |

Chairman's Letter

Dear Placement Participants

It is a pleasure to extend the opportunity for you to invest in SciDev Limited, a Company that has transformed over the last year.

This transformation is reflected in the Company's share price, market capitalisation and revenue growth, all of which have appreciated significantly over that time. An exciting second-stage growth phase is now underway.

Our increasing revenue growth outlined in Section 2 of this Prospectus is built on relationships and contracts with genuine world class customers the likes of Peabody Coal and Iluka Resources. We have an excellent opportunity now to continue our rapid growth, through our existing customer network (first class delivery on our current contracts), identifying and achieving new customer wins and, where circumstances justify, undertaking strategic acquisition-based growth initiatives.

In order to continue this journey, additional capital is required to aggressively pursue these opportunities and today's capital raising underpins that process. We look forward to sharing the ongoing success of the Company with you, as new investors in the Company, and to continue delivering value to SciDev's existing shareholder base.

Yours sincerely



Mr Trevor Jones
Chairman

1 Details of the Offer

1.1 Offer

This Prospectus invites investors to subscribe for up to 16,000,000 new Shares at an issue price of \$0.26 per Share for the purpose of raising up to approximately \$4,160,000 less expenses of the Offer.

There will be no minimum subscription under the Offer.

As at the date of this Prospectus, the Company has 107,293,157 Shares on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus.

The purpose of the Offer is to raise up to \$4,160,000 before costs of the offer.

It is anticipated that the funds raised from the Offer will be applied as follows:

| Description | Use of funds (Fully subscribed) | |
|--|------------------------------------|------------------|
| | (\$) | % of proceeds |
| Provide additional capital to support recent increase in sales | 1,950,000 | 46.9 |
| Increase inventory holdings | 1,625,000 | 39.1 |
| Provide funding for strategic growth opportunities | 175,000 | 4.2 |
| General Working Capital (1) | 142,694 | 3.4 |
| Costs of the Issue (2) | 267,306 | 6.4 |
| | | |
| TOTAL | 4,160,000 | 100% |

Notes:

1 This includes working capital and administrative costs such as salaries, ASX and other fees and corporate overheads.

2 Please refer to section 5.12 of this Prospectus for further details relating to the estimated expenses of the Offer.

The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet the Company's current stated activities.

The above proposed use of funds and their relative priority is subject to ongoing review and evaluation by the Company and is dependent upon the amount subscribed under the Offer. As with any budget, the actual use of funds raised under the Offer may change depending on the amount raised under the Offer and the outcome of the programs as they proceed. The Board will evaluate its plans upon completion of the Offer considering the amount raised and reserves the rights to alter the way in which funds are applied on this basis.

The Offer will open for receipt of Applications at 10.00am AEST on 13 September 2019 and will close at 5.00pm AEST on 16 September 2019, or such later date as the Directors, in their absolute discretion may determine.

1.2 Allotment of Shares

The Shares are expected to be allotted by no later than Friday, 20 September 2019. Until issue and allotment of the Shares under this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the Shares takes place.

1.3 ASX listing

Application for Official Quotation of the Shares allotted pursuant to this Prospectus will be made to ASX within seven days following the date of this Prospectus.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any Shares and will repay all application monies for the Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares now offered for subscription.

1.4 Market prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.355 on 30 August 2019 and \$0.07 on 24 June 2019.

The latest available market sale price of Shares on ASX at the close of trading on the date of this Prospectus was \$0.285 on 11 September 2019.

The Issue Price of \$0.26 represents a discount of 15.11% to the 15-day VWAP up to the close of trade on 10 September 2019 and a discount of 10.34% to the 30-day VWAP up to the close of trade on 10 September 2019.

1.5 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such 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 and the Directors.

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

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

These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. Some of these risk factors are set out in section 4 of this Prospectus.

1.6 No Exposure Period

No exposure period applies to the new shares offered under this Prospectus due to the relief granted by ASIC Corporations Exposure Period Instrument 2016/74, as the Shares offered are in a class of securities quoted on the ASX.

1.7 How do I apply under the Offer?

| Who is eligible to participate in the Offer? | |
|---|--|
| Who can apply for Shares under the Offer? | <p>The Placement Participants will be 'Excluded Offerees' in the context of S708 of the Corporations Act identified by the Company and who is not a director or Related Party or their Associates. The offer of Shares is not being made to the Company's existing shareholder base (that is, as a rights issue or an SPP, or like structured offer).</p> <p>The Offer will be open to Placement Participants with registered addresses in Australia and other investors to whom it is lawful to make an offer to pursuant to this Prospectus.</p> |
| Completing and returning your Application under the Offer | |
| What is the minimum and maximum number of shares that may be applied for under the Offer? | <p>Applications for new Shares must be for a minimum of 100,000 new Shares (value of at least \$26,000). There is no maximum number of Shares that Applicants can apply for provided no Applicant and its Associates will hold more than 19.9% of the Shares following the close of the Offer.</p> <p>There is no overall minimum subscription under the Offer.</p> |

| | |
|---|--|
| How do I apply under the Offer? | <p>Applications for new Shares under the Offer must be made using the Application Form attached to this Prospectus.</p> <p>The Application Form attached to this Prospectus contains detailed instructions on how it should be completed. Please read the instructions on the Application Form carefully before completing it.</p> <p>An original, completed and lodged Application Form, together with a cheque or electronic funds transfer for the Application monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Board's decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final; however, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or electronic funds transfer.</p> |
| How to complete and attach your cheque for the Application monies? | Follow the instructions on the Application Form. |
| How to pay Application monies by electronic funds transfer? | Electronic funds transfer is not available for Applications made using the Application Form. |
| Fees, costs and timing for Applications | |
| When does the Offer open? | The Opening Date for acceptance of Applications under the Offer is Friday 13 September 2019 |
| What is the deadline to submit an Application under the Offer? | Completed Application Forms and accompanying payment of the Application Monies must be received by the Company before 5.00pm (AEST) on Monday 16 September 2019. |
| Is there any brokerage, commission or stamp duty payable by Applicants? | No brokerage, commission, stamp duty or other costs are payable by Applicants. |
| Confirmation of your Application and trading on ASX | |
| When will I receive confirmation of whether my Application has been successful? | <p>For Applicants whose Applications are accepted by the Company, in whole or in part, the Company will issue new Shares and dispatch either a CHESS statement or an issuer sponsored holding statement (whichever applicable) to the Applicants as soon as practicable after the Closing Date together with any excess Application monies.</p> <p>It is the responsibility of all Applicants to determine their allocation prior to trading in the new Shares. Applicants who sell any of the Shares before receiving their holding statements do so at their own risk.</p> |
| When will I receive my new Shares and when can I trade in my new Shares? | Applicants will receive their Shares as soon as practicable after the Closing Date and it is quotation of the Shares will occur on or around Friday 20 September 2019. |

| | |
|---|--|
| Who do I contact if I have further queries? | For further information, Applicants should contact the Share Registry on 02 9290 9600 between 8.30am and 5.00pm (AEST) |
|---|--|

1.8 Allocation Policy under the Offer

The basis of allocation of Shares under the Offer will be determined by the Company.

Applicants must be 'Excluded Offerees' in the context of s708 of the Corporations Act identified by the Company. The offer of Shares is not being made to the Company's existing shareholder base (that is, as a rights issue or an SPP, or like structured offer) or the Directors or Related Parties of the Company or their Associates.

The Company reserves the right in its absolute discretion not to issue Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Shares than those applied for, including allocating no Shares, at its absolute discretion.

The allocation policy under the Offer will be influenced by the following factors:

- a) number of Shares applied for by Applicants;
- b) a desire to establish a wider spread of shareholders;
- c) the timeliness of the Applications by Applicants;
- d) overall level of demand under the Offer;
- e) the likelihood that particular Applicants will be long term Shareholders; and
- f) any other factors that the Company consider appropriate.

Application Monies will be held on trust on behalf of the Applicants until the Shares offered under this Prospectus are issued. The banking of the Application Monies does not constitute acceptance of the relevant Application. If any Application is rejected in whole or in part, the relevant Application Monies will be repaid to the unsuccessful Applicant within the time period set out under the Corporations Act, without interest. For the avoidance of doubt, all interest earned on Application Monies (including those which do not result in the allotment of Shares) will be retained by the Company.

2 Company update

SciDev has undergone a transformative change in recent times, with key initiatives and outcomes for the financial year ended 30 June 2019 set out below.

FY19 Highlights

- Revenues from customers increased by 31.9% to \$2.92m
- Net cash position of \$1.76m at 30 June 2010 (unaudited) supported by successful placement to Nuoer Group and a \$2.5m fund raising in February/March 2019
- Entered into a binding agreement to acquire the exclusive distribution and marketing rights in Australia and other Oceanic countries for polymer products produced by Chinese base Nuoer Group
- Lewis Utting commenced as CEO & Managing Director in April 2019
- Established North American presence with SciDev (US) LLC with first product sales to SciDev MOU partner Phoenix Process Equipment Company with Nuoer manufactured product
- Continued evaluation across several coal projects in the Bowen Basin and NSW coal fields with tier-one producers. The Optiflox® system trial continues at a major coking coal operation with further commercial discussions anticipated in September 2019
- Strengthening of the board with the addition of Newcrest mining professional Jon Gourlay and Simone Watt from our strategic investor Sinoz, as Non-Executive Directors

Post Year End Developments

Post the end of the financial year, the Company announced:

- it had received its first major order for friction reducers from the oil & gas companies in the US Permian Basin. The A\$1.08m order validates SciDev's strong US push
- Further the company recently announced post year end that it was awarded a long term MaxiFlox® sales contract with Iluka Resources which is expected to be AUS\$8m – AUD\$12m over the course of the contract
- Delivery of contract services to the Ramu Nickel-Cobalt Mines in PNG, supporting cornerstone chemical provider Nuoer China.
- The first purchase order of ~\$1m was received from Iluka Resources in September 2019

Financial Review

The Company delivered record revenue for the period of \$2.92m, a 32% increase on the previous year. The record revenue can be attributed to organic growth in the water sector and sales pull through from the Nuoer transaction announced in February 2019.

Net cash outflows from operations during the year ended 30 June 2019 were \$1.548m (a significant increase from the prior year's net outflows of \$0.892m). Despite the outflow increasing on a full year basis, the Company was close to cash break-even in Q4 where the loss from operating activities was \$0.28m. The increase in net cash outflows from operations was principally a result of increases in raw

materials and consumables (inventory required to grow), employee benefits expense (people required to execute growth) and professional fees.

At the end of the period the Company had a net cash position of \$1.76m. The balance sheet strength reflects the inflow of funds from the Nuoer Group's strategic investment in the Company (\$0.57m announced on 11 February 2019) and the successful completion of a \$2.5m capital raising undertaken in February 2019.

Coal Initiatives – North America

During FY19 the Company announced the delivery of our first full container load (FCL) into the continental United States through our subsidiary SciDev (US) LLC (ref ASX 23 May 2019).

The order was to SciDev MOU partner Phoenix Process Equipment Company and is the result of marketing efforts over the prior periods. The chemistry, manufactured to SciDev specification by Nuoer China, is set to be used in solids-liquid separation projects in key mineral processing applications. The arrangement builds on our existing sales in North America and illustrates the value of our partnerships with both Nuoer China and Phoenix. As previously announced, North America represents a potential \$1.4 billion-dollar market for SciDev.

Coal Initiatives - Australia

Additional evaluations were conducted across several coal projects in both the Bowen Basin and NSW coal fields with tier-one producers. SciDev is confident that some of these projects will further develop into commercial opportunities for both chemical solutions and the OptiFlox® system.

The OptiFlox® system trial continued at a major coking coal operation in the Bowen Basin. After the initial phase of the trial, an extensive engineering review was conducted on the application, with modifications implemented to allow for extended operation of the system without operator intervention. The trials continued to the end of the June quarter with successful results. Additional commercial discussions will continue into the September 2019 quarter and SciDev is looking forward to updating shareholders as discussions materialise into commercial outcomes

Oil and Gas initiatives – North America

Post the end of the financial year (22 July 2019) the Company announced its first sales into the US oil and gas market. The order for friction reducers was destined for the US Permian basin. The total orders to date for SciDev's proprietary OptiFlox® technology are AUD\$1.08m. Order volumes are expected to continue to grow, with further commercial field evaluations to be undertaken in FY20 to determine the potential financial returns to SciDev from this very large market.

Mineral Sands – Australia

Post the end of the financial year (30 August 2019) the Company announced that it has signed a three (3) year agreement for the supply and service of its MaxiFlox® chemistry to Iluka Resources. The annual value of the contract over the term is likely to be between AUD \$2.6M – AUD \$4.0M. During an extensive evaluation period on site, the Company was able to build a knowledge base allowing for the design of bespoke chemistry specific to the Jacinth Ambrosia operation. Additional discussions are underway to integrate the SciDev OptiFlox® system into the Jacinth-Ambrosia operation. The program of work started in March 2018 and the successful conclusion validates the commercial utility of our MaxiFlox® chemistry in the mine tailings space. Importantly, it highlights the calibre of the SciDev team in executing the technical and commercial evaluations over an extended period with a tier one Australian mining company.

Tartana Resources Limited

The Company holds a shareholding of ~19.9% of Tartana Resources Limited, an unlisted public company conducting an IPO raising and seeking ASX listing. A modest number of additional Tartana shares remain to be issued to SciDev in certain circumstances. Tartana's key mineral exploration assets in Queensland (the Tartana base metal project) and Tasmania (the Zeehan Zinc residue Project). In the event Tartana succeeds with its current IPO raising and ASX listing, SciDev will have

ongoing investment exposure to that company in that capacity. In the event that Tartana does not proceed with its current IPO raising and ASX listing SciDev will assess the Company's alternative proposals. SciDev's investment in Tartana is non-core to SciDev's central and growing business.

3 Effect of the Offer on the Company

3.1 Effect of the Offer

The principal effects of the Offer on the Company, assuming all Shares are subscribed for are accepted, are as follows:

- (a) the Company will issue 16,000,000 new Shares and the total number of Shares on issue will increase to 123,293,157 Shares; and
- (b) the cash reserves of the Company will increase by approximately \$4,160,000 to \$5,916,209 (less the expenses of the Offer) immediately after completion of the Offer, and based on SciDev's (unaudited) cash and cash equivalents as reported in its (unaudited) Preliminary Final Report released on 30 August 2019. This does not include an undrawn A\$500,000 credit facility held by the Company.

3.2 Statement of Financial Position

Set out below is the unaudited Statement of Financial Position of the consolidated entity as at 30 June 2019 together with pro forma statements adjusting for the effects of the Offer and other events as detailed below.

The unaudited pro-forma Statements of Financial Position of the consolidated entity as at 30 June 2019 set out below have been adjusted for the following transactions:

- the issue of 16,000,000 Shares pursuant to this Prospectus to raise approximately \$4,160,000; and
- the estimated expenses of the Offer of approximately \$267,306 in the full subscription scenario.

Unaudited Pro-forma Statement of Financial Position – Full Subscription

| Assets | 2019 \$ | Proforma |
|---|------------------|------------------|
| Current assets | | |
| Cash and cash equivalents | 1,756,209 | 5,648,903 |
| Trade and other receivables | 806,099 | 806,099 |
| Inventories | 264,325 | 264,325 |
| Other | 22,679 | 22,679 |
| Total current assets | <u>2,849,312</u> | <u>6,742,006</u> |
| Non-current assets | | |
| Financial assets at fair value through other comprehensive income | 1,502,900 | 1,502,900 |
| Property, plant and equipment | 303,454 | 303,454 |
| Intangibles | 1,246,299 | 1,246,299 |
| Total non-current assets | <u>3,052,653</u> | <u>3,052,653</u> |

| | | |
|---------------------|------------------|------------------|
| Total assets | <u>5,901,965</u> | <u>9,794,659</u> |
|---------------------|------------------|------------------|

Liabilities

Current liabilities

| | | |
|----------------------------------|------------------|------------------|
| Trade and other payables | 1,009,529 | 1,009,529 |
| Borrowings | - | - |
| Employee benefits | <u>155,276</u> | <u>155,276</u> |
| Total current liabilities | <u>1,164,805</u> | <u>1,164,805</u> |

Non-current liabilities

| | | |
|--------------------------------------|---------------|---------------|
| Deferred tax | 35,986 | 35,986 |
| Employee benefits | <u>2,153</u> | <u>2,153</u> |
| Total non-current liabilities | <u>38,139</u> | <u>38,139</u> |

| | | |
|--------------------------|------------------|------------------|
| Total liabilities | <u>1,202,944</u> | <u>1,202,944</u> |
|--------------------------|------------------|------------------|

| | | |
|-------------------|------------------|------------------|
| Net assets | <u>4,699,021</u> | <u>8,591,715</u> |
|-------------------|------------------|------------------|

Equity

| | | |
|--------------------|-------------------|-------------------|
| Issued capital | 76,899,789 | 81,059,789 |
| Reserves | 2,210,703 | 2,210,703 |
| Accumulated losses | <u>74,411,471</u> | <u>74,678,777</u> |

| | | |
|---------------------|------------------|------------------|
| Total equity | <u>4,699,021</u> | <u>8,591,715</u> |
|---------------------|------------------|------------------|

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Shares offered are subscribed for is set out below.

Shares

| | Number Minimum subscription |
|--|--|
| Shares currently on issue | 107,293,157 |
| Shares to be issued pursuant to the Offer | 16,000,000 |
| Shares on issue after completion of the Offer | 123,293,157 |

In addition, the Company has 3,950,000 unlisted options expiring 28 November 2019 with an exercise price of \$0.25 per option (no vesting conditions apply), 2,000,000 unlisted options expiring 23 July 2022 with an exercise price of \$0.10 per option (vesting conditions apply) and 3,350,000 unlisted options expiring 28 November 2019 with an exercise price of \$0.12 per option (vesting conditions apply to 2,200,000 of these options).

4 Risk factors

4.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

4.2 Risks specific to the Company

Additional requirements for capital

The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Production costs

All production costs, particularly chemical supplies, labour, transport and logistics costs and power are a key risk and have the potential to adversely affect the Company's income from operations. If the Company's projects and processing operations are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's financial position, the value of the Company's projects and in turn, the value of the Shares.

Chemical and Equipment Supply Chain

The Company relies on the supply of various chemical products and services to it from a range of suppliers, with the Nuocer China Group a key supplier. Disruption to any one or more of these components, or to the ability of any given supplier, but particularly the Nuocer China Group, to continue supply on acceptable terms may lead to significant disruption of the Company's operations, and may limit the volume and type of products that it is able to manufacture and/or supply to customers, thereby adversely impacting the Company's overall profitability and cash flows

Exposure to Mining and Oil/Gas Industry

The Company supplies its products and services primarily to the mining and oil/gas industries and as such should there be a down turn in these activities in any of the Company's major markets this could adversely impact the Company's operations and profitability.

Imposition of Tariffs and Trade Barriers

The Company supplies products and services to various countries including the United States of America and sources a significant part of its chemical supply from China. Should a country decide to impose or increase tariffs and trade barriers on the Company's products and services this could make the supply of those services into a country commercially uncompetitive and as such impact the Company's operations and profitability.

Operational risks

The Company's performance is dependent on the effective operation of its and its suppliers processing plant and infrastructure which could be affected by operational risks outside of the control of management. These risks include technical difficulties (such as pipe blockages), weather (including lightning strikes and heavy rainfall), industrial accidents, mechanical or structural failures of the processing facilities and inadequate maintenance of processing facilities and capital equipment as may eventuate due to delays from third party suppliers providing replacement parts or inventory at critical times. The operation may be affected by force majeure, engineering difficulties and other unforeseen events.

Insurance coverage risk

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of chemical delivery is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Exchange rate risk

The prices for the Company's inventory are generally denominated in United States dollars or Chinese Renminbi, whereas the income and expenditure of the Company are and will be taken into account in primarily Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, Chinese Renminbi and the Australian dollar as determined in international markets.

In-country/political risks

The Company's operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest/workforce reliability; difficulties implementing best working practices, renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in investment policies or shifts in political attitude in a country may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; mine safety; and government and local participation. The occurrence of these various factors and uncertainties

cannot be accurately predicted and could have an adverse effect on the Company's operations or its financial position.

Environmental regulation risk

The Company's operations are subject to environmental regulations in various countries. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned import and export of a range of chemical products.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of waste products resulting from production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

Litigation risk

The Company is subject to litigation risks. All industries, including the chemical supply, mining and minerals industry industries, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate

working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

Contractors and agents

The Directors are unable to predict the risk of:

- 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 activities.

Conflicts of Interest

Some of the directors of the Company are also directors/employees of other companies that are similarly engaged in businesses not dissimilar to the Company. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences may be that corporate opportunities presented to a Director may be offered to another company or companies with which the director is associated; and may not be presented or made available to the Company. The Directors are required by law to act honestly, in good faith and in the best interests of the Company and its Shareholders, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Company's Code of Ethics.

Major Counterparty Risk

The Company has a broad client base, however within that base there are several large clients that represent a large proportion of the Company's revenue. Some of these clients have 'termination at convenience' entitlements which allow them to cease trading with the Company at convenience and with limited if any recourse by the Company. In the event these rights were to be exercise, significant impact on the Company's revenue could arise.

4.3 General Risks

Economic risks

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

Further, 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;

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

Share market risk

The market price of the Shares could fluctuate significantly. The market price of the Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all industrial chemical sector shares, the breadth of the public market for the Shares, and the attractiveness of alternative investments.

The Company's investment in Tartana Resources Ltd may fluctuate or vary over time and Tartana Resources Ltd may proceed with its proposed IPO raising and ASX listing or if not, it may adopt some other business structure or monetisation route that delays or varies expected returns.

4.4 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.

5 Additional information

5.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board have adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have material effect on the Company's securities and the consequences of non-compliance.

Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (**ED**) securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

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 enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

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 ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Sydney during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

5.2 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 30 June 2018;
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2018 and before the issue of this Prospectus:

| DATE | ANNOUNCEMENT |
|-------------|--|
| 11.09.2019 | Trading Halt |
| 11.09.2019 | First Purchase Order from Iluka |
| 09.09.2019 | SciDev Expands into Asian Nickel-Cobalt Operation |
| 03.09.2019 | SciDev Investor Presentation |
| 02.09.2019 | SciDev July/August Sales Achievements |
| 30.08.2019 | Preliminary Final Report and Appendix 4E |
| 30.08.2019 | Reinstatement to Official Quotation |
| 30.08.2019 | SciDev and Iluka Settle Long - term Sales Contract |
| 28.08.2019 | Suspension from Official Quotation |
| 26.08.2019 | Trading Halt |
| 26.08.2019 | Pause In Trading |
| 22.08.2019 | SciDev US Expansion Gathers Momentum |
| 16.08.2019 | Appendix 3B and 3Y Notices |
| 31.07.2019 | Quarterly Activities Report and Appendix 4C |
| 23.07.2019 | Results of Meeting |
| 22.07.2019 | SciDev first sales into US Oil and Gas Market |
| 02.07.2019 | Update on Tartana Resources Limited |
| 26.06.2019 | SciDev On – Track for Record Revenues |
| 19.06.2019 | Notice of General Meeting/Proxy Form |
| 04.06.2019 | Update on Tartana Resources Limited |
| 28.05.2019 | Appointment of Mr Jon Gourlay to the Board |
| 23.05.2019 | SciDev North American Initiatives |
| 20.05. 2019 | SciDev and Nuocer Cement and Expand Relationship |
| 02.05.2019 | Optiflox Expands to Base and Precious Metals |

| | |
|------------|--|
| 30.04.2019 | Appointment of Lewis Utting as Managing Director & CEO |
| 24.04.2019 | March 2019 Quarterly and Appendix 4C |
| 15.04.2019 | Details of Company Address |
| 09.04.2019 | Completion of Placement, Appendix 3B and Cleansing Statement |
| 08.04.2019 | Tartana Transaction – Variation and Tartana Share Sale |
| 28.03.2019 | Results of Meeting |
| 20.03.2019 | Change of Director's Interest Notices |
| 19.03.2019 | Resignation of Managing Director and Appendix 3Z |
| 13.03.2019 | SciDev \$1.25M Entitlements Issue |
| 05.03.2019 | Extension of Peabody Optiflox and Chemical Supply Contract |
| 28.02.2019 | SciDev 31 December 2018 Appendix 4D and Interim Report |
| 25.02.2019 | Notice of General Meeting/Proxy Form |
| 21.02.2019 | SciDev Entitlements Issue Offer Letter and Application Form |
| 14.02.2019 | SciDev Letter to Eligible and Ineligible Shareholders |
| 13.02.2019 | Reinstatement to Official Quotation |
| 13.02.2019 | SciDev \$2.5 Million Fund Raising to Accelerate Growth |
| 11.02.2019 | SciDev Request for Continuation of Voluntary Suspension |
| 11.02.2019 | SciDev Secures Exclusive Nuoer Product Rights and Placement |
| 06.02.2019 | Suspension from Official Quotation |
| 04.02.2019 | Trading Halt |
| 04.02.2019 | Pause in Trading |
| 31.01.2019 | Quarterly Activities Report and Appendix 4C |
| 30.01.2019 | Purchase order received from Peabody Energy |
| 02.01.2019 | Final Director's Interest Notice |
| 30.11.2018 | Director Resignation |
| 29.11.2018 | Results of Meeting |
| 28.11.2018 | Change of Director's Interest Notice |
| 27.11.2018 | Consolidation/Split - SDV |

| | |
|------------|--|
| 23.11.2018 | Corporate Update |
| 12.11.2018 | SciDev November 2018 Investor Presentation |
| 31.10.2018 | Notice of Annual General meeting/Proxy Form |
| 29.10.2018 | Appointment of New Directors and Appendix 3X Notices |
| 26.10.2018 | SciDev 2018 Corporate Governance Statement |
| 26.10.2018 | SciDev Ltd 2018 Annual Report |

5.3 Corporate Governance

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

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2018. This can be found on the Company's website at scidev.com.au/corporate-governance

A summary of the Company's corporate governance policies and procedures is available on the Company's website at scidev.com.au/corporate-governance.

5.4 Rights attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares.

Full details of the rights attaching to the Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, and a proportionate vote for every Share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or

by any one or more Shareholders with at least 5% of the total votes that may be cast on the resolution on a poll.

(b) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the registration of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(c) Meetings and notice

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

(d) Liquidation rights

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 or she 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.

(e) Shareholder liability

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

(f) Alteration to the 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. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(g) ASX Listing Rules

As the Company is admitted to the Official List, then despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

5.7 Litigation

The Company is not involved in any litigation and is not aware of any potential litigation.

5.8 Interests of Directors

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company is as follows:

| Director | Number of Shares | | Number of Options | |
|--|------------------|-----------|---|----------|
| | Direct | Indirect | Direct | Indirect |
| Trevor Jones (Chairman) | - | 738,303 | 100,000 exp 28 11 2019, ex \$0.25 250,000 exp 23 07 2022 ex \$0.12 | - |
| Lewis Utting (Managing Director and CEO) | 330,221 | 4,500,000 | 500,000 exp 28 11 2019, ex \$0.25 2,000,000 exp 23 07 2022 ex \$0.10 | - |
| Simone Watt (Non-Executive Director) | - | 5,000,780 | 250,000 exp 23 07 2022 ex \$0.12 | - |
| Jon Gourlay (Non- Executive Director) | 206,349 | - | 650,000 exp 23 07 2022 ex \$0.12 | - |

Remuneration of Directors

The Constitution provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (currently \$400,000 per annum). Non-Executive Directors are generally paid a fee of \$45,000 plus superannuation per annum and the Chairman \$75,000 plus superannuation per annum. As a result of voluntary salary reductions earlier in the year, Non-Executive Director Simone Watt is currently remunerated at \$41,304 (inclusive of superannuation) per annum and Non Executive Chairman Trevor Jones is currently remunerated at \$62,856 (inclusive of superannuation). In the year ended 30 June 2019. Mr Jon Gourlay was appointed to the Board and, subsequent to shareholder approval, Mr Gourlay was offered 650,000 options on the terms set out above in lieu of cash consideration for the year. Details of the remuneration of the Managing Director

and CEO, Mr Lewis Utting, are set out in the Company's release to the market dated 30 April 2019.

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

Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2- year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

5.9 Rights attaching to Options

Options held by the Board have the following rights.

Mr Trevor Jones, Chairman: 100,000 options expiry 28 11 2019, ex \$0.25 – standard exercise rights and no vesting conditions. 250,000 options exp 23 07 2022 ex \$0.12 – standard exercise right and no vesting conditions.

Mr Lewis Utting, Managing Director and CEO: 500,000 options expiry 28 11 2019, ex \$0.25 – standard exercise rights and no vesting conditions. 2,000,000 options exp 23 07 2022 ex \$0.10 – standard exercise right and vesting on breakeven performance (less the aggregate costs of Directors fees / remuneration).

Ms Simone Watt Non-executive Director: 250,000 options exp 23 07 2022 ex \$0.12 – standard exercise right and no vesting conditions.

Mr Jon Gourlay, Non-executive Director: 650,000 options exp 23 07 2022 ex \$0.12 – standard exercise right and no vesting conditions.

5.10 Interests of named persons

Except as disclosed in this Prospectus or previously announced by the Company, no promoter or 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 during the last two years has held, 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 or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any 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 for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Taylor Collison Ltd (TCL") has acted as Lead Manager to the Company in relation to the Offer. TCL will be paid approximately \$249,600 (plus GST) for these services. TCL has provided other professional services to the Company during the last two years on normal commercial terms.

Barclay Pearce Corporate Lawyers Pty Ltd ("BPCL") has acted as solicitors to the Company in relation to the Offer. The Company will pay approximately \$11,500 (plus GST) to BPCL for these services. BPCL has provided other professional services to the Company during the last two years on normal commercial terms.

5.11 Consents

Each of the other parties referred to in this section 5.11:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) 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 and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- Taylor Collison as Lead Manager of the offer
- BPCL as solicitors to the Company in relation to the Offer.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

5.12 Expenses of the Offer

The estimated expenses of the Offer are as follows:

| Expense | \$ |
|-----------------------------|----------------|
| Lead Manager Fees | 249,600 |
| ASIC fees | 3,206 |
| Legal expenses | 11,500 |
| Printing and other expenses | 1500 |
| Share registry fees | 1500 |
| Total | 267,306 |

5.13 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 Share Registry on 02 9290 9600 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's website at www.scidev.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.

6 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 consented to the lodgement of this Prospectus with the ASIC.

Dated: 13 September 2019



Mr Trevor A. Jones
Chairman
For and on behalf of
SciDev Limited

7 Defined terms

| | |
|---------------------------------------|--|
| A\$ and \$ | Australian dollars, unless otherwise stated |
| AEST | Australian Eastern Standard Time |
| Applicant | a person who submits an Application Form |
| Application Form | an Application Form for Shares in the Offer attached to or accompanying this Prospectus |
| ASX Settlement | ASX Settlement Pty Ltd (ABN 49 008 504 532) |
| ASX Settlement Operating Rules | the operating rules of the settlement facility provided by ASX Settlement as amended from time to time |
| ASIC | Australian Securities and Investments Commission |
| ASX | ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires |
| Board | the board of Directors |
| Business Day | every day other than a Saturday, Sunday, 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 | 5.00PM AEST Monday 16 September 2019 (unless extended) |
| Company | SciDev Limited (ABN 25 001 150 849) |
| Corporations Act | Corporations Act 2001 (Cth) |
| Directors | the directors of the Company as at the date of this Prospectus |
| Excluded Offeree | a person who can acquire Shares under Section 708 of the Corporations Act |
| Lead Manager | Taylor Collison Limited |
| Listing Rules | the Listing Rules of ASX |
| Offer | the offer of Shares pursuant to this Prospectus |
| Official List | the Official List of the ASX |
| Official Quotation | quotation on the Official List |
| Placement Participant | a person eligible to participate in the Offer and who applies for Shares under the Offer |
| Prospectus | this prospectus |
| Register | the register of Shareholders |
| Related Party | as defined in Section 228 of the Corporations Act |
| Share | an ordinary fully paid share in the capital of the Company |
| Shareholder | the registered holder of a Share |

Corporate directory

| | | | |
|--------------------------|---|------------------------|---|
| Directors | Mr Trevor A. Jones - Non-Executive Chairman Mr Lewis Utting – Managing Director and CEO Mr Jon Gourlay - Non-Executive Director Ms Simone Watts - Non-Executive Director | Lead Manager | Taylor Collison Limited Level 10, 167 Macquarie St Sydney NSW 2000 |
| Company Secretary | Mr Heath Roberts | Solicitors | Barclay Pearce Corporate Lawyers Pty Ltd 31 Highgate Cct Kellyville NSW 2155 Telephone: 0403 192 230 |
| Registered office | C/- Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 | Auditors* | Rothsay Chartered Accountants Sydney Level 1 12 O'Connell Street Sydney NSW 2000 |
| ASX CODE | SDV | Share Registry* | Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 |

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

Electronic Funds Transfer

Alternatively, payment can be made by electronic funds transfer to the below account. You must quote your name as the transfer reference and e-mail proof of payment with this completed form to corporateactions@boardroomlimited.com.au. Failure to do so may result in payment not being matched to your application.

Bank: Westpac

BSB: 032-143

ACC: 462 102

Name: SciDev Ltd

Reference: Name on application form

H Contact telephone number (daytime/work/mobile)

I Email address

- (i) By submitting this Application form, I/We declare that this Application is completed and lodged according to the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of SciDev Ltd. I/We represent, warrant and undertake to the Company that our subscription for the above shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for shares in the Company. I/we further declare that I/we are a sophisticated investors (having regard to the meaning of such pursuant to section 708(8) of the Corporations Act 2001) and/or a professional investors (having regard to the meaning of such pursuant to section 708(11) of the Corporations Act 2001).

GUIDE TO THE APPLICATION FORM

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **100,000**. Multiply by **\$0.26** AUD to calculate the total for Shares and enter the **\$amount** at B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from SciDev Ltd will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to SciDev Ltd in Australian currency, cross it and mark it "**Not Negotiable**". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank. Alternatively, you can make your payment by EFT using the instructions on the application form.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to SciDev Ltd. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

| Type of Investor | Correct Form of Registrable Title | Incorrect Form of Registrable Title |
|-----------------------------|---|---------------------------------------|
| Trusts | Mr John David Smith <J D Smith Family A/C> | John Smith Family Trust |
| Deceased Estates | Mr Michael Peter Smith <Est Lte John Smith A/C> | John Smith (deceased) |
| Partnerships | Mr John David Smith & Mr Ian Lee Smith | John Smith & Son |
| Clubs/Unincorporated Bodies | Mr John David Smith <Smith Investment A/C> | Smith Investment Club |
| Superannuation Funds | Mr John Smith & Mrs Mary Smith <Smith Family Super Fund A/C> | John & Mary Smith Superannuation Fund |

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Delivery address:

SciDev Ltd
C/- Boardroom Pty Limited
Level 12
225 George Street
SYDNEY NSW 2000

Mailing address:

SciDev Ltd
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

It is not necessary to sign or otherwise execute the Application Form.

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not

collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (http://www.boardroomlimited.com.au/help/share_privacy.html).

For personal use only