



**Kabuni Ltd**  
ACN 158 307 549

## Rights Offer Prospectus

For a non-renounceable pro rata offer of nine (9) New Shares for every ten (10) Shares held by Shareholders registered at 5.00pm (WST) on the Record Date at an issue price of \$0.002 per New Share, with 2 (two) free attaching Options exercisable at \$0.004 each on or before 30 April 2021 for every 5 (five) New Shares to raise approximately \$574,423 before costs (**Rights Offer**), and for the offer of the shortfall to the Rights Offer (**Shortfall Offer**).

**The Offers open on 27 November 2017 and close at 5.00pm (Perth time) on 8 December 2017 (unless extended)**

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This document contains important information about the Offers. You should read the entire document. Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Entitlement. If you have any questions about the Offers or this Prospectus, you should speak to your professional adviser.

The securities offered by this Prospectus should be considered speculative.

# Important information

## Prospectus

This Prospectus is dated 17 November 2017 and was lodged with ASIC on that date. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities 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.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

## Electronic prospectus

This Prospectus may be viewed in electronic form at <http://investor.kabuni.com/> by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on <http://investor.kabuni.com/> does not form part of this Prospectus.

## Risk factors

Investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors are set out in Section 1.3 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

## Overseas Shareholders

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Securities, including by submitting the Entitlement and Acceptance Form or making a payment using BPay® you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Entitlement and Acceptance Form (including electronic copies) outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

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

Please refer to Sections 2.3 and 3.10 for further details of requirements applicable to certain countries in which Shareholders may reside.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or

ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Securities of the Company.

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

## Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current expectations about future acts, events and circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

## Accepting the Offers

Applications for New Securities may only be made on an original application form as sent with this Prospectus. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Rights Offer. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. Applications for Securities under the Shortfall Offer must be made on the Entitlement and Acceptance Form if you are an Eligible Shareholder, or on a Shortfall Application Form if you are a new investor in the Company.

By returning an acceptance form or lodging an acceptance form with your stockbroker or otherwise arranging for payment for your New Securities in accordance with the instructions on the form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the Offers detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

## Defined terms

Certain capitalised terms and other terms used in this Prospectus are defined in the Glossary of defined terms in Section 10.

## Currency

All references in this Prospectus to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

## Reference to time

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

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## Timetable for the Offers

The indicative Timetable for the Offers is as follows:

<b>Event</b>	<b>Date</b>
Announcement of Offers	Friday, 17 November 2017
Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX)	Friday, 17 November 2017
Notice of Offers sent to Convertible Security Holders	Friday, 17 November 2017
Notice of Offers sent to Shareholders	Tuesday, 21 November 2017
Ex-date (date from which Shares begin trading without the Right to participate in the Offers)	Wednesday, 22 November 2017
Record Date (to identify Shareholders entitled to participate in the Offers)	5.00pm (WST) Thursday, 23 November 2017
Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Monday, 27 November 2017
Offers open (Opening Date)	Monday, 27 November 2017
Last day to extend the Closing Date	Tuesday, 5 December 2017
Offers close (Closing Date)	Friday, 8 December 2017
New Shares quoted on a deferred settlement basis	Monday, 11 December 2017
Notice to ASX of Shortfall	Monday, 11 December 2017
New Securities issued	Wednesday, 13 December 2017
Quotation of New Securities on ASX commences	Thursday, 14 December 2017

The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three Business Days notice to ASX before the Closing Date.

## Corporate Directory

### Directors

Stuart Carmichael  
Non-executive Chairman

Colm O'Brien  
Non-executive Director

Michael Edwards  
Non-executive Director

### Company Secretary

Brett Tucker

### Registered and Principal Office

Ground Floor, 16 Ord Street  
West Perth WA, 6005

T: +61 8 9482 0555

F: +61 8 9482 0505

Email: [ir@kabuni.com](mailto:ir@kabuni.com)

Web: <http://investor.kabuni.com/>

### Solicitors to the Offers

Jackson McDonald  
Level 17  
225 St Georges Terrace  
PERTH WA 6000

T: +61 8 9426 6611

F: +61 8 9321 2002

### Auditors

Stantons International Audit & Consulting Pty Ltd  
Level 2, 1 Walker Avenue  
West Perth WA 6005

T: +61 8 9481 3188

F: +61 8 9321 1204

### ACNS Capital Markets Pty Ltd trading as Alto Capital

16 Ord St, West Perth WA 6005

T: +61 8 9223 9888

F: +61 8 9221 0488

### Share Registry

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

T: 1300 992 916

F: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### ASX

Code: KBU

## 1. Investment overview

### 1.1 Introduction

The Board of Kabuni Limited (ACN 158 307 544) (**Kabuni** or **Company**) is undertaking a non-renounceable pro rata offer (**Rights Offer**) pursuant to which Eligible Shareholders will have the opportunity to subscribe for 9 new fully paid ordinary shares in the Company (**New Shares**) for every 10 Shares held as at the Record Date, with two free attaching options (**Free Attaching Options**) exercisable at \$0.004 each on or before 30 April 2021 to be issued for every 5 New Shares subscribed for.

The Rights Offer is being made to all registered holders of Shares as at the Record Date, being 5.00pm (WST) on 23 November 2017, whose registered address is in Australia or New Zealand.

Any New Shares and Free Attaching Options not subscribed for under the Rights Offer will form the Shortfall and will be offered under the Shortfall Offer, which is a separate offer under this Prospectus. Refer to Section 2.9 for more information regarding the Shortfall Offer.

### 1.2 Purpose of the Offers

If fully subscribed, the Offers will raise approximately \$574,423 (before payment of costs associated with the Offers).

The Company intends to apply the funds raised under the Offers as follows:

Use of funds	Amount at half subscription	Amount at full subscription
Sales and marketing	\$50,000	\$50,000
Costs of the Offers	\$46,383	\$55,000
Working capital	\$190,828	\$469,423
<b>Total</b>	<b>\$287,211</b>	<b>\$574,423</b>

#### Notes:

1. If funds raised are less than full subscription, the Company will allocate those funds first towards the costs of the Offers, sales & marketing and then to working capital.
2. Working capital includes corporate administration, directors' fees, project evaluation, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The information in this table is a statement of present intention as at the date of this Prospectus. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

If the maximum amount is raised under the Offers, the Board believes the Company will have sufficient funds to achieve its objectives. If less than the maximum amount is raised under the Offers, the Board may consider additional financing in order to fund its business activities.

### 1.3 Key risks

In addition to risks specific to the Company as described in detail in Section 6, the risks set out below have been identified as being key risks specific to an investment in the

Company. These risks may adversely affect the Company's financial position, prospects and price of its securities.

- (a) **Future capital requirements:** The Company may require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the price under the Offers) or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

- (b) **Negative operating cash flow / going concern risk:** The Company has limited financial resources. To date, Kabuni has experienced negative operating cash flow. Kabuni expects to continue to incur losses unless and until such time as Kabuni generates sufficient revenues to fund its continuing operations. The Company has no history of earnings, and there is no assurance that Kabuni will generate earnings, operate profitably or provide a return on investment in the future.
- (c) **Potential acquisitions:** As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products or technologies.

## 1.4 The Board

### **Stuart Carmichael** **Non-Executive Chairman**

Mr Carmichael has extensive international corporate advisory, mergers and acquisitions, and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG and KPMG Corporate Finance. Mr Carmichael has extensive corporate and operational experience across multiple geographies having lived and worked in the US, UK, Europe, the Middle East and Australia. Mr Carmichael's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant.

Mr Carmichael is also a Non-Executive Director of ASX listed company De.mem Limited (ASX:DEM) and Non-Executive Chairman of Schrole Limited (ASX:SCL).

### **Colm O'Brien** **Non-Executive Director**

Mr O'Brien has over 20 year's executive level experience in financial services, management consulting and media industries. He has led ASX listed company Aspermont Limited (ASX: ASP) as CEO and transformed that business from a local

mining publication to a global, digitally led resources media business including world leading events.

Mr O'Brien is currently a Director of Carrington Partners, a management consultancy firm focused on providing practical strategic and executive support, including business growth, cost review and turnarounds, transformational change, acquisition/partnership structures and funding introductions. Mr O'Brien also acts as non-executive director of Pacific Star Network Limited (ASX: PNW), an ASX listed media company with market leading niche assets in broadcasting and publishing, including SEN Radio, Frankie Magazine, Smith Journal and Surfing Life Australia.

**Michael Edwards**  
**Non-Executive Director**

Mr Edwards is a Geologist and Economist with over 20 years of experience in Senior Management in both the private and public sector. He has a Bachelor of Business (Economics and Finance) from Curtin University of Technology and a Bachelor of Science (Geology) from the University of Western Australia. Mr Edwards spent three years with Barclays Australia in their corporate finance department and then eight years as an exploration and mine geologist with companies such as Gold Mines of Australia Ltd, Eagle Mining Corporation NL and International Mineral Resources NL.

Mr Edwards is also a Non-Executive Director of ASX listed companies De.mem Limited (ASX:DEM), Norwood Systems Limited (ASX:NOR) and Dawine Limited (ASX:DW8).



## **2. Details of the Rights Offer**

### **2.1 The Rights Offer**

The Rights Offer is a non-renounceable pro rata offer of New Shares and Free Attaching Options to Eligible Shareholders.

Pursuant to the Rights Offer, Eligible Shareholders will be entitled to apply for 9 New Shares for every 10 Shares held at 5.00pm (WST) on the Record Date, at an issue price of \$0.002 per New Share, with two Free Attaching Options exercisable at \$0.004 on or before 30 April 2021 for every 5 New Shares issued.

The issue price is payable in full on application.

The Company presently has on issue 319,123,876 Shares, 82,567,146 quoted Options (two classes), 50,687 Convertible Notes, 13,525,493 Performance Shares (various classes) and 7,513,334 unquoted Options (various classes).

Based on the number of Shares expected to be on issue on the Record Date, a total of 287,211,488 New Shares and 114,884,595 Free Attaching Options will be offered under the Rights Offer, raising up to \$574,423 before costs.

The purpose of the Rights Offer and the intended use of the funds raised is set out in Section 1.2.

Information about how to accept your Rights and apply for the New Shares is set out in Section 3.

### **2.2 Non-renounceable offer**

The Rights Offer is non-renounceable which means that Eligible Shareholders cannot transfer their right to subscribe for New Securities under the Rights Offer to anyone else. Any New Securities that are not taken up by the Closing Date will automatically lapse and will form part of the Shortfall (see Section 2.9 for further details).

### **2.3 Entitlement and eligibility**

The Offers are made to Eligible Shareholders only.

All Shareholders with a registered address in Australia or New Zealand and who are registered as the holder of Shares at 5.00pm (WST) on Thursday, 23 November 2017 (**Record Date**) are Eligible Shareholders. The Offers are not extended to Shareholders who do not meet this criteria.

The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Prospectus.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fractions will be rounded to the nearest whole New Share, except where there is a half cent, in which case fractions will be rounded down.

To apply for New Securities under the Rights Offer, you must complete your Entitlement and Acceptance Form and lodge it with payment for the New Securities, or make a payment by the BPay® facility, by no later than 5.00pm (WST) on the Closing Date. Please see Section 3 for further information about accepting the Rights Offer.

Your rights to participate in the Rights Offer will lapse if you do not accept your Entitlement by the Closing Date. Any New Securities not applied for will form part of the Shortfall.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Securities allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Rights Offer proves to be false, exaggerated or unsubstantiated.

The Directors reserve the right not to proceed with the whole or any part of the Rights Offer at any time prior to the allotment of New Shares. In that event, relevant Application Monies will be refunded without interest.

## **2.4 Opening Date and Closing Date**

The Offers will open for receipt of Applications on Monday, 27 November 2017 (**Opening Date**) and will close at 5.00pm (WST) on Friday, 8 December 2017 (**Closing Date**). Subject to compliance with the Listing Rules (as relevant), the Company reserves the right to close the Offers early or to extend the Closing Date.

## **2.5 No minimum subscription**

There is no minimum subscription to the Offers.

## **2.6 Underwriting and broking**

The Offers are not underwritten.

The Company has appointed ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099 as the lead manager to the Offers (**Lead Manager**).

Refer to Section 8.1 for a summary of the Company's mandate agreement with the Lead Manager.

## **2.7 Placement to Directors**

Separately to the Offers under this Prospectus, the Company intends to conduct a placement to some or all of the Directors of the Company, of new Securities on the same terms as the New Securities offered under this Prospectus, being new Shares at an issue price of \$0.002 each, with 2 free attaching Options exercisable at \$0.004 each on or before 30 April 2021 for every 5 new Shares issued (**Director Placement**).

The number of Securities to be issued to the Directors pursuant to the Director Placement has not yet been finalised. As at the date of this Prospectus, the Company anticipates raising up to \$52,000 pursuant to the Director Placement.

The Director Placement is intended to take place after the close of the Offers, and will be subject to Shareholder approval.

## **2.8 Rights and liabilities attaching to New Shares and Free Attaching Options**

The New Shares issued under this Prospectus and on the exercise of Free Attaching Options will be fully paid and will rank equally in all respects with existing Shares. Each Free Attaching Option will be exercisable at \$0.004 on or before 30 April 2021. A

summary of the rights and liabilities attaching to the New Shares and Free Attaching Options is set out in Section 5.

## **2.9 Shortfall Offer**

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

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.002 (equal to the issue price under the Rights Offer).

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

The Shortfall Offer will open on Monday, 27 November 2017 and unless extended will close on Friday, 8 December 2017, being the same dates as the Rights Offer.

If after the close of the Offers, any Shortfall has not been subscribed for under the Rights Offer or Shortfall Offer, the Directors reserve the right to place some or all of that Shortfall within 3 months of the close of the Offers.

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

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

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

### **3. Accepting the Rights Offer**

#### **3.1 Action you may take**

The number of New Securities to which you are entitled is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you are an Eligible Shareholder you may:

- (a) accept your Rights in full;
- (b) accept your Rights in full and apply for additional New Securities under the Shortfall;
- (c) accept part of your Rights and allow the balance to lapse;
- (d) allow all of your Rights to lapse;

#### **3.2 Accepting your Rights in full or in part**

If you wish to accept your Rights in full or in part, either:

- (a) complete the Entitlement and Acceptance Form for the number of New Securities you wish to apply for in accordance with the instructions on the form. Return your completed form together with a cheque for the Application Monies to the Company's Share Registry (see Section 3.5); or
- (b) make a payment through the BPay® facility for the number of New Securities you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form – see Section 3.6.

Your Entitlement and Acceptance Form or BPay® payment must be received by no later than 5.00pm (WST) on the Closing Date.

If you do not accept all of your Rights then the balance of your Rights will lapse and the New Securities that are not subscribed for will form part of the Shortfall.

If you do not take up all of your Rights then your percentage shareholding in the Company will reduce.

#### **3.3 Accepting your Entitlement in full and applying for additional New Shares under the Shortfall Offer**

If you wish to accept your Rights in full and apply for New Securities under the Shortfall Offer either:

- (a) complete the Entitlement and Acceptance Form for all of your Rights and specify the number of additional New Securities you wish to apply for in accordance with the instructions on the form. Return your completed form together with a cheque for the Application Monies to the Company's Share Registry (see Section 3.5); or
- (b) make a payment through the BPay® facility for all of your Rights and the number of additional New Securities you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form.

Your Entitlement and Acceptance Form or BPay® payment must be received by no later than 5.00pm (WST) on the Closing Date.

The allocation and issue of New Securities under the Shortfall Offer will be determined by the Directors in their discretion. The allocation policy in relation to the Shortfall Offer is set out in Section 2.9.

### 3.4 Allowing your Rights to lapse

If you do not wish to accept any of your Rights you are not required to take any action. If you do nothing then your Rights will lapse. The New Securities not subscribed for will form part of the Shortfall.

If you do not take up all of your Rights then your percentage shareholding in the Company will reduce.

### 3.5 Lodging your Entitlement and Acceptance Form

Unless you are making payment by BPay®, completed Entitlement and Acceptance Forms and accompanying cheques for Application Monies must be mailed or delivered to:

**By hand delivery:**

Security Transfer Australia  
770 Canning Highway  
APPLECROSS WA 6153

**By post:**

Security Transfer Australia  
PO Box 535  
APPLECROSS WA 6953

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Kabuni Ltd**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than 5.00pm (WST) on the Closing Date.

The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Securities. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Company’s decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

### 3.6 Payment by BPay®

Payment by BPay® should be made according to the instructions set out on the Entitlement and Acceptance Form using the BPay® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPay® if you are a holder of an account with an Australian financial institution that supports BPay® transactions.

The reference number shown on each Entitlement and Acceptance Form (**Reference Number**) is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding separately. Failure to do so may result in an underpayment. If you pay by BPay® and do not pay for your full Entitlement, the remaining Entitlement will form part of the Shortfall.

If you pay by BPay®:

- (a) you do not need to return the Entitlement and Acceptance Form but are taken to have made the declarations on that 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 New Securities which is covered by your Application Monies.

You must ensure that your completed Entitlement and Acceptance Form or payment by BPay® is received by 5.00pm (WST) on the Closing Date. Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company is not responsible for any postal or delivery delays or delay in the receipt of BPay® payment.

### **3.7 ASX quotation of New Shares**

Securities under the Offers are expected to be issued and holding statements despatched as soon as practicable after the Closing Date, in accordance with the Listing Rules and the timetable set out on page iii. Securities issued under the Shortfall will be issued on a progressive basis. No issue of Securities will be made until ASX grants permission for quotation of the New Shares.

Application for official quotation on ASX of the New Shares issued pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the Securities. If permission for quotation is not granted by ASX within 3 months after the date of this Prospectus, the Securities will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

It is your responsibility to determine your holdings before trading in Securities. Any person who sells Securities before receiving confirmation of their holding will do so at their own risk.

The Directors reserve the right not to proceed with the whole or any part of the Offers at any time before the issue of New Securities. In that event, relevant Application Monies will be refunded without interest.

### **3.8 No brokerage**

No investor will pay brokerage as a subscriber for New Securities under the Offers.

### **3.9 Holding of Application Monies**

Application Monies will be held in a trust account until the New Securities are issued.

The trust account established by the Company for this purpose will be solely used for handling Application Monies.

Any interest earned on Application Monies will be for the benefit of, and will remain the sole property of, the Company, and will be retained by the Company whether or not the allotment and issue of New Securities takes place.

Applications and Application Monies may not be withdrawn once they have been received by the Company.

### **3.10 Excluded Shareholders**

The Rights Offer is not made to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Excluded Shareholders**). Neither the Prospectus nor the Entitlement and Acceptance Form constitutes an offer

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

In making the decision to not extend the Rights Offer to Excluded Shareholders the Company has taken into account the small number Shareholders outside Australia and New Zealand, the number and value of New Shares that would be offered to Shareholders outside Australia and New Zealand and the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Rights Offer made to Eligible Shareholders with an address in New Zealand is 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). The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Rights Offer is made to all Eligible Shareholders. The Company is not required to determine whether or not any registered Eligible Shareholder is holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares. Any Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that any dealing with New Shares issued under the Rights Offer do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Rights or the distribution of this Prospectus or the Entitlement and Acceptance Form.

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

### 3.11 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities (**CHESS Statement** or **Holding Statement**).

If you are broker sponsored, ASX Settlement will send you a CHESS Statement.

The CHESS Statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Share Register and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS Statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### **3.12 Privacy**

If you apply for New Securities you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, carry out appropriate administration and to facilitate distribution payments and corporate communications to you as a Shareholder.

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 Share Registry.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules of ASX. If you do not provide the information required on the Entitlement and Acceptance Form or Shortfall Application Form (as applicable), the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry at:

Security Transfer Australia  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: +61 1300 992 916  
Facsimile: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### **3.13 Taxation implications**

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Securities under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.



## 4. Effect of the Offers

### 4.1 Principal effect of the Offers on the Company

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

- (a) increase the number of Shares on issue from 319,123,876 Shares as at the date of this Prospectus to 638,014,739 Shares (including the 31,679,375 Shares to be issued on the automatic conversion of the Convertible Notes currently on issue, as described in Section 4.2 below);
- (b) increase the number of Unlisted Options on issue from 7,513,334 as at the date of this Prospectus to 122,397,929 Options; and
- (c) increase cash reserves by up to approximately \$519,423 immediately after completion of the Offers and payment of the costs and expenses set out in Section 1.2, including the estimated expenses of the Offers.

### 4.2 Effect on capital structure

The capital structure of the Company following completion of the Offers (assuming the Offers are fully subscribed) is set out below:

<b>Securities</b>	<b>Full subscription</b>
<b>Shares</b>	
Shares on issue as at the date of this Prospectus	319,123,876
New Shares issued under the Offers	287,211,488
Shares to be issued on the automatic conversion of Convertible Notes on Closing Date	31,679,375
Maximum total Shares on issue at completion of the Offers	638,014,739
<b>Unlisted Options</b>	
Unlisted Options on issue as at the date of this Prospectus	7,513,334
Unlisted Options issued under the Offers	114,884,595
Unlisted Options to be issued to the Lead Manager (refer to Section 8.1)	40,000,000
Maximum total unlisted Options on issue at completion of the Offers	162,397,929
<b>Convertible Notes</b>	
Convertible Notes on issue as at the date of this Prospectus	50,687
Convertible Notes to automatically convert on Closing Date (as described below in this Section 4.2)	50,687
Maximum total Convertible Notes on issue at completion of the Offers	Nil

### *Unlisted Options*

The Company currently has the following unlisted Options on issue:

- (a) 2,013,334 exercisable at \$0.18 on or before 31 March 2019;
- (b) 150,000 exercisable at \$0.13 on or before 6 November 2018;
- (c) 200,000 exercisable at \$0.13 on or before 31 October 2018;
- (d) 150,000 exercisable at \$0.05 on or before 30 September 2019;
- (e) 3,000,000 exercisable at \$0.06 on or before 30 June 2019;
- (f) 1,000,000 exercisable at \$0.06 on or before 31 March 2019;
- (g) 1,000,000 exercisable at \$0.06 on or before 30 June 2019; and
- (h) 127,649,550 exercisable at \$0.004 on or before 30 April 2021.

### *Convertible Notes*

As at the date of this Prospectus, the Company has 50,687 Convertible Notes on issue, with a face value of \$1 each, maturing on 31 December 2017.

A summary of the terms and conditions of the Convertible Notes is set out in Section 6.4 of the Explanatory Statement to the Notice of General Meeting announced by the Company to ASX on 13 September 2017. A copy of this Notice of General Meeting is available free of charge on Kabuni's website at [investor.kabuni.com](http://investor.kabuni.com) (refer to "ASX Announcements" on the website).

Pursuant to their terms, the 50,687 Convertible Notes on issue in the Company will automatically convert on the Closing Date. The number of Shares to be issued on the conversion of the Convertible Notes will be calculated by dividing the aggregate face value of the Convertible Notes, being \$50,687, by the conversion price, being equal to a 20% discount to the price at which New Shares will be issued under the Offers, being \$0.0016 per Share. Consequently, the number of Shares to be issued on the conversion of the Convertible Notes is 31,679,375.

### *Listed Options*

The Company currently has the following listed Options on issue:

- (i) 12,000,000 exercisable at \$0.30 on or before 25 August 2018 (ASX: KBUO); and
- (j) 70,567,146 exercisable at \$0.05 on or before 30 June 2019 (ASX: KBUEA).

### *Performance Shares*

The Company currently has four classes of Performance Share on issue, comprising 3,881,372 Class A Performance Shares, 3,881,375 Class B Performance Shares, 2,881,373 Class C Performance Shares and 2,881,373 Class D Performance Shares.

A summary of the terms and conditions of the Performance Shares is set out in Section 13.3 of the Company's prospectus dated 9 July 2015 (announced to ASX on 9 July 2015). A copy of this prospectus is available free of charge on Kabuni's website at [investor.kabuni.com](http://investor.kabuni.com) (refer to "ASX Announcements" on the website).

The number of Performance Shares on issue will not be affected by the Offers.

#### **4.3 Pro forma statement of financial position**

Set out below is:

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

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

The pro forma statement of financial position has been prepared on the following basis:

- (a) the maximum number of Securities are subscribed for under the Offers, being 287,211,488 New Shares at \$0.002 each and 114,884,595 Free Attaching Options, thereby raising up to \$574,423 of capital pursuant to the Prospectus;
- (b) 40,000,000 unlisted Options exercisable at \$0.004 on or before 30 April 2021 are issued to the Lead Manager, as set out in Section 8.1;
- (c) the Held for Sale Assets and Held for Sale Liabilities of the Company at 30 June 2017 which relate to the assets and liabilities of Kabuni Technologies Inc and Kabuni Technologies (India) Inc have been written off to the Profit & Loss Statement, which reflects the sale of these assets by the Company to Print The Future, Inc in October 2017; and
- (d) subsequent to 30 June 2017 the Company issued 285,000 Convertible Notes with a face value of \$1.00 each. Of those Convertible Notes, 234,313 have been converted, and 50,687 remain on issue. A liability in the amount of \$50,687 has been recognised with respect to those Convertible Notes. The funds raised from the issue of the Convertible Notes has been applied against expenditure incurred in the course of business and therefore written off to the Profit & Loss Statement.

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

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

## Pro Forma Statement of Financial Position

	Audited	Pro-forma Adjustments	
	30-Jun-17	50% Subscription (\$287,211)	Maximum Subscription (\$574,423)
	\$		
<b>Current assets</b>			
Cash and cash equivalents	134,352	375,180	653,775
Trade and other receivables	4,902	4,902	4,902
Prepaid expenses and deposits	31,350	31,350	31,350
Assets held for sale	548,309	-	-
<b>Total current assets</b>	<b>718,913</b>	<b>411,432</b>	<b>690,027</b>
<b>Non-current assets</b>			
Property and equipment	-	-	-
Intangible Assets	-	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>718,913</b>	<b>411,432</b>	<b>690,027</b>
<b>Current liabilities</b>			
Trade and other payables	149,033	149,033	149,033
Loans payable	-	50,687	50,687
Non-current liabilities related to assets held for sale	258,133	-	-
<b>Total liabilities</b>	<b>407,166</b>	<b>199,720</b>	<b>199,720</b>
<b>Net assets</b>	<b>311,747</b>	<b>211,712</b>	<b>490,307</b>
<b>Equity</b>			
Issued share capital	20,116,448	20,391,824	20,470,654
Reserves	4,254,139	4,593,010	4,792,775
Accumulated losses	(24,058,840)	(24,773,122)	(24,773,122)
<b>Total equity</b>	<b>311,747</b>	<b>211,712</b>	<b>490,307</b>

#### 4.4 Potential dilution

The Company's current issued Share capital comprises 319,123,876 Shares. If the Rights Offer is fully subscribed, 287,211,488 New Shares will be issued. Consequently, the Shareholdings of Shareholders who do not participate in the Rights Offer may be diluted by up to approximately 90%.

Examples of how the Rights Offer may dilute the holdings of Shareholders, assuming the Rights Offer is fully subscribed, are set out in the table below.

Holder	Shares held before Offers		Minimum Shares held post Offers	
	Number	Percentage	Number	Percentage
Shareholder 1	10,000,000	3.13%	10,000,000	1.57%
Shareholder 2	5,000,000	1.57%	5,000,000	0.78%
Shareholder 3	1,000,000	0.31%	1,000,000	0.16%
Shareholder 4	500,000	0.16%	500,000	0.08%
Shareholder 5	20,000	0.01%	20,000	0.00%

**Note:** This table takes into account the issue of 319,123,876 Shares on the automatic conversion of the Convertible Notes on the Closing Date, as set out in Section 4.2 above.

#### 4.5 Details of substantial Shareholder

The Company's substantial Shareholder, J & J Bandy Nominees Pty Ltd as trustee for the J & J Bandy Superannuation Trust (**J&J Bandy**) has a relevant interest in 49,500,000 Shares, being a relevant interest of 15.51%.

If all of the Rights are accepted there will be no change to the percentage shareholding interests of J&J Bandy on completion of the rights Offer. If only part of the Rights are accepted then there may be a change to the percentage shareholding interest of the substantial Shareholders on completion of the Offer. Potential changes to the voting power of J&J Bandy are set out in Section 4.6 below.

#### 4.6 Effect of Offers on control of the Company

The Company presently has 319,123,876 Shares, 82,567,146 Listed Options, 50,687 Convertible Notes, 13,525,493 Performance Shares (various classes) and 7,513,334 Unlisted Options on issue (various classes).

The potential interests of the Company's substantial Shareholder, J&J Bandy, assuming different amounts subscribed for under the Rights Offer by other Eligible Shareholders, are shown in the table below.

Name	Percentage of total Shares before Offers	Percentage of total Shares after Offers		
		100% take up	50% take up	0% take up
J&J Bandy	15.51%	14.74%	17.66%	23.79%

**Note:** This table takes into account the issue of 319,123,876 Shares on the automatic conversion of the Convertible Notes on the Closing Date, as set out in Section 4.2 above, and assumes that no Options are exercised, and no Performance Shares vest, and that the Company does not issue any other Shares.

Descriptions of the different levels of take up are as follows:

- (a) “100% take up” assumes that all Eligible Shareholders, including each substantial Shareholder, accept 100% of their Rights, and that any Shortfall is placed;
- (b) “50% take up” assumes that J&J Bandy accepts all of its rights, and all other Eligible Shareholders accept 50% of their Rights (or that the Shortfall is otherwise placed such that 50% of Rights are accepted); and
- (c) “0% take up” assumes that J&J Bandy accepts all of its rights, and no other Eligible Shareholder accepts any of its Rights.

If J&J Bandy accepts none of its Rights, and the Offers are otherwise fully subscribed, J&J Bandy will have a relevant interest in Shares of 7.76%.

The Company and the Lead Manager in consultation with J&J Bandy intend to manage the Offers such that J&J Bandy will not acquire as a result of the Offers, a relevant interest in Shares of 20% or more.

If all of the Eligible Shareholders under the Rights Offer accept their Rights in full, then the Rights Offer will have no effect on the control of the Company. In this case, Eligible Shareholders will maintain their percentage shareholding interest in the Company.

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

#### **4.7 Effects of the Offers on activities of the Company**

The issue of New Securities under the Offers will provide funds for the purposes set out in Section 1.2.

Following the Offers, the Company intends to spend approximately \$50,000 on sales and marketing to undertake assessment of the Design Campus online database and to develop a commercialisation strategy, and to spend the remaining funds on the costs of the Offers, corporate administration, directors' fees, project evaluation, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

## **5. Rights and liabilities attaching to Securities**

### **5.1 Rights and liabilities attaching to Shares**

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

#### **(a) Share capital**

All issued ordinary fully paid shares in the capital of the Company rank equally in all respects.

#### **(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 has, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, one vote for the Share, but in respect of partly paid Shares has 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 persons (if any) entitled to Shares with special rights to dividend the Directors may declare such dividends out of profits as may appear to the Directors to be justified in accordance with the Corporations Act and may authorise the payment by the Company to the Shareholders of such a dividend. The Directors may authorise the payment to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

#### **(d) Rights on winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, 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 of the Company, 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. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) **Transfer of Shares**

Generally, Shares 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 or the Listing Rules.

(f) **Further increases in capital**

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine.

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may grant Options with rights of conversion to Shares or pre-emptive rights to any Shares, to any person, for any consideration, as the Directors resolve.

(g) **Variation of rights attaching to Shares**

Pursuant to 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.

(h) **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.

## 5.2 **Terms and conditions of Free Attaching Options**

- (a) Each Option gives the holder (**Option Holder**) the right to subscribe for one Share.



- (b) The Options will expire at 5.00 pm (WST) on 30 April 2021 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.004 (**Exercise Price**).
- (d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount on the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by payment of the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are freely transferrable.
- (i) All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with other Shares.
- (j) The Company will not apply for official quotation of the Options on ASX.
- (k) The Company will apply for official quotation by the ASX of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) Subject to paragraph (l), 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.

## 6. Risk factors

### 6.1 Introduction

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

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Prospectus and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code ASX:KBU) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

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

Shareholders should consider the risk factors set out in Section 1.3 above and in Section 6.2 below which the Directors believe represent some of the key, specific and general risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. These risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

### 6.2 Additional risks relating to the Company

In addition to the key risks out in Section 1.3 above, the following risks have been identified as being risks relevant to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its listed securities.

- (a) **Key personnel:** The Company's future success will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, and user support representatives. The loss of any key member of senior management could have a material adverse effect on the Company's business, results of operations and financial condition.
- (b) **Stock market conditions:** As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares.

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

- (c) **Liquidity risk:** There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This

may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offers.

- (d) **Securities investment risk:** Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of start-up technology companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.
- (e) **Taxation:** There may be taxation implications arising from an application for Shares, the receipt of dividends (both franked and unfranked) from the Company, participation in any on-market Share buy-back and on the disposal of Shares.
- (f) **Other risks:** Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

### **6.3 Investment speculative**

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 securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities.

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

## 7. Continuous disclosure documents

### 7.1 Continuous disclosure obligations

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

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

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

The New Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus.

### 7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2017 annual financial report on 2 October 2017:

Date	Description of ASX Announcements
14 November 2017	Financial Statements and MD&A
14 November 2017	Selective Capital Reduction - ASIC Form
6 November 2017	Final Director's Interest Notice
6 November 2017	Initial Director's Interest Notice
3 November 2017	Cleansing Notice
3 November 2017	Appendix 3B – shares issued on convertible note conversion
3 November 2017	Kabuni Board Changes
31 October 2017	Quarterly Cashflow Report
31 October 2017	Completion of Selective Capital Reduction
27 October 2017	Notice of Annual General Meeting/Proxy Form
24 October 2017	Final Directors Interest Notice
24 October 2017	Director Resignation
18 October 2017	Completion of Transaction with PTF
16 October 2017	Results of Meeting

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

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website at <http://investor.kabuni.com/> or at ASX's website at [www.asx.com.au](http://www.asx.com.au).

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

- (a) the annual financial report of the Company for the financial year ended 30 June 2017, being the annual financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (b) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

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

## **8. Additional information**

### **8.1 Lead Manager agreement with Alto Capital**

On 16 November 2017, the Company entered into a mandate agreement with the Lead Manager, being ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099, pursuant to which the Lead Manager will provide capital raising and corporate advisory services with respect to the Offers (**Mandate Agreement**).

Pursuant to the Mandate Agreement, the Lead Manager is entitled to be paid the following fees with respect to the Offers:

- (a) a rights issue lead management fee of \$15,000;
- (b) a lead management fee equal to 2% of any Shortfall placed by the Lead Manager; and
- (c) a capital raising fee equal to 4% of any Shortfall placed by the Lead Manager; the Lead Manager may pass on all or part of this fee to other AFSL holders participating in the Offer.

Pursuant to the Mandate Agreement, the Lead Manager has agreed to provide ongoing corporate advisory services for a period of 6 months, which services include assisting the Company with investor relations and communication and equity capital markets strategy.

In consideration for the provision of these services, the Company has agreed to issue to the Lead Manager (or its nominee) 40,000,000 unlisted Options exercisable at \$0.004 each on or before 30 April 2021, at an issue price of \$0.0001 each. The Company will raise a total of \$4,000 from the issue of these Options. The Company does not intend to seek Shareholder approval for the issue of these Options, but may seek ratification of their issue at a future general meeting.

All fees set out above are expressed exclusive of GST.

### **8.2 Company Secretarial Services agreement with Ventnor Capital**

By agreement between Ventnor Capital Pty Ltd (**Ventnor Capital**) and the Company dated on or about 30 December 2017, the Company agreed to retain Ventnor Capital to provide to the Company, on the terms and conditions set out in the agreement, company secretarial services.

In consideration for the provision of the services set out above, the Company must pay a monthly fee of \$2,000 (plus GST) to Ventnor Capital, and reimburse Ventnor Capital for direct out of pocket expenses incurred and/or paid by Ventnor Capital on behalf of the Company. For services provided by Ventnor Capital to the Company that are not described above, Ventnor Capital is entitled to be paid additional fees, calculated on an hourly basis.

Ventnor Capital has provided services to the Company with respect to the preparation of this Prospectus, and is expected to be paid \$7,500 (plus GST) in respect of those services.

Ventnor Capital is a related party of the Company as Mr Stuart Carmichael, a Non-Executive Director of the Company, is also a director of Ventnor Capital.

### 8.3 Litigation

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

### 8.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which a Director is a partner or director, has or has had in the 2 years before the date of this Prospectus, any interest in:

- (a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (b) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or proposed director or to any entity in which such a Director or proposed director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

### 8.5 Security holding interests of Directors

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

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Stuart Carmichael	Nil	Nil	Nil	Nil
Colm O'Brien	Nil	300,000 <sup>1</sup>	Nil	1,000,000 <sup>2</sup>
Michael Edwards	Nil	33,333 <sup>3</sup>	10,000 <sup>4</sup>	140,000 <sup>5</sup>

**Notes:**

1. Shares held by Miss Fiona Elizabeth George + Mr Colm John O'Brien <The Douglas A/C>, of which Mr O'Brien is a beneficiary.
2. Unlisted Options exercisable at \$0.06 each on or before 30 June 2019, held by Miss Fiona Elizabeth George + Mr Colm Joen O'Brien <The Douglas A/C>, of which Mr O'Brien is a beneficiary.
3. Shares held by Shadwick Nominees Pty Ltd, of which Mr Edwards is a director.
4. Listed Options exercisable at \$0.30 each on or before 25 August 2018 (ASX:KBUO).
5. Listed Options exercisable at \$0.30 each on or before 25 August 2018 (ASX:KBUO) held by Shadwick Nominees Pty Ltd, of which Mr Edwards is a Director.

Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Offers.

### 8.6 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by the Company in a general meeting. The aggregate maximum is presently set at \$150,000 per annum. The Managing Director may receive such remuneration as the Directors determine.

A Director may be reimbursed for out of pocket expenses incurred as a result of their directorship.

Details of remuneration provided to Directors and former Directors during the past two financial years is as follows:

<b>Director</b>	<b>Financial year ended 30 June 2016</b>	<b>Financial year ended 30 June 2017</b>
Michael Edwards (Appointed 3 November 2017)	N/A	N/A
Stuart Carmichael (Appointed 30 June 2017)	N/A	N/A
Ajai Sehgal (Appointed 1 August 2016)	N/A	\$45,350 (includes director fees of \$32,083 and share based payments of \$13,267)
Colm O'Brien (Appointed 18 July 2016)	N/A	\$46,668 (includes director fees of \$33,401 and share based payments of \$13,267)
Nathan Sellyn (Resigned 2 November 2017)	\$13,367 (includes director fees of \$12,742 and non-monetary benefits of \$625)	\$46,600 \$ (includes director fees of \$33,333 and share based payments of \$13,267)
Tony King (Resigned 30 June 2017)	\$94,075 (includes salary of \$76,250, superannuation of \$14,088, and non-monetary benefits of \$3,737)	\$64,275 (includes salary of \$60,000, superannuation of \$4,275)
Neil Patel (Resigned 6 April 2017)	\$200,904 (includes salary of \$191,517, and non-monetary benefits of \$9,387)	\$177,292 (includes salary of \$177,292)
Nikolas Ajagu (Resigned 18 November 2016)	\$13,113 (includes director fees of \$12,500 and non-monetary benefits of \$613)	\$5,750 (includes director fees of \$5,750)
Matthew Hehman (Resigned 18 July 2016)	\$210,763 (includes director fees of \$11,849, share based payments of 198,333 and non-monetary benefits of \$581)	\$726 (includes director fees of \$726)
Cameron Pearce (Resigned 16 September 2015)	\$8,581 (includes director fees of \$7,500, non-monetary benefits of \$368 and superannuation of \$713)	N/A



Director	Financial year ended 30 June 2016	Financial year ended 30 June 2017
Travis Schwertfeger (Resigned 25 August 2015)	\$5,149 (includes director fees of \$4,500, non-monetary benefits of \$221 and superannuation of \$428)	N/A

### 8.7 Director indemnity deeds

The Company has entered into a deed of indemnity with each of the Directors.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all Directors against all losses or liabilities incurred by each Director in their capacities as Directors.

### 8.8 Expenses of the Offers

The estimated expenses payable in cash by the Company in respect of costs associated with this Prospectus and the Offers, including offer management, broking fees, legal, accounting, corporate advisory, printing, ASIC and ASX fees and other costs will be approximately \$55,000 (assuming full subscription of the offer).

### 8.9 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Stantons International Audit & Consulting Pty Ltd (**Stantons**) is the Company's auditor. Stantons has provided other accounting and auditing services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$212,025.55 (including GST) for those other services.

ACNS Capital Markets Pty Ltd trading as Alto Capital has been engaged to act as Lead Manager with respect to the Offers and is entitled to be paid the amount set out in Section 8.1 (plus GST) in respect of these services. In addition, the Lead Manager has provided other services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$98,281.80 (including GST) for those other services.

Ventnor Capital Pty Ltd has provided assistance to the Company with respect to the preparation of this Prospectus, and is entitled to be paid \$7,500 (plus GST) in respect of these services. In addition, Ventnor Capital Pty Ltd has provided other services to

the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$45,000 (including GST) for those other services.

Jackson McDonald has acted as solicitors to the Company in relation to the Offers and legal due diligence enquiries in respect of the Company and is entitled to be paid approximately \$15,000 (plus GST) in respect of these services. In addition, Jackson McDonald has provided other legal services to the Company in the period 2 years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$51,149.10 (plus GST) for those other services.

#### **8.10 Consents and liability statements**

Jackson McDonald has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in the form and context in which it is named.

Security Transfer Australia Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Share Registry in the form and context in which it is named.

ACNS Capital Markets Pty Ltd trading as Alto Capital has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Lead Manager in the form and context in which it is named.

Ventnor Capital Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus in the form and context in which it is named.

Stantons has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Company's auditor in the form and context in which it is named.

Each of Jackson McDonald, ACNS Capital Markets Pty Ltd trading as Alto Capital, Stantons, Ventnor Capital Pty Ltd and Security Transfer Australia Pty Ltd:

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

#### **8.11 Market prices of Shares on ASX**

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

	<b>Price</b>	<b>Date</b>
Highest	\$0.008	30 October 2017
Lowest	\$0.003	9 October 2017

Latest	\$0.005	16 November 2017
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**Note:** trading data prepared by ASX, who has not consented to its use in this Prospectus.

## 9. Directors' responsibility statement and consent

The Directors state that they have made all reasonable enquiries and that on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statements made in the Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements; those persons have given their consent before lodgement of this Prospectus with ASIC or, to the Directors' knowledge, before any issue of New Securities pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

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

**Stuart Carmichael**  
Non-Executive Chairman

for and on behalf of the Company

Dated: 17 November 2017

## 10. Glossary of Terms

<b>AFSL</b>	Australian Financial Services Licence.
<b>Applicant</b>	A person who applies for New Securities in accordance with this Prospectus.
<b>Application</b>	A valid application for New Securities offered under this Prospectus.
<b>Application Monies</b>	The monies payable by Applicants to the Offers.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning set out in the Listing Rules.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ACN 008 504 532.
<b>ASX Settlement Rules</b>	The settlement rules of ASX Settlement.
<b>Board</b>	The board of Directors.
<b>Business Day</b>	A day: (a) that is a business day as defined in the Listing Rules; and (b) which is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
<b>CHESS</b>	Clearing House Electronic Sub-register System operated by ASX Settlement.
<b>CHESS Statement or Holding Statement</b>	A statement of shares registered in a CHESS account.
<b>Closing Date</b>	The closing date of the Offers as set out in Section 2.4.
<b>Company or Kabuni</b>	Kabuni Ltd (ACN 158 307 549).
<b>Consolidated Entity</b>	The Company and its subsidiaries.
<b>Constitution</b>	The constitution of the Company.
<b>Convertible Note</b>	A convertible note in the Company, the terms and conditions of which are summarised in Section 6.4 of Explanatory Statement to the Notice of General Meeting announced by the Company to ASX on 13 September 2017.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company as at the date of this Prospectus.
<b>Eligible Jurisdictions</b>	Australia and New Zealand.
<b>Eligible Shareholder</b>	A Shareholder who is: (a) a registered holder of Shares on the Record Date; (b) has a registered address in Australia or New Zealand as shown in the Share Registry; (c) not in the United States or a U.S. Person or acting for the account of or benefit of a U.S. Person; and (d) eligible under all applicable securities laws to receive an offer under the Rights Offer.

<b>Entitlement</b>	The number of New Shares and Free Attaching Options that a Shareholder is entitled to apply for under the Rights Offer, as determined by the number of Shares held by that Shareholder at the Record Date.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form accompanying this Prospectus.
<b>Excluded Shareholder</b>	A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction.
<b>Existing Share</b>	A share issued before the date of this Prospectus.
<b>Existing Shareholder</b>	A holder of an Existing Share.
<b>Free Attaching Option</b>	The Options that may be issued under this Prospectus on the terms set out herein.
<b>GST</b>	Goods and services tax.
<b>Lead Manager</b>	ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099.
<b>Listing Rules</b>	The listing rules of ASX.
<b>Lodgement Date</b>	The date of lodgement of the Prospectus with ASIC as set out on page iii.
<b>New Securities</b>	New Shares and Free Attaching Options.
<b>New Shares</b>	The Shares that may be issued under this Prospectus on the terms set out herein.
<b>Offer Period</b>	The period commencing on the Opening Date and ending on the Closing Date.
<b>Offers</b>	The Rights Offer and the Shortfall Offer, or either one of those offers as the case may be.
<b>Official List</b>	The official list of ASX.
<b>Official Quotation</b>	Official quotation by ASX.
<b>Opening Date</b>	The opening date of the Rights Offer as set out in Section 2.4.
<b>Option</b>	An option to subscribe for a Share.
<b>Option Holder</b>	The holder of an Option.
<b>Performance Share</b>	A right to acquire a Share subject to the satisfaction of defined milestone events.
<b>Privacy Act</b>	<i>Privacy Act 1988</i> (Cth).
<b>Prospectus</b>	This prospectus dated 17 November 2017, including any electronic or online version of this prospectus.
<b>Record Date</b>	5.00pm (WST) on 23 November 2017 or such other date as may be determined by the Directors.
<b>Right</b>	The right to subscribe for New Shares under an Offer.
<b>Rights Offer</b>	The offer of New Shares and Free Attaching Options under this Prospectus.
<b>Section</b>	A section of this Prospectus.
<b>Securities</b>	Shares and/or Options.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.

<b>Share Registry</b>	The Company's share registry, Security Transfer Australia Pty Ltd ACN 008 894 488.
<b>Shareholder</b>	The holder of a Share.
<b>Shortfall</b>	The number of New Securities offered under this Prospectus for which valid Applications have not been received from Eligible Shareholders before the Closing Date.
<b>Shortfall Application Form</b>	An application form for New Securities under the Shortfall Offer.
<b>Shortfall Offer</b>	The offer of Shortfall Shares and Free Attaching Options under this Prospectus.
<b>Shortfall Securities</b>	Shortfall Shares and Free Attaching Options offered to Shareholders in accordance with this Prospectus as set out in Section 2.9.
<b>Shortfall Shares</b>	Shortfall Shares offered to Shareholders in accordance with this Prospectus as set out in Section 2.9.
<b>U.S. Person</b>	Any person in the United States or any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended).
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.