ADDITIVE MANUFACTURING
ASX:3DA

ASX ANNOUNCEMENT **15 June 2022**

Section 708A(12C)(e) Cleansing Notice

This notice is given by Amaero International Limited ('**3DA**' or the '**Company**') under section 708A(12C)(e) of the Corporations Act 2001 (Cth) (Corporations Act) as amended by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82.

The Company hereby confirms that:

(a) the convertible notes described below will be issued without disclosure to an investor under Part 6D.2 of the Corporations Act; and

(b) this Cleansing Notice has been given in accordance with section 708A(12c)(e) of the Corporations Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (Shares) issued on the conversion of the convertible notes issued by the Company on the terms described below (Convertible Notes), to be on-sold to retail investors without further disclosure.

---

1. BACKGROUND

1.1 Convertible Note Terms

As announced on 12 May 2022, the Company secured ~A$11.0million in funding from institutional investors (**Subscribers**), of which ~A$2.8 million was raised through the issue of 2,806,159 Senior Convertible Notes to Pegasus Growth Capital Fund I.

The material terms of the Convertible Notes are as follows:

Item	**Matter**	**Particulars**
1.	**Issuer:**	Amaero International Limited (ACN 633 541 634).
2.	**Securities to be issued:**	2,806,159 Convertible Notes with a Face Value of AUD 1.00 each convertible into ordinary shares in the capital of the Issuer.
3.	**Investor:**	Pegasus Growth Capital Fund I, LP.
4.	**Investment:**	AUD 2,806,159 (USD 1,950,000, at agreed exchange rate of 1 AUD to USD 0.6949)
5.	**Use of proceeds:**	Working capital.

Amaero International Limited (ABN: 82 633 541 634)
11-13 Normanby Road, Notting Hill, VIC, 3168, Australia
T: +61 3 9905 9847 info@amaero.com.au www.amaero.com.au

6.	**Interest on Convertible Notes:**	2.25% per annum from the issue date until the earlier of: (i) the conversion or redemption date and (ii) the first 12 months from the issue date; then 15% per annum until the earlier of the Maturity Date and the conversion or redemption date. Interest on outstanding Convertible Notes will be paid monthly in arrears. All interest to be paid in cash (not PIK or converted to Shares).
7.	**Maturity Date:**	36 months from the date of issue of the Convertible Notes.
8.	**FIRB Approval**	In this section, Investor Actions means: (a) the acquisition by the Investor of an interest in 10% or more of the Issuer's securities (through the issue and conversion of the Convertible Notes and the issue and exercise of the Options); and (b) the Investor being in a position to influence or participate in the central management and control of the Issuer (including through the Issuer appointing Mr Hank Holland as a director). No Convertible Note will convert into ordinary shares unless and until: (A) one or more of the following has occurred (FIRB Approval condition): 1. The Investor (which is subject to the Foreign Acquisitions and Takeovers Act (FATA)) receives written notification from or on behalf of the Treasurer of the Commonwealth of Australia (Treasurer) stating that the Commonwealth government does not object to the Investor Actions either without conditions or subject to the last paragraph of this section below, with conditions acceptable to the Investor (acting reasonably and in good faith); 2. the Treasurer becomes precluded from making any order or decision under part 3 of FATA because the applicable time limit on making orders and decisions under those provisions has expired; 3. where an interim order is made under section 68 of FATA in respect of the Investor Actions, the subsequent period for making an order or decision under part 3 of FATA elapses without the Treasurer making such an order or decision; or

		4. the Treasurer (or the Treasurer's delegate) has provided written confirmation to the Investor that the Investor Actions are exempt from the requirements of FATA. OR (B) the Issuer and Investor agree in writing that FIRB Approval is no longer legally required for the Investor Actions. The Investor must do everything reasonably required including the making and filing of all notices and payments, responding promptly to requests and supplying all necessary, complete and accurate information to FIRB to make sure that the FIRB Approval condition is satisfied as soon as practicable. The Investor must consult with the Issuer and provide it with copies of all documents proposed to be submitted to FIRB in relation to the FIRB Approval condition and give the Issuer a reasonable opportunity to comment on such documents and give due regard to them. The Investor may redact commercially sensitive information from any material provided to the Issuer. As soon as practicable after lodgement of the FIRB notification, the Investor must provide regular status updates in relation to all communications received from FIRB in relation to the progress of its FIRB notification and must immediately advise the Issuer on satisfaction of the FIRB Approval condition and provide a copy of all materials received from FIRB in relation to that outcome. The Issuer agrees to give the Investor and its advisors all reasonable assistance to obtain FIRB Approval. The Investor must accept, and will be taken to have accepted the following conditions imposed by FIRB: 1. the tax conditions set out in Section D of Guidance Note 12 issued by FIRB (as amended or replaced from time to time), 2. any conditions relating to the use, access, handling, storage and/or security (including cyber security) of data which may be accessible to any investor or any related party, 3. any conditions relating to the composition of the board of the Issuer following closing (except conditions relating to the Investor's nominee, as noted below); and 4. any condition relating to any reporting and/or auditing obligation imposed on the investor to demonstrate

		compliance with any conditions attaching to the FIRB Approval condition. The parties agree that: • FIRB Approval is taken to be given (or not) if it applies to all Investor Actions; and • if FIRB approves the Investor's acquisition of an interest of 10% or more in the Issuer; but does not approve the Investor being in a position to influence or participate in the central management and control of the Issuer (including through the Issuer appointing Mr Holland or another nominee as a director), then for the purposes of the Convertible Notes, 'FIRB Approval' will not have been given and the mandatory conversion does not apply.
9.	**Redemption prior to the Maturity Date:**	The Issuer may not redeem the notes before the Maturity Date.
10.	**Conversion:**	The Convertible Notes will be converted into 13,362,663 Shares (calculated at a per share issue price of AUD $0.21) as follows: • Upon satisfaction of the FIRB Approval condition within 12 months from the date of issue – conversion is mandatory; • Upon satisfaction of the FIRB Approval condition after 12 months from the date of issue – conversion is at the discretion of the Investor. However, if the issuance of a cleansing notice under section 708A of the Corporations Act would materially prejudice the interests of the Issuer by reason of forcing disclosure of information which would not otherwise require disclosure under ASX Listing Rule 3.1, then the Issuer will issue to the noteholders ordinary shares on a date to be determined by the Issuer, provided that such date will be no later than the date which is 3 business days after the date on which the board of the Issuer has determined that it would no longer be materially prejudiced by issuing the cleansing notice. The Issuer will do everything reasonably required to obtain ASX quotation of all ordinary shares issued on conversion of the Convertible Notes as soon as practicable after issue of such shares. The Issuer will do everything reasonably required to obtain approval of the Issuer's shareholders for the issue and conversion of the notes, if required under ASX Listing Rules.

		All ordinary shares issued on conversion of any convertible note will rank equally in all respects with other ordinary shares in the capital of the company.
11.	**No other conversion events:**	The notes may only be converted on satisfaction of the FIRB Approval condition noted above (or if the parties agree that the FIRB Approval condition is no longer required).
12.	**Redemption on Maturity:**	If any of the Convertible Notes have not earlier been converted or redeemed, the Issuer must redeem all outstanding Convertible Notes on the Maturity Date.
13.	**Mandatory Redemption On a Liquidation Event:**	If an event of default (including a liquidation process) in respect of the Issuer (Liquidation Event) occurs, the Investor will be entitled to redeem their Convertible Notes for the full Face Value together with accrued but unpaid interest subject to the remediation right referred to below.
14.	**Security:**	Unsecured.
15.	**Events of Default:**	an Insolvency Event occurs in respect of the Issuer; or the Issuer defaults in the performance of a material obligation under the note deed, which is not remedied within 21 days.
16.	**No voting etc rights:**	The Convertible Notes do not confer on the Investor any entitlement to: attend or vote at a general meeting of the Issuer's shareholders; receive dividends; or participate in any rights issue, bonus issue or other equivalent offer or invitation of Shares or other securities to the holders of Shares, other than upon the issue of Shares on conversion of the Convertible Notes. For the purposes of this paragraph, 'other equivalent offer or invitation of Shares or other securities to the holders of Shares' means a new issue with a minimum issue price of the new shares that is no less than 75% of the trading price (i.e. a maximum 25% discount, based on the previous 15-day volume weighted average price).
17.	**Bonus issues or deeply discounted issues**	If before the Conversion Date, the Issuer makes a Bonus Issue, the number of Shares over which a Note is converted will be increased by the number of Shares which the Investor would have received if the Note had been Converted before the record date for the Bonus Issue. If before the Conversion Date, the Issuer makes a pro-rata offer or invitation of Shares or other securities to the holders of Shares with an issue price that is less than 75% of the 15-day VWAP (Deeply Discounted Issue), the number of Shares over which a Note is Converted will be increased as follows: BI = DDI * D

		Where: BI equals the extra Shares to be treated as a Bonus Issue and issued on Conversion D equals the discount to VWAP (which must be more than 25% for this term to apply) expressed as a decimal DDI equals the number of Shares issued in the Deeply Discounted Issue.
18.	**Limited Transfer Rights:**	Noteholders to have a right to transfer the Convertible Notes to related bodies corporates including replacement trustees (provided there is no change in beneficial holding) and other associates (as applicable), with prior consent of the Issuer, and provided a proposed transferee each enter into an accession deed agreeing to be bound by the Convertible Note Deed. The Issuer may refuse consent at its discretion, including where it believes that any transfer may delay or hinder achieving the FIRB Approval condition.
19.	**Reconstruction of share capital:**	If there is a reconstruction (including a consolidation, subdivision, reduction and/or return) of the issued capital of the Issuer which impacts on the conversion rights of a Noteholder, such conversion rights will be reconstructed in the same proportion as the issued capital of the Issuer is reconstructed and in a manner which will result in an equivalent benefit being conferred on a Noteholder to that which is conferred on the Issuer's shareholders. In all other respects, the terms for conversion of the Convertible Notes will remain unchanged.
20.	**Expenses:**	Issuer to reimburse the Investor for costs of external Australian legal counsel engaged by the Investor (and other related expenses) to satisfy the FIRB Approval condition, otherwise each party must pay its own costs and expenses in respect of the negotiation, preparation, execution and delivery of this document, and the Convertible Note Documents.
21.	**Governing Law and Courts:**	Victoria, Australia.

The Issuer and the Investor have entered into a Convertible Note Deed (**Note Deed**) reflecting these terms.

1. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

(a) in relation to the Convertible Notes:
   (i) the effect of the issue on the Company;
   (ii) a summary of the rights and liabilities attaching to the Convertible Notes; and
   (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Convertible Notes; and

(b) any information that:

   (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and

   (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:

      (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

      (B) the rights and liabilities attaching to the Shares; and

   (iii) other information relating to the Company's status as a disclosing entity.

2. THE EFFECT OF THE ISSUE ON THE COMPANY

2.1 Effect of the issue on the Company

The principal effect of the issue of the Convertible Notes on the Company will be:

(a) the satisfaction of the Company's obligations under the Note Deed;

(b) an increase in the number of unquoted Convertible Notes on issue from nil to 2,806,159;

(c) the Company having a liability for the aggregate amount of the Face Value of the Convertible Notes, and interest payable on the Notes; and

(d) if the Convertible Notes are converted at the agreed conversion price (being $0.21), a maximum increase in the number of Shares on issue from 236,586,037 to 249,948,700.

2.2 Pro Forma Consolidated Statement of Financial Position taking into Account the Issue of the Convertible Notes

Set out in Annexure A is a pro forma consolidated Statement of Financial Position for the Company and its controlled entities ("consolidated entity") based on the reviewed financial statements of the consolidated entity as at 31 December 2021 adjusted to reflect:

(i) the issue (and agreement to issue) shares and options announced on 12 May 2022; and

(ii) (ii) the proposed Convertible Notes issue and has been prepared on the basis of the accounting policies normally adopted by the Company.

The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.

2.3 POTENTIAL EFFECT ON CAPITAL STRUCTURE

(a) As at the date of this Cleansing Notice, the total number of issued Shares is 236,586,037;

(b) As at the date of this Cleansing Notice, the total number of Unquoted Securities is as follows:

Other Securities on issue:	**Number**
3DAAE: PERFORMANCE RIGHTS	481,390
3DAAF: OPTION EXPIRING 10-DEC-2022 EX $1.00	3,500,000
Total Options/Rights on issue on completion of the Offer	3,981,390

(c) The capital structure of the Company will be affected by both the conversion of Convertible Notes by the Noteholder and the issue of Options (as announced on 12 May 2022, and subject to shareholder approval) which will each result in additional Shares being issued.

(d) As at the date of this Cleansing Notice, the effect on the issued share capital of the Company upon the issue and conversion of the Convertible Notes:

Shares:	Number
Shares issued on the date of this Cleansing Notice	236,586,037
Shares issued upon conversion of the Convertible Notes	13,362,663
Total Shares on issue following conversion of all Convertible Notes	**249,948,700**

Other Securities on issue:	Number
3DAAE: PERFORMANCE RIGHTS	481,390
3DAAF: OPTION EXPIRING 10-DEC-2022 EX $1.00	3,500,000
Options issued upon conversion of the Convertible Notes	6,681,331
Total Options/Rights on issue following the issue of the Options under the Term Sheet	**10,662,721**

Convertible Notes:	Number
Convertible Notes on issue at the date of this Cleansing Notice	0
Convertible Notes to be issued under the Terms Sheet	2,806,159
Total Convertible Notes on issue following issue of the Convertible Notes under the Terms Sheet	**2,806,159**

3. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE CONVERTIBLE NOTES

The Shares issued to the Noteholder on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing Shares. The rights attaching to the Shares, including new Shares to be issued to the Noteholder on the conversion of the Convertible Notes, are set out in the Company's constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The Company intends to apply to ASX for quotation of the Shares issued on conversion of any Convertible Notes.

Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which can be inspected free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(A) GENERAL MEETINGS

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's constitution.

(B) VOTING RIGHTS

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

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

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

(C) DIVIDEND RIGHTS

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

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

(D) 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.

(E) SHAREHOLDER LIABILITY

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

(F) TRANSFER OF SHARES

Generally, Shares 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 ASX Listing Rules.

(G) FUTURE INCREASE IN CAPITAL

The allotment and issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Company's constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue securities as they shall, in their absolute discretion, determine.

(H) VARIATION OF RIGHTS

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.

(I) ALTERATION OF CONSTITUTION

In accordance with the Corporations Act, the Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a "disclosing entity" under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Shares (subject to certain exceptions).

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from ASIC (at www.asic.gov.au).

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

(a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2021;

(b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Cleansing Notice with ASX; and

(c) any continuous disclosure notices given by the Company to ASX after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Cleansing Notice with ASX.

A list of the continuous disclosure notices given by the Company to ASX after lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Cleansing Notice with ASX is set out in the table below.

Date	**Announcement**
26 May 2022	Notice under Section 708A(5)(e) of the Corporations Act
25 May 2022	Becoming a substantial holder (Pegasus)
23 May 2022	Notice of Extraordinary General Meeting/Proxy Form
20 May 2022	Application for quotation of securities - 3DA
12 May 2022	Proposed issue of securities - 3DA

12 May 2022	Proposed issue of securities - 3DA
12 May 2022	Amaero raises $11.0 million from Institutional Investors
10 May 2022	Trading Halt
29 April 2022	Quarterly Activities Report and Appendix 4C
28 March 2022	Change in Company Secretary
17 March 2022	Investor Presentation
15 March 2022	Amaero to Evaluate Strategic Alternatives
28 February 2022	FY22 Half Year Results
28 February 2022	Appendix 4D and Half Year Report
25 January 2022	Quarterly Activities/Appendix 4C Cash Flow Report
17 January 2022	Change of Director's Interest Notice - David Hanna (Amended)
4 January 2022	Lease secured for titanium powder plant
21 December 2021	Change in substantial holding
21 December 2021	Notice of Initial Substantial Holder
20 December 2021	Change in substantial holding
9 December 2021	Ceasing to be a substantial holder
8 December 2021	Change of Director's Interest Notice
8 December 2021	3DA to present at Share Cafe Hidden Gems conference
6 December 2021	Application for quotation of securities - 3DA
1 December 2021	Change of Director's Interest Notice
1 December 2021	Change of Director's Interest Notice
1 December 2021	Notice under Section 708A(5)(e) of the Corporations Act
1 December 2021	Application for quotation of securities - 3DA
29 November 2021	Release of Securities from Escrow
26 November 2021	Proposed issue of securities - 3DA
26 November 2021	2021 AGM Results
26 November 2021	2021 AGM CEO's Presentation
26 November 2021	2021 AGM Chairman's and CEO's Addresses
3 November 2021	3DA to present at TechOpps 21 virtual investment conference
29 October 2021	Jobkeeper Payments Notice
25 October 2021	Quarterly Activities Report and Appendix 4C
19 October 2021	Notice of Annual General Meeting/Proxy Form
19 October 2021	Appendix 4G and Corporate Governance Statement

19 October 2021	2021 Annual Report
18 October 2021	Amaero secures Heads of Agreement with Gilmour Space
2 September 2021	Notice under section 708A(5)(e) of the Corporations Act
2 September 2021	Application for quotation of securities - 3DA
2 September 2021	Revised revenue guidance for proposed Aust Ti Powder Plant
30 August 2021	FY21 Results Presentation
30 August 2021	Amaero makes strong progress on key projects

5. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and, in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

(a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(b) the rights and liabilities attaching to the Convertible Notes and the Shares.

For more information, please contact the Company Secretary on (03) 8689 9997.

Released on authority of the Board.

Annexure A

Balance Sheet
Amaero International Ltd

	Notes	31-Dec-21 (Reviewed) A$	31-Dec-21 (Unaudited Proforma) A$
ASSETS			
Current Assets			
Cash and cash equivalents	1,2	4,967,862	15,967,862
Trade and other receivables		1,138,199	1,138,199
Inventories		907,783	907,783
Other current assets		426,703	426,703
Total current assets		**7,440,547**	**18,440,547**
Non-current assets			
Investments accounted for using the equity method		353,131	353,131
Property, plant and equipment		8,336,406	8,336,406
Other assets		182,129	182,129
Total non-current assets		**8,871,666**	**8,871,666**
Total assets		16,312,213	27,312,213
LIABILITES			
Current Liabiliteis			
Trade and other payables		1,581,454	1,581,454
Employee benefit obligations		185,042	185,042
Deferred revenue		30,410	30,410
Other current liabilities		256,623	256,623
Total current liabilities		**2,053,529**	**2,053,529**
Non-current liabilities			
Convertible note	2	-	2,806,159
Employee benefit obligations		47,503	47,503
Other non-current liabilities		2,407,341	2,407,341
Total non-current assets		**2,454,844**	**5,261,003**
Total liabilities		**4,508,373**	**7,314,532**
Net assets		**11,803,840**	**19,997,681**
EQUITY			
Share capital	1	27,701,454	35,895,295
Other reserves	3	459,281	2,738,150
Accumulated losses		(16,356,895)	(18,635,764)
Total equity		**11,803,840**	**19,997,681**

Note:

1. Issue of 39 million shares at offer price of $0.21
2. Issue of USD$1,950,000 face value of convertible notes (shown here as A$2,806,159).
3. Issue of 26,193,903 options exercisable at $A0.42 expiring 3 years from the date of issue.
   Options have been valued using the Black-Scholes valuatioon model.