4DS MEMORY LIMITED

ACN 145 590 110

PROSPECTUS

For the Offer of up to 2,000 Shares each at an issue price of $0.034.

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE PLACEMENT SHARES

THIS OFFER CLOSES AT 5.00PM WST ON 3 DECEMBER 2016.

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

1. Important Information

This Prospectus is dated 27 October 2016 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2, 50 Kings Park Road, West Perth, WA, Australia, 6005, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.3).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

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

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

2. Corporate Directory

Directors

Mr James Dorrian (Non-Executive Chairman)
Dr Guido Arnout (Managing Director)
Mr David McAuliffe (Non-Executive Director)
Mr Howard Digby (Non-Executive Director)

Share Registry*

Automic Registry Services
Level 3
50 Holt Street
Surry Hills NSW 2010

Company Secretary

Mr Peter Webse

Solicitors to the Company

GTP Legal
68 Aberdeen Street
NORTHBRIDGE WA 6003

Registered Office

Level 2, 50 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 (0) 8 6377 8043

ASX Code: 4DS

Website: www.4dsmemory.com

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

3. Details of the Offer

3.1 The Offer

The Company is offering pursuant to this Prospectus 2,000 Shares each at an issue price of $0.034 (**Offer**).

Refer to Section 6.1 for a summary of the rights attaching to the Shares.

3.2 Purpose of the Offer

On 20 October 2016, the Company announced that it had successfully entered into agreements in connection with a placement of 117,647,059 Shares, each at an issue price of $0.034 (**Placement Shares**) to raise approximately $4,000,000 (before costs) (**Placement**). The Placement Shares are being issued to either "Sophisticated Investors" or "Professional Investors" (**Investors**) within the meaning of sections 708(8) and 708(11) of the Corporations Act.

The Placement comprises:

i. a first tranche of 88,873,477 Shares which were issued to Investors on 27 October 2016 in accordance with the Company's 15% issue capacity under Chapter 7.1 of the Listing Rules (**Tranche 1 Placement Shares**); and

ii. a second tranche of 28,773,582 Shares to be issued to Investors subject to approval by Shareholders at the Company's Annual General Meeting on 30 November 2016 (**Tranche 2 Placement Shares**).

The Company intends to issue the Tranche 2 Placement Shares on 2 December 2016.

This Prospectus has been issued to facilitate secondary trading of the Placement Shares as they were issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Placement Shares to on-sell those Shares within 12 months of their issue. The Company did not issue the Placement Shares with the purpose of the persons to whom they were issued selling or transferring their Shares or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

(a) make the Offer;

(b) ensure that the on-sale of the Placement Shares does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

3.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm WST on the Closing Date, being 3 December 2016, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

3.4 Minimum subscription

There is no minimum amount sought to be raised by the Offer.

There is no provision for oversubscriptions.

3.5 Application Form

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm WST on the Closing Date. Cheques must be made payable to "4DS Memory Limited – Share Application Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be mailed to 4DS Memory Limited, PO Box 271 West Perth WA 6872 or delivered to 4DS Memory Limited, Level 2, 50 Kings Park Road, West Perth WA 6005.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

3.6 Issue

The Company intends to issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Security holder statements will be dispatched, as soon as possible after the issue of the Shares. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

3.7 Application Monies

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

3.8 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for the Official Quotation of the Shares offered under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

3.9 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Automic Registry Services and will contain the number of Shares issued to you under this Prospectus and your securityholder 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.

3.10 Residents outside Australia

This Prospectus, and an accompanying Application Form, do not, and is not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.11 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 4.

3.12 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

3.13 Major activities and financial information

The Company completed the acquisition of 4D-S Pty Ltd in December 2015 (**Acquisition**). Details of the Acquisition are contained in the transaction documents lodged with the ASX, namely the Bidder's Statement and Target's Statement that were both lodged on 7 October 2015, a Supplementary Bidder's Statement lodged on 11 November 2015 and a Supplementary Target's Statement lodged on 17 November 2015.

A summary of the major activities and financial information relating to the Company for the twelve months ended 30 June 2016 is in the Company's Annual Report which was lodged with ASX on 25 August 2016 and is available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 25 August 2016 are listed in Section 6.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

3.14 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on 08 6377 8043.

3.15 Privacy

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

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

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

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

4. Risk Factors

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. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Specific risks associated with the Company

(a) Commercialisation Risk

There will be risks involved in the ability to translate the developed technology in to a solution that provides a meaningful improvement in all of the relevant metrics for memory storage in a cost effective manner to support the price needed to make an impact in the marketplace. The main factors that may introduce risk include but are not limited to:

- the ability to further improve the functionality of its core resistive memory material;
- the ability to scale the memory cells further;
- the ability to maintain lot-to-lot consistency at high endurance and high yield; and
- the ability to manage sneak path issues and other related access and selection mechanisms when completing a full memory configuration.

There can be no assurance that 4DS will:

- be successful in developing a competitive new semiconductor memory technology;
- be able to cost-effectively manufacture new products;
- be able to successfully market its technology; and
- generate license fees or other forms of income from its technology that will allow 4DS or the Company to recover the costs of development efforts.

(b) Sufficiency of funding

4DS's growth through technology development and commercialisation activities will require substantial expenditure and may not result in profitability being achieved. There can be no guarantees that 4DS's cash reserves together with the funds raised by the Capital Raising will be sufficient to successfully achieve all the objectives of 4DS's overall development strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Capital Raising and existing working capital, there can be no assurance that 4DS will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's and

4DS's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend 4DS's development strategy.

(c) Competition

The industry in which 4DS operates is competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than currently available to 4DS. Numerous entities around the world may resist 4DS's efforts to commercialise or market products that may compete with their own offerings. 4DS's competitors may develop new memory technologies: in advance of 4DS; that are more effective than those developed by 4DS; or have greater market acceptance. As a consequence, 4DS's technology may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

(d) Market adoption

4DS has continued on with its development of a unique, patented, Interface Switchingresistive random access memory (ReRAM) technology. In October 2016, 4DS achieved a ground breaking scalability milestone successfully developing 40nm (nanometre) non-filamentary ReRAM cells, at a scale which is smaller than existing 3D Flash memory. 4DS does not currently have any contracts in place to become revenue generating, there are no guarantees of success in commercialising the 4DS technology. Following demonstration of the technology's commercial viability, the success of the commercialisation of 4DS will in part relate to the acceptance of its technology for routine use within the semiconductor memory industry. Take up of the technology will involve education of market participants and a business development strategy to raise the profile of 4DS and its technology.

(e) Development risk

The success of 4DS relies almost entirely on the successful development of 4DS's ReRAM technology, which as announced in October 2016 continues to progress. A new test station, which provides 4DS with the ability to test cycling endurance 10 times faster that with off-the-shelf test equipment, has been operational since mid-June 2016. Should the testing and verification of 4DS's technology not be completed to the satisfaction of the procedures specified by the Company, then 4DS will have to expend additional time and resources to rectify any outstanding issues which will delay the development of the next stage of development or at the very worst, if unassailable barriers are encountered, abandon the project entirely.

(f) Existing technology risks

Current semiconductor memory technologies of DRAM, NAND Flash, and NOR Flash face technological barriers to continue to meet long-term customer needs. These barriers include potential limitations on the ability to shrink products in order to reduce costs, meet higher density requirements, and improve power consumption and reliability. Notwithstanding these challenges, existing semiconductor memory technologies may be able to overcome these barriers and remain the dominant technology.

(g) Joint Development Agreement – termination

4DS announced on 4 July 2016 that it had extended the joint development agreement (**JDA**) with HGST for a further 12 months, with HGST continuing to provide 4DS with resources which may expedite the development, and potential commercialisation, of 4DS's technology. This JDA is subject to various risks, including:

- HGST deciding unilaterally to terminate the JDA without cause (which it has the right to do on the giving of 30 days' written notice to 4DS); and

- 4DS's interests diverging from HGST's such that the parties may not be able to agree on ongoing development activities, or on the amount, timing, or nature of further investments in the joint development of the technology.

If 4DS loses access to HGST's resources, there can be no guarantee that 4DS will be able to find a replacement strategic partner with similar resources and technical expertise. Accordingly, a loss of access to HGST's resources could result in significant delays to or suspension of 4DS's development strategy and could have a material adverse effect on 4DS's activities and on the Company generally.

(h) Intellectual Property

There can be no assurance that 4DS's patent portfolio will afford 4DS or the Company commercially significant protection of 4DS's technology, or that competitors will not develop competing technologies that circumvents such intellectual property. Although the Company will implement all reasonable endeavours to protect 4DS's intellectual property, there can be no assurance that these measures will be sufficient.

(i) Reliance on key management personnel

The responsibility of overseeing the day-to-day operations and the strategic management of 4DS and the Company depends substantially on senior management and key personnel, including 4DS's current management. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these parties cease their employment. Further, there is no guarantee that 4DS will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects of 4DS and the Company.

(j) Limited trading history

4DS is essentially a start-up company with limited trading history. 4DS has to date principally developed its technology as well as seeking patent protection having announced on 23 March 2016 that it had received its 16^{th} patent granted by the United States Patent and Trademark Office.. However, 4DS is still developing, testing and optimising its technology and has yet to commence the commercialisation phase of the business cycle and as such carries the normal risks of a start-up business. Given the limited trading history of 4DS, no assurance can be given that 4DS will achieve commercial viability through the implementation of its development plan.

(k) Foreign exchange risks

4DS's main operations are carried on in the United States. Further, 4DS is potentially a global business and will likely have commercial opportunities outside of Australia in general to generate revenue. Any revenue in foreign currencies converted to AUD for reporting purposes will be affected by currency fluctuations, which may adversely impact on the Company's financial performance and position.

(l) Infringement of third party intellectual property rights

If a third party accuses 4DS of infringing its intellectual property rights or if a third party commences litigation against 4DS for the infringement of patent or other intellectual property rights, 4DS may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that 4DS incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against 4DS may be able to obtain injunctive or other equitable relief that could prevent 4DS from further developing discoveries or commercialising its technology. In the event of a successful claim of infringement against 4DS, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in technology development and loss of substantial resources while it attempts to develop alternatives. Defence of any lawsuit or failure to obtain any of these licenses could prevent 4DS from commercialising its technology and could cause it to incur substantial expenditure.

4.2 General Risks

(a) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(b) Market conditions

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

(i) general economic outlook;

(i) introduction of tax reform or other new legislation;

(ii) interest rates and inflation rates;

(iii) changes in investor sentiment toward particular market sectors;

(iv) the demand for, and supply of, capital; and

(v) terrorism or other hostilities.

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

(c) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the property rental market including, but not limited to, the following:

(i) general economic conditions in jurisdictions in which the Company operates;

(ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the online classified advertising sector;

(iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

(v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) Insurance

The Company will, where possible and economically practicable, endeavour to mitigate some risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

(e) Regulatory Risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's or 4DS's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its Shares. In addition there is a commercial risk that legal action may be taken against the Company or 4DS in relation to commercial matters.

(f) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(g) Growth

There is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel and third party personnel may also be a significant obstacle to growth.

4.3 Investment Highly 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 Company's securities. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares

5. Effect of the Offer

5.1 Capital structure on completion of the Offer

	Number of Shares	Number of Unlisted Options	Number of Performance Shares
Balance at the date of this Prospectus	748,029,991[1)]	106,125,001[(2)]	74,270,688[(3)]
Tranche 2 Placement Shares	28,773,582		
Shares to be issued in lieu of outstanding Director fees[(4)]	1,155,764		
To be issued under the Offer	2,000	-	-
Balance after the Offer (if fully subscribed)	777,961,337	106,125,001	74,270,688

Notes:

(1) This number includes the 88,873,477 Tranche 1 Placement Shares issued on 27 October 2016 and the Tranche 2 Placement Shares, the issue of which is subject to Shareholder approval.

(2) Unlisted Options with varying exercise prices and expiry dates.

a) 26,666,668 Options expiring 10 May 2018 with an exercise price of $0.024;
b) 3,000,000 Options expiring 25 June 2018 with an exercise price of $0.042;
c) 36,458,333 Options expiring 30 June 2020 with an exercise price of $0.02; and
d) 40,000,000 Options expiring 30 June 2020 with an exercise price of $0.05.

The Company has agreed, subject to Shareholder approval, to issue 3,000,000 unlisted Options to Shaw and Partners Limited, exercisable at $0.049 on or before 18 October 2019, as part of the fees for acting as lead manager to the Placement.

(3) Comprises 41,884,378 Class 1 Performance Shares escrowed until December 2016 and 25,719,641 Class 1 Performance Shares escrowed until December 2017 with a conversion ratio of 1:1 expiring 31 December 2018 and 6,666,669 Performance Shares expiring 23 December 2016.

The 67,604,019 Class 1 Performance Shares will each convert into Shares on a one for one basis upon satisfaction of certain performance milestones. The Class 1 Performance Shares expire on 31 December 2018. To the extent that the Milestone has not been achieved on or before the expiry date, then the Class 1 Performance Shares will automatically consolidate to a nominal number and convert on a one for one basis to a nominal number of Shares. A summary of the terms and conditions of the Class 1 Performance Shares, including the applicable performance milestones, is contained in the Company's Annual Report of the Company for the financial year ended 30 June 2016.

The 6,666,669 Performance Shares expiring 23 December 2016 related to the Company's previous Premier Coal assets (which the Company has relinquished). The milestones for conversion of these Performance Shares are incapable of satisfaction and on 23 December 2016 they will convert into a nominal number of Shares.

(4) The Company proposes, subject to Shareholder approval, to issue 1,155,764 Shares to Director Mr James Dorrian in lieu of 100% of the Director's fees owed to Mr Dorrian for the period December 2015 to November 2016.

5.2 Pro forma statement of financial position

Basis of Preparation

The pro-forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing non-IFRS Financial Information (issued December 2011). The pro forma balance sheets have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the audited statement of financial position as at 30 June 2016 that has then been adjusted to reflect the material transactions in the notes below.

	AUDITED 30 June 2016	ADJUSTMENTS	PRO-FORMA 30 June 2016
CURRENT ASSETS	$	$	$
Cash and cash equivalents	1,243,487	3,754,124	4,997,611
Trade and other receivables	64,026	-	64,026
Other current assets	55,000	-	55,000
TOTAL CURRENT ASSETS	**1,362,513**	**3,754,124**	**5,116,637**
NON-CURRENT ASSETS			
Plant and equipment	23,173	-	23,173
TOTAL NON-CURRENT ASSETS	**23,173**	**-**	**23,173**
TOTAL ASSETS	**1,385,686**		**5,139,810**
CURRENT LIABILITIES			
Trade and other payables	84,189	(22,629)	61,560
Employee benefits	7,551	-	7,551
TOTAL CURRENT LIABILITIES	**91,740**	**-**	**69,111**
TOTAL LIABILITIES	**91,740**	**(22,629)**	**69,333**
NET ASSETS	**1,293,946**	**3,776,753**	**5,070,699**
EQUITY			
Issued capital	20,733,292	3,799,364	24,493,656
Reserves	4,797,742	-	4,797,742
Accumulated losses	(24,237,088)	(22,611)	(24,243,032)
TOTAL EQUITY	**1,293,946**	**3,776,753**	**5,070,699**

Pro-forma Adjustments

The pro forma statement of financial position has been prepared based on the audited statement of financial position as at 30 June 2016 that has been adjusted to reflect the following transactions and events:

(a) Issue of 117,647,059 Shares at $0.034 to raise approximately $4,000,000 (less the costs of the Placement of up to $240,000);

(b) Issue of 1,155,764 Shares at $0.034 to Director, James Dorrian, in lieu of Director's fees for the period December 2015 to November 2016;

(c) Capital raising costs of 6% of the Placement Shares; and

(d) Issue of 2,000 Shares at $0.034 to raise $68 less costs of the Offer of $5,944.

5.3 Market price of Shares

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

Highest: $0.043 per Share on 20 October 2016.

Lowest: $0.024 per Share on 16 September 2016

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was $0.038 per share on26 October 2016.

5.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

6. Additional Information

6.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

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

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) Partly paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) Winding up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

(i) Dividend reinvestment and Share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is three and the maximum number is ten.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share buy backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) Unmarketable parcels

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Listing Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) Capitalisation of profits

The Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(o) Capital reduction

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) Preference Shares

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's members.

6.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction specific" prospectus in respect of the Offer.

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

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.3 below).

6.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

(a) the Annual Report of the Company for the financial year ended 30 June 2016, being the last annual financial report that has been lodged with ASIC in relation to the Company before the issue of this Prospectus;

(b) the Half-Year Financial Statements for the half-year ended 31 December 2015 lodged by the Company with ASX on 29 February 2016; and

(c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
20/10/2016	4DS Drives Resolution Down to 40NM;
20/10/2016	Developing Nano Scale Cells for Storage Class Memory;
20/10/2016	4DS Successfully Completes A$4.0 Million Placement;
18/10/2016	Trading Halt
18/10/2016	4DS Achieves Working 40nm ReRam Cells
30/09/2016	Response to ASX Price and Volume Query
13/09/2016	ZNC: Zenith Acquires 100% of Develin Creek Project
01/09/2016	Initiation of Research
25/08/2016	Consistent Achievement of Strategic & Technical Milestones
25/08/2016	Appendix 4G

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 2, 50 Kings Park Road, West Perth WA 6005:

(d) this Prospectus;

(e) the Constitution; and

(f) the consents referred to in Section 6.9 and the consents provided by the Directors to the issue of this Prospectus.

6.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

6.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

6.6 Directors' interests

(a) Interests

Except as disclosed in this Prospectus, no Director or proposed director, and no firm in which a Director or proposed director:

(i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer, or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the Securities of the Company as at the date of this Prospectus:

Director	No. of Shares Held	No. of Options Held	No. of Performance Shares
James Dorrian(1)	35,045,806	-	6,533,962
Guido Arnout(2)	1,617,394	36,458,333	301,548
David McAuliffe(3)	11,540,825	-	156,763
Howard Digby(4)	3,966,715	-	-

(1) Refer to James Dorrian's Appendix 3X lodged with ASX on 10 December 2015 for further details in respect to the terms of the Securities and escrow restrictions applying. It is also proposed that, subject to Shareholder approval, Mr Dorrian will be issued the following Shares:

(a) 1,470,589 Shares which Mr Dorrian proposes to subscribe for under the Tranche 2 Placement; and

(b) 1,155,764 Shares proposed to be issued to Mr Dorrian in lieu of 100% of the Director's fees owed to Mr Dorrian for the period December 2015 to November 2016.

(2) Refer to Guido Arnout's Appendix 3X lodged with ASX on 10 December 2015 for further details in respect to the terms of the Securities and escrow restrictions applying.

(3) Refer to David McAuliffe's Appendix 3X lodged with ASX on 10 December 2015 and Appendix 3Y lodged with ASX on 18 July 2016 for further details in respect to the terms of the Securities and escrow restrictions applying.

(4) Refer to Howard Digby's Appendix 3X lodged with ASX on 10 December 2015 for further details in respect to the terms of the Securities and escrow restrictions applying. It is also proposed that, subject to Shareholder approval, Mr Digby will subscribe for 588,235 Shares which under the Tranche 2 Placement.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to $300,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that the non-executive Chairman of the Company is entitled to receive fees of $40,000 per annum and each non-executive Director is entitled to receive fees of $30,000 per annum (exclusive of superannuation). Payments of Directors' fees will be in addition to any payments to Directors in any employment capacity.

Dr Guido Arnout currently receives an annual salary of US$185,000 and reimbursement for all reasonable expenses for his role as Managing Director and Chief Executive Officer of the Company. For the purposes of the below listed remuneration table his salary has been converted to AUD$ at the monthly average FX rate.

Directors remuneration for the year ended 30 June 2016 was:

Remuneration for the year ended 30 June 2016	**Short Term Salary, Fees & Commissions $**	**Post Employment Superann-uation $**	**Other $**	**Share Based Payment Options $**	**Total $**
James Dorrian	22,631	-	-	-	22,631
Guido Arnout	224,714	-	-	-	224,714
David McAuliffe	16,974	-	-	-	16,974
Howard Digby	16,974	-	20,000	-	36,974

Messrs Dorrian, Arnout. McAuliffe and Digby were appointed as Directors of 7 December 2015.

6.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

(a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer, or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

GTP Legal will be paid fees of approximately $2,000 (plus GST) in relation to the preparation of this Prospectus. In the past two years, GTP Legal has received $277, 247 for the provision of legal services to the Company.

6.8 Expenses of issue

The estimated expenses of the issue are as follows:

Costs of the Offer	$
ASIC lodgement fee	2350
ASX quotation fee	1,750
Legal expenses	2,000
Total	**5,944**

6.9 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

GTP Legal has given, and has not withdrawn, its written consent to being named in this Prospectus as solicitors to the Company. GTP Legal have not authorised or caused the issue of this Prospectus or the making of Offer under this Prospectus. GTP Legal makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

7. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

Howard Digby
Director

Dated: 27 October 2016

8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

$ means Australian dollars.

Annual Report means the financial report lodged by the Company with ASIC and includes the corporate directory, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 3 December 2016.

Company or 4DS means4DS Memory Limited (ACN 145 590 100)

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

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Offer has the meaning in Section 3.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means the right to acquire one Share.

Placement has the meaning in Section 3.2.

Placement Shares has the meaning in Section 3.2.

Prospectus means this prospectus dated 27 October 2016.

Section means a section of this Prospectus.

Securities means Shares and Options.

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

Shareholder means a holder of Shares.

WST means Western Standard Time, being the time in Perth, Western Australia.