

ZYBER HOLDINGS LIMITED
ACN 131 090 947

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$1,068,018 (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching option for every two (2) Shares subscribed for and issued exercisable at \$0.012 on or before 31 October 2019)) (**New Option**)) (**Offer**).

The Offer is fully underwritten by Patersons Securities Ltd (**Underwriter**). Refer to section 8.4 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

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

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Peter Wall (Non-Executive Chairman)
Jason Tomkinson (Executive Director)
Paul Callander (Non-Executive Director)
Charly Duffy (Non-Executive Director)

Company Secretary

Elizabeth Hunt

Registered Office

Level 11
216 St Georges Terrace
Perth WA 6000

GPO Box 2517
Perth WA 6831

Telephone: + 61 8 9481 0389
Facsimile: +61 8 9463 6103

Website: <http://www.zyber.com.au/>

Share Registry*

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005

PO Box 223,
West Perth WA 6872

Telephone: 1300 288 664
Facsimile: +61 2 8583 3040
Email: hello@automic.com.au
Website: www.automic.com.au

Auditor*

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Solicitors

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

Underwriter and Lead Manager

Patersons Securities Ltd
Level 23, Exchange Plaza
2 The Esplanade
PERTH WA 6000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	10 October 2016
Lodgement of Prospectus & Appendix 3B with ASX and notice sent to Optionholders	10 October 2016
Notice sent to Shareholders	12 October 2016
Ex date	13 October 2016
Record Date for determining Entitlements	14 October 2016
Prospectus despatched to Shareholders & Company announces despatch has been completed	19 October 2016
Closing Date*	28 October 2016
Securities quoted on a deferred settlement basis	31 October 2016
ASX notified of under subscriptions	3 November 2016
Despatch of holding statements	7 November 2016
Quotation of Securities issued under the Offer*	7 November 2016

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

3. IMPORTANT NOTES

This Prospectus is dated 10 October 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

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

3.1 Risk factors

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

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained

in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

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

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share (together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued exercisable at \$0.012 on or before 31 October 2019). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 213,603,605 Shares and 106,801,803 New Options will be issued pursuant to this Offer to raise up to \$1,068,018. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus, the Company has 40,089,062 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

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

4.2 Minimum subscription

As the Offer is fully underwritten, the minimum subscription is the full subscription of \$1,068,018. No Shares or New Options will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicant or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

4.3 Acceptance

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

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or

- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.005 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Zyber Holdings Limited – Share Account" and crossed "Not Negotiable".

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

4.5 Payment by BPAY®

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

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

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

4.6 Underwriting

The Offer is fully underwritten by the Underwriter. Refer to section 8.4 of this Prospectus for details of the terms of the underwriting.

4.7 Effect on control of the Company

The Underwriter presently is not a shareholder of the Company and the extent to which shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up its full entitlement under each scenario.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	0.00%
Completion of Entitlement Issue		
• Fully subscribed	Nil	0.00%
• 75% subscribed	53,400,901	8.33%
• 50% subscribed	106,801,803	16.67%
• 25% subscribed	160,202,704	25.00%
• 0% subscribed	213,603,605	33.33%

The number of shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer.

As at the date of this Prospectus, the maximum increase in the voting power of the Underwriter should no Shareholders take up their Entitlement under the Offer (assuming no Options and New Options are exercised under the Offer) would be 33.33%. This is on the basis that the Underwriter receives 213,603,605 Shares and 106,801,802 New Options (being the maximum number of Shares and New Options to be issued under the Offer).

However, it is a term of the Underwriting Agreement that no person will acquire, through participation in sub-underwriting the Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer. Therefore, the underwriting of the Offer is not expected to have any effect on the control of the Company by virtue of the issue of any Shares or New Options to the Underwriter or any sub-underwriters under the Offer.

The Directors also note that it is unlikely that no Shareholders will take up entitlements under the Offer. In addition, the Directors also note that Shareholders are invited to subscribe for Shares over and above their Entitlement under the Shortfall Offer, the terms of which are described in Section 4.9 below.

4.8 Potential Dilution

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.34%	5,000,000	10,000,000	1.56%
Shareholder 2	5,000,000	1.17%	2,500,000	5,000,000	0.78%
Shareholder 3	1,500,000	0.35%	750,000	1,500,000	0.23%
Shareholder 4	400,000	0.09%	200,000	400,000	0.06%
Shareholder 5	50,000	0.01%	25,000	50,000	0.01%
Total	427,207,210			213,603,605	640,810,815

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer and any Entitlement that would otherwise have been offered to Ineligible Shareholders will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Offer.

One (1) New Option will also be issued for every two (2) Shares subscribed for and issued under the Shortfall Offer.

Eligible Shareholders are invited to apply for any Shortfall over and above their Entitlement by completing the relevant section of their Entitlement and Acceptance Form accompanying this Prospectus and returning that Acceptance Form on or before the Closing Date.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion. The Directors will not issue any Shortfall to any Eligible Shareholder, if, in the opinion of the Directors, the issue of Shares under the Shortfall would increase that Eligible Shareholders voting power in the Company above 20%.

4.10 ASX listing

Application for Official Quotation of the Shares and New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus and in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares and New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares or New Options and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

4.11 Issue

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

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

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

4.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

New Zealand

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

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

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Nominees and custodians

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

4.13 Enquiries

Any questions concerning the Offer should be directed to Elizabeth Hunt, Company Secretary, on +61 (8) 9481 0389.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer and Use of Funds

The purpose of the Offer is to raise up to \$1,068,018. No funds will be raised from the issue of the New Options.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Continued development of the Zyber business	400,000	37.5
2.	Review of new businesses	300,000	28.1
3.	Expenses of the Offer ¹	165,000	15.4
4.	Working capital	203,018	19.0
	Total	1,068,018	100

Notes:

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

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$903,018 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 427,207,210 as at the date of this Prospectus to 640,810,815 Shares; and
- (c) increase the number of Options on issue from 40,089,062 as at the date of this Prospectus to 146,890,865 Options following completion of the Offer (with a further 106,801,802 New Options to be issued to sub-underwriters of the Offer, subject to shareholder approval).

5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2016 and the unaudited pro-forma balance sheet as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming completion of the Placement, all Entitlements are accepted, no Options are exercised prior to the

Record Date and including expenses of the Offer.

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

	AUDITED 30 JUNE 2016	UNAUDITED PROFORMA 30 JUNE 2016
CURRENT ASSETS		
Cash	\$1,531,301	\$3,669,319
Other current assets	\$444,520	\$444,520
TOTAL CURRENT ASSETS	\$1,975,821	\$4,113,839
NON-CURRENT ASSETS		
Intangible assets	\$9,270	\$9,270
TOTAL NON-CURRENT ASSETS	\$9,270	\$9,270
TOTAL ASSETS	\$1,985,091	\$4,123,109
CURRENT LIABILITIES		
Creditors and other payables	\$262,394	\$262,394
TOTAL CURRENT LIABILITIES	\$262,394	\$262,394
TOTAL LIABILITIES	\$262,394	\$262,394
NET ASSETS (LIABILITIES)	\$1,722,697	\$3,860,715
EQUITY		
Share capital	\$5,766,503	\$7,904,521
Options Reserve	\$3,870,480	\$3,870,480
Retained loss	(\$7,914,286)	(\$7,914,286)
TOTAL EQUITY	\$1,722,697	\$3,860,715

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue ¹	427,207,210
Shares offered pursuant to the Offer	213,603,605
Total Shares on issue after completion of the Offer	640,810,815

1. Includes Shares issued under the Placement.

Exchangeable Shares

	Number
Exchangeable Shares currently on issue	88,086,092
Exchangeable Shares offered pursuant to the Offer	Nil
Total Exchangeable Shares on issue after completion of the Offer	88,086,092

Options

	Number
Options currently on issue: 9,969,062 unquoted exercisable at \$0.30 on or before 1 December 2017 200,000 unquoted exercisable at \$2.50 on or before 30 November 2018 29,920,000 unquoted exercisable at \$0.05 on or before 31 October 2019	40,089,062
New Options offered pursuant to the Offer Quoted exercisable at \$0.012 on or before 31 October 2019	106,801,803
New Options to be offered to sub-underwriters of the Offer Quoted exercisable at \$0.012 on or before 31 October 2019 ¹	106,801,802
Total Options on issue after completion of the Offer	253,692,667

1. These New Options will be issued subject to shareholder approval in general meeting.

Performance Rights

	Number
Performance Rights currently on issue	10,000,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	10,000,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 565,382,364 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 992,589,574 Shares (this figure includes the New Options to be offered to sub-underwriters of the Offer, the issue of which is subject to shareholder approval).

5.5 Details of substantial holders

Based on publicly available information as at 10 October 2016, there are no shareholders who have a relevant interest in 5% or more of the Shares on issue.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

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

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

6.1 Shares

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend in accordance with the Corporations Act.

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

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

6.2 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.012 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 October 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the later of the following:

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Quoted**

The Company will apply for quotation of the Options on ASX.

(m) **Transferability**

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

7. RISK FACTORS

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

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

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

7.1 Company specific

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 427,207,210 currently on issue to 640,810,815. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.011 is not a reliable indicator as to the potential trading price of Shares after implementation of the Proposed Transaction.

(b) Additional Requirements for Capital

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of

technology development. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(c) **Trading Price of the Company's Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. In addition, the price of the Company's Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Company's Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(d) **Foreign Currency Risk**

Foreign currency exchange risk involves exchange rate movements amongst currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements.

If the Company's technology is commercialised, all or part of the its revenue and expenses may be denominated in United States or Canadian dollars. As the Company is based in Australia and its financial statements will be denominated in Australian dollars, movements in the USD/AUD or CAD/AUD exchange rate may adversely or beneficially affect the Company's financial results.

(e) **Product accreditation**

The Company's ability to commercialise its technology may be hindered if it fails to gain regulatory or industry accreditation for its products. For example, the Company may be disadvantaged if it is unable to offer a product that is compliant with the Federal Information Processing

Standard (**FIPS**). FIPS is a United States government computer security standard which is used to accredit cryptographic modules.

7.2 Industry specific

(a) Intellectual property

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of information technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company is yet to lodge its patent applications and as such some of its core intellectual property is as yet unprotected. Without the priority date for its intellectual property there is a risk of third parties lodging patents in the same field with an earlier priority date, as well as the publication of similar methods to those envisioned in the Company patents which would invalidate any future Company patent claims.

There is also a risk of third parties claiming involvement in technological developments, and if any disputes arise, they could adversely affect the Company's business. Although the Company is not aware of any third party interests in relation to the intellectual property rights of the Company's technology, there has not been any external analysis of patents to determine whether the Company technology infringes any existing patents. This provides for the potential risk of claims being made at a later point which may incur costs for the Company through the need for licensing of patents.

The Company's prospects may also depend on its ability to licence third party proprietary technology necessary for the development of its technology. Breach of any licence agreements, or infringement of the licensed intellectual property by third parties, may have an adverse impact on the Company's ability to develop its technology.

(b) Competition risk

There is significant competition in the information technology industry generally. The Company will be competing with a range of competitors offering both point and end to end solutions, which creates a high barrier to entry for new participants.

There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products developed by the Company, or which would render the products obsolete and/or otherwise uncompetitive.

The large number of market participants can complicate customers' discrimination between competitors, increasing the difficulty of achieving

market share and revenue. The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share.

Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

There is also the potential for significant consolidation in the Company's targeted market, resulting in a fewer number of competitors each having greater financial and other resources. Any such consolidation before the commercialisation of the Company's technology could also adversely affect the Company's ability to gain market share and commercialise its technology.

(c) **Development and commercialisation of the Company's technology**

The success of the Company will depend upon the Company's ability to develop and commercialise its technology. A failure to successfully develop and commercialise the Company's technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

Where possible, the Company will use freely accessible open source third party software to assist with the development of its technology. However, in order to achieve the third and fourth stages of product development, the Company may need to implement third party proprietary software. There is a risk that the Company may not be able to negotiate access to this software on terms acceptable to the Company. Further, flaws in open source or third party proprietary software can result in flaws in the Company's technology.

Any inability to access third party proprietary software, or flaws in any third party software used by the Company, could adversely affect the Company's ability to develop and commercialise its technology.

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that if the Company's technology is not accepted by the market, the Company will not be able to commercialise its products, which could adversely impact the Company's operations.

7.3 General risks

(a) **Economic**

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

(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 and political outlook (including in Canada);
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) 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) **Reliance on Key Management**

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

(d) **Regulatory risk**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(e) **Insurance risk**

Insurance against all risks associated with information technology security is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(f) **Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property disputes, product liability claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) **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 Shares offered under this Prospectus

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

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

8. ADDITIONAL INFORMATION

8.1 Litigation

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

8.2 Continuous disclosure obligations

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

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

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

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

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

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

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

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

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

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

Date	Description of Announcement
06/10/2016	Suspension from Official Quotation
04/10/2016	Trading Halt
27/09/2016	Proof of Concept Updates
09/09/2016	Appendix 3B
06/09/2016	Prospectus Extension
02/09/2016	ASX Listing Rule 4.10.19 Statement
31/08/2016	Corporate Governance Statement
31/08/2016	Appendix 4G
31/08/2016	Appendix 4E and Annual Report to shareholders

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

The announcements are also available through the Company's website <http://www.zyber.com.au/>.

8.3 Market price of shares

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

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

Highest	\$0.024	8 July 2016
Lowest	\$0.06	23 and 28 September 2016
Last	\$0.011	3 October 2016

8.4 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite 100% of the Shares and New Options offered under the Prospectus (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a lead manager fee of \$60,000 plus a selling fee of 6% of the gross amount raised under the Offer as consideration for the underwriting obligation undertaken by the Underwriter.

In addition to the above, the Company agrees, subject to receipt of shareholder approval in general meeting, to issue of up to 106,801,802 Options to sub-underwriters of the Offer on the basis of one (1) free Option for every two (2) Shares of sub-underwriting subscriptions committed by sub-underwriters.

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

- (a) **(Indices fall)**: the ASX All Ordinaries Index or the ASX Small Ordinaries Index is, at any time after the date of this Agreement, 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or
- (b) **(Share price)**: the Shares finish trading on the ASX under the ASX code of "ZVB" on any two (2) consecutive trading days with a closing price that is less than the Price; or
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
- (d) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in section 8.4(q)(v), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
- (e) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities; or

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

- (q) **(Termination Events):** subject always to the above termination events, any of the following events occurs:
- (i) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by clause 8.48.4(a);
 - (ii) **(Default):** default or breach by the Company under this Agreement of any terms, condition or covenant;
 - (iii) **(Incorrect or untrue representation):** any representation or warranty given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
 - (iv) **(Contravention of constitution or Act):** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (v) **(Adverse change):** an event occurs which gives rise to:
 - (A) a Material Adverse Effect; or
 - (B) any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement;
 - (vi) **(Error in Due Diligence Results):** it transpires that any of the Due Diligence Results or any part of the Verification Material was, misleading or deceptive, materially false or that there was a material omission from them;
 - (vii) **(Significant change):** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (viii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
 - (ix) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (x) **(Official Quotation qualified):** the official quotation is qualified or conditional;

- (xi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (xii) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xiii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$250,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
- (xvii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld).
- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xx) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of this Agreement;

- (xxiii) **(Breach of Material Contracts):** any of the Contracts is terminated or substantially modified; or
- (xxiv) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any Material Adverse Effect or material disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type. It is noted that defined terms in the above summary have the corresponding meaning as per relevant definitions contained in the Underwriting Agreement.

8.5 Interests of Directors

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

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

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

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

Security holdings

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

Director	Shares	Options	Entitlement	\$
Mr Peter Wall	Nil	Nil	Nil	Nil
Mr Jason Tomkinson	Nil ¹	4,760,000 ²	Nil	Nil
Mr Paul Callander	Nil	Nil	Nil	Nil
Ms Charly Duffy	Nil	Nil	Nil	Nil

¹ Mr Tomkinson holds 48,452,226 Exchangeable Shares held indirectly through Blue Cove Capital Corp an entity of which Mr Tomkinson is the sole Director. Holders of Exchangeable Shares are not entitled to participate in the Entitlement Offer, only Ordinary Shareholders.

² Held indirectly through Blue Cove Capital Corp an entity of which Mr Tomkinson is the sole Director. Options are exercisable at \$0.05 on or before 31 October 2019.

Remuneration

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

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

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

Director	2015	2016	2017
Mr Peter Wall	\$30,000	\$60,000	\$60,000
Mr Jason Tomkinson	N/A	\$231,000	CAD\$180,000
Mr Paul Callander	N/A	\$32,850	\$36,000
Ms Charly Duffy	N/A	\$16,425	\$36,000

8.6 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;

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

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Patersons Securities Ltd will be paid fees and benefits as described in Section 8.4 of this Prospectus. Patersons Securities Ltd will also be paid a retainer of \$5,000 per month for ongoing corporate advisory services to be provided to the Company for a minimum of 6 months.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services.

8.7 Consents

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

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Patersons Securities Ltd has given its written consent to being named as Underwriter and Lead Manager to the Offer in this Prospectus, in the form and context in which it is named;

Steinepreis Paganin has given its written consent to being named as the Solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$165,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,350
ASX fees	10,000
Underwriting fees	124,081
Legal fees	15,000
Printing and distribution	12,000
Miscellaneous	1,569
Total	<u>165,000</u>

8.9 Electronic prospectus

The Corporations Act allows distribution of an electronic copy of this prospectus and an electronic application form on the basis of a paper prospectus lodged with the ASIC.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 0389 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.zyber.com.au/>.

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

8.10 Financial forecasts

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

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

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

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

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

8.12 Privacy Act

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

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

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

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

9. DIRECTORS' AUTHORISATION

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

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

Peter Wall
Non-Executive Chairman
For and on behalf of
ZYBER HOLDINGS LIMITED

10. GLOSSARY

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

Applicant means a Shareholder who applies for Shares/New Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Zyber Holdings Limited (ACN 131 090 947).

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

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

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

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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

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

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Hong Kong.

New Option means an Option issued on the terms set out in Section 6.2 of this Prospectus.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement of 190,000,000 Shares at an issue price of \$0.0065 per Shares that was completed on 10 October 2016.

Prospectus means this prospectus.

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

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

Shareholder means a holder of a Share.

Shortfall means the Shares and New Options not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

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

Shortfall Securities means those Shares and New Options issued pursuant to the Shortfall.

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