

CFOAM LIMITED
ACN 611 576 777

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata renounceable entitlement issue of four (4) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.015 per Share to raise up to \$3,843,481 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Prospectus also contains an offer of 20,000,000 Manager Options (**Manager Options Offer**).

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 professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 20 October 2020 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities 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 this 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 Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by 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 and 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.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

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 the Company, the Directors and the Company's management.

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

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 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 Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and the United Kingdom.

For further information on overseas Shareholders please refer to Section 2.10.

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 Securities.

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 three 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.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.cfoam.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9420 9300 during office hours or by emailing the Company at gsteinepreis@cfoam.com.

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.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

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.

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

The Company will apply to participate 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.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead,

investors will be provided with statements (similar to a bank account statement) that set out the number of Securities 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.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share

registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 9420 9300.

CORPORATE DIRECTORY

Directors

Gary Steinepreis
Non-Executive Chairman

Flemming Bjoernslev
Non-Executive Director

Todd Hoare
Non-Executive Director

Company Secretary

Gary Steinepreis

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Registered Office

Level 1
33 Ord Street
WEST PERTH WA 6005

Telephone: + 61 8 9420 9300
Facsimile: +61 8 9420 9399

Email: gsteinepreis@cfoam.com
Website: www.cfoam.com

ASX Code

CFO

Lawyers

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

Manager

Pamplona Capital Pty Ltd
329 Hay Street
SUBIACO WA 6008

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	20 October 2020
Lodgement of Prospectus and Appendix 3B with ASX	20 October 2020
Ex date	23 October 2020
Rights start trading	23 October 2020
Record Date for determining Entitlements	26 October 2020
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	29 October 2020
Rights stop trading	2 November 2020
Securities quoted on a deferred settlement basis	3 November 2020
Last day to extend the Closing Date	4 November 2020
Closing Date as at 5:00pm*	9 November 2020
ASX notified of under subscriptions	12 November 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	16 November 2020
Quotation of Shares issued under the Offer	17 November 2020

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

1.2 Key statistics of the Offer

Shares

	Maximum Subscription (\$3,843,481) ²
Offer Price per Share	\$0.015
Entitlement Ratio (based on existing Shares)	4:3
Shares currently on issue	192,174,026
Shares to be issued under the Offer	256,232,035
Gross proceeds of the issue of Shares	\$3,843,481
Shares on issue Post-Offer	448,406,061

Notes:

1. Assuming the Maximum Subscription of \$3,843,481 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.

1.3 Directors' Interests in Securities

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	Performance Rights	Share Entitlement	\$
Gary Steinepreis ^{1,2}	12,645,157	500,000	Nil	12,645,157	252,903.14
Flemming Bjoernslev ³	1,300,000	Nil	3,000,000	1,300,000	26,000.00
Todd Hoare ⁴	2,875,565	97,500	150,000	2,875,565	57,511.30

Notes:

- 3,200,000 Shares held by LeisureWest Consulting Pty Ltd as trustee for the LeisureWest Trust A/C of which Mr Steinepreis is the sole director and a general beneficiary. 9,445,157 Shares and 500,000 Options held indirectly by Oakhurst Enterprises Pty Ltd of which Mr Steinepreis is the sole director and a 50% shareholder.
- Subject to Shareholder approval at the AGM, Oakhurst Enterprises Pty Ltd, who holds a Converting Loan with a value of \$200,000, has agreed to convert the Converting Loan into 13,333,333 Shares at A\$0.015 per Share.
- 1,300,000 Shares held directly by Mr Bjoernslev.
- 1,909,375 Shares, 97,500 options and 150,000 performance rights held directly by Mr Hoare, 290,000 Shares held by Robyn Ann Hoare + Trevor John Hoare <Hoarehouse Family A/C>, 676,190 Shares held by MXCV Pty Ltd of which Mr Hoare is a director.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.4 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Muhummad Qubbaj	22,280,496	11.59%
Oakhurst Enterprises Pty Ltd and LeisureWest Consulting Pty Ltd as trustee for the LeisureWest Trust A/C ¹	12,645,157	6.58%
Drake Special Situations LLC	12,246,031	6.37%
Michael Placha	12,000,000	6.24%
William Dudley Rouse	11,869,426	6.18%
Brian Joseph and Touchstone Research Laboratory Ltd	10,473,435	5.45%

Notes:

- Mr Steinepreis is the sole director and a general beneficiary of LeisureWest Consulting Pty Ltd as trustee for the LeisureWest Trust. Oakhurst Enterprises Pty Ltd of which Mr Steinepreis is the sole director and a 50% shareholder.

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

1.5 Manager

Pamplona Capital Pty Ltd (an authorised representative of Symmetry Group Pty Ltd (AFSL 426385)) (**Manager** or **Pamplona**) has been appointed as the manager of the Offer. Terms of the manager mandate and total fees payable are set out in Section 6.4 below.

1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall 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.

1.7 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 57.14% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

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	5.2%	13,333,333	10,000,000	2.23%
Shareholder 2	5,000,000	2.6%	6,666,667	5,000,000	1.12%
Shareholder 3	1,500,000	0.78%	2,000,000	1,500,000	0.33%
Shareholder 4	400,000	0.21%	533,333	400,000	0.09%
Shareholder 5	50,000	0.03%	66,667	50,000	0.01%
Total	192,174,026		256,232,035		448,406,061

Notes:

1. This is based on a share capital of 192,174,026 Shares as at the date of the Prospectus and assumes no Options currently on issue or Performance Rights are exercised.
2. 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.

2. DETAILS OF THE OFFERS

2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of four (4) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.015 per Share.

Based on the capital structure of the Company as at the date of this Prospectus (assuming no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date), approximately 256,232,035 Shares may be issued under the Offer to raise up to \$3,843,481.

As at the date of this Prospectus the Company has 3,690,690 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 3.3 for information on the exercise price and expiry date of the Options on issue.

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 4 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 3.

2.2 Manager Options Offer

Pursuant to the Manager Mandate, the Company has agreed to issue to Pamplona 20,000,000 Options in consideration for manager and corporate advisory services (**Manager Options**). 15,000,000 of the Manager Options will be issued under the Company's Listing Rule 7.1 placement capacity. The issue of the remaining 5,000,000 Manager Options is subject to the Company obtaining Shareholder approval at the annual general meeting to be held on or around 30 November 2020 (**AGM**).

The Manager Options Offer will only be extended to Pamplona.

The Manager Options offered under this Prospectus will be issued on the terms and conditions set out in section 4.2 of this Prospectus. All of the Shares issued upon the future exercise of the Manager Options will rank equally with the Shares on issue at the date of this Prospectus.

2.3 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the	Section 2.4 and Section 2.5.

Option	Key Considerations	For more information
	<p>instructions carefully.</p> <ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	
<p>Take up all of your Entitlement and also apply for Shortfall Shares</p>	<ul style="list-style-type: none"> • Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Shares may be scaled-back. • The Company's decision on the number of Shortfall Shares to be allocated to you will be final. 	<p>Sections 2.4, 2.5 and 2.7.</p>
<p>Sell all of your Entitlement on ASX</p>	<ul style="list-style-type: none"> • The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. • If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 23 October 2020 and will cease on 2 November 2020. • There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX. 	<p>N/A</p>
<p>Take up a proportion of your Entitlement and sell the balance on ASX</p>	<ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Shares you wish to take up and making payment using the methods set out in Section 2.4 below. As 	<p>Section 2.4 and Section 2.5</p>

Option	Key Considerations	For more information
	<p>set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p> <ul style="list-style-type: none"> Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX. 	
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Shares you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.4 and Section 2.5</p>
<p>Sell all or a proportion of your Entitlement other than on ASX</p>	<ul style="list-style-type: none"> You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased. If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "CFOAM Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address: By Post: Level 1 33 Ord Street WEST PERTH WA 6005 If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application 	<p>N/A</p>

Option	Key Considerations	For more information
	Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.	
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise. If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

2.4 Payment options

(a) 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®:

- (i) 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;
- (ii) 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; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 3:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more**

than one of your Shareholdings. This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please email the Company at gsteinepreis@cfoam.com and EFT details will be provided to you. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) 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;
- (ii) 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; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "CFOAM Limited" and crossed "Not Negotiable".

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

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Shares**). 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 \$0.015 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Section 2.4.

The Board presently intends to allocate Shortfall Shares at their sole discretion as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Shares to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. If the number of Shortfall Shares applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Shares will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Shares under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1.1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares 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 is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares 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 issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.10 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 having regard to the number of overseas Shareholders, the number and value of Securities 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 the United Kingdom.

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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (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.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the new Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand or the United Kingdom 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.

2.11 Appointment of Nominee

Pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Symmetry Group Pty Ltd AFSL No. 426385, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding Securities on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. 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.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$3,843,481 before costs.

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

Item	Proceeds of the Offer	Full Subscription (US\$)	Full Subscription (A\$)	%
1.	Working capital of CFOAM LLC	687,399	968,168	25.2%
2.	Innovaero Investment	1,100,500	1,550,000	40.3%
3.	Repayment of creditors and accruals	319,617	450,165	11.7%
4.	Fees paid under the Shortfall Offer ¹	81,866	115,304	3.0%
5.	Administration and working capital	511,089	719,844	18.7%
6.	Expenses of the Offer ²	28,400	40,000	1.0%
	Total	2,728,872	3,843,481	100.0%

Notes:

1. Estimate of placement of shortfall fees of 6% of gross proceeds assuming 50% shortfall. While it is unlikely, in the event that there is a 100% shortfall, the fees payable for placement of the shortfall will be \$230,609.
2. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.
3. US\$ exchange rate used being A\$/US\$=0.71.

On completion of the Offer and Shortfall Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. The Innovaero investment is conditional on the Company raising A\$3,000,000 and in this event (and after accounting for associated Offer costs) it is likely that the Company will not be able to proceed with Item 2 and will scale back funds available for working capital.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

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.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,688,177 (after deducting the estimated expenses of the Offer and placement fees payable under the Shortfall Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 192,174,026 as at the date of this Prospectus to 448,406,061 Shares; and
- (c) increase the number of Options on issue from 3,690,690 to 23,690,690 after completion of the Manager Options Offer.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	192,174,026
Shares offered pursuant to the Offer	256,232,035
Total Shares on issue after completion of the Offer	448,406,061

Options

	Number
Options currently on issue	
Unquoted Options exercisable at \$0.15 on or before 15 August 2022	3,690,690
Total Options on issue as at the date of this Prospectus	3,690,690
Options to be offered pursuant to the Offer	Nil
Options to be issued pursuant to the Manager Options Offer ¹	20,000,000
Total Options on issue after completion of the Offer	23,690,690

Note:

1. The Company has agreed to issue 20,000,000 Options to the Manager on the terms and conditions set out in section 4.2 as part of the consideration for management and corporate advisory services provided to the Company. The issue of 5,000,000 of the Manager Options is subject to Shareholder approval at the AGM.

Performance Rights

	Number
Performance Rights currently on issue	1,225,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	1,225,000

Converting Loans

	Number
Converting Loans currently on issue ^{1, 2}	2
Converting Loans offered pursuant to the Offer	Nil
Total Converting Loans on issue after completion of the Offer	2

Notes:

1. A Converting Loan with a value of \$200,000 will be converted into fully paid ordinary shares at an issue price of \$0.015 each (being 13,333,333 Shares) using the Company's existing placement capacity under Listing Rule 7.1.
2. Subject to Shareholder approval at the AGM, Oakhurst Enterprises Pty Ltd, who holds a Converting Loan with a value of \$200,000, has agreed to convert the Converting Loan into 13,333,333 Shares at A\$0.015 per Share.

The capital structure on an undiluted basis as at the date of this Prospectus would be 192,174,026 Shares and on completion of the Offer on an undiluted basis (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 448,406,061 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2020 and the unaudited pro-forma balance sheet as at 30 September 2020 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 all Entitlements are accepted, no Options or convertible securities 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.

	UNAUDITED	PROFORMA
	30 September 2020	Full subscription
	US\$	US\$
CURRENT ASSETS		
Cash and cash equivalents	48,016	843,105
Trade and other receivables	100,576	100,576
Inventories	884,020	884,020
TOTAL CURRENT ASSETS	1,032,612	1,827,701

	UNAUDITED	PROFORMA
	30 September 2020	Full subscription
	US\$	US\$
NON-CURRENT ASSETS		
Investment – Innovaero	-	1,100,500
Property, plant and equipment	5,124,942	5,124,942
Right of use assets	101,188	101,188
Intangibles	2,412,785	2,412,785
TOTAL NON-CURRENT ASSETS	7,638,915	8,739,415
TOTAL ASSETS	8,671,527	10,567,116
CURRENT LIABILITIES		
Trade and other payables	486,272	166,655
Lease liability	47,429	47,429
Borrowings	706,239	477,106
TOTAL CURRENT LIABILITIES	1,239,940	691,190
NON-CURRENT LIABILITIES		
Lease liability	56,489	56,489
Borrowings	3,666,149	3,666,149
TOTAL NON-CURRENT LIABILITIES	3,722,638	3,722,638
TOTAL LIABILITIES	4,962,578	4,413,828
NET ASSETS	3,708,949	6,153,288
EQUITY		
Issued capital	17,359,741	20,290,746
Non-controlling interests	1,389,422	1,389,422
Reserves	1,766,003	1,766,003
Accumulated losses	(16,806,217)	(17,292,883)
TOTAL EQUITY	3,708,949	6,153,288

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Shares

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.

(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).

(c) Dividend rights

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

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

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.

If the Company ceases to carry on business within 12 months after its incorporation, shares issued for cash rank in the distribution, to the extent of the capital contributed by subscribing shareholders, in priority to shares issued to vendors or promoters or both for consideration other than cash.

(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.

4.2 **Manager 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 \$0.03 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) 3 years from the date of issue (**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 5 Business Days after the Exercise Date, the Company will:

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5) 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
- (iii) 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)(ii) 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) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, assuming no other Shares are issued including Options or Performance Rights are exercised prior to the Record Date, the number of Shares in the Company will increase from 192,174,026 currently on issue to 448,406,061. This means that immediately after the Offer 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, 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 \$0.024 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Coronavirus (COVID-19)

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's

Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

As announced on 26 March 2020 and 30 April 2020, the Company has implemented strategies to mitigate the risks posed by COVID-19 including implementing operational changes that are required to maintain business continuity and investigated and received a financial support package, being the PPP programme in the amount of US\$293,400 that was made available broadly to small businesses as well as those available to companies directly impacted by disruptions (cost and revenue) associated with COVID19.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Going Concern**

The Company's financial report for the year ended 30 June 2020 (**Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium working capital costs of the Company.

In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.

(e) **Competition and New Technologies**

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in CFOAM not being differentiated from other similar offerings.

The size and financial strength of some of CFOAM's competitors may make it difficult for it to maintain a competitive position in the high-end manufacturing materials market. In particular, the Company's ability to market and sell CFOAM could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(f) **Ability to Commercialise Production**

The Company has completed its Phase 1 expansion. The Company has made improvements in its production process and the expansion has increased output and improved efficiencies, with the goal of reducing operating costs and is working to improve the manufacturing sales team to significantly increase sales. The growth of the operations has been challenging with production issues being experienced and this has resulted in downtime and increased costs of the operation while the Company was increasing its inventory. The expected increase in sales has been slower than expected.

(g) **Additional Requirements for Capital to Continue Commercialisation Strategy**

As the Company's commercialisation strategy progresses it will need to increase its production further by its Phase 2 expansion to cater for anticipated growth. This will be done initially at the current premises. These premises are limited to growth and new premises will be required if production of CFOAM significantly increases. This transfer of production facilities and business will represent a significant capital investment and the Company will require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its production. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Research and Development Activities**

The Company can make no representation that any of its research into the further development of CFOAM will be successful, that any development milestones will be achieved, or that CFOAM will be developed into products that are commercially exploitable.

(i) **Intellectual Property Risks**

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

The Company's interest in the CFOAM technology is currently protected by a number of US and foreign patents. Whilst this will provide the Company with protection, the granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvent such patents. The Company's success depends, in part, on its ability to maintain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of technology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in patents nor their enforceability can be predicted. There can be no assurance that any patents the Company may own or control or licence now and, in the future, will afford the Company commercially significant protection of the CFOAM technology.

Although the Company is not aware of any third party interests in relation to the CFOAM intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect the CFOAM technology, there can be no assurance that these measures have been or will be sufficient.

(j) **Product Liability**

The future sale of its products will expose the Company to product liability risks which are inherent in the research and development, manufacturing, marketing and use of its products. The Company will seek to obtain and maintain adequate levels of insurance to cover product liability risks.

Despite this, there can be no guarantee that adequate insurance coverage will be available at an acceptable cost (or in adequate amounts), if at all, or that product liability or other claims will not materially and adversely affect the operations and condition of the Company. A product liability claim may give rise to significant liabilities as well as damage the Company's reputation.

(k) **Uncertainty of Future Profitability**

The Company's ability to operate profitably in the future will depend in part on its ability to successfully commercialise its products and grow sales of CFOAM via an increase in market share in the aerospace tooling market and expanding into new markets and identifying additional end uses.

Other factors that will determine the Company's profitability are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain.

(l) **Failure to Deal with Growth**

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the Company's business, including demand for the Company's products/services, revenue collection, customer satisfaction and public perception.

(m) **Failure to meet Regulatory Standards**

The Company's operations could be materially adversely affected if:

- (i) it is unable to obtain or maintain a licence or approval which it is required to obtain or maintain in order to conduct its operations;
- (ii) it breaches any applicable legislative or regulatory requirement;
- (iii) it is required to comply with new or additional legislative or regulatory requirements; or

(iv) the costs of complying with applicable legislation and regulations increase.

(n) **Operational and Technical Risks**

The future operations of the Company may be affected by a range of operational and technical factors which may affect commercialisation of CFOAM, including:

(i) mechanical failure of operating plant and equipment, work stoppage, increase in transportation costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events; and

(ii) unexpected shortages or increases in the costs of materials, plant and equipment.

(o) **Staff Risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of the Company's intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as all staff contracts will contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by the Company to the maximum extent possible.

(p) **Liquidity Risk**

There is no guarantee that the Shares will trade at a particular price or a particular volume after the Company's listing on the ASX. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

(q) **Environmental Risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most manufacturing and project development businesses, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(r) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.3 Industry specific

(a) **Competition from Existing Market Players**

The Company may face competition from existing market players who may, for example, undertake aggressive marketing campaigns, product innovation or price discounting.

(b) **Highly Competitive Market**

The Company will be participating in a highly competitive market, however there are few, if any, specific competitors who have a dominant market share and dictate the structure or practices in the market.

The fact that there are no dominant competitors makes market entry and penetration easier but not without the need to ensure that the Company can position and differentiate itself to gain market share. There is no certainty that the Company will be successful in this market.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(c) **Multiple Markets and End Uses**

CFOAM has the potential to be monetised in a number of markets and has a number of potential end uses. However, targeting every market and end use at once is impractical for a company of this size given,

among other things, that each market and potential end use has different relationship requirements, different sales requirements, different purchasing time-frames and so on, and requires its own business plan.

The Company must therefore decide about the markets and end uses in which it is most likely to be successful in the shortest amount of time and seek out those opportunities. There can be no guarantee that this approach will be successful.

5.4 General risks

(a) Limited Operating History

The Company was incorporated in March 2016 and accordingly has a limited operating history and the potential of its business model remains unproven. While significant funding and time has been spent on the development of CFOAM, it has not yet reached the sustainable commercialised manufacturing stage. Therefore, an investment in the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of production.

(b) Economic

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

(c) 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;
- (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 resource exploration 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.

In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.

(d) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **Market Acceptance**

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.

Accordingly, there is a risk that the Company may not be able to commercialise its products, which could adversely impact the Company's operations.

(f) **Reliance on Key Personnel and the Need to Attract and Retain Qualified Staff**

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 that the Company will be able to retain its key management personnel or attract or retain sufficiently qualified personnel on a timely basis. 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.

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Foreign Exchange Rate Risks**

The Company expects to derive a majority of its revenue and incur its business expenses from its operations in the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of the Company.

(i) **Changes to Government Policies and Legislative Changes**

Government policy and legislative changes which are outside the control of the Company may have a negative impact on the financial performance of the Company. This risk factor applies to government policy and legislative changes in the United States of America and in Australia.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, 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
8 October 2020	Proposed issue of Securities
8 October 2020	Proposed issue of Securities
8 October 2020	New investment opportunity and funding update

Date	Description of Announcement
5 October 2020	Date of AGM & Closing Date for Director Nominations
1 October 2020	Appendix 4G – Corporate Governance Statement

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 www.cfoam.com.

6.3 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:

	(\$)	Date
Highest	\$0.055	28 May 2020
Lowest	\$0.026	30 June 2020
Last	\$0.024	19 October 2020

6.4 Manager Mandate

The Company has signed a mandate letter to engage Pamplona to act as manager of the Offer (**Manager Mandate**), the material terms and conditions of which are summarised below.

Fees	<p>Under the terms of this engagement, the Company will pay/issue to Pamplona (or its nominees):</p> <ul style="list-style-type: none"> (a) subject to and conditional on the Company raising a minimum of A\$3,000,000, \$5,000 (plus GST) per month for 12 months; (b) a management fee of 6% of total funds raised by Pamplona and/or its associates; and (c) subject to and conditional on the Company raising a minimum of A\$3,000,000, 20,000,000 unlisted Options (Manager Options). The issue of 5,000,000 of the Manager Options will be subject to Shareholder approval at the AGM. <p>The Company is also obligated to pay any reasonable disbursements and out of pocket expenses of Pamplona incurred and associated with the Offer.</p>
Termination	<p>This Manager Mandate may only be terminated by Pamplona or the Company by written notice at any time with or without cause upon 7 days written notice to the other party.</p>

The Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed 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 or proposed 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 as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.3.

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 Constitution 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 \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. 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 but not confirmed) annual remuneration paid to both executive and non-executive Directors in the past financial year and the proposed remuneration for the current financial year.

Director	Financial Year ended 30 June 2020	Financial Year ending 30 June 2021 (Proposed but not confirmed)
Gary Steinepreis	US\$44,104	US\$45,000
Flemming Bjoernslev	US\$266,807	US\$24,000
Todd Hoare	US\$45,443	US\$45,000

6.6 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.

Pamplona Capital Pty Ltd will be paid a management fee of up to 6% of any funds raised by Pamplona Capital Pty Ltd under the Shortfall Offer. Further details of the fees payable to Pamplona Capital Pty Ltd are set out in Section 6.4 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Pamplona Capital Pty Ltd has been paid fees totalling \$27,000 excluding GST for capital raising fees by the Company.

Symmetry Group Pty Ltd has been appointed as the nominee under ASX Listing Rule 7.7. Symmetry Group Pty Ltd will be paid 1% of the gross proceeds of the sale of the renounceable rights of Ineligible Shareholders for this service in accordance with standard industry terms and conditions.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$74,855.50 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed 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) in light of the above, only 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; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Pamplona Capital Pty Ltd has given its written consent to being named as Manager to the Offer in this Prospectus, in the form and context in which it is named. Pamplona Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Symmetry Group Pty Ltd has given its written consent to being named as the Company's nominee under ASX Listing Rule 7.7. Symmetry Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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 lodgement of this Prospectus with the ASIC.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$40,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	12,642
Legal fees	10,000

	\$
Printing and distribution	7,500
Miscellaneous	6,652
Total	40,000

Notes:

1. In the event there is shortfall under the Offer, the Company will be required to pay placement fees of 6% of the gross proceeds. Assuming a 50% shortfall under the Offer, the Company will be required to pay \$115,304. While it is unlikely, in the event that there is a 100% shortfall, the placement fees payable will be \$230,609.
2. Symmetry Group Pty Ltd will be paid 1% of the gross proceeds of the sale of any renounceable rights of Ineligible Shareholders.

7. 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.

Gary Steinepreis
Non-Executive Chairman
For and on behalf of
CFOAM Limited

8. GLOSSARY

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

AGM means the annual general meeting of the Company to be held on or around 30 November 2020.

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

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 CHES.

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 Section 1 (unless extended).

Company means CFOAM Limited (ACN 611 576 777).

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 as at the Record Date who is eligible to participate in the Offer.

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 and the United Kingdom.

Manager or Pamplona means Pamplona Capital Pty Ltd (ACN 150 332 700).

Manager Options Offer means the offer of Options referred to in Section 2.2.

Offer means the 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.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Rights in the capital of the Company.

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

Shareholder means a holder of a Share.

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

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

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in Section 2.7.

Shortfall Shares means those Shares not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

US\$ means the lawful currency of the United States of America.

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