



Aaron Bertolatti
Non-Executive Director
Profusion Discovery Fund Limited
18 July 2024

PROFUSION DISCOVERY FUND LIMITED

ACN 099 058 250

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered on the Record Date at an issue price of \$0.005 per Share to raise up to \$359,408 (**Entitlement Offer**).

The last date for acceptance and payment is 5:00pm (WST) on 9 August 2024 (unless otherwise extended).

This Prospectus also includes an offer for the issue of Shares in exchange for Partly Paid Shares (**Exchange Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

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

IMPORTANT NOTICE

This Prospectus is dated 18 July 2024 and was lodged with the ASIC on that date. The ASIC and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Offers under this Prospectus are made by Veritas Securities Limited (ACN 117 124 535), holder of AFSL No. 297043 under an intermediary authorisation arrangement pursuant to section 911A(2)(b) of the Corporations Act. Refer to Section 9.2 for further information.

No securities will 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 you read this Prospectus in its entirety and seek professional advice where necessary. The securities offered under this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into

possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the securities or the offer, or to otherwise permit a public offering of the securities in any jurisdiction outside Australia.

This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia except to investors in transactions exempt from local prospectus or registration requirements, as contemplated below.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the securities have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

(a) it understands that the securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject

to, registration under the US Securities Act and any other applicable securities laws;

- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and
- (d) it will not offer or resell the securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the securities are offered and sold.

Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by emailing the Company at aron.bertolatti@profusiondiscoveveryfund.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 document or other information available on the Company's website is

incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

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 an investment in the Company meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for securities. There are risks associated with an investment in the Company. The securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the securities. Refer to Part E of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

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 performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Overseas Shareholders

The Entitlement 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 Entitlement Offer is not being extended and securities will not be issued to Shareholders with a registered address which is outside Australia, Thailand or Hong Kong (**Permitted Jurisdictions**).

For further information on overseas Shareholders please refer to Section 3.11.

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.

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 this Prospectus or its contents or that the content 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 12.

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 Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers and mail houses.

You can access, correct and update the personal information that we hold about you. If you

wish to do so, please contact the Company at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information

required on your application for securities under this Prospectus, the Company may not be able to accept or process your application.

Enquiries

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial

adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offers or how to accept the Entitlement Offer please contact the Company Secretary via email at aaron.bertolatti@profusiondiscoveryfund.com.

CORPORATE DIRECTORY

Directors

David Lightfoot
Non-Executive Director

Aaron Bertolatti
Non-Executive Director

Bryce Reynolds
Non-Executive Director

Company Secretary

Aaron Bertolatti

Registered Office

63 Summerhill Drive
STAKE HILL WA 6181

Email:

aaron.bertolatti@profusiondiscoveryfund.com

Website: www.profusiondiscoveryfund.com/

Auditor*

The Linkara Group Pty Ltd
3/91 Frederick Street
MEREWETHER NSW 2291

Legal Advisers

Steinepreis Paganin
Level 6
99 William Street
MELBOURNE VIC 3000

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

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1. KEY OFFER INFORMATION

INDICATIVE TIMETABLE ^{1, 2}

General Meeting at which selective capital reduction of Partly Paid Shares approved by Shareholders and Partly Paid Shareholders	21 June 2024
Lodgement of Prospectus with the ASIC	18 July 2024
Exposure Period begins	18 July 2024
Cancellation of Partly Paid Shares and issue of Shares under the Exchange Offer	26 July 2024
Record Date for determining Entitlements	26 July 2024
Opening Date of Entitlement Offer	29 July 2024
Closing Date of Entitlement Offer	5:00pm (WST) on 9 August 2024
Issue of Shares under the Entitlement Offer³	12 August 2024

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. Applications for Shares under this Prospectus will not be accepted or processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.*
- The Company reserves the right to extend the Closing Date or close the Entitlement Offer early without prior notice. The Company also reserves the right not to proceed with the Entitlement Offer at any time before the issue of Shares to applicants.*
- If the Entitlement Offer is cancelled or withdrawn before completion of the Entitlement Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Entitlement Offer opens.*

KEY STATISTICS OF THE OFFER

	Full Subscription¹
Entitlement Offer Price per Share	\$0.005
Entitlement Ratio (based on existing Shares)	1:1
Shares currently on issue	58,265,603
Shares to be issued under the Exchange Offer	13,615,912
Shares to be issued under the Entitlement Offer	71,881,515
Gross Proceeds of the Entitlement Offer	\$359,408
Shares on issue Post Entitlement Offer¹	143,763,030

Notes:

- Assuming the full subscription of \$359,408 is achieved under the Entitlement Offer.
- Subject to rounding of Entitlements under the Offer. Refer to Section 3.2.

HOW TO INVEST

Applications for Shares under the Entitlement Offer can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 3.9 and on the Application Form.

2. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for Shareholders intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Profusion Discovery Fund Limited (ACN 099 058 250) (Company or Profusion).	Section 4.1
Who is the Company?	The Company is an Australian unlisted public company incorporated on 14 December 2001 in New South Wales and is registered as a Pooled Development Fund (PDF) under the <i>Pooled Development Fund Act (1992) (Cth)</i> .	Section 4.1
What does the Company do?	The Company's approved investment plan allows the fund to invest in a large range of early-stage enterprises. The PDF Act provides various tax incentives to PDF funds and to the shareholders in the fund.	Section 4
B. Industry Overview		
What is the industry in which the Company will operate?	The Company operates as a Pooled Development Fund. The PDF program was initiated to develop the market for providing equity and venture capital to small or medium-sized Australian companies that carry on eligible businesses. Further details on the industry in which the Company operates are set out in Section 4.3.	Section 4.3
What is the scale of the market in which the Company operates?	There are currently 17 registered PDFs as at 25 June 2024, with the program now closed to new applicants.	Section 4.3
What is the regulatory environment in which the Company operates?	The industry is regulated by the PDF Act and is monitored by the PDF Board.	Section 4.3
C. Business Model		
What are the Company's business objectives and	The Company's main objectives are as follows: (a) seek out investment opportunities in SMEs;	Sections 4.2 and 4.5

Item	Summary	Further information
investment strategy?	(b) allow for investors to benefit from tax incentives under the PDF Act; and (c) provide for working capital.	
What are the significant dependencies of the Company's business model?	The key dependencies influencing the viability of the Company's business model are: (a) raising sufficient capital to be able to deploy to the SMEs; and (b) identifying suitable SMEs to invest in.	Section 4.7
D. Financial Information and Dividend Policy		
How has the Company been performing?	The Company's audited historical financial information is set out in Section 5.	Section 5
What is the Company's Dividend Policy?	Payment of dividends by the Company is at the discretion of the Board. The Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future. In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision. The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.	Section 4.11
E. Key Risks		
Liquidity	Given the Company's investment horizon is between 6 months and 3 years, investors should be prepared to have the funds invested for this time frame. Some of the Company's investments will be in pre-IPOs and there is a risk that these investments may not achieve an ASX listing.	Section 7
Concentration risk	The Company intends to have a small number of high conviction investments. The PDF Act requires the investments to be 10% of the investee company's paid up capital. Therefore diversification of investments will be somewhat dependent on the total size of funds under management. The	Section 7

Item	Summary	Further information
	Company invests in smaller companies which are generally riskier.	
Investment risk	There is a risk that an investment will fall in value due to factors such as changes in a company's underlying operations management, profitability or business environment.	Section 7
Currently no market	There is currently no public market for the Company's Shares. The price of the Company's Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Entitlement Offer.	Section 7
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4

F. Board and Key Management

Who are the Directors of the Company?	<p>The Board currently consists of:</p> <p>(a) David Lightfoot – Non-Executive Director;</p> <p>(b) Bryce Reynolds – Non-Executive Director; and</p> <p>(c) Aaron Bertolatti – Non-Executive Director.</p> <p>The profiles of each of the Directors are set out in Section 8.1.</p>	Section 8.1
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G. Significant Interests of Key People and Related Party Transactions

What interests do the Directors have in the securities of the Company?	<p>The table below sets out the direct and indirect interests of the Directors in the Shares of the Company both as at the date of this Prospectus and following completion of the Offers.</p> <table border="1"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="2">Record Date</th> <th colspan="2">Completion of Offers</th> </tr> <tr> <th>Shares</th> <th>Voting power</th> <th>Shares</th> <th>Voting power</th> </tr> </thead> <tbody> <tr> <td>David Lightfoot</td> <td>50,000</td> <td>0.07%</td> <td>100,000</td> <td>0.07%</td> </tr> <tr> <td>Bryce Reynolds (via controlled entity)</td> <td>50,000</td> <td>0.07%</td> <td>100,000</td> <td>0.07%</td> </tr> </tbody> </table>	Director	Record Date		Completion of Offers		Shares	Voting power	Shares	Voting power	David Lightfoot	50,000	0.07%	100,000	0.07%	Bryce Reynolds (via controlled entity)	50,000	0.07%	100,000	0.07%	Section 8.3
Director	Record Date		Completion of Offers																		
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Item	Summary	Further information																		
	<table border="1" data-bbox="600 253 1177 331"> <tr> <td data-bbox="600 253 730 331">Aaron Bertolatti</td> <td data-bbox="730 253 845 331">955,328</td> <td data-bbox="845 253 960 331">1.33%</td> <td data-bbox="960 253 1075 331">1,910,656</td> <td data-bbox="1075 253 1177 331">1.33%</td> </tr> </table> <p data-bbox="600 342 1177 421">Please refer to Section 8.3 for further information relating to the above table.</p> <p data-bbox="600 421 1177 521">The table above assumes that the Directors (and their associates) will take up their full Entitlement under the Entitlement Offer.</p>	Aaron Bertolatti	955,328	1.33%	1,910,656	1.33%														
Aaron Bertolatti	955,328	1.33%	1,910,656	1.33%																
What significant benefits are payable to the Directors in connection with the Company or the Offer?	None.	Section 8.3																		
Who are the Company's substantial Shareholders and what interest will they have after completion of the Offers and who will the Company's substantial shareholders be on completion of the Offers?	<p data-bbox="600 813 1177 925">Those Shareholders holding 5% or more of the Shares on issue on the Record Date and on completion of the Offers is set out in the table below. This is further detailed in Section 4.10.</p> <table border="1" data-bbox="600 936 1177 1507"> <thead> <tr> <th data-bbox="600 936 826 1048">Shareholder</th> <th data-bbox="826 936 1002 1048">Shares held on Record Date</th> <th data-bbox="1002 936 1177 1048">Voting Power (%) post Offers</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 1048 826 1160">Ferguson Corporation Pty Ltd</td> <td data-bbox="826 1048 1002 1160">4,726,576</td> <td data-bbox="1002 1048 1177 1160">6.58%</td> </tr> <tr> <td data-bbox="600 1160 826 1238">Ms Alexandra Williams</td> <td data-bbox="826 1160 1002 1238">4,726,576</td> <td data-bbox="1002 1160 1177 1238">6.58%</td> </tr> <tr> <td data-bbox="600 1238 826 1350">Mr Elvis Jurcevic + Mrs Georgina Louise Jurcevic</td> <td data-bbox="826 1238 1002 1350">4,726,576</td> <td data-bbox="1002 1238 1177 1350">6.58%</td> </tr> <tr> <td data-bbox="600 1350 826 1429">Mr Michael John Ragen</td> <td data-bbox="826 1350 1002 1429">4,725,631</td> <td data-bbox="1002 1350 1177 1429">6.57%</td> </tr> <tr> <td data-bbox="600 1429 826 1507">Mr Russell Fenshaw Tyre</td> <td data-bbox="826 1429 1002 1507">3,780,882</td> <td data-bbox="1002 1429 1177 1507">5.26%</td> </tr> </tbody> </table>	Shareholder	Shares held on Record Date	Voting Power (%) post Offers	Ferguson Corporation Pty Ltd	4,726,576	6.58%	Ms Alexandra Williams	4,726,576	6.58%	Mr Elvis Jurcevic + Mrs Georgina Louise Jurcevic	4,726,576	6.58%	Mr Michael John Ragen	4,725,631	6.57%	Mr Russell Fenshaw Tyre	3,780,882	5.26%	Section 4.10
Shareholder	Shares held on Record Date	Voting Power (%) post Offers																		
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Mr Michael John Ragen	4,725,631	6.57%																		
Mr Russell Fenshaw Tyre	3,780,882	5.26%																		
Are there any related party transactions?	<p data-bbox="600 1541 1177 1641">The agreements between the Company and related parties are summarised in Section 9.1.</p> <p data-bbox="600 1641 1177 1776">It is noted that Mr Aaron Bertolatti is a non-executive director of Megado Minerals Limited, in which the Company holds an investment.</p>	Sections 8.4 and 9.1																		
H. Capital Structure																				
Who are the existing Shareholders of the Company?	The current capital structure of the Company is detailed in Section 4.9.	Section 4.9																		

Item	Summary	Further information
What will the Company's capital structure be on completion of the Offers?	On completion of the Offers, the Company will have 143,763,030 Shares on issue.	Section 4.9
I. Overview of the Offers		
What are the Offers?	<p>The Exchange Offer is an offer of Shares in exchange for the cancellation of Partly Paid Shares in the following proportions:</p> <ul style="list-style-type: none"> (a) one (1) Share for every four (4) 1c Partly Paid Shares held; and (b) one (1) Share for every forty (40) 0.1c Partly Paid Shares held. <p>The purpose of the Exchange Offer is to simplify the capital structure of the Company by issuing fully paid ordinary shares in the Company to Partly Paid Shareholders in exchange for the cancellation of Partly Paid Shares.</p> <p>The Entitlement Offer is an offer of up to 71,881,515 Shares at an issue price of \$0.005 per Share to raise up to \$359,408 (before costs).</p> <p>The Entitlement Offer will open following the issue of Shares under the Exchange Offer.</p>	Section 3
Is there a minimum subscription under the Offer?	The Entitlement Offer does not have a minimum subscription.	Section 3.3
Why is the Offer being conducted?	<p>The Exchange Offer is being conducted to reduce administrative costs for the Company and remove all Partly Paid Shares from the Company's share register.</p> <p>The Entitlement Offer is being conducted primarily to:</p> <ul style="list-style-type: none"> (a) provide the Company with funding for: <ul style="list-style-type: none"> (i) evaluating investment opportunities that may be presented to the Board from time to time; and (ii) the Company's working capital requirements while it is implementing its business strategies; and (b) pay transaction costs associated with the Offer. 	Section 3.4

Item	Summary	Further information
What is the proposed use of funds raised under the Entitlement Offer?	<p>The Company intends to apply funds raised under the Entitlement Offer, together with existing cash reserves as set out in Section 4.8 to advance the Company's main objectives.</p> <p>The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 4.8
What is the Entitlement Offer Price?	The price payable under the Entitlement Offer is \$0.005 per Share.	Section 3.2
What rights and liabilities attach to the Shares being offered?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.2.	Section 10.2
Is the Offer underwritten?	No, the Entitlement Offer is not underwritten.	Sections 3.8
Are there any conditions to the Offer?	No.	
Who is eligible to participate in the Entitlement Offer?	<p>Shareholders with a registered address as at the Record Date in Australia, Hong Kong or Thailand.</p> <p>This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.</p>	Section 3
How can I apply for Shares?	<p>The process for applying for Shares is set out in Section 3.9.</p> <p>Applications for Shares under the Entitlement Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 3.9 and the Application Form.</p>	Section 3.9
Will any Shares be subject to escrow?	None of the Shares issued under the Offers will be subject to escrow.	

Item	Summary	Further information
Will the Shares be quoted on ASX?	No, the Company is not listed on ASX and no application for official quotation on ASX (or any other exchange) of the Shares offered pursuant to the Offers are planned to be made.	
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 1.	Section 1
J. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offers.	Section 3.12
Can the Entitlement Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Entitlement Offer at any time before the issue of Shares to successful applicants. If the Entitlement Offer does not proceed, application monies will be refunded (without interest).	Section 3.14
What are the tax implications of investing in Shares?	Refer to Section 6 for a general summary on the tax treatment of PDFs and tax considerations for Australian resident investors. All Shareholders and potential investors in the Company should obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.	Section 3.13
Where can I find more information about this Prospectus or the Offers?	(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser; or (b) By contacting the Company Secretary, at aaron.bertolatti@profusiondiscoveryfund.com.	
Can general meetings of shareholders be held using technology?	The Company's constitution permits the use of technology at general meetings of Shareholders to the extent permitted under the Corporations Act and any other applicable law.	Section 10.2

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3. DETAILS OF THE OFFERS

3.1 Exchange Offer

The Exchange Offer is being made to Shareholders who hold Partly Paid Shares (the **Partly Paid Shareholders**). The Exchange Offer comprises the offer of:

- (a) 1 Share in consideration for the cancellation of every four (4) 1c Partly Paid Share held (of which \$0.01 has been paid up); and
- (b) 1 Share in consideration for the cancellation of every forty (40) 0.1c Partly Paid Shares (of which \$0.001 has been paid up).

The 1c Partly Paid Shares and the 0.1c Partly Paid Shares are together referred to as the **Partly Paid Shares**. The Partly Paid Shares both had an issue price of \$0.019 and were partly paid in the proportions described above.

The purpose of the Exchange Offer is to simplify the capital structure of the Company by issuing fully paid ordinary shares in the Company to Partly Paid Shareholders in exchange for the cancellation of its Partly Paid Shares. The Company has elected to undertake this cancellation by way of a selective reduction of capital pursuant to sections 256B and 256C(2) of the Corporations act, by cancelling the Partly Paid Shares in exchange for the issue of fully paid ordinary shares based on the ratio set out above.

Only Partly Paid Shareholders will be issued Shares under the Exchange Offer. Following the issue of Shares under the Exchange Offer the number of fully paid ordinary shares will increase from 58,265,603 to 71,881,515 (which does not take into account the Shares to be issued under the Entitlement Offer) and all the Partly Paid Shares will be cancelled.

All Shares issued under the Exchange Offer will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

No funds will be raised from the Exchange Offer.

3.2 Entitlement Offer

The Entitlement Offer will open following the issue of Shares under the Exchange Offer.

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share. Fractional entitlements (if any) will be rounded up to the nearest whole number.

Shareholders will only be able to participate in the Entitlement Offer if they have a registered address as at the Record Date in Australia, Hong Kong or Thailand (**Eligible Shareholders**).

Based on the capital structure of the Company as at the Record Date, approximately 71,881,515 Shares may be issued under the Entitlement Offer to raise up to \$359,408. All proceeds less the costs of the Entitlement Offer will be committed wholly to the operations of the Company (which includes working capital).

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

The Entitlement Offer is made on the terms and is subject to the conditions set out in this Prospectus.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.4.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or any part of their Entitlement.

3.3 Minimum Subscription

There is no minimum subscription in respect of the Entitlement Offer.

3.4 Purpose of the Entitlement Offer

The primary purpose of the Entitlement Offer is to:

- (a) provide the Company with funding for:
 - (i) evaluating investment opportunities that may be presented to the Board from time to time; and
 - (ii) the Company's working capital requirements while it is implementing its business strategies; and
- (b) pay transaction costs associated with the Offers.

The Company intends to apply the funds raised under the Entitlement Offer together with its existing cash reserves in the manner detailed in Section 4.8.

3.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement 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 six months following the Closing Date (unless extended). The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Entitlement 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 following the instructions on their Application Form and making payment for such Shortfall Shares.

The Board presently intends to allocate Shortfall Shares 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 Company intends to allocate the Shortfall Shares among applying Eligible Shareholders proportionate to their existing holdings (subject to the Company's right to allocate an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all).

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.

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

3.6 Effect of the Entitlement Offer

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest (voting power) in the Company; and
- (b) in the more likely event that not all Eligible Shareholders take up their Entitlements under the Offer, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 3.7.

3.7 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings may be diluted by a maximum of approximately 50% (as compared to their holdings and number of Shares on issue as at the Record Date).

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

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Offer not taken Up	% post Offer ³
Shareholder 1	10,000,000	13.91%	10,000,000	10,000,000	6.96%
Shareholder 2	5,000,000	6.96%	5,000,000	5,000,000	3.48%
Shareholder 3	1,500,000	2.09%	1,500,000	1,500,000	1.04%
Shareholder 4	400,000	0.56%	400,000	400,000	0.28%
Shareholder 5	50,000	0.07%	50,000	50,000	0.03%

Notes:

1. Based on a share capital of 71,881,515 Shares as at the Record Date. There are no Options currently on issue.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that if all Eligible Shareholders take up their Entitlements under the Entitlement Offer. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
3. Assuming that an Eligible Shareholder does not take up their Entitlement, and the full subscription is issued under the Entitlement Offer (including the issue of any Shortfall Shares).

3.8 Underwriting

The Entitlement Offer is not underwritten.

3.9 Applications

3.9.1 Exchange Offer

Pursuant to *ASIC Corporations (Application Form Requirements) Instrument 2017/241*, ASIC has granted relief from the application form requirement in s 723(1) of the Corporations Act where a disclosure document is lodged because an offer of securities is made for the purposes of Chapter 6D of the Corporations Act as part of a broader capital reduction or reconstruction transaction.

Partly Paid Shareholders will therefore not be required to complete an application form to participate in the Exchange Offer and be issued Shares in exchange for the cancellation of Partly Paid Shares.

3.9.2 Entitlement Offer

Applications for Shares under the Entitlement Offer must be made by following the instructions on the Application Form attached to, or accompanying, this Prospectus.

By completing an Application Form, each applicant under the Entitlement Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

When paying by EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Entitlement Offer early.

3.10 Issue

The issue of Shares offered by this Prospectus will take place in accordance with the indicative timetable set out in the Timetable in Section 1.

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. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

3.11 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, 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 Shares will not be issued to Shareholders with a registered address which is outside Australia, Hong Kong and Thailand.

Hong Kong

WARNING: This document may be distributed in Hong Kong only to existing Shareholders of the Company. This document may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Entitlement Offer. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice. This document has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

Thailand

This Prospectus is not intended to be an offer, sale or invitation for the subscription or purchase of Shares in Thailand. This Prospectus has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Prospectus and any other document relating to the offer, sale or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This Prospectus may be distributed in Thailand only to existing Shareholders of the Company.

3.12 Commissions payable

The Company reserves the right to pay commissions of up to 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees 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. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.13 Taxation

Refer to Section 6 for a general summary on the tax treatment of PDFs and tax considerations for Australian resident investors.

All Shareholders and potential investors in the Company should obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offers.

3.14 Discretion regarding the Entitlement Offer

The Entitlement Offer may be withdrawn at any time. If the Entitlement Offer does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

The Company also reserves the right to close the Entitlement Offer early, extend the Entitlement Offer, accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Shares than applied for.

4. COMPANY AND INDUSTRY OVERVIEW

4.1 Background

The Company is an Australian unlisted public company incorporated on 14 December 2001 in New South Wales and is registered as a Pooled Development Fund (**PDF**) in accordance with the *Pooled Development Fund Act 1992 (Cth)*. Its approved investment plan allows the fund to invest in a large range of early-stage enterprises. The PDF Act provides various tax incentives to PDF's and to the shareholders in the fund.

4.2 Objectives

The Company offers a unique investment opportunity focused on the vibrant and dynamic sector of listed and unlisted small and medium-sized enterprises (**SME**) in Australia. With approximately 2.5 million SMEs constituting the majority of all businesses and employing around two-thirds of the Australian workforce, this sector is crucial for the nation's economic growth and innovation.

The aim for investors in the Company is to invest in business opportunities to generate capital growth, whilst benefitting from various tax incentives provided under the PDF Act.

4.3 Industry Overview

4.3.1 Pooled Development Fund (PDF)

A PDF is a company registered by the Pooled Development Fund Registration Board (**PDF Board**), under the PDF Act. The Company was registered as a PDF on 2 May 2005. There are currently 17 registered PDFs as at 25 June 2024, with the program now closed to new applicants.

The objective of the PDF program was to develop the market for providing patient equity and venture capital to small or medium-sized Australia companies that carry on eligible businesses. In order to achieve this object, the PDF Act established a scheme under which companies that provide capital under the PDF scheme, register as a PDF and the company and their shareholders receive tax benefits on the income derived from their equity investments.

The PDF program closed to new applicants on 21 June 2007, however existing PDFs were not affected.

4.3.2 Capital Structure of a PDF

The capital structure of a PDF is regulated in a number of ways:

- (a) unless approved by the PDF Board, a person (together with their associates) must not hold more than 30% of the issued shares in a PDF (this restriction does not apply to banks, life insurance entities or a widely held complying superannuation fund);
- (b) a PDF may only acquire shares in another PDF where the acquisition is part of a process of the two PDFs merging into one PDF. The consideration for the shares in the investee PDF may only be shares in the investor PDF or a bona fide dividend;
- (c) a PDF must not buy back its own shares to return capital to its shareholders within two years after becoming a PDF or merging with another PDF; and

- (d) a PDF is prohibited from borrowing money, accepting a deposit of money, issuing debentures, issuing convertible notes and issuing or making available an interest in a managed investment scheme. A PDF may make certain short-term borrowings.

4.3.3 Investments by a PDF

A PDF must carry on the business of making and holding PDF investments and can only enter into transactions for this purpose (unless otherwise approved by the PDF Board). The PDF Act regulates the investment activities of a PDF. In particular, the PDF Act imposes certain restrictions on a PDF in terms of its investment activities and the type of investments it may make:

- (a) a PDF may make an investment by subscribing for or buying newly issued ordinary shares in a small to medium sized Australian company with total assets of less than \$50 million (**Investee Company**). An acquisition of pre-owned ordinary shares or other kinds of shares requires PDF Board approval;
- (b) provided that the PDF holds at least 10% of the total of all amounts paid in the issued shares in an Investee Company, a PDF may also acquire non-transferable options to buy shares in an Investee Company and lend money to an Investee Company, provided that the total amount of the outstanding loans by the PDF does not exceed 20% of the shareholders' funds of the PDF;
- (c) a PDF may only invest in Australian companies that carry on "eligible businesses" (ie. an eligible business is an Australian company that will establish a new business, substantially expand its production/supply capacity or substantially expand/develop its market);
- (d) a PDF must not invest in a company whose business, or primary business, involves retail sale operations or the acquisition or disposal of an interest in, or development of, land;
- (e) a PDF may not invest in a company whose total assets exceed \$50 million; and
- (f) unless otherwise approved by the PDF Board, a PDF must take up at least 10% of the paid up capital of the Investee Company.

A PDF must not invest more than 30% of its capital in any one Investee Company, unless otherwise approved by the PDF Board.

4.3.4 Reporting Obligations

A PDF must, within four months after the end of each financial year, give the PDF Board a written return that includes information such as details of officers, persons providing services, shareholders, particulars of investments held by the PDF, profits, gains and losses made from each Investee Company and dividends paid to shareholders during the financial year.

Within 30 days of a PDF's initial investment in an Investee Company, the PDF must give the PDF Board written notification of the investment.

4.3.5 Ceasing to be a PDF

A PDF automatically ceases to be a PDF, if at any time the PDF is not eligible according to the PDF Act. The PDF Board also has the power to deregister a PDF if it fails to comply with the PDF Act. If the Company ceases to be a PDF, the Company must notify Shareholders as soon as practicable after it becomes aware of the fact.

4.4 Current Investments

As at the date of this Prospectus, the Company holds the following investments:

Investee company	Holding	\$ Value (approximate) ³
Megado Minerals Limited (ASX:MEG) (Megado) ¹	3,500,000 fully paid ordinary shares ²	31,500

Notes:

1. Mr Aaron Bertolatti, a director of the Company is a non-executive director of Megado.
2. Purchased on 18 August 2021. At the time of the investment, the holding represented an 11.3% equity interest in Megado.
3. Based on the closing price of Megado on ASX of \$0.009 on 17 July 2024.

Megado Minerals Limited (ASX: MEG) is an ASX-listed mining exploration company. Megado's assets include the North Fork Rare Earth Project in Idaho, USA and the Cyclone Lithium Project in the James Bay region in Quebec, Canada.

In June 2022, Megado completed the acquisition 100% of the rights, title, and interest in the North Fork Rare Earth Project (**North Fork**), located in the mining-friendly Idaho Cobalt Belt region of Idaho, USA. Subsequently, Megado has acquired new lode claims in the project area. North Fork now consists of 526 (granted and in application), covering approximately 45km² with outcropping, high-grade, rare-earth element (REE) mineralised rock. Idaho, where North Fork is located, is ranked the best mining policy jurisdiction in the world in 2020 by Fraser Institute.

In February 2023, Megado announced the acquisition of the Cyclone Lithium Project. The Project is in Quebec's James Bay region and centred on the Aquilon Greenstone Belt. The Project encompasses 130km² and includes 304 claims. Located within Category-III lands, the Cyclone Project does not carry any restrictions relating to mining or exploration according to the James Bay Agreement. The project area is easily accessible year-round via the Trans Taiga Road, which transects the southern part of the project area.

Further information in relation to Megado and its projects, including all ASX announcements is available at <https://megadominerals.com/>.

4.5 Business model and Investment Strategy

Profusion will seek investments in eligible Australian companies that the Board assesses to be able to achieve above average risk adjusted returns. The Company will primarily be focused on early stage investments (e.g. mining exploration and resources companies in the pre-discovery and development stages) or technology companies as this is where it is considered the greatest

returns can be made in a relatively short period of time. The investments may be in ASX listed companies or unlisted companies.

Investment decisions will be made by the Board. The Company may consider appointing an investment manager in the future.

The Company will apply investment criteria in relation to potential investment opportunities. This includes an initial due diligence phase. The Company will work with a network of financial planners, accountants, stockbrokers and corporate advisors to help identify listed and unlisted SMEs in need of financing that they cannot obtain via traditional methods. The Company may provide a combination of debt and equity financing that allows the SMEs to achieve their goals.

In relation to investments in the mining exploration and resources sector, there are 5 project gates that need to be satisfied in descending order of importance:

Gate A: Low relative capex to alternate projects in the space and mining projects generally.	Gate B: EBITDA in full production of at least US\$100m.	Gate C: Likely margin at least in top 50% of producers of similar products.	Gate D: Mining and processing route must be commercially proven.	Gate E: Production is unlikely to be disruptive to market pricing or has been appropriately factored in.
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CAPEX

Likely project capex is the most important gate as this relates to the quality of the resource and jurisdiction (infrastructure in place). It also relates to the likelihood of finance and share dilution that will be necessary to finance the project (noting every project requires a component of equity or project sell down to be financed).

TARGET EBITDA

EBITDA in full production is a critical component of the exit. Most projects need to have visible EBITDA in full production of at least US\$100m. Mining companies will generally trade at an EV/EBITDA multiple of between 3x and 6x. There needs to be confidence that the investee entity can move into the ASX All Ordinaries and then ideally into the ASX300 (or equivalent) where there will be sufficient liquidity for an exit.

MARGIN

Margin is important as it is relevant to a project's ability to continue to produce throughout a cycle. Critically margin is not cost curve. Margin is the difference between what the customer is likely to pay and how much it costs to mine and transport the product to the customer. In many projects access to high priced markets is more important than the cost of mining the product. Additionally an ability to monetise by-products is also very important.

TECHNICAL RISK

Assessment of whether or not the proposed mining and processing route has been commercially applied before to similar production. Many companies have failed in applying technology from a small scale lab environment to successful large scale commercial production. It is also very difficult to finance non proven technology.

MARKET ASSUMPTIONS

Generally, any production that will exceed around 10% of a global market will be disruptive to market pricing. The Company needs to ensure the market assumptions are valid and built in to any margin analysis and likely financial metrics and that the project remains attractive post this assessment.

4.6 Key Advantages

Investors in the Company have the advantages of tax concessions available to (further detailed in Section 6) and investments they may otherwise not have exposure to. SMEs will have the advantage of obtaining capital and loans to operate and expand their businesses.

4.7 Key dependencies of the Company's business model

The key dependencies influencing the viability of the Company's business model are:

- (a) raising sufficient capital in order to deploy to the SMEs; and

- (b) identifying suitable SMEs to invest in and provide equity and loans for their growth.

4.8 Use of funds

The Company intends to apply funds raised from the Offers, together with existing cash reserves, in accordance with the table set out below:

Funds available	Subscription (\$) (\$359,408)	Percentage of Funds (%)
Existing cash reserves ¹	26,688	6.9
Funds raised from the Entitlement Offer	359,408	93.1
Total	386,096	100.0
Allocation of funds		
Expenses of the Offers ²	38,676	10.0
Administration costs ³	99,880	25.9
Working capital	247,540	64.1
Total	386,096	100.0

Notes:

1. Refer to the Financial Information set out in Section 5 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offers of which various amounts will be payable prior to completion of the Offers. Since 30 June 2023, the Company has expended approximately \$87,684 in administration costs.
2. Refer to Section 10.6 for further details.
3. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis. It is anticipated that the funds raised under the Entitlement Offer will enable two years of operations (depending on the capital deployed on new investments). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's investments.

In the event the Company raises less than the full subscription under the Entitlement Offer, the funds raised will be first applied towards the expenses of the

Offer and then proportionally to the other line items in the above table. Given the Entitlement Offer is not underwritten, if the Company is not able to raise any funds from the Entitlement Offer or raises only minimal funds, depending on the value of the Company's underlying investments, this may affect the Company's ability to continue as a going concern.

The Directors consider that following completion of the Offers, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to consider the risk factors outlined in Section 7.

4.9 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offers, is set out in the table below:

Shares ¹

	Full Subscription
Shares currently on issue ²	58,265,603
Shares to be issued pursuant to the Exchange Offer ³	13,615,912
Shares to be issued pursuant to the Entitlement Offer ⁴	71,881,515
Total Shares on completion of the Offers	143,763,030

Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. This figure does not include any Partly Paid Shares which will be cancelled and Partly Paid Shareholders will receive Shares before the Record Date for the Entitlement Offer.
3. Comprising 13,240,912 Shares (in exchange for cancellation of the 1c Partly Paid Shares) and 375,000 Shares (on exchange for the cancellation of the 0.1c Partly Paid Shares).
4. 71,881,515 Shares to be issued at an issue price of \$0.005 per Share to raise up to \$359,408 under the Entitlement Offer. This figure includes the Entitlements of the Partly Paid Shareholders whose Partly Paid Shares will be exchanged for Shares pursuant to the Exchange Offer.

4.10 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers are set out in the respective tables below.

As at the date of the Prospectus¹

Shareholder	Shares	1c Partly Paid Shares	Voting Power (%) ²
Ferguson Corporation Pty Ltd ¹	4,241,097	1,941,916	7.28%
Ms Alexandra Williams	4,241,097	1,941,916	7.28%
Mr Elvis Jurcevic and Mrs Georgina Louise Jurcevic	4,241,097	1,941,916	7.28%

Mr Michael John Ragen	4,240,249	1,941,527	7.28%
Mr Russell Fenshaw Tyre	3,392,538	1,553,377	5.82%

Notes:

1. None of the Shareholders listed above hold any 0.1c Partly Paid Shares.
2. Voting power calculation does not factor in holdings of Partly Paid Shares.

As at the Record Date

Shareholder	Shares ¹	Voting Power (%)
Ferguson Corporation Pty Ltd	4,726,576	6.58%
Ms Alexandra Williams	4,726,576	6.58%
Mr Elvis Jurcevic and Mrs Georgina Louise Jurcevic	4,726,576	6.58%
Mr Michael John Ragen	4,725,631	6.57%
Mr Russell Fenshaw Tyre	3,780,882	5.26%

Notes:

1. Includes the issue of Shares issued in consideration for the cancellation of Partly Paid Shares pursuant to the Exchange Offer.

As at completion of the Entitlement Offer assuming all Entitlements accepted

Shareholder	Shares	Voting Power (%)
Ferguson Corporation Pty Ltd	9,453,142	6.58%
Ms Alexandra Williams	9,453,142	6.58%
Mr Elvis Jurcevic and Mrs Georgina Louise Jurcevic	9,453,142	6.58%
Mr Michael John Ragen	9,451,262	6.57%
Mr Russell Fenshaw Tyre	7,561,765	5.82%

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

4.11 Dividend policy

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the development of the business. Accordingly, Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future.

In determining whether to declare future dividends the Directors and will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management

initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.

5. FINANCIAL INFORMATION

5.1 Introduction

This section sets out the Historical Financial Information and the Pro Forma Financial Information (collectively the **Financial Information**). The purpose of the Financial Information is to illustrate the effects of the proforma transactions outlined in Section 5.6.

All information present in this Section should be read in conjunction with the remainder of this Prospectus.

5.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies as detailed in the Company's 2023 Annual Report. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Section 5.6.

The Financial Information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical audited financial information comprises the following (collectively referred to as the **Historical Financial Information**):

- (a) the historical Statement of Profit or Loss and Other Comprehensive Income for the Company for the year ended 30 June 2023 and years ended 30 June 2022 and 30 June 2021;
- (b) the historical Statement of Cashflow for the Company for the year ended 30 June 2023 and years ended 30 June 2022 and 30 June 2021; and
- (c) the historical Statement of Financial Position for the Company as at 30 June 2023 and at 30 June 2022 and 30 June 2021.

The pro forma financial information comprises (collectively referred to as the **Pro Forma Financial Information**):

- (a) the pro forma statement of financial position, prepared on the basis that the pro forma adjustments detailed in Section 5.6 had occurred as at 30 June 2023; and
- (b) the notes to the Pro Forma Financial Information.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

	Audited 30 June 2021 \$	Audited 30 June 2022 \$	Audited 30 June 2023 \$
Revenue from ordinary activities & other income	77	48,926	33,556
Other Operating Expenses	174,802	93,658	100,323
Profit /(Loss) before Income Tax	(174,725)	(44,732)	(66,767)
Income Tax benefit / (expenses)	-	-	-
Profit /(Loss) after Income Tax	(174,725)	(44,732)	(66,767)
Other Comprehensive Income (net of tax)	-	-	-
Total Comprehensive income/ (loss) for the year	(174,725)	(44,732)	(66,767)

5.4 Historical Statement of Cashflows

	Audited 30 June 2021 \$	Audited 30 June 2022 \$	Audited 30 June 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Customers			
Payment to Suppliers & Employees	(179,202)	(93,658)	(100,322)
Income tax (paid)/refund	(7,338)	3,019	(32,256)
Other Income	-	-	32,256
Interest Received	77	26	1,300
Net Cash used in operating activities	(186,463)	(90,613)	(99,022)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Financial Assets	-	(150,000)	-
Sale Of Financial Assets	-	248,900	-
Net Cash Provided by investing activities	-	98,900	-

	Audited 30 June 2021 \$	Audited 30 June 2022 \$	Audited 30 June 2023 \$
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	25,500	-	-
Proceeds of issue of shares	77,937	-	-
Net Cash provided by financing activities	103,437	-	-
Net increase/(decrease) in cash and cash equivalents held	(83,026)	8,287	(99,022)
Cash at the beginning of year	288,133	205,107	213,394
Cash at the end of the year	205,107	213,394	114,372

5.5 Historical Statement of Financial Position

For the Year ended 30 June	Audited 30 June 2021 \$	Audited 30 June 2022 \$	Audited 30 June 2023 \$
Current Assets			
Cash & Cash Equivalents	205,107	213,394	114,372
Total Current Assets	205,107	213,394	114,372
Non Current Assets			
Other Financial Assets	400,000	350,000	350,000
Total Non Current Assets	400,000	350,000	350,000
Total Assets	605,107	563,394	464,372
Current Liabilities			
Provision for Taxation	29,237	32,256	-
Total Current Liabilities	29,237	32,256	-
Total Liabilities	29,237	32,256	-
Net Assets	575,870	531,138	464,372
Equity			
Issued Capital	650,625	650,625	650,625

For the Year ended 30 June	Audited 30 June 2021 \$	Audited 30 June 2022 \$	Audited 30 June 2023 \$
Reserves	36,917	36,917	36,917
Retained Earnings	(111,672)	(156,404)	(223,171)
Total Equity	575,870	531,138	464,372

5.6 Historical and Pro-forma consolidated statements of financial position

Statement of Financial Position (Subscription: \$359,408)

	Audited 30 June 2023 \$	Adjustments for proceeds of Offers	Proforma Full Subscription
Current Assets			
Cash & Cash Equivalents	114,372	320,732	435,104
Total Current Assets	114,372	320,732	435,104
Non Current Assets			
Other Financial Assets	350,000	-	350,000
Total Non Current Assets	350,000	-	350,000
Total Assets	464,372	320,732	785,104
Equity			
Issued Capital	650,625	320,732	971,357
Reserves	36,917	-	36,917
Retained Earnings	(223,171)	-	(223,171)
Total Equity	464,372	320,732	785,104

Notes:

1. It is assumed that 71,881,515 new Shares will be issued at \$0.005.
2. Costs of the Offers are assumed to be \$38,676 (excluding GST).
3. The Company is not required to prepare and lodge audited or reviewed half yearly financial statements. The Company's unaudited cash balance (cash and cash equivalents) at 30 June 2024 is \$19,125. The proforma cash and cash equivalents amount based on the Company's unaudited cash balance as at 30 June 2024, adjusting for the proceeds of the Offers is \$339,857. Otherwise there have not been any material changes in the financial position of the Company between 30 June 2023 and the date of lodgement of this Prospectus.

6. TAXATION CONSIDERATIONS

This is a general description of the Australian tax treatment for PDFs and the tax consequences for investors who acquire Shares in the Company as a registered PDF through the Offer.

The summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The individual circumstances of each investor may affect the taxation implications of the investment of that investor. Investors should seek appropriate independent professional advice that considers the taxation implications in respect of their own specific circumstances.

There are special tax rates that apply to investments in shares in PDFs. This summary therefore assumes that the Company remains a PDF. If, for any reason, the Company ceases to be a PDF, the tax consequences for Shareholders will be different to those explained below.

Unless otherwise indicated, this summary is based on the Australian taxation legislation, established interpretations of such legislation and understanding of the practice of the ATO as at the date of this Prospectus. Investors should be aware that the Australian tax rules are subject to change at all times.

6.1 Tax Treatment of PDFs

A PDF is a company that is registered as a PDF and provides development capital to small and medium sized companies. The PDF regime was closed to new applications for registration as a PDF from 21 June 2007.

If a company was registered as a PDF part way through an income year and is still a PDF at the end of the income year, it is taxed as a PDF for the period from the date of registration to the end of the income year as if that period were an income year.

If a company ceases to be a PDF part way through an income year, it is taxed as an ordinary company for the whole year; that is, taxable income is taxed at the current company tax rate of 25%.

The SME income component of a PDFs taxable income is taxed at the rate of 15%. The SME component is the Company's SME assessable income less any deductions allowable to the Company for the year, whether they relate to SME assessable income or not. If the available deductions exceed the amount of SME assessable income, the excess may be applied against the unregulated investment component of the Company's taxable income.

SME assessable income is income derived from, or from the disposal of, an SME investment and includes amounts that would otherwise be capital gains. An SME investment is not an unregulated investment which is an investment by way of a loan to, deposit with or debenture of a bank, or a deposit with an authorised money market dealer.

The unregulated investment component of the PDF's taxable income is worked out by deducting the Company's SME income component from its taxable income for the year. The amount (if any) remaining is the Company's unregulated investment component. The unregulated investment component is taxed at the rate of 25%.

Imputation

PDFs generate franking credits in the same way as other companies, mainly from the payment of income tax and from the receipt of franked distributions. The franking credit that arises is the tax paid (at the relevant rate applicable to the taxable income of PDFs, not at the company tax rate).

PDFs make franked distributions in the same manner as other companies.

The PDF obtains venture capital credits from the payment of income tax reasonably attributable to capital gains from venture capital investments; that is, SME investments made in accordance with the PDF Act. If a PDF keeps a record of its venture capital sub-account, it can make distributions franked with venture capital credits.

If a PDF over-distributes venture capital credits during the income year, it incurs a liability to venture capital deficit tax.

Tax offset for franking credits

A PDF that receives a franked distribution must include the distribution and the franking credit attached to the distribution in its assessable income. The PDF is then entitled to a tax offset equal to the amount of franking credits included in its assessable income. This is the gross-up and tax offset rule.

Losses

Deductions for PDF tax losses are allowable only in an income year in which the company is a PDF throughout that income year. PDF tax losses cannot be transferred to other companies in the same group. Non-PDF tax losses incurred before the company became a PDF that are not recouped while the company is a PDF continue to be deductible after the company ceases to be a PDF.

Capital losses incurred while the Company is a PDF are not deductible from capital gains accruing to the Company after it ceases to be a PDF.

6.2 Tax considerations for investors

The taxation summary seeks to provide Australian resident individual Shareholders, Australian resident complying superannuation fund Shareholders and Australian resident corporate Shareholders with an overview of the relevant Australian income tax considerations associated with the payment of dividends by the Company and the future disposal of their Shares. Non-resident Shareholders should consider and seek advice the impact of receiving dividends under their domestic tax regime.

Unfranked PDF distributions and the unfranked part of a franked distribution are exempt from tax.

The franked part of a PDF distribution is also exempt from income tax unless the shareholder elects to be taxed on it. The election is made by including the distribution (and franking credit) in assessable income. The election will apply to all franked PDF distributions derived during the income year. A corporate shareholder who receives a franked PDF distribution and who elects to include the distribution in assessable income will receive a franking credit equal to the franking credit attached to the distribution.

Special rules apply to PDF distributions franked with venture capital credits that are paid to complying superannuation funds, pooled superannuation trusts and like entities. Such entities are also entitled to a venture capital tax offset and the relevant part of the distribution is also exempt income.

The costs (e.g. interest) associated with borrowing to purchase shares in a PDF may not be deductible to the extent the distributions are exempt from tax. An investor should therefore consider the deductibility of related expenses when deciding whether to elect to be taxed on franked dividends.

Income from selling shares in a company that is a PDF at the time of sale is exempt from income tax. Any capital gains or capital losses from the disposal of PDF shares are disregarded.

Stamp Duty

No stamp duty will be payable on the issue of Shares pursuant to the Offer. Under current stamp duty legislation, no stamp duty would ordinarily be payable on any subsequent transfer of Shares.

7. RISK FACTORS

7.1 Introduction

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

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 that have a direct influence on the Company, its investments and activities are set out Part E of the Investment Overview in Section 2. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in securities and financial markets generally are described below.

The risks factors set out in this Section 7, 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 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 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.

7.2 Company specific risks

Risk Category	Risk
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>

Risk Category	Risk
Related party	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>
Investment risk	<p>There is a risk that an investment will fall in value due to factors such as changes in a company's underlying operations, management, profitability or business environment.</p>
Concentration risk	<p>The Company intends to have a small number of high conviction investments. The PDF Act requires the investments to be 10% of the investee company's paid up capital. Therefore diversification of investments will be somewhat dependant on the total size of funds under management. Investments will mainly be focussed on the mining sector with a secondary focus of investment in technology. A high conviction portfolio is less diversified than most index tracking managed funds or an index fund. While a concentrated portfolio does not mean high risk, it can exhibit higher volatility due to share price fluctuation. The Company may also have concentrated exposure to various economic or risk factors such as currency fluctuation or unemployment rate change. The Company invests in smaller companies which are generally riskier.</p>
Liquidity	<p>Given the Company's investment horizon is between 6 months and 3 years, investors should be prepared to have the funds invested for this time frame. Some of the Company's investments will be in pre-IPOs and there is a risk that these investments may not achieve an ASX listing.</p>

7.3 Industry specific risks

Risk Category	Risk
<p>Disputes</p>	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.</p>
<p>Litigation</p>	<p>The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
<p>Data loss, theft or corruption</p>	<p>The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.</p> <p>The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.</p>

Risk Category	Risk
Competition	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.
Change in government regulation	There may be changes in the regulation of PDFs which may have an adverse impact on the Company's financial performance.

7.4 General risks

Risk Category	Risk
Future funding requirements for capital	<p>The Company's capital requirements depend on numerous factors and the Company may require further additional debt or equity financing in the future to maintain or grow its business in addition to funds raised under the Entitlement Offer.</p> <p>There can be no assurance that the Company will be able to secure additional capital from debt or equity financing on favourable terms or at all.</p> <p>If the Company is unable to raise additional capital if and when required, this could delay, suspend or reduce the scope of the Company's business operations and could have a material adverse effect on the Company's operating and financial performance.</p> <p>Any additional equity financing may result in dilution for some or all shareholders, and debt financing, if available, may involve restrictive covenants which limit operations and business strategy.</p>
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance.
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offers.
Taxation	The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain

Risk Category	Risk
	independent professional taxation and financial advice about the consequences of acquiring and disposing of securities from a taxation viewpoint and generally.
Force Majeure	The Company may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Dilution	<p>In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time.</p> <p>Shareholder interests may be diluted as a result of such issues of Shares or other securities.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
Global Conflicts	<p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (Ukraine and Gaza Conflicts) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually</p>

Risk Category	Risk
	evolving, and the consequences are therefore inevitably uncertain.

7.5 Investment speculative

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.

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends or return of capital.

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.

8. BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE

8.1 Board of Directors

The Board of the Company consists of:

(a) David Lightfoot (B. Comm, Grad Dip Applied Finance and Investment, MBA) – Non-Executive Director

David specialises in providing strategic financial advice to fast growth companies and SME's with over 25 years of experience including all aspects of corporate finance and due diligence (with transaction values ranging from \$0.1 million to \$2+ billion). David is a fellow of the Australian Institute of Chartered Accountants and FINSIA. He has completed the Melbourne Business School MBA at the University of Melbourne, a postgraduate diploma of Applied Finance, and a B.Com. David has been the fund manager of two Pooled Development Funds and was a director and/or company secretary of these funds. David is and has been a non-executive director of numerous private and public companies (including ASX listed companies).

(b) Bryce Reynolds (B. Comm) – Non-Executive Director

Bryce has in excess of 30 years experience in financial markets. His recent experience in funds management includes being a director of the specialist resource fund 90 West Asset Management which was acquired by Janus Henderson Group in 2015. He also is a director of Infinitas Asset Management. Bryce also is the Founder and Managing Director of Veritas Securities Limited, established in 2006. His role at Veritas has been in the origination and execution of Equity Capital Market deals and in a Corporate Advisory capacity, plus managing the business. He is also a director of various other companies which encompass the Natural Resources Industry, IT and Trading Entities.

Bryce is a non-executive director of Aeris Limited (ASX:AER).

(c) Aaron Bertolatti (B.Com, CA, AGIA) – Non-Executive Director

Aaron is a qualified Chartered Accountant and Company Secretary with over 16 years' experience in the mining industry and accounting profession. Aaron has both local and international experience and provides assistance to a number of resource companies with financial accounting and stock exchange compliance. Aaron has significant experience in the administration of ASX listed companies, corporate governance and corporate finance.

Aaron is a non-executive director of Megado Minerals Limited (ASX:MEG) and director (finance) of Fin Resources Limited (ASX:FIN).

The Board has considered the Company's immediate requirements and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

8.2 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with

the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Entitlement Offer.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

8.3 Directors' Remuneration and interests in securities

Remuneration

Details of the Directors' remuneration (including superannuation) for the previous two financial years and proposed remuneration for the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2023	Remuneration for the year ended 30 June 2024	Proposed remuneration for the year ending 30 June 2025
Directors			
David Lightfoot ¹	\$24,000	\$24,000	\$24,000
Bryce Reynolds ²	\$24,000	\$24,000	\$24,000
Aaron Bertolatti ³	\$29,000	\$27,600	\$30,000

Notes:

1. Appointed on 14 December 2001
2. Appointed on 26 May 2020
3. Appointed on 26 May 2020

Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The Directors have relevant interests in securities as follows:

Director	Shares at date of Prospectus	Partly Paid Shares at date of Prospectus	Total Shares at Record Date	Share Entitlement	Voting Power (%) ⁴
David Lightfoot	-	2,000,000	50,000 ¹	50,000	0.07%
Bryce Reynolds	-	2,000,000	50,000 ²	50,000	0.07%
Aaron Bertolatti	533,958	3,485,479	955,328 ³	955,328	1.33%

Notes:

1. Mr Lightfoot will receive 50,000 Shares pursuant to the Exchange Offer (in exchange for the cancellation of 2,000,000 0.1c Partly Paid Shares).
2. Held by Bluestar Management Pty Ltd, an entity controlled by Mr Reynolds. Bluestar Management Pty Ltd will receive 50,000 Shares pursuant to the Exchange Offer (in exchange for the cancellation of 2,000,000 0.1c Partly Paid Shares).
3. Mr Bertolatti will receive 421,370 Shares pursuant to the Exchange Offer (in exchange for the cancellation of 1,485,479 1c Partly Paid Shares and 2,000,000 0.1c Partly Paid Shares).
4. Voting power on Record Date and on completion of the Entitlement Offer.

The Company has no Options on issue.

Remuneration

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

As set out above, Mr Lightfoot, Mr Reynolds and Mr Bertolatti (and their respective associates') will receive Shares under the Exchange Offer and will be entitled to (and at present intend to) participate in the Entitlement Offer.

8.4 Agreements with Directors and related parties

The Company's policy in respect of related party transactions is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

It is noted that Mr Aaron Bertolatti is a non-executive director of Megado Minerals Limited, in which the Company holds an investment.

The agreements between the Company and related parties are summarised in Section 9.1.

9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offers.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.1 Agreements with Directors

9.1.1 David Lightfoot – Letter of Appointment

Term	The appointment commenced on 26 May 2020 and will continue subject to provisions of the Company's Constitution or any law.
Remuneration	\$24,000 per annum paid monthly in arrears.
Expenses	<p>Mr Lightfoot is entitled to be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. Expenses would include reasonable legal and other fees which may arise should he feel it necessary for you to seek independent professional advice on matters relating to his position as a Director of the Company, subject to prior approval of the Chairman of the Board, which approval will not be unreasonably withheld.</p> <p>Where Mr Lightfoot is requested in writing by the Board to perform consulting services outside the standard scope of his role, a daily fee of \$2,000 (excluding GST) will apply.</p>
Termination	The Lightfoot Letter of Appointment doesn't include any termination events, however the appointment is subject to provisions of the Company's Constitution relating to retirement by rotation and re-election of directors and will cease at the end of any meeting at which Mr Lightfoot is not re-elected as a director by the Shareholders.

The Lightfoot Letter of Appointment otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.2 Bryce Reynolds – Letter of Appointment

Term	The appointment commenced on 26 May 2020 and will continue subject to provisions of the Company's Constitution or any law.
Remuneration	\$24,000 per annum paid monthly in arrears.

Expenses	Mr Reynolds is entitled to be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. Expenses would include reasonable legal and other fees which may arise should he feel it necessary for you to seek independent professional advice on matters relating to his position as a Director of the Company, subject to prior approval of the Chairman of the Board, which approval will not be unreasonably withheld.
Termination	The Reynolds Letter of Appointment doesn't include any termination events, however the appointment is subject to provisions of the Company's Constitution relating to retirement by rotation and re-election of directors and will cease at the end of any meeting at which Mr Reynolds is not re-elected as a director by the Shareholders.

The Reynolds Letter of Appointment otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.3 Aaron Bertolatti – Letter of Appointment

Term	The appointment commenced on 26 May 2020 and will continue subject to provisions of the Company's Constitution or any law.
Remuneration	\$24,000 per annum paid monthly in arrears. Mr Bertolatti may perform consulting services outside the standard scope of his role.
Expenses	Mr Bertolatti is entitled to be reimbursed reasonable expenses incurred in performing his duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Board. Expenses would include reasonable legal and other fees which may arise should he feel it necessary for you to seek independent professional advice on matters relating to his position as a Director of the Company, subject to prior approval of the Chairman of the Board, which approval will not be unreasonably withheld.
Termination	The Bertolatti Letter of Appointment doesn't include any termination events, however the appointment is subject to provisions of the Company's Constitution relating to retirement by rotation and re-election of directors and will cease at the end of any meeting at which Mr Bertolatti is not re-elected as a director by the Shareholders.

The Bertolatti Letter of Appointment otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Intermediary Authorisation Agreement

Appointment	The Company has appointed Veritas Securities Limited (ACN 117 124 535) (Veritas), holder of AFSL No. 297043 as its agent for the purpose of section 911A(2)(b) of the Corporations Act, to make offers for the issue of Shares under the Offers.
Term	The agreement continues for the duration of the term of the Offers.
Fees	The Company has agreed to pay Veritas a fee of \$2,000 (excluding GST) in consideration for its services under the agreement.
Expenses	The Company must reimburse Veritas for any fees, costs and expenses, including reasonable legal fees, incurred by Veritas in connection with its obligations under the agreement.
Indemnity	The Company has agreed to indemnify Veritas against and with respect to all direct loss, damage, costs and expenses which Veritas suffers or incurs as a result of the prospectus for the Offers not complying with the Corporations Act.

Mr Bryce Reynolds, a director of the Company, is the founder and managing director of Veritas.

10. ADDITIONAL INFORMATION

10.1 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.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the 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. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act and applicable law.

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 them, or in respect of which they are 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.

Subject to 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.

(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**

Before transferring Shares of a particular class, a Shareholder must offer them first to the existing holders of Shares of that class. To make the offer, the Shareholder must give the Shareholders a statement setting out the terms of the offer. The Shareholder may transfer any Shares not taken up under the offer as they see fit provided the terms are no more commercially attractive than the original offer.

(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 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.

10.3 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 Offers; or
- (c) the Offers,

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 Offers.

10.4 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, adviser 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 Offers; or
- (f) the Offers,

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 Offers.

The Linkara Group Pty Ltd has been appointed as the Company's auditor. The Company estimates it will pay The Linkara Group Pty Ltd a total of \$880 (excluding GST) for audit services. During the 24 months preceding lodgement of this Prospectus with the ASIC, The Linkara Group Pty Ltd has received \$1,705 in fees from the Company for audit services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

10.5 Consents

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

Each of the parties referred to in this Section 10.5:

- (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.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offers in this Prospectus.

10.6 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$38,676 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Maximum Subscription (\$)
ASIC fees	3,206
Legal Fees	15,000
Capital Raising Fees (including costs payable under Intermediary Authorisation Agreement)	17,970
Mailing and Distribution	1,500
Miscellaneous	1,000
TOTAL	38,676

11. 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.

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

0.1c Partly Paid Share means a Partly Paid Share of which \$0.001 has been paid up.

1c Partly Paid Share means a Partly Paid Share of which \$0.01 has been paid up.

Application Form means the entitlement and acceptance form attached to or accompanying this Prospectus (including an online application form) relating to the Entitlement Offer.

ASIC means Australian Securities & Investments Commission.

Board means the board of Directors as constituted from time to time.

Business Days 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 closing date of the Entitlement Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Entitlement Offer early).

Company or **Profusion** means Profusion Discovery Fund Limited (ACN 099 058 250).

Constitution means the constitution of the Company.

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

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

Eligible Shareholder has the meaning given in Section 3.2.

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

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Entitlement Offer means the offer of Shares to Shareholders pursuant to this Prospectus as set out in Section 3.2.

Exchange Offer means the offer of Shares to Partly Paid Shareholders in exchange for the cancellation of Partly Paid Shares as set out in Section 3.1.

Offer Price means \$0.005 per Share.

Option means an option to acquire a Share.

Partly Paid Shareholders has the meaning given in Section 3.1.

Partly Paid Share means a partly paid share in the capital of the Company.

PDF means a pooled development fund registered under the PDF Act.

PDF Act means the *Pooled Development Fund Act 1992* (Cth).

PDF Board means the Pooled Development Fund Registration Board.

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.

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

Shareholder means a holder of Shares.

Shortfall means the Shares not applied for under the Entitlement 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 3.5.

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

SME means a small to medium-sized enterprise.

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