

PROSPECTUS

For the offers:

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pursuant to the **SPP Offer** of approximately 10,526,316 SPP Shares to Eligible Shareholders at an issue price of \$0.095 per SPP Share, together with one free unquoted attaching New Option for every two SPP Shares issued (approximately 5,263,158 New Options), targeting to raise approximately \$1 million (before expenses) with the ability to accept oversubscriptions of up to \$1.5 million. The SPP Offer is not underwritten and will provide Eligible Shareholders in Australia and New Zealand with the opportunity to participate for up to a maximum of \$30,000 per Eligible Shareholder; and

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pursuant to the **Placement Options Offer** of up to 21,052,632 New Options to Institutional Investors, on the basis of one free unquoted attaching New Option for every two Placement Shares issued,

in each case on the terms and conditions detailed in this Prospectus (together, the **Offers**). The SPP Offer and Placement Options Offer are not open to the general public.

The issue of New Options under the Offers is subject to Shareholder approval, which is being sought at a general meeting of the Company to be held on or around 29 May 2024.

This Prospectus has also been prepared for the purpose of facilitating any potential secondary trading of the Placement Shares, New Securities and of any Shares which may be issued upon exercise of the New Options under the Offers, pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

IMPORTANT INFORMATION

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

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A HIGHLY SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

Not for release to US wire services or distribution in the United States except by the Company to Institutional Investors

The SPP Shares and New Options offered under this Prospectus should be considered as speculative.



IMPORTANT INFORMATION

General

This Prospectus is dated 24 April 2024 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to ASX for Official Quotation of the SPP Shares offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at

A14, 6 MAB Eastern Promenade, 1284 South Road, Tonsley SA 5042 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 5.5).

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

This Prospectus will be made available in electronic form. Eligible persons having received a copy of this Prospectus in its electronic form may, subject to applicable laws, obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offers are only available in electronic form to eligible persons receiving an electronic version of this Prospectus within Australia (unless otherwise determined by the Board, subject to applicable laws).

Application Form

Applications for New Securities under any Offers can only be made on an Application Form that is attached to, or provided by the Company with a copy of, this Prospectus in either paper or electronic form (or alternatively, in the case of the SPP Offer, by paying the aggregate issue price for the relevant SPP Shares by BPAY® or EFT payment without lodging the Application Form). The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.

By completing an Application Form, lodging an Application Form with the Company or a stockbroker or otherwise arranging for payment of SPP Shares in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus and in the relevant Application Form.

Foreign Jurisdictions

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes observe any such restrictions, including those set forth in this Prospectus. Any failure to comply with these restrictions may constitute a violation of those laws.

Shareholders in the United States are not eligible to participate in the SPP Offer. Similarly, Shareholders (including trustees, nominees and custodians) who are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP Offer on behalf of those persons.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any Securities in the United States. The New Securities to be offered and sold under the Offers have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**), or the securities laws

of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

SPP Offer

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, for shareholders who subscribe for SPP Shares, the Company will issue SPP Options for no consideration on the terms detailed in this Prospectus.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Placement Options Offer

The following offer restrictions relate to the Placement Options (and the underlying Shares issued on exercise of the Placement Options) offered to Institutional Investors pursuant to the Placement Options Offer and do not relate to the SPP Offer.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the Placement Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Placement Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Placement Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Placement Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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

Singapore

This Prospectus and any other materials relating to the Placement Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Placement Options, may not be issued, circulated or distributed, nor may the Placement Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Placement Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire

Placement Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Placement Options, and the ordinary shares underlying the Placement Options, have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Placement Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Notice to nominees and custodians

Nominees and custodians may not send this Prospectus nor apply for any New Securities outside Australia or New Zealand, except with the consent of the Company in compliance with applicable foreign securities laws.

Continuously Quoted Securities

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

ASIC Instrument

In certain circumstances, a listed company may undertake a security purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument allows a security purchase plan to be conducted without the use of a prospectus provided that certain requirements are met.

The Company is unable to rely on the ASIC Instrument as (without limitation) the ASIC Instrument only applies to the issue of SPP Shares (and not SPP Options). Accordingly, the Company is conducting the SPP Offer pursuant to this Prospectus.

TMD

In accordance with the product design and distribution obligations under the Corporations Act, the Company has determined the target market for the New Options offered under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website at <https://micro-x.com>. By making an Application for New Options under an Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Exposure period

No exposure period applies to the Offers. The Offers are being made pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Securities in the seven-day period after the date of lodgement of a prospectus with ASIC.

Important information on price risk to consider

Before deciding whether to apply for New Securities, you should refer to the current market price of the Shares, which can be obtained from your stockbroker, your financial adviser or via the ASX website.

Subscription for New Securities is a highly speculative investment and the market price of Shares may change between the date you apply for New Securities and the issue of New Securities to you (if the Company elects to issue New Securities to you). Accordingly, the value of New Securities applied for is likely to rise or fall. Importantly, there is a risk that during the period between the time of the Offers and when any New Securities are issued to you (if any), the price at which Shares are traded on ASX may decrease (and

it may continue to be less than the issue price of \$0.095 per SPP Share). You must rely on your own knowledge of the Company and previous disclosures made by the Company to ASX (including disclosure regarding risks of making an investment in the Company). In determining whether you wish to apply to participate in an Offer (if eligible) and the extent to which you apply to participate, you should seek your own personal financial and/or taxation advice referable to your personal circumstances.

Speculative investment

An investment in any of the New Securities should be considered highly speculative. Refer to Section 4 for a non-exhaustive list of key risks applicable to an investment in the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Securities should read this Prospectus in its entirety and the Company's ASX announcements.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for highly speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Securities have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

No representation, forecast or guarantee is given of whether the New Securities will make a return on the capital invested, whether dividends will be paid on Shares or whether there will be an increase in the value of the New Securities in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' 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 management of the Company. Past performance is not a guide to future performance. Key risks associated with an investment in the Company are detailed (non-exhaustively) in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

No advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

No cooling off rights

Cooling off rights do not apply to an investment in New Securities offered under this Prospectus. This means that, unless required by applicable law, you cannot withdraw your Application. The Directors may at any time decide to withdraw this Prospectus and/or any one or more of the Offers.

No incorporation by reference

Any references to documents included on the Company's website or the ASX website are for convenience only, and none of the documents or other information available on those websites is incorporated in this Prospectus by reference.

Risk factors

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is highly speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 4, and also read announcements released by the Company to the ASX.

Currency

All financial amounts detailed in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding. Any potential fractional entitlements to New Securities will be disregarded (i.e., rounding down to the relevant whole number of New Securities), without refunding any relevant Application Monies in relation to such fractions.

Time

All references to time in this Prospectus are references to AEST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 7.

CHAIR'S LETTER TO SHAREHOLDERS

24 April 2024

Dear Shareholder,

On behalf of the Board, I am pleased to offer you the opportunity to subscribe for up to \$30,000 in fully paid ordinary shares (**SPP Shares**) in Micro-X Limited (**Company**) under a Share Purchase Plan (**SPP Offer**).

As announced on 17 April 2024, the Company received firm commitments of \$4.0 million under an institutional placement (**Placement**) including \$0.1 million from a Director which is subject to shareholder approval. At the same time, the Company announced its intention to undertake the SPP Offer to raise an additional \$1.0 million, with the ability to accept oversubscriptions. The Placement has now been completed and strengthens the Company's balance sheet, adding approximately \$3.7 million net of expected transaction costs and payment of fees. These funds will allow the Company to commence a number of key commercial activities, including accelerating our Argus commercial launch and strategic partnering initiatives.

The SPP Offer is being offered under this Prospectus, enabling you to apply for up to a \$30,000 limit per Eligible Shareholder, and the key terms of the SPP Offer are summarised below.

Rationale for the Capital Raising

Micro-X is focused on commercialising and developing innovative applications within global health and security markets, based on its proprietary cold cathode, carbon nanotube (**CNT**) emitter technology. The Micro-X Rover and Rover plus range of units are being sold for human medical imaging use in a number of global markets, with unaudited revenues of approximately \$5.3 million in this financial year to 31 March 2024, an increase of 120% on the corresponding period in FY2023.

We have recently launched our second commercial product, the Argus X-ray camera for security and defence applications, with the first order received in March 2024. The Company plans to further build its pipeline of customers and drive additional Argus sales, by hiring additional sales specialists and investing in additional Argus demonstration units for customer trials. These activities require additional funding which will be provided by the proceeds of this capital raising.

We also continue to advance development of the Baggage Scanner and Checkpoints applications in accordance with the two contracts (as extended) with the US Department of Homeland Security (**DHS**). This year, a prototype Baggage Scanner was completed, for delivery to the DHS to commence their testing. The Checkpoint work is also progressing in accordance with the contract milestones. On the basis those milestones continue to be met and the DHS exercises its options within the contract, a fully integrated self-screening station is scheduled to be delivered to the DHS by the end of 2026, for live testing in US airport environments with travelling passengers.

The development work on our Head CT product is also advancing, with the first three prototypes scheduled to be delivered this year, in accordance with the contract with the Australian Stroke Alliance. The Company believes this Head CT product, once fully developed and approved by regulators, will enable the diagnoses of strokes in road or air ambulances, around the world.

We believe these product developments are all significant commercial opportunities and will require partners to provide services such as market access, scale up support and funding. Our objective is to engage partners for each of these development products in the near term, so that we can prepare for their commercial launch once the products are ready for sale. These partnering activities have commenced, and will now be accelerated with the funds from this capital raising.

We have now launched the SPP Offer to raise an additional \$1.0 million (with the ability to accept oversubscriptions) to provide all of our Eligible Shareholders with the opportunity to invest on the same terms as the investors in the Placement. These funds will greatly strengthen our balance sheet with a pro forma cash position following the Placement and a successful completion of the SPP Offer, of \$6.85 million at 31 March 2024 (excluding any oversubscriptions under the SPP Offer). We also have an additional \$14.2 million in contracted project payments due up until 30 June 2025 to support our activities, subject to meeting the relevant milestones.

Key terms of the SPP

The key terms of the SPP Offer include the offer by the Company to all Eligible Shareholders to apply for up to \$30,000 worth of fully paid ordinary shares in the Company at an issue price of \$0.095 for each SPP Share, without incurring brokerage or other transaction costs. The SPP Shares are being offered to all Eligible Shareholders at the same price at which Placement Shares were issued and also include free attaching options (see New Options paragraph below) which will be unquoted and subject to Shareholder approval, as outlined below. The Offer Price for the SPP Shares represents a:

- 17% discount to the last traded price on 12 April 2024, being the last trading day immediately prior to the announcement of the Placement and SPP Offer on ASX; and
- 21% discount to the volume weighted average market price of Shares over the last five days on which sales of Shares were recorded on ASX, immediately prior to the announcement of the Placement and SPP Offer on ASX.

The SPP opens on 24 April 2024 and closes at 5:00 pm (AEST) on 23 May 2024, although the Board reserves the right to vary the Closing Date.

New Options

Subject to Shareholder approval, Shareholders who participate in either the SPP Offer or the Placement (whose applications are successful) are also entitled to one free attaching option (**New Option**) for every two new Shares subscribed for under the SPP Offer or the Placement, respectively. The New Options will be exercisable at \$0.135 (13.5 cents), will expire on 30 May 2026, and will not be quoted on ASX.

In addition to the SPP Offer, the Placement Options Offer (as defined in Section 2.3) is also being conducted pursuant to this Prospectus.

Shareholder approval

The Company is planning to call a general meeting of Shareholders on or about 29 May 2024. The New Options will be issued with the approval of Shareholders to all investors in the Placement and the SPP Offer at the same time, being on or about 30 May 2024. If Shareholder approval is not obtained, the Company will only be able to proceed with the issue of the Placement Options and SPP Options where it has sufficient placement capacity under Listing Rule 7.1.

How to make an Application

Applications under the SPP Offer and Placement Options Offer (as applicable) are to be made in accordance with the directions in the Application Form that accompanies this Prospectus.

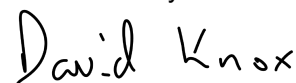
Important Information

You should read this Prospectus carefully and in its entirety before deciding whether to participate in the SPP Offer or the Placement Options Offer (as applicable). If you are uncertain whether the SPP Shares or New Options are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the Offers under this Prospectus.

This Prospectus will be made available in electronic form. Paper copies of this Prospectus and an Application Form can be obtained free of charge during the offer period (as set out in the Timetable) by calling the Micro-X Ltd SPP Information Line on +61 8 7099 3966, or by downloading it from the offer website micro-x.com.

The Company's ability to pursue the commercial opportunities being targeted will be substantially enhanced by the participation of Shareholders in the SPP Offer. On behalf of the Board of the Company, I would like to thank you for your continued support of the Company.

Yours faithfully



Mr David Knox
Non-Executive Chair

HOW TO APPLY IN THE SPP OFFER

Any **Eligible Shareholder** who wishes to subscribe under the SPP Offer should **follow the instructions on the Application Form** accompanying this Prospectus and **pay the Application Monies for those SPP Shares** as prescribed in the Application Form.

This must be completed by **no later than 5:00pm (AEST) on 23 May 2024** (unless extended).

If you have any enquiries in relation to your Application Form or this Prospectus, call the offer information line on **+61 8 7099 3966**. If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser.

PROPOSED TIMETABLE

Event	Date*
Record Date for SPP	7.00pm, Tuesday, 16 April 2024
ASX Announcement of Placement and SPP Offer	Wednesday, 17 April 2024
Settlement of Placement Shares	Monday, 22 April 2024
Allotment and trading of Placement Shares	Tuesday, 23 April 2024
Prospectus lodged with ASIC and ASX - Opening date for SPP Offer and Placement Options Offer	Wednesday, 24 April 2024
Closing date of SPP Offer	Thursday, 23 May 2024
Announce results of SPP Offer	Tuesday, 28 May 2024
General Meeting to approve the issue of Placement Options, SPP Options and Director participation in Placement and SPP Offer	Wednesday, 29 May 2024
Issue of SPP Shares Issue of Placement Options and SPP Options (subject to shareholder approval)	Thursday, 30 May 2024
Expected date of ASX Quotation of SPP Shares	Friday, 31 May 2024

**These dates are indicative only and subject to change (and assume that relevant resolutions approving the issue of the New Securities are approved at the Extraordinary General Meeting). Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.*

1 Investment Overview

This section is not intended to provide full information for investors intending to apply for New Securities offered pursuant to this Prospectus. This Prospectus and all of its sections should be read and considered in their entirety.

Question	Response	Where to find more information
What is the SPP Offer?	The SPP Offer provides Eligible Shareholders with an opportunity to apply for up to \$30,000 of SPP Shares (and free attaching SPP Options) without paying brokerage or other transaction costs.	Section 2.2
What is the Issue Price of SPP Shares?	<p>The issue price for each SPP Share is \$0.095, being a discount of:</p> <ul style="list-style-type: none"> • 17% to the last traded price of Shares on ASX on 12 April 2024 (which was the last day on which trades of Shares occurred before the Company announced the Placement and SPP Offer on 17 April 2024); • 21% discount to the 5-day VWAP of Shares up to and including 12 April 2024; and • 21% discount to the 15-day VWAP of Shares up to and including 12 April 2024. 	Section 2.2
Are there any conditions to the SPP Offer?	The offer of SPP Options is being made subject to Shareholders approving the issue of SPP Options pursuant to the SPP Offer for the purposes of Listing Rule 7.1, which approval will be sought at the upcoming Extraordinary General Meeting. If approval is not obtained, the SPP Options will only be issued where the Company has available capacity under Listing Rule 7.1.	Section 2.2
Why is the Company making the SPP Offer?	<p>The SPP Offer is part of a \$5 million capital raising being implemented in conjunction with a Placement to sophisticated and professional investors, which was announced on 17 April 2024.</p> <p>The SPP Offer gives Eligible Shareholders the opportunity to apply to invest in the Company at the same issue price and on the same terms as the Placement.</p> <p>The Company presently intends to use funds raised under the SPP Offer for the purposes set out in Section 3.1.</p>	Section 3.1
Who is eligible to participate in the SPP Offer?	<p>Eligible Shareholders are Shareholders that satisfy all of the below:</p> <ul style="list-style-type: none"> • who were registered as a holder of Shares as at 7:00pm (AEST) on 16 April 2024; • who were recorded on the Register with an Australian or New Zealand address; • who are not resident or located in the United States, and not acting for the account or benefit of persons in the United States; and • who are not resident or located in any other jurisdiction in which an offer of SPP Securities would be unlawful, (Eligible Shareholder). <p>. Shareholders that are not Eligible Shareholders are not eligible to apply to participate in the SPP Offer.</p>	Section 2.8

Question	Response	Where to find more information
What is the Placement Options Offer?	The Company is offering pursuant to this Prospectus, 21,052,632 Placement Options to the investors who have been issued Placement Shares, on the basis of one free attaching Placement Option for every two Placement Shares issued.	Section 2.3
Are there any conditions to the Placement Options Offer?	The offer of Placement Options will only be made subject to Shareholders approving the issue of Placement Options for the purposes of Listing Rule 7.1, which approval will be sought at the upcoming Extraordinary General Meeting, or where the Company has available capacity under Listing Rule 7.1.	Section 2.3
Who is eligible to participate in the Placement Options Offer?	Parties that have been issued Placement Shares may apply for Placement Options under the Placement Options Offer.	Section 2.3
What is the amount that will be raised under the Offers and how many new securities will be issued under the Offers?	<p>The Company is targeting a raise of approximately \$1 million (before costs) pursuant to the SPP Offer. If demand from Eligible Shareholders is greater than the targeted \$1 million, the Company may accept oversubscriptions of up to \$1.5 million or undertake a scale back of applications to the extent and in the manner it sees fit.</p> <p>If the Company raises \$1 million under the SPP Offer, the number of New Securities that will be issued under the SPP Offer is 10,526,316 SPP Shares and 5,263,158 SPP Options. If the maximum oversubscription of \$1.5 million under the SPP Offer is raised, 26,315,789 SPP Shares and 13,157,893 SPP Options will be issued under the SPP Offer.</p> <p>No funds will be raised from the issue of Placement Options under the Placement Options Offer. The maximum number of Placement Options that will be issued under the Placement Options Offer is 21,052,632 Placement Options.</p>	Sections 2.2 and 2.11
Do I have to participate in the SPP Offer?	<p>No, participation is entirely voluntary. If you do not wish to apply for SPP Securities in the SPP Offer, no action is required on your part.</p> <p>Please note that Eligible Shareholders who do not participate will have their percentage shareholding in the Company reduced, for example as a result of any issue of SPP Shares to participating Eligible Shareholders.</p>	-
How long is the SPP Offer period?	The SPP Offer opens for acceptances on Wednesday, 24 April 2024 and all Applications and payments of Application Monies must be received by no later than 5:00pm (AEST) on 23 May 2024, subject to any variation of the Closing Date by the Directors.	Section 2.9
Will the New Options be quoted?	The Company will not apply for Official Quotation of the New Options.	-

Question	Response	Where to find more information																																				
What are the key risks of an investment in the Company?	The Securities offered should be considered highly speculative because of the nature of the business activities of the Company and no assurances can be made that the Company’s particular business or projects will be successful. Potential investors should consider whether the Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed in Section 4.	Section 4																																				
How do I apply under the SPP Offer?	<p>If you are an Eligible Shareholder and you wish to subscribe for SPP Securities under the SPP Offer, please pay your Application Monies in accordance with the instructions in this Prospectus (including in Sections 2.10 and 2.12) and the SPP Application Form.</p> <p>Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of SPP Shares (being 315,789 SPP Shares and the corresponding 157,894 SPP Options). Eligible Shareholders may participate by selecting one of the following options to make an application for SPP Securities under the SPP Offer:</p> <table><tr><th>Parcel</th><th>Application Monies A\$</th><th>Number of SPP Shares</th><th>Number of attaching SPP Options</th></tr><tr><td>A</td><td>2,500</td><td>26,315</td><td>13,157</td></tr><tr><td>B</td><td>5,000</td><td>52,631</td><td>26,315</td></tr><tr><td>C</td><td>7,500</td><td>78,947</td><td>39,473</td></tr><tr><td>D</td><td>10,000</td><td>105,263</td><td>52,631</td></tr><tr><td>E</td><td>15,000</td><td>157,894</td><td>78,947</td></tr><tr><td>F</td><td>20,000</td><td>210,526</td><td>105,263</td></tr><tr><td>G</td><td>25,000</td><td>263,157</td><td>131,578</td></tr><tr><td>H</td><td>30,000</td><td>315,789</td><td>157,894</td></tr></table> <p>The above table details the number of SPP Securities that would be issued for different amounts of Application Monies (assuming there is no scale back of applications) and assuming the Company accepts the Application and elects to issue those SPP Securities (which election is in the Company’s sole discretion). Where the amount applied for results in a fraction of a SPP Security, the number of SPP Securities issued will be rounded down to the nearest whole number.</p> <p>If you do not provide the exact amount of Application Monies, the Company reserves its right to return your Application Monies or round your Application Monies down to the next valid parcel. If the amount of your Application Monies is less than the lowest valid parcel, the Company reserves its right to deem that Application valid notwithstanding it does not meet the amount of</p>	Parcel	Application Monies A\$	Number of SPP Shares	Number of attaching SPP Options	A	2,500	26,315	13,157	B	5,000	52,631	26,315	C	7,500	78,947	39,473	D	10,000	105,263	52,631	E	15,000	157,894	78,947	F	20,000	210,526	105,263	G	25,000	263,157	131,578	H	30,000	315,789	157,894	Sections 2.10 and 2.12
Parcel	Application Monies A\$	Number of SPP Shares	Number of attaching SPP Options																																			
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G	25,000	263,157	131,578																																			
H	30,000	315,789	157,894																																			

Question	Response	Where to find more information
	<p>the lowest valid parcel. If the Company returns all your Application Monies, no SPP Securities will be issued to you.</p> <p>If an Eligible Shareholder applies for an amount which is not exactly divisible by the Issue Price, in calculating the number of SPP Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. The Company will not refund any resulting small excess in subscription monies (i.e., \$1 or less) which will be deemed to form part of the aggregate issue price for the SPP Shares.</p> <p>The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to apply for any SPP Securities under the SPP Offer.</p> <p>SPP Application Forms and payments under the SPP Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back or rejected, at the absolute discretion of the Company.</p>	
When will the SPP Securities be allotted?	It is expected that the SPP Shares and SPP Options will be issued on or around 30 May 2024. However, if the Closing Date is extended by the Company, the date of issue may be changed. If Shareholder approval is not obtained for the issue of SPP Options under the SPP Offer, then the Company will seek to issue the SPP Options under its available placement capacity under Listing Rule 7.1.	-
What is the effect on control of the Company?	The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a Voting Power greater than 20% as a result of the completion of the Offers.	Section 3.3
Who should I contact if I have any queries about the Offers?	For queries in relation to the Offers, please contact Tom Jobling, Financial Controller on Telephone: +61 8 7099 3966 .	-

2 Details of the Offers

2.1 Background to the Offers

On 17 April 2024 the Company announced that it:

- (a) had received firm commitments from Institutional Investors for a placement of new Shares to raise approximately \$4 million (before costs) at an issue price of \$0.095 per Share to be issued by the Company (**Placement Shares**) together with one free attaching New Option (on the terms and conditions in Section 5.2) for every two Placement Shares issued, exercisable at \$0.135 per New Option and expiring on 30 May 2026 (**Placement Options**) (**Placement**). The Placement is comprised of 42,105,263 Shares and the proposed issue of 21,052,632 Placement Options to sophisticated and professional investors; and
- (b) will offer Eligible Shareholders the opportunity to apply, pursuant to a share purchase plan, for (with the ability to accept oversubscriptions):
 - (i) up to \$30,000 worth of Shares each, at an issue price of \$0.095 per Share (the same price as the Placement Shares) to raise approximately \$1 million (before costs) via the issue of 10,526,316 Shares (**SPP Shares**); and
 - (ii) one free attaching New Option (on the terms and conditions in Section 5.2) for every two SPP Shares issued under the SPP Offer (approximately 5,263,158 New Options) (**SPP Options**),

(the offer in this Section 2.1(b) comprises the **SPP Offer**).

A cash fee of 6% on the funds raised under the Placement and the SPP will be paid to the Joint Lead Managers.

The issues of the SPP Options and the Placement Options are subject to Shareholder approval at the extraordinary general meeting of the Company, scheduled to be held on 29 May 2024 (**Extraordinary General Meeting**). If Shareholder approval is not obtained, the New Options will only be issued where the Company has available capacity under Listing Rule 7.1.

None of the Offers are conditional upon the completion of any other Offer.

Refer to the Company's ASX announcements on, and after, 17 April 2024 for further details of the Placement and SPP Offer.

2.2 The SPP Offer

The Company is making the SPP Offer pursuant to this Prospectus, pursuant to which the Company may issue 10,526,316 SPP Shares to Eligible Shareholders at an issue price of \$0.095 per SPP Share (to raise approximately \$1 million (before costs)), with the ability to take oversubscriptions of up to \$1.5 million, together with one free attaching SPP Option for every two SPP Shares issued. If the maximum oversubscription of \$1.5 million under the SPP Offer is raised, 26,315,789 Shares and 13,157,893 SPP Options will be issued under the SPP Offer.

The issue price for a SPP Share is \$0.095 (**Issue Price**). The method used to calculate the Issue Price was to match it to the issue price per Share offered pursuant to the Placement.

Eligible Shareholders may apply for SPP Securities under the SPP Offer but are not required to do so.

SPP Shares issued under the SPP Offer will, from their time of issue, rank equally in all respects with the Company's existing Shares. Refer to Section 5.1 for a description of the rights and liabilities attaching to the SPP Shares.

The SPP Options offered under the SPP Offer will be issued on the terms and conditions detailed in Section 5.2. If the SPP Options are exercised, the Shares to be issued upon such exercise will be of the same class and will, from their time of issue, rank equally in all respects with the Company's

existing Shares on issue. No funds will be raised as a result of the issue of SPP Options under the SPP Offer as they are offered on a free attaching basis to the SPP Shares.

The offer of SPP Options is being made subject to Shareholders approving the issue of SPP Options pursuant to the SPP Offer for the purposes of Listing Rule 7.1, which approval will be sought at the upcoming Extraordinary General Meeting.

If Shareholder approval is not obtained for the issue of SPP Options under the SPP Offer, then the Company will seek to issue the SPP Options under its available placement capacity under Listing Rule 7.1.

The Company is also seeking Shareholder approval at the Extraordinary General Meeting to permit the following related parties of the Company to participate in the SPP Offer:

- (a) Mr David Knox (and/or his nominee(s)), up to 210,526 SPP Shares and up to 105,263 SPP Options;
- (b) Dr Alexander Gosling (and/or his nominee(s)), up to 263,157 SPP Shares and up to 131,578 SPP Options;
- (c) Mr James McDowell (and/or his nominee(s)), up to 157,894 SPP Shares and up to 78,947 SPP Options; and
- (d) Ms Ilona Meyer (and/or her nominee(s)), up to 105,263 SPP Shares and up to 52,631 SPP Options.

The SPP Offer is not conditional upon separate Shareholder approval being received for the above directors to participate in the SPP Offer.

It is not proposed for any other related party of the Company to participate in the SPP Offer (noting that Listing Rule 10.12, exception 4 (that would otherwise permit the SPP Shares to be issued to related parties under a share purchase plan without Shareholder approval) is not satisfied in this instance, as the issue price of the SPP Securities does not satisfy the requirement of being at least 80% of the volume weighted average market price for securities in that class, calculated over the relevant period set out in Listing Rule 10.12, exception 4).

2.3

Placement Options Offer

The Company is offering pursuant to this Prospectus, 21,052,632 Placement Options to Institutional Investors who have been issued Placement Shares, on the basis of one free attaching Placement Option for every two Placement Shares issued (**Placement Options Offer**).

Only Institutional Investors that have been issued Placement Shares may apply for Placement Options under the Placement Options Offer.

The Placement Options offered under the Placement Options Offer will be issued on the terms and conditions detailed in Section 5.2. If the Placement Options are exercised, the Shares to be issued upon such exercise will be of the same class and will, from their time of issue, rank equally in all respects with the Company's existing Shares on issue.

The offer of Placement Options is being made subject to Shareholders approving the issue of Placement Options for the purposes of Listing Rule 7.1, which approval will be sought at the upcoming Extraordinary General Meeting.

The Company is also seeking Shareholder approval at the Extraordinary General Meeting to permit director Mr Patrick O'Brien (and/or his nominee(s)) to participate in the Placement and the Placement Options Offer, up to 1,052,632 Placement Shares and 526,316 Placement Options.

If Shareholder approval is not obtained for the issue of the relevant Placement Options to the participants under the Placement, then the Company will seek to issue the Placement Options under its available placement capacity under Listing Rule 7.1.

A Placement Options Application Form in relation to the Placement Options Offer will be sent to any person eligible to apply for Placement Options under the Placement Options Offer (and/or their respective nominee(s)) together with a copy of this Prospectus. See Section 2.10 for further details.

No funds will be raised as a result of the issue of Placement Options under the Placement Options Offer as they are offered on a free attaching basis to the Placement Shares.

2.4 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) make the Offers;
- (b) facilitate any potential secondary trading of the Placement Shares and the New Securities; and
- (c) facilitate any potential secondary trading of the Shares to be issued upon exercise of the New Options. Issuing the New Options under this Prospectus will enable persons who are issued the New Options to on-sell the Shares issued upon exercise of the New Options, pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

However, the Company is not proposing to issue the New Securities for the purpose of the persons to whom they are issued selling or transferring their New Securities, or granting, issuing or transferring interests in, or options or warrants over, their New Securities.

2.5 Minimum subscription

There is no minimum subscription in relation to the Offers.

2.6 Oversubscriptions and scale back

If demand from Eligible Shareholders is greater than \$1 million under the SPP Offer, the Company may accept oversubscriptions of up to \$1.5 million or undertake a scale back of Applications to the extent and in the manner it sees fit. Please refer to section 2.11 for further details.

2.7 Not underwritten

The Offers are not underwritten.

2.8 Shareholders eligible to apply to participate in the SPP Offer

Eligible Shareholders will be those Shareholders that satisfy all of the below:

- (a) who were registered as a holder of Shares as at 7:00pm (AEST) on 16 April 2024 (**Record Date**);
- (b) who were recorded on the Register with an Australian or New Zealand address;
- (c) who are not resident or located in the United States, and not acting for the account or benefit of persons in the United States; and
- (d) who are not resident or located in any other jurisdiction in which an offer of SPP Securities would be unlawful,

(**Eligible Shareholder**).

The SPP Offer to each Eligible Shareholder is made on the same terms and conditions.

Your rights under the SPP Offer are personal to you and the SPP Offer is non-renounceable (i.e., you may not transfer your right to apply for SPP Securities to anyone else).

To apply to participate in the SPP Offer, follow the instructions in this Prospectus (including in Sections 2.10 and 2.12) and the SPP Application Form.

If you are the only registered Eligible Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of SPP Shares with a value of up to \$30,000 (which may be subject to scale back in accordance with Section 2.11).

If two or more persons were registered on the Register at 7:00pm (AEST) on the Record Date as jointly holding Shares, then they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If a joint holder receives more than one SPP Offer due to multiple holdings, then the joint holder may only apply in aggregate for up to the maximum amount of \$30,000 in total (however, please refer to Section 2.14 for information on Custodians).

The Company reserves the right to reject any Application for SPP Securities under this Prospectus for any reason, such as to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements.

2.9 Opening Date and Closing Date of the Offers

The opening date for the Offers is 24 April 2024 (**Opening Date**).

The closing date for the Offers is 5:00pm (AEST) on 23 May 2024 (**Closing Date**).

Late Applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the Listing Rules, to vary the Closing Date without prior notice including closing any one or more of the Offers early or late. If the Closing Date is varied, subsequent dates may also be varied accordingly.

2.10 Application Forms

The Company will send this Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in an Offer.

Applications must comply with this Prospectus and the instructions on the relevant Application Form. An Application is an offer by the Applicant to the Company to apply for the amount of New Securities specified in the Application Form (or, in the case of the SPP Offer, the number of SPP Securities the subject of the relevant Application Monies paid to the Company by BPAY® or EFT payment without lodging the Application Form), or any lesser number of New Securities determined by the Company, on the terms set out in this Prospectus.

The Company's decision on the number of New Securities to be issued to an Applicant under any of the Offers (or whether to refuse to issue New Securities) will be final.

(a) SPP Offer

If you wish to subscribe for SPP Securities under the SPP Offer, please pay your Application Monies in accordance with the instructions in the SPP Application Form and Section 2.12.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of SPP Shares (being 315,789 Shares and the corresponding 157,894 SPP Options). Eligible Shareholders may participate by selecting one of the following options to make an application for SPP Securities under the SPP Offer:

Parcel	Application Monies A\$	Number of SPP Shares	Number of attaching SPP Options
A	2,500	26,315	13,157
B	5,000	52,631	26,315
C	7,500	78,947	39,473
D	10,000	105,263	52,631
E	15,000	157,894	78,947
F	20,000	210,526	105,263
G	25,000	263,157	131,578
H	30,000	315,789	157,894

The above table details the number of SPP Securities that would be issued for different amounts of Application Monies (assuming there is no scale back of Applications) and assuming the Company accepts the Application and elects to issue those SPP Securities (which election is in the Company's sole discretion). Where the amount applied for results in a fraction of a SPP Security, the number of SPP Securities issued will be rounded down to the nearest whole number.

If you do not provide the exact amount of Application Monies, the Company reserves its right to return your Application Monies or round your Application Monies down to the next valid parcel. If the amount of your Application Monies is less than the lowest valid parcel, the Company reserves its right to deem that Application valid notwithstanding it does not meet the amount of the lowest valid parcel. If the Company returns all your Application Monies, no SPP Securities will be issued to you.

If an Eligible Shareholder applies for an amount which is not exactly divisible by the Issue Price, in calculating the number of SPP Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. The Company will not refund any resulting small excess in subscription monies (i.e., \$1 or less) which will be deemed to form part of the aggregate issue price for the SPP Shares.

The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to apply for any SPP Securities offered under the SPP Offer.

SPP Application Forms and payments under the SPP Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back or rejected, at the absolute discretion of the Company.

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

Payment by the Applicant (who is an Eligible Shareholder) to the Company of Application Monies (whether with or without lodgement of an Application Form) and subsequent allocation of SPP Securities by the Company to that Applicant (which decision is in the sole discretion of the Company) together create a legally binding contract between the Applicant and the Company for the number of SPP Securities accepted, and allocated by, the Company.

A SPP Application Form does not need to be lodged, as payment of the Application Monies in accordance with the procedures set out in the Application Form and Section 2.12 constitute an Application for SPP Securities. Any SPP Application Form which is lodged with the

Company or the Company's share registry does not need to be signed to be a binding application for SPP Securities.

(b) **Placement Options Offer**

Applications for Placement Options under the Placement Options Offer may only be submitted by Institutional Investors who will be issued with Placement Shares and must be made using the Placement Options Application Form that accompanies this Prospectus and is provided directly to those persons. The Placement Options Application Form must be completed in accordance with instructions provided in the Placement Options Application Form.

No monies are payable for the Placement Options offered pursuant to this Prospectus as the Placement Options are being issued on the basis of one free attaching Placement Option for every two Placement Shares issued.

Where the amount applied for results in a fraction of a Placement Option, the number of Placement Options issued will be rounded down to the nearest whole Placement Option.

Acceptance of a completed Placement Options Application Form by the Company and subsequent allocation of Placement Options by the Company (which decision is in the sole discretion of the Company) together create a legally binding contract between the Applicant and the Company for the number of Placement Options accepted, and allocated by, the Company. The Placement Options Application Form does not need to be signed to be a binding application for Placement Options.

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

2.11 **Scale back, oversubscriptions or refusal of application pursuant to the SPP Offer**

The Company is targeting a raise of approximately \$1 million (before costs) pursuant to the SPP Offer.

If demand from Eligible Shareholders is greater than \$1 million, the Company may accept oversubscriptions of up to \$1.5 million or undertake a scale back of Applications to the extent and in the manner it sees fit.

The amount raised under the SPP Offer and the number of New Securities to be issued under the SPP Offer will depend on the aggregate value of valid Applications received from Eligible Shareholders and, if the SPP Offer is oversubscribed, whether the Company elects to undertake a scale back or accept oversubscriptions of up to \$1.5 million.

The Company reserves the right to scale back Applications (in whole or in part) pursuant to the SPP Offer (or withdraw the SPP Offer). Consequently, the Directors reserve the right to reject any Application or to allocate any Applicant fewer SPP Shares (and fewer corresponding SPP Options) under the SPP Offer than the number applied for.

Factors which the Directors may take into account in determining any scale back include, but are not limited to:

- (a) the size of an Eligible Shareholder's shareholding at the Record Date including whether it is a marketable parcel of Shares;
- (b) the extent to which the Eligible Shareholder has sold or purchased shares since the Record Date;
- (c) whether the Eligible Shareholder may have multiple registered holdings;
- (d) the amount applied for by each Eligible Shareholder;
- (e) the total applications received from Eligible Shareholders; and

- (f) any other such criteria as determined by the Directors in their absolute discretion.]

If there is a scale back, you may not receive all the SPP Securities for which you have applied. If a scale back produces a fractional number when applied to the number of SPP Securities for which you have applied, the number of SPP Securities issued to you will be rounded down to the nearest whole number of SPP Securities.

If there is a scale back, the difference between the Application Monies received from you, and the number of SPP Shares issued to you multiplied by the Issue Price, will be refunded to you in full (in \$ and without interest and at your sole risk).

The Directors reserve their right (in their absolute discretion) to refuse an Application (in whole or in part), such as if they consider that:

- (a) it is reasonable and prudent to do so;
- (b) the Applicant is not an Eligible Shareholder;
- (c) the issue of those SPP Securities may contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act or the Listing Rules) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction; or
- (d) the Applicant has not otherwise complied with the terms and conditions in this Prospectus.

If an Application is refused in whole or in part, the relevant Application Monies will be returned to the Applicant (in \$ and without interest and at the Applicant's sole risk). The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

All Directors' decisions in connection with a scale back or refusal of an Application are final.

2.12 Payment of Application Monies

The Issue Price of SPP Shares under the SPP Offer is \$0.095 per SPP Share.

For Eligible Shareholders participating in the SPP Offer, Application Monies must be received by the Company by 5:00pm (AEST) on the Closing Date.

(a) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised SPP Application Form which can be accessed from the Opening Date at www.computersharecas.com.au/mx1spp.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the SPP Application Form, but are taken to have made the declarations in the SPP Application Form; and
- (ii) if you do not pay an amount equal to one of the amounts of Application Monies detailed in the table in Section 2.10, you will be deemed to have applied for the number of SPP Securities which correspond to the amount of Application Monies in that table that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly.

It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 5:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment

and you should therefore take this into consideration when making payment. No interest will be paid on any Application Monies received or refunded.

(b) Payment by EFT

For Eligible Shareholders in New Zealand unable to pay via BPAY®, you may elect to make payment by EFT. EFT payments can be paid to the bank account specified on the EFT instructions accompanying the SPP Application Form available at www.investorcentre.com. Please follow the instructions on the SPP Application Form for details on how to pay via EFT. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form;
- (ii) if you do not pay an amount equal to one of the amounts of Application Monies detailed in the table in Section 2.10, you will be deemed to have applied for the number of SPP Securities which correspond to the amount of Application Monies in that table that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly; and
- (iii) if you have multiple holdings, you will have multiple EFT unique reference numbers. You must use the unique reference number shown on a particular personalised SPP Application Form when paying for any SPP Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest. If you receive more than one SPP Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of SPP Shares with a value of up to \$30,000 (which may be subject to scale back in accordance with Section 2.11).

If you make a BPAY® or EFT payment to apply for SPP Shares, you do not need to return the SPP Application Form. However, you must quote your reference number provided on your personalised SPP Application Form which will process your payment to your Application. Please ensure you make a payment for the exact amount of the SPP Share parcel for which you wish to subscribe. You will be deemed to have applied for such parcel of SPP Shares for which you have paid.

2.13 Effect of making an application under the SPP Offer

If you apply for SPP Securities (including (without limitation) by submitting payment by BPAY® or EFT), you:

- (a) will be deemed to have represented and warranted to the Company that you:
 - (i) are an Eligible Shareholder and are eligible to participate in the SPP Offer;
 - (ii) have read and understood the terms and conditions of the SPP Offer detailed in this Prospectus and the accompanying SPP Application Form and read them both in their entirety and have applied for SPP Securities in accordance with those terms and conditions;
 - (iii) have read and understood the TMD and that you fall within the target market set out in the TMD; and
 - (iv) agree to be bound by the Constitution as in force from time to time;
- (b) irrevocably and unconditionally agree to the terms and conditions of the SPP Offer detailed in this Prospectus and the terms of the SPP Application Form;
- (c) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your Application or funds provided except as allowed by law;

- (d) accept the risk associated with any refund that may be dispatched to you at your address as shown on the Register;
- (e) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (f) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (g) acknowledge the statement of risks in Section 4 and that investments in the Company are subject to risk;
- (h) acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision;
- (i) acknowledge and agree that if you are acting as a trustee, nominee or custodian:
- (i) each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand; and
 - (ii) you have not sent this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person in the United States;
- (j) certify and represent to the Company that you have not applied for more than \$30,000 worth of SPP Shares (subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to Section 2.14 in your capacity as a Custodian);
- (k) certify and represent to the Company that the total of the Application Monies for the following does not exceed \$30,000 (irrespective of whether you may have received more than one SPP Offer or received SPP Offers in more than one capacity):
- (i) the SPP Shares the subject of your Application under the SPP Offer;
 - (ii) any other SPP Shares which you have applied for under the SPP Offer; and
 - (iii) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer,
- (subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to Section 2.14 in your capacity as a Custodian); and
- (l) will be deemed to have made the following declarations and representations to the Company:
- (i) you acknowledge that the SPP Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly the SPP Securities may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
 - (ii) you are purchasing SPP Securities outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act);
 - (iii) you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
 - (iv) you agree not to send this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person in the United States or elsewhere outside of Australia or New Zealand;

- (v) you agree that if in the future you decide to sell or otherwise transfer the SPP Shares (or Shares on exercise of the SPP Options) you will only do so in "regular way" transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are making an application is resident in Australia or New Zealand (except, with the written consent of the Company, in another country in compliance with the applicable laws), and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent and will not send, this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person outside of Australia or New Zealand (except, with the written consent of the Company, in another country in compliance with the applicable laws);
- (vii) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act (insider trading) and sections 241 to 243 of the *Financial Markets Conduct Act 2013* (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (viii) you are not a "designated person" or "designated entity" (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
- (ix) acknowledge that the market price of Shares may rise or fall between the Opening Date of the SPP Offer and the date when SPP Securities are allotted and issued under the SPP Offer and that the Issue Price you pay per SPP Share pursuant to the SPP Offer may exceed the price of Shares at the time the SPP Securities are allotted and issued under the SPP Offer.

2.14 Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a Custodian, you may apply for up to the maximum of 315,789 SPP Shares and 157,894 SPP Options for each beneficiary for whom you, as an Eligible Shareholder, acted as Custodian at 7:00 pm (AEST) on the Record Date and continue to act as their Custodian, provided you provide a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 7:00 pm (AEST) on the Record Date who have subsequently instructed you to apply for SPP Shares (and free attaching SPP Options) under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of SPP Shares (and free attaching SPP Options) that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- (e) that the amount of Application Monies for SPP Shares applied for under the SPP Offer for each Participating Beneficiary for whom you act does not exceed \$30,000;
- (f) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly through one or more interposed Custodians, the name and address of each interposed Custodian.

By making payment of Application Monies on behalf of a Participating Beneficiary, you certify that you are the Custodian for the Participating Beneficiary and that the above information in this

Section 2.14 (as you provide via a Custodian Certificate) and the information detailed in the SPP Application Form is true and correct as at the date of the Application.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's Share Registry at custodians@computershare.com.au before the Closing Date.

The Company reserves the right to reject any Application for SPP Securities under this Prospectus, such as to the extent that it considers that the Application (whether alone or in conjunction with other applications) does not comply with these requirements.

2.15 Powers of the Company in relation to Applications

There is no assurance that any Applicant will be allocated any New Securities, or the number of New Securities for which the Applicant has applied. The Board may (without limitation) in its absolute discretion, without notice to any Applicant and without giving any reason:

- (a) withdraw any one or more of the Offers at any time before the issue of New Securities to successful Applicants;
- (b) decline an Application;
- (c) accept an Application for its full amount or any lower amount;
- (d) determine a person to be eligible or ineligible to participate in one or more of the Offers;
- (e) waive or correct any errors made by an Applicant in completing their Application Form;
- (f) amend or waive the Offers application procedures or requirements in compliance with applicable laws; or
- (g) aggregate any Applications that they believe may be multiple Applications from the same person.

The Company may settle any dispute in connection with the Offers in any manner it thinks fit, whether generally or in relation to any Applicant, Application or New Securities. The Company's decision will be final and binding.

The Company reserves its right to waive strict compliance with any terms and conditions of any one or more of the Offers.

2.16 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the SPP Shares offered under this Prospectus.

The SPP Offer is conditional on the relevant SPP Shares which are issued pursuant to the SPP Offer being admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus (or within such longer period as may be permitted by law). If the SPP Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus (or within such longer period as may be permitted by law) any issue of SPP Securities will be void and the Company will repay all Application Monies for the SPP Shares within the time prescribed under the Corporations Act, without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation of the SPP Shares is not to be taken in any way as an indication of the merits of the Company, the SPP Shares and the New Options to be issued.

2.17 Refunds

Refunds pursuant to the SPP Offer may be paid under various circumstances detailed in this Prospectus. If a refund is made, payment will be by direct credit deposit to your nominated bank

account or cheque in Australian dollars mailed to your address as shown on the Register. You will not receive interest on any funds refunded to you.

2.18 **Costs of participation**

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the Application for, and allotment of SPP Securities under the SPP Offer.

2.19 **CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to holders of SPP Shares. Rather, holding statements (similar to bank statements) would be dispatched to holders of SPP Shares as soon as practicable after issue. Holding statements will be sent either by CHESS (for holders of SPP Shares who elect to hold SPP Shares on the CHESS sub-register) or by the Company's share registry (for holders of SPP Shares who elect to hold their SPP Shares on the issuer sponsored sub-register). The statements would set out the number of SPP Shares issued under this Prospectus and the Holder Identification Number (for holders of SPP Shares who elect to hold SPP Shares on the CHESS sub register) or Shareholder Reference Number (for holders of SPP Shares who elect to hold their SPP Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each holder of SPP Shares following the month in which the balance of their SPP Shares holding changes, and also as required by the Listing Rules and the Corporations Act.

The Company will issue holding statements to the New Option holders.

2.20 **Applicants outside Australia**

Applicable laws may restrict the distribution of this Prospectus outside of Australia. The Offers under this Prospectus do not, and the Company does not intend them 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 all overseas jurisdictions in which Shareholders resided as at 7:00 pm (AEST) on the Record Date, having regard to the number of such overseas Shareholders, the number and value of those SPP Securities that those overseas Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the SPP Offer is not being extended, and no SPP Securities will be issued to Shareholders with a registered address that is outside of Australia or New Zealand or any other jurisdiction where the Company is not satisfied that it is lawfully able to make such an offer or issue this Prospectus without being required to take any further action in the relevant jurisdiction concerned.

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, for shareholders who subscribe for SPP Shares, the Company will issue SPP Options for no consideration on the terms detailed in this Prospectus.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

2.21 **Withdrawal**

The Directors may at any time decide to withdraw this Prospectus or any Offer at any time prior to the issue of New Securities pursuant to that Offer.

If the Directors withdraw the SPP Offer, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.22 Risk factors

An investment in New Securities under this Prospectus should be regarded as highly speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are detailed (non-exhaustively) in Section 4.

2.23 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Securities under this Prospectus (nor of exercising any New Options into Shares). The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Securities under this Prospectus.

2.24 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing that Application and, if the Application is successful, to administer the Applicant's security holding in the Company. Such information may be used to assess your Application, service your needs as a holder of Securities, provide facilities and services that you request and carry out appropriate administration.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities, or as otherwise permitted under the *Privacy Act 1988* (Cth).

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

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

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2.25 Enquiries concerning Prospectus

Enquiries relating to this Prospectus or the Offers should be directed to Tom Jobling, Financial Controller on +61 8 7099 3966 between 8:30 am and 5:00 pm (AEST), Monday to Friday during the offer period for the Offers or via email to admin@micro-x.com.

3 Purpose and Effect of the Offers

3.1 Effect of the Offers on the Company and Use of Funds

The Placement and SPP Offer are being undertaken for the Company to raise approximately \$5 million (before costs).

This amount excludes any funds which may be raised in the future from any exercise of the New Options issued pursuant to this Prospectus.

Funds raised from issue of the Placement Shares and from the issue of SPP Shares are indicatively proposed to be as set out below.

Placement and SPP Offer	\$000
Argus commercial activities in global security and defence markets	2,250
Execution of strategic partnerships	900
Advancing the prototype Head CT under current MOUs	500
Working capital	975
Costs of the Offers	375
Total	5,000

As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

The Company intends to use any proceeds from oversubscriptions under the SPP Offer (up to \$1.5 million) towards its product commercialisation activities and working capital.

To the extent the SPP Offer is not fully subscribed, the Company will seek to appropriately scale back and or delay its discretionary spending. The Company may seek alternative sources of funding as required.

No funds will be raised from the issue of the SPP Options or the Placement Options (other than funds which will be received if those Options are subsequently exercised) as the SPP Options and the Placement Options are free-attaching to Shares issued under the SPP Offer and the Placement (respectively) on a one for two basis.

The expenses of the Offers will be met from the funds raised in the Placement. Refer to Section 5.16 for details on the estimated expenses of the Offers.

The Company will receive \$0.135 (before costs) for each New Option which is exercised (if any) during the exercise period for the New Options. If the maximum number of 26,315,789 New Options are issued pursuant to the Offers and are subsequently exercised into Shares, the Company would receive approximately \$3,552,632 (before costs) (assuming there are no oversubscriptions under the SPP Offer). There is no certainty that, and no forecast is made as to whether, any of the New Options will be exercised.

3.2 Effect on the Capital Structure

The effect of the Offers on the capital structure of the Company, assuming the maximum numbers of New Securities are issued pursuant to the Offers are issued, is as follows (actual figures may vary, for example due to rounding):

	Shares	Options	Performance Rights	Convertible Notes
Securities on issue as at the date of this Prospectus ¹	559,873,003	0	37,888,005	650
Securities to be issued subject to Shareholder approval at the Extraordinary General Meeting (other than the securities listed below) ²	1,052,632	526,316	0	0
SPP Securities to be issued under the SPP Offer (assuming fully subscribed) ³	10,526,316	5,263,158	0	0
Placement Options to be issued under the Placement Options Offer ⁴	0	20,526,316	0	0
TOTAL	571,451,951	26,315,790	37,888,005	650

Notes:

1. This includes 41,052,631 Shares issued under the Placement on 22 April 2024.
2. This represents the 1,052,632 Placement Shares and 526,316 Placement Options to be issued to Mr Patrick O'Brien (and/or his nominee(s)) subject to Shareholder approval at the Extraordinary General Meeting.
3. This assumes \$1 million is raised pursuant to the SPP Offer (and does not include any oversubscriptions). If the maximum oversubscription of \$1.5 million is raised, 26,315,789 Shares and 13,157,893 SPP Options will be issued under the SPP Offer, resulting in a total of 587,241,424 Shares and 34,210,525 Options on issue on completion of the Offers. The SPP Options under the SPP Offer are subject to Shareholder approval at the Extraordinary General Meeting, along with the SPP Shares and SPP Options to be issued to Directors, as detailed in Section 2.2. The terms and conditions of the SPP Options are detailed in Section 5.2.
4. The Placement Options to be issued under this Prospectus are subject to Shareholder approval at the Extraordinary General Meeting. This number does not include the 1,052,632 Placement Shares and 526,316 Placement Options to be issued to Mr Patrick O'Brien. The terms and conditions of the Placement Options are detailed in Section 5.2.
5. On a fully diluted basis, assuming all of the Options, Performance Rights and Convertible Notes detailed above convert into Shares, the Company's issued capital detailed above would equate to 635,818,246 Shares. No forecast is made as to whether any Options, Performance Rights or Convertible Notes will be exercised or converted into Shares (nor whether any of the Performance Rights vesting conditions will be satisfied).

3.3 Effect on financial position

(a) Use of proceeds raised from the exercise of New Options

Based on the Placement of \$4.0 million and the SPP Offer of \$1.0 million (assuming there are no oversubscriptions under the SPP Offer), then the issue and exercise of all of the New Options would involve the Company raising a total of approximately \$3.552 million by the issue of approximately 26,315,790 Shares on exercise of all of the New Options.

The Company intends to use any proceeds of the exercise of the New Options towards its product commercialisation activities and working capital.

(b) Pro-forma adjustments to consolidated balance sheet

The unaudited pro forma balance sheet at Section 3.3(c) reflects the reported results of the Company and its controlled entities as shown in the financial statements for the half year to 31 December 2023, adjusted on the basis that the Placement and the SPP Offer occurred as at 31 December 2023 and assumes a number of scenarios being:

- \$4,625,000 net of fees is raised under the Placement and the SPP Offer;
- \$1,400,000 net of fees in oversubscriptions is received and accepted under the SPP Offer;
- a maximum of 34,210,525 New Options are exercised at a price of \$0.135 per New Option.

The pro-forma balance sheet does not take into account a receivable for the R&D tax rebate estimated to be \$4 million to be received by 31 December 2024, or contracted project payments.

(c) **Pro-forma Balance Sheet**

This section contains a summary of the historical financial information for the Company as at 31 December 2023 and a pro-forma balance sheet as at 31 December 2023:

\$A'000	Statutory historical reviewed ¹	Impact of \$5M from Placement & SPP ²	Pro Forma (\$5.0M Raised)	Impact of \$1.5M over subscriptions under SPP ³	Pro Forma (\$6.5M Raised) ⁴	Impact of New Options being exercised ⁵	Pro Forma (\$6.5M Raised & post New Options exercise) ⁶
	31 Dec 2023						31 Dec 2023
CURRENT ASSETS							
Cash and cash equivalents	5,307	4,625	9,932	1,400	11,332	4,568	15,900
Trade and other receivables	768		768		768		768
Contract Assets	1,714		1,714		1,714		1,714
Inventories	5,359		5,359		5,359		5,359
Other	1,114		1,114		1,114		1,114
TOTAL CURRENT ASSETS	14,262		18,887		20,287		24,855
NON-CURRENT ASSETS							
Property, plant and equipment	2,933		2,933		2,933		2,933
Rights of use asset	4,250		4,250		4,250		4,250
Intangibles	126		126		126		126
TOTAL NON-CURRENT ASSETS	7,309		7,309		7,309		7,309
TOTAL ASSETS	21,571		26,196		27,596		32,164
CURRENT LIABILITIES							
Trade and other payables	5,198		5,198		5,198		5,198
Contract Liabilities	299		299		299		299
Lease Liabilities	747		747		747		747
Provisions	696		696		696		696
TOTAL CURRENT LIABILITIES	6,940		6,940		6,940		6,940
NON-CURRENT LIABILITIES							
Lease liabilities	3,590		3,590		3,590		3,590
Provisions	1,078		1,078		1,078		1,078
TOTAL NON-CURRENT LIABILITIES	4,668		4,668		4,668		4,668
TOTAL LIABILITIES	11,608		11,608		11,608		11,608
NET ASSETS	9,963		14,588		15,988		20,556
EQUITY							
Issued Capital	126,235	4,625	130,860	1,400	132,260	4,568	136,828
Convertible Notes	65		65		65		65
Foreign Currency Translation Reserve	(7)		(7)		(7)		(7)
Share Based Payments Reserve	3,341		3,341		3,341		3,341
Accumulated losses	(119,671)		(119,671)		(119,671)		(119,671)
TOTAL EQUITY	9,963		14,588		15,988		20,556

Notes to Pro-forma Balance Sheet:

1. As reported in the financial statements for the half year to 31 December 2023.
2. Reflects anticipated net proceeds (after costs) of \$4.625 million raised under the Placement & SPP Offer (not including any oversubscriptions).
3. Under the terms of the SPP Offer, the Company at its discretion is able to accept up to \$1.5 million in oversubscriptions.
4. Reflects the gross aggregate funds of \$6.5 million (\$4.0 million Placement and \$2.5 million SPP Offer including oversubscriptions).
5. Assumes that the maximum of 34,210,525 New Options are issued and exercised at \$0.135 each prior to their expiry date, based on the gross aggregate funds of \$6.5 million (\$4.0 million Placement and \$2.5 million SPP Offer including oversubscriptions).
6. Balance sheet does not take into account contracted project payments or R&D tax rebate.

3.4 Effect of the Offers on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a Voting Power greater than 20% as a result of the completion of the Offers (refer to Section 5.10).

4 Risk Factors

The Securities offered under this Prospectus should be considered highly speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's stated objectives, particular interests or projects will be successful or that any forward-looking statements or forecasts contained in this Prospectus will be realised or otherwise eventuate. Potential investors should consider whether the Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed below.

Potential investors should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks detailed below. This list is not exhaustive and additional risks and uncertainties that Micro-X is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Micro-X's strategy, operating and financial performance. The occurrence or consequences of some of the risks described in this Section 4 are partially or completely outside the control of Micro-X, its directors and senior management. Potential investors should read this Prospectus in its entirety and the Company's ASX announcements and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

4.1 Specific Risks Associated with the Company

(a) Early commercialisation of new technology

There are a number of risks associated with the early commercialisation of new technology, including an inherent risk of failure, and the possibility that the products developed by the Company may fail to demonstrate material customer benefit or advancement, be difficult or impossible to manufacture on the necessary scale, be uneconomical to market or otherwise not commercially exploitable, fail to be developed prior to the successful marketing of alternative products by competitors, or fail to achieve the support of the targeted industry. The Company's target markets can often have high regulatory barriers, particularly for medical devices, and some markets are conservative, which may delay or prohibit sales into those markets. Accordingly, the Company gives no guarantee that the development and commercialisation of its intellectual property will be successful, that development and commercialisation milestones will be achieved, or that product commercialisations will be successful. Projects can be delayed or fail to demonstrate any performance advantage over existing solutions or may cease to be viable for a range of scientific and commercial reasons. Product development expenditures may be much higher than forecast, and the manufacturing cost of products may preclude successful sales exploitation.

The occurrence of any of these events may have a material adverse effect on the Company's ability to:

- (i) implement and execute its business strategy as planned;
- (ii) increase awareness of its brand and market acceptance of its products;
- (iii) obtain and maintain regulatory registrations and market clearances; and
- (iv) manage expanding operations in multiple markets,

which in turn will have a material adverse impact on the Company's operations and financial performance.

(b) Competition risk

There can be no assurance that other parties will not develop and commercialise technology or intellectual property that compete with, or substitute, the Company's cold cathode carbon nanotube (CNT) based X-ray technology in either the security or the healthcare markets.

The mobile diagnostic X-ray market contains a number of mobile X-ray devices (with others likely to be in development) which compete directly with the Mobile DR range. These

competing products are manufactured and/or sold by well established, large and well-resourced competitors including Canon, FujiFilm, Sedecal, Siemens, Konica-Minolta, Shimadzu, GE, Philips, Samsung and AGFA (**Competitors**). These Competitors may react to the Company's Mobile DR product through aggressive pricing or other strategies that may diminish the competitiveness of the Mobile DR range, the Company's ability to sell its Mobile DR units and/or the Company's ability to achieve the sales price for its Mobile DR range, resulting in a material adverse impact on the Company's financial prospects and performance.

The portable security X-ray and EOD X-ray market contains no direct competitors to Argus to the Company's knowledge at the date of this Prospectus, however there can be no assurance that a new competitor will not emerge. This market is dominated by transmission X-ray solutions from established organisations such as Novo, Vidisco and Scanna. There are also handheld backscatter X-ray devices available by AS&E, Viken and Videray. Whilst the Company believes that none of these solutions effectively fulfils Argus' core value proposition: to remove the operator from the threat by enabling robot deployment - they are mature products with an established customer base and these companies may see Argus as a threat and may choose to react through aggressive pricing or other strategies designed to diminish the effectiveness of the Company's sales activities. Argus is a new and novel technology, and as such it drives a change to established industry operating procedures; there is a risk that the industry will be resistant to change and this may delay or prohibit introduction and sales of Argus, diminishing the ability to achieve target sales volumes.

While the Company has engaged experienced external contractors and partner experts to assist with the regulatory approval process and has hired internal industry experts into its sales team for Argus with deep knowledge of industry practises and procedures to position Argus effectively, there is no guarantee that the Company will achieve sufficient sales volumes.

(c) **Checkpoints – and related funding risk**

The Company has been selected by the US Government's Department of Homeland Security (**DHS**) for several contracts totalling up to AUD\$28 million, which commenced in 2021 and are due to finish at the end of 2026, associated with a new concept for a Self-Service Airport Passenger Security Checkpoint.

While the Company believes it provides a superior solution, there are existing technologies in use for Self Service Checkpoints in airports and therefore there is a risk that established competitors will develop competing technology that may diminish the commercial success of the Company's Self-Service Airport Passenger Security Checkpoint solution. The Company has internal processes to monitor and measure expenditure, however there is the risk of higher than budgeted non-recurring engineering costs being incurred during the course of product development. There is also a risk of a delay to revenue as a result of delays related to security clearances, cyber security compliance and contracting processes with government departments in the USA. The project poses development and design risk, in particular with its core technology (X-ray tubes, Generators and High-Voltage Switching), as well as third party and subcontracting risk required to create a fully integrated system. In order to recognise the full value of the contracts, Micro-X is obliged to meet certain performance and delivery requirements or milestones; there is a risk that Micro-X is unable to achieve these requirements as a result of technical or other challenges, or that the solution delivered to the DHS does not meet performance expectations, and that the DHS chooses not to exercise its optional funding. If project overruns did occur, these may diminish the goodwill and reputation of the Company and decrease the likelihood that the DHS exercises the optional funding required to recognise the full value of the contract. There is a risk that if the Company fails to achieve the required milestones, that the funding could be withdrawn or delayed, resulting in the Company needing to obtain additional funding to complete the project. There is a risk that the DHS may choose not to exercise its optional funding as a result of changing priorities or political landscape, factors which are outside of Micro-X's control. If these risks come to fruition, it may result in the Company needing to obtain additional funding to complete the project, and/or in delays or cancellation of the project.

The DHS contract funds the delivery of the Checkpoint solution through to the provision of prototypes. Commercialisation of the Checkpoint requires the Company to obtain funding in

order to develop these prototypes into a production solution, as well as to fund the commercial go-to-market strategy. The Company intends to seek this funding via strategic partnerships. There is a risk the Company is unable to raise the required funding in order to commercialise the product. The occurrence of one of more of these events could have a material adverse impact on the Company's prospects and financial performance.

(d) **Head CT – and related funding risk**

The Head CT for stroke diagnosis project involves developing a miniaturised head imaging CT scanner which is able to fit into land or air ambulances. The project is funded via the Federal Government's Medical Research Future Fund (MRFF) as an imaging technology provider in the Australian Stroke Alliance (ASA) research consortium.

Whilst there has been recent progress on the core technology, development and design risk remains, in particular with the core technology (X-ray tubes, Generators and High-Voltage Switching) which may cause delays, cost overruns or cancellation of the project.

Tests conducted by the Company's internal team have demonstrated promising progress in image quality during non-clinical studies using imaging phantoms and simulations. There are risks associated with meeting diagnostic image quality, which is required to be demonstrated on humans in clinical trials for customer acceptance and to meet or surpass the current standard of care provided by existing CT systems.

The ASA contract funds the delivery of the Head CT solution through to the provision of prototypes. There is a risk that if the Company fails to achieve the required milestones, that the funding could be withdrawn or delayed, resulting in the Company needing to obtain additional funding to complete the project. Commercialisation of the Head CT requires the Company to obtain additional funding in order to develop these prototypes into a production solution, as well as to fund the commercial go-to-market strategy. The Company intends to seek this funding via strategic partnerships. There is a risk the Company is unable to raise the required funding in order to commercialise the product. The occurrence of one of more of these events could have a material adverse impact on the Company's prospects and financial performance.

(e) **Sales, marketing and distribution risk**

The Company currently sells its Rover and Argus products directly to customers, and via distribution channels. The Company has secured one direct sales purchase order for the Argus in March 2024, and is still at an early stage with Argus direct sales efforts. There is a risk that the Company may be unable to continue to develop sufficient sales and marketing capabilities despite its planned expansion and investment to effectively commercialise its products. The Company is reliant on establishing, growing and maintaining effective distribution channels in many regions in order to achieve global sales for both Rover and Argus. There is a risk that the Company may be unable to establish, grow and/or maintain these distribution channels within an appropriate timeframe, which may have a material adverse impact on the Company's financial position and performance.

(f) **Single site for manufacturing activities and research**

The Company performs its manufacturing activities and the majority of its research and development (R&D) at its facility in Tonsley, Adelaide. Should operations at the facility be disrupted or production halted for any reason (for example, due to labour strikes, extreme weather or other events outside the Company's control), the Company may not have enough products available to satisfy customer demand in a timely manner. While alternative arrangements could be made to transfer the manufacturing process to a different facility, this would take some time and may involve other risks such as establishing sufficient, controlled and clean facilities and equipment critical for the manufacture of the Company's x-ray tubes, and the time taken to establish such facilities and equipment. If such disruption were to occur, it would adversely affect the Company's ability to sell its products and customers may choose to purchase products from competitors. There may also be an ongoing sales impact in the form of a reduction of goodwill as a result of the Company ceasing sales for a period of time. While the Company has strong internal capabilities in manufacturing operations and supply

chain management including scaling of production to meet higher volume, there is a risk of delays or issues in the manufacturing processes, which may have an adverse effect on the Company's financial performance and operations.

(g) **Reliance on key personnel**

The Company's future depends significantly on its ability to attract and retain key personnel, particularly those with highly specialised skillsets in areas of technology central to the Company's future products. The Company may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. The Company's 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.

(h) **Additional requirements for capital**

The Company is at an early revenue stage for its Argus product and there is no guarantee that the Company will achieve cashflow breakeven or profitability. As at 31 March 2024, the Company's bank balance was approximately \$2.2 million.

The Company also has an additional \$14.2 million in contracted project payments due up until 30 June 2025 to support its activities, subject to meeting the relevant milestones and contract options being exercised. If the milestones are not met or the contracted payments are deferred or discontinued for any reason, the Company may need to obtain funding to bridge a short-term gap.

The Company's capital requirements depend on numerous factors. The Company is currently loss making and may require further financing in addition to amounts raised under the Placement and the SPP Offer. In the absence of such additional financing, there is a risk that (i) the Company may not be able to continue to operate beyond the next 12 months; and (ii) there may be a delay and indefinite postponement of the Company's activities and potential development programs.

Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, its production levels, or scale back its research and development and/or clinical trials as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. If funding is not secured, it may have a material impact on the Company's ability to operate. The occurrence of any of these events could have a material adverse effect on the Company's financial performance and financial position.

There is a risk the Company is unable to achieve, in part or in full, the target of \$1 million for this SPP Offer, or that the funding is delayed. This may result in the Company being required to seek alternate funding or reduce the scope of its planned projects and/or commercial activities.

(i) **Partnering risk**

The Company's strategy is to secure partners for one or more of its Checkpoints and Head CT products. The Company is seeking to engage partners to provide market access, scale up and implementation services and additional funding, in order to be able to commercialise these products in development. There is no guarantee that the Company will be able to secure partners on a satisfactory basis. In the event that partners are not secured, there may be a material impact on the Company's ability to commercialise these products in development.

(j) **Regulatory approvals to be received and maintained**

Medical devices and products which emit ionising radiation exist in a highly regulated environment. The Company's operations are reliant on maintaining regulatory certifications,

including ISO13485 and ISO9001. Whilst the Company has processes in place and a culture of quality, there is a risk that operations may be impacted if incidents of non-compliance are identified in audit findings by regulatory bodies. Commercialising the Company's medical products requires achieving and maintaining regulatory approvals for medical devices, including a CE Mark for the European market, TGA for the Australian market and 510(k) for the US market, amongst others. There is also a risk of regulatory approvals being withdrawn due to an issue of non-compliance. Future products may not be able to rely on a predicate device to accelerate regulatory approvals and may involve lengthy and costly clinical trials, which may not succeed. The regulatory environment globally is not homogeneous and is subject to change which is outside the Company's control. Changes to the regulatory environment may drive significant changes, including delays or cancellation, to the Company's project schedules. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial position of the Company.

Whilst commercialising the Argus involves fewer regulatory hurdles than medical devices or Checkpoints, as an ionising radiation device it is still required to meet certain radiation safety regulations and in-country registrations. As with medical devices, there is a risk that changes to the regulatory environment outside the Company's control may drive significant changes to the product, which may cause delays or cancellation to the product.

Commercialising the Checkpoint program similarly requires high levels of trials such as European ECAC and US TSA Operational Test and Evaluation (OTE) testing which may be lengthy and costly, and may not succeed.

As an X-ray device manufacturer, the Company must retain certification by the South Australian Environmental Protection Authority to operate and manufacture ionizing radiation emitting devices. While the Company has strong radiation control processes in place, any change to those certifications, or the imposition of conditions that are difficult or costly to satisfy, could impact the Company's ability to manufacture devices and commercialise, and have an adverse effect on the Company's financial performance and operations.

(k) **Product liability risk**

In medical markets, the Company's Mobile DR products are used for diagnostic imaging. While the Company has in place processes for regulatory compliance and manufacturing and quality standards to ensure that the product meets required global standards, there is risk that injury may occur to a patient or operator from misdiagnosis or through a quality defect in manufacturing, or possibly a failure introduced by misuse. As with all medical devices, these could be reportable issues resulting in a product recall.

The Company's Argus product is designed for rapid threat detection and diagnosis of suspect devices in military and security markets. There is a risk that injury or death may occur to an operator or others as a result of an operator incorrectly deeming a suspect device safe, or as a result of an electrical or radiation safety hazard.

In security markets and medical markets, Company products pose a radiation and high voltage hazard. While all products meet the applicable test standards prior to sales commencing, there is a risk of failure of protections in place to prevent radiation exposure or electroshock. Failure to meet compliance or safety for radiation and/or high voltage poses a significant risk to patient or operator safety. The likelihood of occurrence is low, however an incident could represent a serious risk in the safety of the Company's products and thus their viability. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.

(l) **Reliance on third party technology vendors and partners**

The Company's products include components that are manufactured and supplied by third parties. The Company currently relies, and may in the future rely, on partners to supply key technology or manufacturing services. There are inherent risks in relying on third party suppliers for these product components, since any change to the manufacturing process of an approved medical device requires extensive documentation and, in many cases, supplemental

testing. Such partners may not supply to the required price, quality or volume, may change their strategy and discontinue supply, may become insolvent or otherwise cease to trade and the effect of any of these on the Company would be for the Company to incur significant costs and delays in securing replacement services which would interrupt the Company's revenue. The Company does not have a second source suppliers for many of these components. A disruption at a key supplier could therefore cause a substantial delay in the availability of the Company's products, leading to a potential loss of sales and reputation in the market. Where partner companies have access to the Company's confidential information, intellectual property or know-how, there is a risk of a whole or partial loss of the confidential information, intellectual property or know-how to competing organisations. The performance of the Company's partners may also be impacted by either related or unrelated regulatory changes or breaches and other actions of other sovereign governments. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.

(m) **Intellectual property risk**

The Company strategy for protecting intellectual property is to obtain legal coverage through patents and registrations using the international patent cooperation treaty (PCT) and completing national filings in Australia, USA, Europe, Japan and China. Company owned patents are held on innovative elements of the Company's products as a barrier to duplication. The Company holds two core patents for high current density field emitters and RF modulation of field emitters. The Company also has a patent for its imaging architecture used in the Argus X-ray camera. These patents are intended to provide the Company with a barrier to competition, however a published patent can enable an expert in the field to replicate or reverse engineer the technology. Notwithstanding the patents, there is a risk that competitors will replicate this intellectual property and produce competing small X-ray tubes. This risk may also be higher in countries where intellectual property laws may not adequately protect the Company. There is a risk that (i) third parties may circumvent intellectual property, particularly from the leaking of trade secrets from current or ex-employees, or by carrying out intellectual property theft including cyber security attacks; (ii) patents may be challenged for validity; or (iii) there may be an inadvertent breach of third-party patents of which the Company has not researched in its freedom to operate. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.

(n) **Cyber security risk**

As with most companies, and particularly high-technology companies, the Company stores much of its data electronically. There is a risk that the Company's electronic storage systems may suffer a data breach or attack through hacking, trojans, viruses or other cyber-attacks. Such a breach or attack could cause loss, damage or theft of information relating to intellectual property, trade secrets, product development, company employee data, contract information, strategic and financial information, and regulatory information, causing a disruption to business operations and/or eroding competitive advantage. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.

(o) **International trade and foreign exchange risk**

The Company operates in a global market and its business operations are subject to trade agreements. Changes to international trade agreements, including free trade agreements, may have an impact on the commercial viability and supply of components for the manufacture of the Company's products and the sale of those products to its customers. A material portion of the Company's business is with companies operating in the United States. Global markets have seen volatility in United States trade recently and there is a risk the Company's business including commercialisation of product or supply of components could be adversely affected. The Company buys components and sells products in multiple foreign currencies. Changes in foreign exchange, particularly AUD to USD, may adversely impact the commercial viability of the Company's products.

Micro-X's US footprint through its subsidiary, Micro-X Inc., presents additional risk for the Company. The Company is subject to additional employment, tax, regulatory and compliance requirements for its US subsidiary on top of those it is subject to in Australia. The Company is subject to managing foreign currency risk through overhead cost carried out in USD. The Company is exposed to policy change, political risk and any trading restrictions with the USA.

(p) **Business interruption risk**

The Company operates using a global supply and customer base. This global supply and customer base may be exposed to hazards outside of the Company's control including changing political climates, war, pandemics and natural disasters which could interrupt the business. In the event of such an interruption, the Company cannot guarantee that it will be able to source appropriate replacement components or find alternate customer pathways with a commercially viable arrangement or within a required timeframe to prevent interruption to its operations. Such an interruption may have a material adverse effect on the financial position and financial performance of the Company.

4.2 General Risks

(a) **Securities investments**

Applicants should be aware that there are risks associated with any Securities investment.

There is no guarantee that an active trading market in the SPP Shares will develop or that the price of SPP Shares will increase. The prices at which the SPP Shares trade (if they trade at all) may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the SPP Shares, regardless of Company's operational performance.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share Market Risk**

The price of the SPP Shares when quoted on ASX will be influenced by international and domestic factors affecting market conditions in equity and financial markets. These factors and others may affect the share price for all listed companies, and the price of the Company's Shares may fall or rise, and the price of the SPP Shares may trade below or above the issue price of the SPP Shares. The price of the SPP Shares may trade below or above their prevailing market price as at the date of this Prospectus. The price of Shares may be subject to varied and unpredictable influences on the market for equities.

Share market conditions may be affected by many factors including, but not limited to, the following:

- i) general economic outlook;
- ii) interest rates and inflation rates;
- iii) currency fluctuations;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital; and
- vi) terrorism, warfare or other hostilities in Australia or internationally.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

If the prevailing trading price of the Company's Shares during the option exercise period for the New Options is lower than the option exercise price, of \$0.135, then it is unlikely that the New Options will be exercised. In this scenario, the unexercised New Options will not have any value and will lapse at the end of the option exercise period, which is 30 May 2026.

(c) **Economic risk**

The Company's operating performance, financial position, prospects and/or the price at which its Shares trade may be affected by changes in Australian or international economic conditions. For example, the following may affect the financial performance of the Company's investments, the ability for the Company to acquire new investments or realise existing investments and the terms and availability of funding that the Company may require:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(d) **Dilution**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities, the percentage ownership of holders of Securities may be reduced and diluted.

(e) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company such as labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Changes in regulations and regulatory risk**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that may affect the viability of the Company. No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's business.

Future changes in tax laws, including changes in interpretation or application of those laws by a court or tax authority may affect the tax treatment of an investment in Micro-X shares, or the holdings and disposal of those shares. Tax considerations may differ between Micro-X shareholders. Therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in Micro-X shares.

Tax rules or their interpretation for both Micro-X and its Shareholders may change. There is a risk that both the level and basis of taxation may change both in Australia and in foreign jurisdictions where Micro-X currently transacts, as well as new markets it may enter in the future. The tax considerations of investing in the Shares may differ for each Shareholder. Each

prospective investor is encouraged to seek professional tax advice in connection with any investment in Micro-X.

(g) **Expected future events may not occur**

Certain statements in this Prospectus (and in the Company's ASX announcements) constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, prospective Shareholders should not place undue reliance on such forward-looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by the Company, or any other person referred to in this document, that a particular outcome or future event is guaranteed.

(h) **Trading in Securities may not be liquid**

There is no guarantee that there will be an ongoing liquid market for New Securities. Accordingly, there is a risk that, should the market for New Securities be or become illiquid, holders of New Securities will be unable to realise their investment in the Company.

(i) **Accounting standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and the Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

(j) **Reputational risk**

Issues of a varying nature may arise that would give rise to reputational risk and cause harm to Micro-X's business dealings and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, issues of ethics, money laundering laws, trade sanctions legislation, privacy, information security policies, sales and trading practices and conduct by companies in which Micro-X holds strategic interests. Failure to address these issues appropriately could give rise to additional legal risk, subject entities within the Company to regulatory actions, fines and penalties, or harm the reputation of Micro-X or the Company among its shareholders, customers and investors.

(k) **Litigation risk**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by shareholders, regulatory authorities, employees, competitors or joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. The Company may also need to institute proceedings from time to time, such as to defend a proprietary right. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims and could affect the Company's reputation.

(l) **Unforeseen risk**

There may be other risks of which the Directors are unaware at the time of issuing this Prospectus which may impact the Company, its operations and/or the valuation and performance of the Shares.

(m) **Climate change risk**

The Company is exposed to the short, medium and long-term climate change and environment related risks. Specific risks include physical climate-related event risks such as extreme weather events or increased volatility and change in weather patterns which lead to increased costs or restricted availability and use of water and electricity in manufacturing activities, and force majeure events. These risks could adversely affect the Company's operations, business practices, financial performance and reputation if not adequately managed.

(n) **Inability to pay dividends or make other distributions or potential for dividends paid not to be franked**

The Company's dividend policy will be at the discretion of the Board and may change over time. Decisions relating to the dividend policy post the Offers will depend on the Company's market situation and strategy for its business.

There is no guarantee that dividends will be paid on Shares in the future, as this is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, among other things, free cash flow generation, profit generation and availability of franking credits.

To the extent to which a dividend can be franked will depend on the Company's franking account balance and its level of distributable profits. The Company's franking account balance is contingent on the Company making Australian taxable profits and will depend on the amount of Australian income tax paid by Micro-X on these Australian taxable profits. Micro-X's Australian taxable profits may be volatile, making the payment of franked dividends unpredictable.

4.3 **Investment Highly Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus. Therefore, no assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its Securities can be, or is, provided by the Company.

Before deciding to invest in the Company, potential investors should read this Prospectus in its entirety and the Company's ASX announcements and, in particular, should consider the risk factors that could affect the financial performance of the Company. Applicants should carefully consider these factors in light of their personal circumstances and should consult their professional advisers (for example, their accountant, stockbroker, lawyer or other professional adviser) before deciding whether to invest.

Neither the Company nor its officers, employees, agents and advisers guarantee that any specific objectives of the Company will be achieved or that any particular performance of the Shares and Options, including the SPP Shares and New Options offered under this Prospectus, will be achieved.

The New Options offered under this Prospectus carry no entitlement to dividends or returns of capital and no guarantee with respect to the value of, nor availability of a market to transfer, those New Options.

Shares carry no guarantee with respect to the payment of dividends, returns of capital or the value of, nor availability of a market to transfer, Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Securities. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

5 Additional Information

5.1 Rights and Liabilities Attaching to Shares

A summary of the rights attaching to Shares is detailed below (noting that the SPP Shares would, from their time of issue, be subject to the same terms and conditions as other Shares). This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge and on the Company's website: <https://micro-x.com/investors/corporate-governance/>) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Notice of a general meeting must be given in accordance with the Corporations Act to each eligible shareholder. Except as permitted by the Corporations Act, general meetings must be called on at least the minimum number of days' notice required by the Corporations Act (which at the date on which the Constitution was adopted is 28 days) and otherwise in accordance with the procedures set out in the Corporations Act.

(b) Voting rights

Subject to the Constitution and to any rights or restrictions attaching to any class of Shares:

- (i) every member may vote;
- (ii) subject to the Constitution and the Corporations Act, on a show of hands every member has one vote; and
- (iii) on a poll every member has:
 - (A) for each fully paid share held by the member, one vote; and
 - (B) for each partly paid share held by the member, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, whether or not called (excluding amounts credited), on the share. An amount paid on a share in advance of a call is not to be taken as paid for this purpose; and
 - (C) during a breach of the Listing Rules relating to shares which are Restricted Securities (as defined in the Listing Rules), or a breach of a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities.

(c) Issue of further securities

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

(d) Variation of rights

The rights attached to Shares or any other class of shares in the Company may be varied in accordance with the Corporations Act.

The rights conferred on the holders of any class of shares in the Company are taken as not having been varied by the creation or issue of further shares in the Company ranking equally with them.

(e) **Transfer of Shares**

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

(f) **Partly paid shares**

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

(g) **Dividend rights**

The Directors may by resolution either:

- (i) declare a dividend and fix the amount, the time for and method of payment; or
- (ii) determine a dividend or interim dividend is payable and fix the amount and the time for and method of payment.

(h) **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company:

- (i) divide among the members in kind all or any of the Company's assets; and
- (ii) for that purpose, determine how he or she will carry out the division between the different classes of members,

but may not require a member to accept any Shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

5.2 **Rights and Liabilities Attaching to the New Options**

The terms and conditions of (including the rights and liabilities attaching to) the proposed New Options being offered under the Offers are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Exercise Price per Option	Expiry Date
\$0.135	30 May 2026

(c) **Exercise Period**

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(d) Notice of Exercise

The Options may be exercised by notice in writing to the Company (in a form acceptable to the Company), (**Option Exercise Form**) and payment to the Company of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Minimum Exercise Price

Options must be exercised in multiples of twenty thousand (20,000) unless fewer than twenty thousand (20,000) Options are held by a Holder, in which case the Holder must exercise their Options in full.

(f) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(g) Quotation of Shares

The Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of Issue of Shares and Quotation of Shares on Exercise

Within five Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) Participation in new issues

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(j) Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

(l) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(m) **Quotation of Options**

The Company will not apply for official quotation of the Options on ASX.

(n) **Options transferable**

The Options are transferrable subject to compliance with the *Corporations Act 2001* (Cth).

(o) **US securities laws restrictions**

The New Options, and the ordinary shares underlying the New Options, have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States and will not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

5.3 Joint Lead Managers Mandate

The Company has entered into an agreement with the Joint Lead Managers under which the Joint Lead Managers have agreed to act as joint lead managers in relation to the Placement and the SPP (**JLM Mandate**).

Under the JLM Mandate, the Joint Lead Managers will receive a management and selling fee of 6% of the total proceeds of the Placement and the SPP.

As is customary for these types of arrangements, under the JLM Mandate, the Company has provided various representations and warranties, and agreed to indemnify the Joint Lead Managers, its related bodies corporate and their respective directors, officers, agents, employees and controllers against losses arising out of the Joint Lead Managers' engagement under the JLM Mandate.

5.4 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities. The New Options are options over the Company's Shares. Shares have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus (and SPP Shares will, upon their issue, be in the same class as existing Shares).

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the Offers on the Company and the rights attaching to the New Securities (and the rights attaching to underlying Shares upon exercise of the New Options). It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

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

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

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

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

- (a) it is subject to regular reporting and disclosure obligations; and
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC.

5.5

Copies of Documents

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

- (a) the Annual Report for the period ending 30 June 2023 as lodged with ASX on 30 August 2023, which includes the annual financial report most recently lodged with ASIC by the Company before the issue of this Prospectus;
- (b) the Half Year Report for the period ending 31 December 2023 as lodged with ASX on 28 February 2024; and
- (c) the continuous disclosure notices announced by the Company to the ASX since the Company lodged its Annual Report and before the lodgement of this Prospectus with ASIC, which are as follows:

Date Lodged	Subject of Announcement
22/04/2024	Application for quotation of securities - MX1
17/04/2024	Proposed issue of securities - MX1
17/04/2024	Micro-X completes \$4M Placement and announces SPP
15/04/2024	Trading Halt
12/04/2024	Notification of cessation of securities - MX1
21/03/2024	MX1 - First Argus Commercial Order
28/02/2024	Change in substantial holding
28/02/2024	MX1 - December 2023 Half Year Results Presentation
28/02/2024	MX1 - Appendix 4D & Half Year Financial Statements

Date Lodged	Subject of Announcement
30/01/2024	MX1 - Quarterly Cashflows and Activity Statement
16/01/2024	MX1 - Final Director's Interest - P. Rowland
16/01/2024	MX1 - Change in Director's Interest - P. Rowland
16/01/2024	Application for quotation of securities - MX1
16/01/2024	Notification of cessation of securities - MX1
04/01/2024	Notification regarding unquoted securities - MX1
20/12/2023	MX1 - Notice under Listing Rule 3.10A
07/12/2023	Notification of cessation of securities - MX1
30/11/2023	MX1 - 2023 AGM Results of Meeting
30/11/2023	MX1 - AGM CEO Presentation
30/11/2023	MX1 - AGM Chair's address
14/11/2023	MX1 - Bell Potter Healthcare Conference Presentation
31/10/2023	Notification regarding unquoted securities - MX1
31/10/2023	Application for quotation of securities - MX1
30/10/2023	MX1 - Addendum to Notice of Meeting
27/10/2023	MX1 - Quarterly Cash Flows and Activities Statement
26/10/2023	MX1 - Rover receives CE Mark certification
23/10/2023	MX1 - Receipt of \$6.2M R&D Tax Rebate
16/10/2023	MX1 - Notice of Annual General Meeting/Proxy Form
09/10/2023	Change in substantial holding
06/10/2023	Notification of cessation of securities - MX1
06/10/2023	Notification of cessation of securities - MX1
06/10/2023	Application for quotation of securities - MX1
20/09/2023	MX1 - \$1.5M Rover order from Australian Government
08/09/2023	Update - Notification of cessation of securities - MX1
07/09/2023	Notification of cessation of securities - MX1
30/08/2023	MX1 - Appendix 4G Corporate Governance Statement

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company at A14, 6 MAB Eastern Promenade, 1284 South Road, Tonsley SA 5042:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Sections 5.17 and 6.

The announcements are also available through the Company's website at <https://micro-x.com/investors/asx-announcements/>

5.6 Information Excluded from Continuous Disclosure Notices

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

5.7 Determination by ASIC

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

5.8 Market Price of Shares

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

Highest: \$0.135 per Share on 13 March 2024

Lowest: \$0.091 per Share on 22 April 2024

On 23 April 2024, being the last practicable date prior to the date of lodgement of this Prospectus with ASIC, the closing market sale price of the Shares on ASX was \$0.092 per Share.

5.9 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company and no forecast is made of any of those matters.

5.10 Substantial Shareholders

Based on the most recent substantial shareholder filings available at the date of this Prospectus, those persons which (together with their associates) have a Relevant Interest in 5% or more of the Shares on issue are detailed below:

Entity	Shares	Voting Power
Perennial Value Management Limited	60,628,240	11.69%
Varex Imaging Corporation	50,709,000	9.86%
Acorn Capital Limited	45,097,950	8.77%
TIGA Trading Pty Ltd and Thorney Technologies Limited	26,282,972	5.11%

Notes:

- The Company issued Shares under the Placement on 22 April 2024 including to the substantial shareholders listed above. The disclosures in the table above may not reflect the most up to date holdings as they are based on substantial

holder filings available at the date of this Prospectus.

5.11 Directors' Interests

Except as disclosed in this Prospectus, no Director (or entity in which they are a director, partner and/or a shareholder):

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the Offers, the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her (or by an entity in which they are a director, partner and/or a shareholder) in connection with the formation or promotion of the Company or the Offers.

5.12 Directors' Interests in Securities

The Directors' Relevant Interests in Securities prior to the issue of SPP Securities and Placement Options, and the issue of Placement Shares to Mr Patrick O'Brien, under this Prospectus, are detailed below:

Director	Shares	Options	Performance Rights ⁶
Mr David Knox ¹	988,075	-	92,593
Mr James McDowell ²	722,286	-	60,186
Mr Patrick O'Brien ³	7,806,388	-	60,186
Ms Ilona Meyer ⁴	105,555	-	127,877
Mr Andrew Hartmann	-	-	-
Dr Alexander Gosling ⁵	532,151	-	60,186

Notes:

1. Mr David Knox holds 988,075 Shares and 92,593 Performance Rights directly.
2. Mr James McDowell holds 218,566 Shares and 60,186 Performance Rights indirectly through the entity McDowell Family Super Pty Ltd. His remaining 503,720 Shares are held directly.
3. Mr Patrick O'Brien holds 5,904,601 Shares indirectly through the entity TLFTC Pty Ltd and 1,901,787 Shares indirectly through the entity Dickens Pty Ltd. His remaining 60,186 Performance Rights are held directly.
4. Ms Ilona Meyer holds 105,555 Shares and 127,877 Performance Rights] directly.
5. Dr Alexander Gosling holds 60,186 Performance Rights indirectly through the entity Presling Super Fund. His remaining 532,151 Shares are held directly.
6. The Performance Rights listed above are long term incentive (LTI) performance rights which are assessed upon the achievement of certain total shareholder return (TSR) targets over a three-year vesting period. The relevant TSR target is a 10% compound annual growth rate, for the LTI performance rights to vest at 50%. If the TSR result met is a 20% compound annual growth rate, then participants will be issued 100% of the relevant Performance Rights.

The interests in the table above do not include any Placement Shares or Placement Options which Mr Patrick O'Brien may be issued under the Placement, or any SPP Securities which Mr David Knox, Mr James McDowell, Dr Alexander Gosling and Ms Ilona Meyer may apply for under the SPP Offer, as the issue of these Securities are subject to Shareholder approval at the Extraordinary General Meeting, as detailed in Sections 2.2 and 2.3.

5.13 Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$700,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that Directors' fees are \$100,000 per annum for the Chair and \$65,000 per annum for Non-Executive Directors in aggregate (inclusive of statutory superannuation contributions). Payments of Directors' fees will be in addition to any payments to Directors in any consultancy capacity.

Members of the Audit and Risk Committee and Members of the Nomination and Remuneration Committee do not receive any additional compensation for being members of those Committees.

The Directors' remuneration for the past two financial years is detailed in the below table:

Director		Short Term Benefits ¹	Superannuation	Long Term Benefits ²	Share Based Payments ³	Total
Mr David Knox	2023	\$90,909	\$9,545	-	\$2,538	\$102,992
	2022	\$75,100	\$7,510	-	\$1,326	\$83,936
Mr James McDowell	2023	\$63,744	\$1,551	-	\$1,650	\$66,945
	2022	\$62,194	-	-	\$862	\$63,056
Mr Patrick O'Brien	2023	\$65,295	-	-	\$1,650	\$66,945
	2022	\$62,194	-	-	\$862	\$63,056
Ms Ilona Meyer ⁴	2023	\$59,091	\$6,204	-	\$1,274	\$66,569
	2022	\$18,802	\$1,880	-	-	\$20,682
Mr Andrew Hartmann ⁵	2023	-	-	-	-	-
	2022	-	-	-	-	-
Dr Alexander Gosling	2023	\$59,091	\$6,204	-	\$1,650	\$66,945
	2022	\$56,540	\$5,654	-	\$862	\$63,056

Notes:

1. This includes cash salary and any shares issued in lieu of cash fees.
2. This includes annual and long service leave.
3. The share-based payments relate to the amortisation of the fair value of the grant of rights made to KMP during the year and do not necessarily reflect the cash value that may be realised upon vesting and exercising of the rights.
4. Ms Ilona Meyer was appointed to the Board on 7 March 2022.
5. Mr Andrew Hartmann was appointed as a non-executive Director on 15 December 2022 as a representative of Varex Imaging Corporation, and is not paid a fee as part of that arrangement.

5.14 Related party transactions

Other than the issue of Placement Shares and Placement Options to Mr Patrick O'Brien, as detailed in Section 2.3, which is subject to Shareholder approval at the Extraordinary General Meeting, and the issue of any SPP Securities which Mr David Knox, Mr James McDowell, Dr Alexander Gosling and Ms Ilona Meyer may apply for under the SPP Offer, as detailed in Section 2.2, which is subject to Shareholder approval at the Extraordinary General Meeting, there will be no participation of related parties of the Company in the Offers.

5.15 Interests of Other Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the Offers, the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit for services rendered in connection with the formation or promotion of the Company or the Offers.

Thomson Geer has acted as solicitors to the Offers and will be paid approximately \$40,000 (plus GST) for services related to this Prospectus. Further amounts will be paid to Thomson Geer in accordance with its normal time-based charges.

Morgans Corporate Limited and Hawkesbury Partners Pty Limited have acted as the Joint Lead Managers to the Offers. The Company will pay a fee of 6.0% (plus GST) of the total proceeds of the Offers to the Joint Lead Managers.

Computershare Investor Services Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the issue of the New Securities under the Offers, and will be paid for these services on standard industry terms and conditions.

5.16 Expenses of Offers

The estimated expenses of the Offers are detailed below:

Estimated expenses of the Offers ¹	Amount (\$)
Joint Lead Managers fees ²	300,000
Legal fees	40,000
ASIC, ASX, administrative services and other costs	35,000
TOTAL	375,000

Note:

- Except for ASIC fees, GST is payable in addition to the expenses in the table.
- Joint Lead Managers will be paid 6.0% of the total proceeds of the Offers. This may vary based on the amount raised in the SPP Offer including any oversubscriptions.

5.17 Consents

Each of the Directors have given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus.

Each of the parties referred to in the following table:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in the Prospectus in the form and context in which it is named;
- has not, and its affiliates, officers and employees have not, made any statement in the Prospectus or any statement on which a statement made in the Prospectus is based; and
- does not cause, permit or authorise the issue or lodgement, submission, dispatch or provision of the Prospectus.

Name of person	Named as
Morgans Corporate Limited	Joint Lead Manager
Hawkesbury Partners Pty Ltd	Joint Lead Manager
Thomson Geer	Australian legal advisor
Computershare Investor Services Pty Limited	Share Registry

Each of the persons referred to above:

- (a) has not authorised or caused the issue of the Prospectus, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in the Prospectus; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes 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.

5.18

Governing law

This Prospectus and the Offers are governed by the law applicable in South Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of South Australia and of the Commonwealth of Australia.

6 Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act. Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent. This Prospectus is signed for and on behalf of the Company by:

David Knox

Mr David Knox
Non-Executive Chair

Dated: 24 April 2024

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7 Glossary

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

\$ means Australian dollars.

AAS means Australian Accounting Standards.

AASB means Australian Accounting Standards Board.

AEST means Australian Eastern Standard Time.

Annual Report means the annual financial report of the Company for the period ending 30 June 2023 as lodged with ASX on 30 August 2023.

Applicant means a person who submits an Application Form with (in the case of the SPP Offer) payment to the Company of the relevant application monies (or who otherwise applies for SPP Securities via making a BPAY® or EFT payment of the Application Monies to the Company without lodging the Application Form).

Application means a valid application for New Securities under an Offer made pursuant to an Application Form accompanied (in the case of the SPP Offer) by payment to the Company of the relevant aggregate issue price for those New Securities (or alternatively, in the case of the SPP Offer, payment of the aggregate issue price for the relevant SPP Shares by BPAY® or EFT payment without lodging the Application Form).

Application Form means an SPP Application Form or a Placement Options Application Form (as the context requires).

Application Monies means monies paid (at the Issue Price per SPP Share) to the Company by Eligible Shareholders in respect of SPP Shares the subject of an application pursuant to the SPP Offer.

ASIC means Australian Securities and Investments Commission.

ASIC Instrument means the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by ASIC (as amended from time to time).

ASX means ASX Limited ACN 008 624 691 and where the context permits, the securities exchange operated by it.

Board means the board of Directors.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date has the meaning given in Section 2.9.

Company or **Micro-X** means Micro-X Limited ACN 153 273 735.

Constitution means the constitution of the Company.

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

Custodian means a person that provides a custodial or depository service in relation to Shares and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an investor directed portfolio service (**IDPS**) or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of Shares and is noted on the Register as holding the Shares on account of another person.

Custodian Certificate has the meaning given in Section 2.14.

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

EFT means electronic funds transfer.

Eligible Shareholder has the meaning given in Section 2.8.

Exercise Price has the meaning given in Section 5.2(b).

Expiry Date has the meaning given in Section 5.2(b).

Extraordinary General Meeting has the meaning given in Section 2.1.

Half Year Report means the half year report of the Company for the period ending 31 December 2023 as lodged with ASX on 28 February 2024.

Holder has the meaning given in Section 5.2(a).

Institutional Investor means an institutional or professional investor that participated in the Placement, and in particular:

- **if in Australia**, sophisticated investors (as defined in section 708(8) and (10) of the Corporations Act) and professional investors (as defined in section 708(11) of the Corporations Act);
- **if in Hong Kong**, a “professional investor” (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong);
- **if in Singapore**, an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act 2001 of Singapore (“SFA”));
- **If in the United States**, “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act.

Issue Price has the meaning given in Section 2.2.

Joint Lead Managers means Morgans Corporate Limited and Hawkesbury Partners Pty Limited.

Listing Rules means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

New Option means an Option offered pursuant to an Offer under this Prospectus, on the terms and conditions in Section 5.2.

New Securities means the Securities offered pursuant to this Prospectus, being any one or more of the following, as the context requires:

- (a) the SPP Securities under the SPP Offer; and
- (b) the Placement Options, and the ordinary shares underlying the Placement Options under the Placement Options Offer.

Offer means the SPP Offer or Placement Options Offer, as the context requires, and **Offers** means all of them.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date has the meaning given in Section 2.9.

Option means an option to acquire a Share.

Option Exercise Form has the meaning given in Section 5.2.

Participating Beneficiary has the meaning given in Section 2.14.

Performance Right means a right to acquire a share, subject to vesting conditions.

Placement has the meaning given in Section 2.1.

Placement Options has the meaning given in Section 2.1.

Placement Options Application Form means the Application Form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Placement Options under the Placement Options Offer.

Placement Options Offer has the meaning given in Section 2.3.

Placement Shares has the meaning given in Section 2.1.

Prospectus means this prospectus dated 24 April 2024.

Record Date has the meaning given in Section 2.8.

Register means the share register maintained by or on behalf of the Company in Australia.

Relevant Interest has the meaning given in section 9 of the Corporations Act.

Section means a section of this Prospectus.

Securities means any securities (including Shares and Options) issued or granted by the Company.

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

Shareholder means a holder of one or more Shares.

SPP Application Form means the Application Form attached to, or accompanying this Prospectus, to be used for the purposes of applying for SPP Securities under the SPP Offer.

SPP Offer has the meaning given in Section 2.2.

SPP Options has the meaning given in Section 2.1.

SPP Securities means the SPP Shares and the SPP Options, and the ordinary shares underlying the SPP Options under the SPP Offer offered pursuant to this Prospectus.

SPP Shares has the meaning given in Section 2.1.

Timetable means the proposed timetable set out on page 8 of the Prospectus.

TMD means target market determination.

US Securities Act means the US Securities Act of 1933.

Voting Power has the meaning given in section 9 of the Corporations Act.

VWAP means Volume Weighted Average Price.

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CORPORATE DIRECTORY

Directors

Mr David Knox – Non-Executive Chair
Mr James McDowell – Non-Executive Director
Mr Patrick O'Brien – Non-Executive Director
Ms Ilona Meyer – Non-Executive Director
Mr Andrew Hartmann – Non-Executive Director
Dr Alexander Gosling – Non-Executive Director

Company Secretary

Mr Kingsley Hall

Registered Office & Principal Place of Business

A14, 6 MAB Eastern Promenade, 1284 South Road,
Tonsley SA 5042

Website: www.micro-x.com/

ASX Code: MX1

Joint Lead Managers

Morgans Corporate Limited
Level 25, 367 Collins St
Melbourne VIC 3000

Hawkesbury Partners Pty Limited
Suite 21.02, Level 21 Australia Square
264 George Street
Sydney NSW 2000

Legal Advisor

Thomson Geer
Level 14, 60 Martin Place
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067