

FEATURES OF AN ASSOB CAPITAL RAISING

The Australian Small Scale Offerings Board provides the SME with two main facilities - the legal exemption to issue or sell securities or scheme interests and the appropriate framework for doing so without breaching the Corporations Act 2001.

It is illegal for any person (or Company) to ask a number of people to invest in a shared business, venture, property or other investment without following the fundraising rules set down by the Corporations Act 2001, or without utilizing the exemptive relief such as that provided by an accredited ASSOB Member.

Features of an Australian Small Scale Offerings BoardTM (ASSOB) Capital Raising include the following:

1. The legal exemption to issue or sell shares in a company without a prospectus;
2. An appropriate framework for raising \$200,000 to \$5,000,000 without breaching the share hawking provisions of the Corporations Act 2001;
3. Professional administration of the equity funding drive (Sequentially numbered share certificates, preparation of compliant offer documentation etc);
4. Listing on the board alongside some of the country's most exciting small & medium sized companies;
5. The ability to conduct restricted secondary sales (share transfers), which in the past has been a major impediment to smaller investors exiting projects and hence improving investors willingness to invest;
6. Valuations are fairer and founders generally retain more equity than through other approaches to raising capital;
7. Requires a team approach and a minimum of three capable Directors;
8. Depending on the availability of a business plan or an information memorandum and financial projections, it takes 3-6 weeks to list on ASSOB;
9. Depending on the amounts being sought, early rounds can generally can be completed within 2-4 months of listing;
10. Approach is very cost effective for small scale offerings and includes the following:
 - a. Planning and structuring the offer;
 - b. The cost of creating a new public unlisted company or changing from the existing structure to a public unlisted company;
 - c. Preparation of the class order compliant offer document;
 - d. Listing fees on the Australian Small Scale Offerings BoardTM for 12 months;
 - e. Management of all paperwork and the creation of share application forms, share certificates, duplicate share register and monitoring of secondary sales activity;
 - f. Liaison with potential investors and hosting of any investor meetings;
 - g. Co-ordinating and facilitating the presentation, marketing and advertising of the offer to potential investors;
11. Investor funds can be accessed as soon as a predetermined minimum subscription level is reached rather than having to wait for the completion of the whole capital raising.