

CONNEXION MEDIA LIMITED

ABN: 68 004 240 313

CLEANSING PROSPECTUS

For the offer of up to 100,000 Shares in the capital of the Company at an issue price of \$0.0130 per Share to raise up to \$1,300 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

The Shares offered by this Prospectus should be considered a speculative investment and potential investors should refer to Section 4 for further details concerning the risk factors associated with an investment in the Company.

This document is important. It should be read in its entirety.

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Company

Connexion Media Limited
(ASX: CXZ)

Officers

Mr David Connolly (Executive Director)

Mr Mark Caruso (Non Executive Chairman)

Mr Robert Downey (Non-Executive Director)

Mr Peter Torre (Company Secretary)

Contact Details

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Melbourne VIC 3000

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Phone: (03) 9529 2655

Website:
www.connexionltd.com.au

Share Registry

Boardroom Pty Limited

Level 12
225 George Street
Sydney NSW 2000

Fax: 1300 653 459

Phone: 1300 737 760 (within Australia)

+61 2 9290 9600 (outside Australia)

Auditor*

William Buck Audit (Vic) Pty Ltd

Level 20
181 William Street
Melbourne VIC 3000

Legal Advisor

Dominion Legal

17 Lacey Street
Perth WA 6000

**This entity has not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. They are named for information purposes only.*

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1 IMPORTANT DATES AND IMPORTANT INFORMATION

1.1 Important Dates

Event	Date
Lodgement of the Prospectus with ASIC (and a copy to the ASX)	28 November 2017
Opening Date	28 November 2017
Closing Date	30 November 2017
Issue date	1 December 2017
The last day for securities to be entered into the holders' security holdings.	

**The dates are indicative only. Subject to the Listing Rules, the Directors may vary the dates without prior notice, including closing the offer early or extending the closing date.*

1.2 Important Information

This Prospectus is dated 28 November 2017 and was lodged with ASIC on that date. Neither ASIC nor ASX takes 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 later than 13 months after the date of this Prospectus. The Company will apply for admission of the Shares offered by this Prospectus to quotation on ASX within 7 days after the date of this Prospectus.

It is important that you carefully read this Prospectus in its entirety before deciding to invest in the Shares offered by this Prospectus and, in particular, in considering the prospects for the Company, that you consider the risk factors that could affect the financial performance of the Company which are summarised in Section 4. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, broker, lawyer or other professional adviser before deciding whether to invest.

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

This Prospectus does not constitute an offer of Shares in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. The Shares have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons. Accordingly, neither this Prospectus nor an Application may be sent to investors in the United States or otherwise distributed in the United States.

This Prospectus may be viewed at the Company's website at www.connexionltd.com.au.

This Prospectus contains certain forward-looking statements with respect to the financial condition and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve

significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. The Company gives no representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Prospectus in that light.

Defined terms and abbreviations used in this Prospectus are explained in the Glossary (refer to section 7).

All amounts are in Australian dollars unless otherwise specified.

All references to time are to Australian Western Standard Time (AWST).

2 DETAILS OF THE OFFER

2.1 Details of the Offer

Under this Prospectus, the Company invites the investors identified by the Directors to apply for up to 100,000 Shares at an issue price of \$0.0130 per Share payable in full on application, to raise up to \$1,300 (before expenses) (**New Shares**).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the New Shares will rank equally with Shares on issue at the date of this Prospectus. A summary of the rights attaching to the Shares is set out in Section 6.1.

2.2 Purpose of the Offer

Prior to the date of this Prospectus, the Company has issued:

- (a) 384,615 Shares on 27 November 2017 pursuant to a placement to sophisticated investors (**Placement Shares**);
- (b) 218,275,454 Shares on 27 November 2017 upon conversion of the Series 1 Convertible Notes; and
- (c) 381,013,892 Shares on 27 November 2017 upon conversion of the Series 2 Convertible Notes.

(collectively the **Cleansing Shares**).

The Cleansing Shares were issued to:

- (a) sophisticated investors pursuant to sections 708(8) of the Corporations Act; and

- (b) Series 1 and Series 2 Noteholders in accordance with terms of the Series 1 and Series 2 Convertible Notes and pursuant to the shareholder approval obtained at the general meeting of the Company on the 10th of August 2016.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Cleansing Shares as the Cleansing Shares have been issued without disclosure under Chapter 6D of the Corporations Act. The Company is seeking to raise only a nominal amount under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued if securities are offered for sale within 12 months after their issue and the issue of those securities was made without disclosure (for example under a prospectus) to investors under Chapter 6D of the Corporations Act.

However section 708A(11) of the Corporations Act provides an exemption from this requirement and accordingly a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
- (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Under the terms of the Notes, the Company is obliged to ensure that any Cleansing Shares issued on conversion of the Notes are freely tradeable (i.e. not subject to any secondary sale trading restrictions in the Corporations Act) either by issuing a cleansing notice under section 708A(5) of the Corporations Act, or issuing a prospectus under section 708A(11) of the Corporations Act. The Company is unable to issue a cleansing statement under section 708A(5) of the Corporations Act as its securities were suspended from trading for more than five trading days in the last 12 months.

This Prospectus has been issued to comply with section 708A(11) to facilitate secondary trading of the Cleansing Shares as they were issued to investors without disclosure under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Cleansing Shares to on sell those Shares within 12 months of their issue. The Company did not issue the Cleansing Shares with the purpose of the persons to whom they were issued selling or transferring those Cleansing Shares, or granting, issuing or transferring interests in those Cleansing Shares within 12 months of their issue but this Prospectus provides them with the ability should they wish.

Accordingly, the primary purpose of this Prospectus is to:

- (a) make the Offer and to provide information on the Offer, disclosure of which is required under the Corporations Act; and

- (b) ensure that any on-sale of Cleansing Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

2.3 Applications

This Offer is being extended to unrelated persons who are invited by the Company to subscribe for Shares and is not open to the general public. To the maximum extent permitted by law, the Directors will have absolute discretion over which Applications to accept.

Investors who are invited by the Company may apply for Shares using the Application Form attached to this Prospectus. Application forms must be sent to the Share Registry together with a cheque, bank draft or money order which must be:

- (a) in respect of the full Application Monies;
- (b) in Australian currency drawn on an Australian branch of a financial institution; and
- (c) made payable to the Company and crossed 'Not Negotiable'.

By post	By hand
GPO Box 3993 Sydney NSW 2001	Level 12 225 George Street Sydney NSW 2000

Applicants need to ensure that your completed Application Form and cheque, bank draft or money order reaches the Share Registry at the address above by no later than 5:00pm (AWST) on the Closing Date.

Persons outside Australia doing so represent to the Company that they can apply for New Shares in circumstances which do not require the offer for New Shares or this Prospectus to be registered.

The Directors reserve the right in their absolute discretion to reject any Application for New Shares or to issue a lesser number of New Shares than that applied for, and it is an express term of the Offer that Applicants will be bound to accept a lesser number of New Shares allocated to them than applied for. If a lesser number is allocated, excess Application Money will be refunded without interest as soon as practicable after the Closing Date.

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

2.4 Minimum Subscription

There is no minimum subscription sought to be raised by the Offer. If the Offer is fully subscribed, it will raise \$1,300 before the costs of the Offer. The Company will proceed to allot the New Shares if a lesser amount is raised and irrespective of the amount raised. The Company intends to allot the New Shares progressively as Applications are received and in any event, will allot all New Shares as soon as possible after the Closing Date.

2.5 Over Subscriptions

No oversubscriptions will be accepted by the Company.

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2.6 Underwriting

The Offer is not underwritten.

2.7 Issue of New Shares

The New Shares will be issued as soon as practicable after the Closing Date.

Until allotment and issue of the New Shares or payment of refunds pursuant to this Prospectus, the Application Monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the New Shares takes place.

2.8 ASX Listing and Quotation of the New Shares

Within 7 days after the date of this Prospectus, the Company will apply to ASX for the New Shares offered by this Prospectus to be granted Quotation.

If approval for Quotation is not granted within 3 months after the date of this Prospectus, the Company will not allot or issue any New Shares offered by this Prospectus, and will repay all Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Quotation of the New Shares offered by this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Shares offered pursuant to this Prospectus.

2.9 Privacy Disclosure

The Company collects information (including personal information) in relation to each Applicant as provided on an Application (**Information**) for the purposes of processing the Application and, should the Application be successful, to administer the Applicant's security holding in the Company, facilitate distribution payments and corporate communications to you as a securityholder (**Purposes**).

By submitting an Application, each Applicant agrees that the Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the Register, including bidders for your securities in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

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

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

2.10 Taxation

It is the responsibility of all Applicants to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences connected with an investment in the New Shares offered by this Prospectus.

2.11 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2017 is in the Annual Report which was lodged with the ASX on the 28th of September 2017 and available at www.asx.com.au.

The Company's continuous disclosure notices since the 28th of September 2017 are listed in Section 5.3.

2.12 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Peter Torre.

3 PURPOSE, EFFECT OF THE OFFER AND FINANCIAL INFORMATION

3.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Cleansing Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

The Prospectus will also remove any trading restrictions applying to Cleansing Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act while the Offer remains open.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

3.2 Effect on financial position

After expenses of the Offer of approximately \$9,600, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$1,300) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$1,300 less costs of preparing the Prospectus of approximately \$9,600.

3.3 Effect on capital structure

The capital structure of the Company following completion of the Offer is summarised below.

Shares	Number
Shares on issue prior to the issue of the Cleansing Shares	117,822,774
Cleansing Shares (including the Placement Shares)	599,673,961
Shares offered under this Prospectus	100,000
Shares on issue on completion of the Offer	717,596,735

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 6.1 of this Prospectus.
2. This assumes the Offer is fully subscribed and no Options are exercised or Notes are converted.

Options	Number
Unlisted options exercisable at \$0.25 expiring 1 January 2018	3,042,172
Unlisted options exercisable at \$0.25 expiring on 7 July 2018	7,133,617

3.4 Pro Forma Statement of Financial Position

	Audited 30 June 2017 \$	<i>Pro Forma Adjustments</i> \$	Unaudited Pro Forma 30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents	367,194	1,518,774 a,d	1,885,968
Trade and other receivables	49,437		49,437
Inventory	84,772		84,772
Total current assets	501,403		2,020,177
Non-current assets			
Plant and equipment	7,192		7,192
Total non-current assets	7,192		7,192
Total assets	508,595		2,027,369
Liabilities			
Current liabilities			
Trade and other payables	771,055	(629,015) b	142,040
Employee benefits	95,097		95,097
Convertible notes	2,000,000	(2,000,000) c	-
Borrowings	604,699		604,699
Total current liabilities	3,470,851		841,836
Non-current liabilities			
Convertible notes	3,380,782	(3,380,782) c	-
Other non-current liabilities	1,733		1,733
Total non-current liabilities	3,382,515		1,733

Total liabilities	6,853,366		843,569
Net assets/(liabilities)	(6,344,771)		1,183,800
Equity			
Issued capital	9,363,046	6,229,309	15,592,355
Issued options	-		-
Accumulated losses	(15,707,817)	1,229,262	(14,408,555)
Total equity/(deficiency)	(6,344,771)		1,183,800

- a) *Cash and cash equivalents includes the following:*
- | | |
|--|--------------------|
| i. Expected proceeds from issue of 100,000 New Shares: | \$1,300 |
| ii. Proceeds from 384,615 Placement Shares already issued: | \$5,000 |
| iii. Expected transaction costs: | (\$9,600) |
| iv. Expected Tax R&D Rebate as lodged with ATO | <u>\$1,522,074</u> |
| | \$1,518,774 |
- b) *Trade and other payables includes the following:*
- | | |
|--|------------------|
| i. Amortised costs from 1 July 2017 up to date of conversion: Series 1 | \$88,283 |
| ii. Amortised costs from 1 July 2017 up to date of conversion: Series 2 | \$265,782 |
| iii. Premium upon conversion accrued from 1 July 2017 up to date of conversion: Series 1 | \$100,000 |
| iv. Premium upon conversion accrued from 1 July 2017 up to date of conversion: Series 1 | <u>\$174,950</u> |
| | \$629,015 |
- c) *Unamortised historical cost at 30 June 2017, to be fully converted into Issued capital*
- d) *Issued capital includes the following:*
- | | |
|---|--------------------|
| i. Total costs of New Shares offered under this Prospectus: | \$1,300 |
| ii. Total costs of Placement Shares already issued: | \$5,000 |
| iii. Total Series 1 Convertible Notes at 30 June 2017 book value: | \$2,000,000 |
| iv. Total Series 1 Convertible Notes at 30 June 2017 amortised to face value: | \$170,064 |
| v. Total Series 1 Convertible Notes at 30 June 2017 premiums: | \$100,000 |
| vi. Total Series 2 Convertible Notes at 30 June 2017 book value: | \$3,380,782 |
| vii. Total Series 2 Convertible Notes at 30 June 2017 amortised to face value: | \$406,813 |
| viii. Total Series 2 Convertible Notes at 30 June 2017 premiums: | \$174,950 |
| ix. Expected Transaction Costs arising out of this prospectus and related procedures: | <u>(\$9,600)</u> |
| | \$6,229,309 |
- e) *Included pre-tax profit and loss effects of accrued interest, transaction costs and premiums:*
- | | |
|---|--------------------|
| i. Series 1 Accrued Interest and Fees from 1 July 2017 to date of conversion: | (\$81,781) |
| ii. Series 2 Accrued Interest and Fees to date of conversion: | (\$141,031) |
| iii. Expected Tax R&D Rebate as lodged with ATO: | <u>\$1,522,074</u> |
| | \$1,299,262 |

Basis of Preparation

The above pro forma consolidated statement of financial position has been prepared in accordance with the draft ASIC guide to Disclosing Pro Forma Financial Information (issued July 2005).

The statement of financial position as at 30 June 2017 has been audit reviewed by the Company's auditors, and has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The statements of financial position as at 30 June 2017 have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian accounting standards applicable to annual financial statements.

The pro-forma statement of financial position is based on the audited statement of financial position as at 30 June 2017 and has been adjusted to reflect the following material transactions.

Pro Forma Adjustments

The above pro forma consolidated statement of financial position includes material movements in the assets and liabilities of the Company between 30 June 2017 and the completion of the Offer, including:

1. Completion of the issue of the Cleansing Shares and the extinguishment of all liabilities arising under the Series 1 and Series 2 Convertible Notes including \$6,232,609. This includes accrued interest to date as well as premiums due upon conversion totalling \$851,827.
2. Receipt of proceeds of the Offer net of capital raising costs of \$1,300.
3. Receipt of proceeds of the Placement Shares net of capital raising costs of \$5,000.
4. Expected expenditure incurred during the November quarter of \$9,600.
5. Expected receipt of Tax R&D Rebate of \$1,522,074, as lodged with ATO.
6. All amounts are stated pre-tax.

Pro Forma adjustments to ordinary share capital*Expected movements in ordinary share capital*

Details	Date	#	Issue price	\$
Balance	30 June 2017	<u>117,822,774</u>		<u>9,363,046</u>
Issue of Placement Shares	27 November 2017	384,615	\$0.0130	5,000
Conversion of Series 1 Notes	27 November 2017	218,275,454	\$0.0104	2,270,064
Conversion of Series 2 Notes	27 November 2017	381,013,892	\$0.0104	3,962,545
Issue of New Shares	28 November 2017	100,000	\$0.0130	1,300
Costs of issuing equity		-		(9,600)
Balance	30 June 2017	<u>717,596,735</u>		<u>15,592,355</u>

4 RISK FACTORS**4.1 Overview**

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment in the Company.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many are outside the control of the Company and cannot be mitigated.

This section describes certain risks associated with an investment in the Company. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Prospectus.

4.2 Specific risk factors

- (a) Going concern

The Company's financial statements for the period ending 30 June 2017 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is principally dependent upon the Company raising additional capital.

As disclosed in the financial statements, the consolidated entity incurred losses of \$3,971,672 and had net cash outflows from operating and investing activities of \$3,865,670 for the year ended 30 June 2017. As at 30 June 2017 the consolidated entity had an excess of current liabilities over current assets of \$2,969,448. As at 30 June 2017 cash and cash equivalents were \$367,194.

The Directors believe that it is reasonably foreseeable that the Company and consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. There is a risk that this belief may not be valid, and that the Company and consolidated entity may not continue as a going concern.

(b) Limited operating history

The Company's business has a limited operating history upon which an evaluation of future prospects can be based. Investors must consider the risks and difficulties frequently encountered by businesses with limited operating histories.

No assurances can be given that the Company will achieve commercial viability through its services.

(c) Only a small amount of revenue has been generated

The Company has only generated a small amount of revenue from operations. The Company's ability to generate revenue from operations is dependent on:

- (i) sufficient consumer uptake; and
- (ii) identifying, and entering into contracts with, suitable counter-parties.

It is possible that consumer uptake will be less than anticipated.

If customers do not take up the Company's services then that will negatively affect the Company's ability to generate revenue.

(d) Reliance on key personnel

The Company's operational success depends on the continuing efforts of its senior Management. The loss of services of one or more senior managers may have an adverse effect on the Company's operations.

(e) Competition

The Company's performance may be affected by the level of competition in the regions and markets in which it operates, which may result in general price reductions, reduced operating margins and a loss of market share.

(f) Security Risks

The hardware component of some of the Company's services is installed into vehicles and is accessible through cellular data connectivity. Data is then stored in a cloud

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service accessible through a website portal. If the Company's security measures are breached, or if its services are subject to cyber-attacks that restrict user access to its services, loss of users or liability for damages could adversely affect the Company's brand and operating results.

(g) Reliance on suppliers

The Company relies on a number of key suppliers to provide the hardware component of its services. The loss of a supplier may have an adverse effect on the Company's operations as the Company will need to seek an alternative supplier which could cause delays or increased costs in the provision of its services.

(h) Reliance on access to internet and mobile networks

The Company's success will depend on the ability of its users to access the internet and mobile networks. Should access be disrupted, restricted or affected, usage of the Company's services may be negatively impacted.

(i) Foreign Currency Risk

The Company is exposed to exchange rate movements, in particular movements in, A\$/US\$ rate. Some of the goods and services used in connection with the Company's services are purchased in foreign currency, primarily US dollars, and therefore movements in exchange rates impact on the amounts paid for goods and services which could impact the Company's financial performance.

(j) Threat to intellectual property

The Company must rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret and copyright laws, to protect its brand and other intellectual property rights. However, various events outside of the Company's control could pose a threat to its intellectual property rights, as well as to its services and technologies.

(k) Service failures

The performance of the Company's technologies and services is critical to its reputation and to its ability to achieve market acceptance of those services. Any service failure or failure of a service to meet a customer's needs and requirements could have a material adverse effect on the Company's business, results of operations and financial conditions.

(l) Reliance on new services

The Company's success will depend, in part, on its ability to expand its services and grow its business in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure to do so may impact the success of the Company.

(m) Superseding technology

There is a risk that, as marketable technologies continue to develop in the IT industry, there may be certain information technology and product developments that supersede, and render obsolete, the service offerings of the Company, which would negatively affect the Company's profitability.

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(n) On-going capital requirements for the Company

If the Company requires access to further funding at any stage in the future, the Company may be adversely affected in a material way if, for any reason, access to that capital is not available. There can be no assurance that additional funds will be available. If additional funds should be raised by issuing equity securities, this might result in dilution to the then existing shareholders.

(o) No current intention to pay dividends

The Company does not anticipate declaring or paying any dividends to Shareholders in the foreseeable future. Consequently, Shareholders may need to rely on sales of their Shares to realise any future gains on their investment.

4.3 General Risk Factors

(a) Securities investment

Investors should be aware that there are risks associated with investment in securities of companies listed on a stock exchange. The value of the Company's securities can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of the Company's services, variations in the operating costs and costs of capital replacement which the Company may in the future require. Accordingly, assuming that the New Shares issued are granted Official Quotation, the securities may trade on the ASX at higher or lower prices than their issue price.

Each potential investor should consider whether New Shares pursuant to this Prospectus are a suitable investment for them before deciding to invest in the New Shares pursuant to this Prospectus. Any investor in doubt about investing in New Shares should consult their stockbroker, accountant, lawyer or other professional advisor immediately.

(b) Economic risk and external market factors

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Company's operating costs, profit margins and share price. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company.

(c) War and terrorist attacks

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Company.

(d) Legislative changes, Government policy and approvals

Changes in relevant taxes, legal and administrative regimes, accounting practices and government policies in Australia and in other places where the Company conducts its business may adversely affect the financial performance of the Company.

4.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

5 CONTINUOUS DISCLOSURE OBLIGATIONS

5.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- (a) the securities offered by the prospectus are in a class of securities that have been quoted securities at all times in the 3 months before the date of the prospectus; and
- (b) the company is not subject to certain exemptions or declarations prescribed by the Corporations Act.

Securities are quoted securities if:

- (a) the company is included in the Official List; and
- (b) the Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information necessary to make an informed assessment of:

- (a) the effect of the Offer on Connexion; and
- (b) the rights and liabilities attaching to the securities offered by this Prospectus.

A substantial amount of information concerning Connexion has previously been notified to the ASX and is therefore publicly available.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to Connexion 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 also have regard to the other publicly available information in relation to Connexion before making a decision whether or not to invest in the New Shares. Information can be accessed from ASX or via Connexion's website at www.connexionltd.com.au.

5.2 Regular reporting and disclosure obligations

Connexion is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require Connexion to notify the ASX of information about specified events and matters as they arise for the purposes of the ASX making that information available to the

stock market conducted by the ASX. In particular, Connexion has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning Connexion which a reasonable person would expect to have a material effect on the price or value of securities in Connexion.

Connexion is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditor's report.

All announcements made by Connexion are available from the ASX.

Having taken such precautions and having made such enquiries as are reasonable, Connexion believes that it has complied with the general and specific requirements of the ASX (as applicable from time to time throughout the 12 months before the issue of this Prospectus) which require Connexion to notify the ASX of information about specified events or matters as they arise, for the purpose of the ASX making that information available to the market.

Connexion believes there is no other information that investors would reasonably require for the purposes of making an informed assessment of the effect of the Offer on Connexion and the rights and obligations attaching to the New Shares offered under this Prospectus, which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

5.3 Your right to obtain copies of Connexion's documents

Copies of any documents in relation to Connexion which are lodged with ASIC may be obtained from, or inspected at, an ASIC office.

During the period that the Offer remains open, Connexion will provide copies of the following to any person on request, free of charge:

- (a) Connexion's annual financial report for the year ended 30 June 2017 (being the last annual financial report that has been lodged with ASIC before lodgement of this Prospectus);
- (b) Connexion's financial report for the half-year ended 31 December 2016 (being the last half-year financial report that has been lodged with ASIC before lodgement of this Prospectus); and
- (c) any continuous disclosure notices used to notify ASX of information relating to Connexion between the 28th of September 2017 (being the date of lodgment of the financial report referred to in paragraph (a) with ASIC) and the date of lodgment of this Prospectus, being the following:

Date	Headline
27 November 2017	Share Placement, Conversion of Convertible Notes and Appendix 3B
27 November 2017	Trading Halt
31 October 2017	Notice of Annual General Meeting and Proxy Form
27 October 2017	Quarterly Update
28 September 2017	Appendix 4C - Quarterly
28 September 2017	Full Year Statutory Accounts and Annual Report to Shareholders

5.4 Documents available for inspection

The following documents are available for inspection during Business Hours at the registered office of Connexion:

- (a) this Prospectus;
- (b) the Constitution of Connexion; and
- (c) the consents referred to in Section 6.6 of this Prospectus.

5.5 ASIC Determination

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

6 ADDITIONAL INFORMATION

6.1 Rights attaching to Shares

Shares issued upon the exercise of the New Shares granted under this Prospectus will be fully paid ordinary shares in the Company and once issued, rank *pari passu* with existing Shares.

The rights attaching to shares are set out in the Company's Constitution, and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law. The Constitution of the Company may be inspected during Business Hours at the registered office of the Company.

The following is a summary of the principal rights of the holders of ordinary shares of the Company (being the security underlying the New Shares). This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

- (a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share, only the member whose name appears first in the Register is entitled to vote at a general meeting.

(c) Issue of further shares

The Directors may:

- (i) issue or dispose of shares to any person at any time and on any terms and conditions and having attached to them any preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors think fit; and
- (ii) grant to any person an option over shares or pre-emptive rights at any time and for any consideration as they think fit.

The Directors must ensure that the issue of securities following the exercise, conversion or paying up of any security of the Company quoted by ASX is not in any way prevented, delayed or interfered with by the Company except as permitted by the Listing Rules.

(d) Variation of rights

At present, the Company has on issue one class of shares only, namely ordinary shares.

The Company may vary or cancel the rights attaching to any class of shares only if the variation or cancellation is permitted by the Corporations Act and is approved by special resolution of each of the members holding shares of the relevant class.

The Directors must give written notice of the variation or cancellation to the members holding the shares of the relevant class within seven days of the variation or cancellation.

(e) Transfer of shares

Subject to the Company's Constitution, the Corporations Act and the Listing Rules, ordinary shares are freely transferable.

Subject to the Corporations Act, the Listing Rules or the Operating Rules, Shares are transferable by an instrument of transfer in writing in any usual or common form or in any other form that the Directors approve.

The Board may refuse to register a transfer of shares only if that refusal would not contravene the Listing Rules or the Operating Rules. If the Board refuses to register a transfer, the Company must give the lodging party written notice of the refusal and the reasons for it within 5 Business Days after the transfer is delivered to the Company. The Board must not register a transfer of shares if the Corporations Act, the Listing Rules or the Operating Rules forbid registration.

(f) Dividends

Subject to the Company's Constitution and the Corporations Act, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share of a class on which the Board resolves to pay a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(g) Winding up

Subject to the Company's Constitution, the Corporations Act and to the terms of issue of the shares, if the Company is wound up and the property of the Company available is more than sufficient to pay: (i) all the debts and liabilities of the Company; and (ii) the costs, charges and expenses of the winding up, the members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid up on their shares.

(h) Dividend reinvestment and share plans

The Board may adopt and implement dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(i) Directors

The Company's Constitution states that the minimum number of Directors is 3.

(j) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution, the Board has power to manage the business of the Company and may exercise every right, power or capacity of the Company to the exclusion of the members (except to sell or dispose of the main undertaking of the Company).

6.2 Directors' interests and benefits

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of Connexion, and no firm in which a Director or proposed Director of Connexion is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed director of Connexion:

- (a) to induce them to become, or to qualify them as, a Director; or
- (b) for services rendered by them in connection with the formation or promotion of Connexion or in connection with the Offer.

Directors are not required under the Company's constitution to hold any shares in Connexion.

The table below shows the interest of each Director (whether held directly or indirectly) in securities of Connexion and their annual remuneration / directors' fees as at the date of this Prospectus:

Director	Shares	Options	Directors' Fees
Mr David Connolly	Nil	Nil	\$30,000
Mr Mark Caruso*	67,280,640	Nil	\$30,000
Mr Robert Downey	Nil	Nil	\$30,000

* A total of 62,960,960 Shares are held by Zurich Bay Holdings Pty Ltd following conversion of the Series 1 Convertible Notes. Mr Caruso is a director of Zurich Bay Holdings Pty Ltd. A further 4,319,680 Shares are held by Regional Management Pty Ltd of which Mr Caruso is a director.

Directors may hold the relevant interests in Shares shown above directly, or indirectly through holdings by companies, trusts or other persons with whom they are associated.

6.3 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no 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, and no promoter of Connexion holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of Connexion or in connection with the Offer.

6.4 Related party transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus or in publicly available information.

6.5 Legal proceedings

The Directors are not aware of any litigation of a material nature pending or threatened which may significantly affect the business of the Company.

6.6 Consents

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to lodgement of this Prospectus with ASIC:

- (a) Dominion Legal as legal advisors to the Company; and
 - (b) Boardroom as the Company's share registry,
- but, except as expressly noted in this Prospectus, each of the above parties:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement (if any) included in this Prospectus with the consent of that party as specified in this section.

6.7 Expenses of the Offer

The estimated costs of the Offer are:

Item	Estimated Costs
ASIC fees	\$2,400
ASX fees	\$1,750
Other expenses (including legal and share registry)	\$5,450
Total	\$9,600

These expenses are payable by the Company.

6.8 Market Price of Shares

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

The highest and lowest market closing prices of the Company's Shares (ASX:CXZ) on the ASX during the 3 months immediately preceding the date of lodgment of this Prospectus with the ASIC and the respective dates of those closing prices were:

Highest:	2.5 cents	31 August 2017
Lowest:	1.0 cents	23 November 2017

The latest available closing sale price of the Company's Shares on the ASX prior to the lodgment of this Prospectus with the ASIC was 1.1 cents on 24 November 2017.

6.9 Electronic Prospectus

Potential investors can obtain a copy of this Prospectus on the Company's website at www.connexionltd.com.au. If you access an electronic copy of this Prospectus, you should read the entire Prospectus.

For personal use only

If you have received this Prospectus as an electronic prospectus please ensure that you have received the entire Prospectus accompanied by the Application. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application from a person if it has reason to believe that when that person was given access to the electronic Application, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Moneys received will be dealt with in accordance with section 722 of the Corporations Act.

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

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

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

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

6.11 Director's authorisation

Each of the Directors of the Company has consented to the lodgment of this Prospectus 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 pursuant to a resolution of the Board.

Dated: 28 November 2017



Robert Downey

Director

7 GLOSSARY

AWST	means Australian Western Standard Time.
Applicant	means a person who submits an Application.
Application Form or Application	means the application form attached to or accompanying this Prospectus.
Application Moneys	means money received by the Company in respect of Applications.
ASIC	Australian Securities and Investment Commission
ASX	means ASX Limited ABN 98 008 624 691.
ASX Settlement Operating Rules	means the ASX Settlement Operating Rules.
Board or Board of Directors	means the board of directors of the Company.
Business Day	means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne, Australia.
CHESS	means Clearing House Electronic Subregister System operated by ASTC.
Cleansing Shares	has the meaning given to it in Section 2.2.
Closing Date	means 5pm AEST on 30 November 2017 (unless extended).
Company or Connexion	means Connexion Media Limited (ABN: 68 004 240 313) (ASX: CXZ).
Constitution	means the Company's constitution as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company as at the date of this Prospectus.
Listing Rules	means the listing rules of the ASX.
New Shares	means the Shares offered pursuant to this Prospectus to selected investors
Placement Shares	has the meaning given to it in Section 2.2.
Offer	means the offer of up to 100,000 New Shares at an issue price of \$0.0130 per New Share to raise approximately \$1,300 before expenses.
Note Holders mark	means the holders of Notes.
Notes	means Series 1 and Series 2 Convertible Notes issued by the Company.
Official List	means the Official List of the ASX.
Operating Rules	means the operating rules of the ASX.
Prospectus	means this prospectus.
Quotation and Official Quotation	means the official quotation on ASX.
Register	means the register of Shareholders.
Series 1 Convertible Notes	means the series 1 convertible notes with a total face value of \$2,000,000 issued by the Company on the 19 th of August 2015 as amended by deed poll dated 1 July 2016.
Series 2 Convertible Notes	means the tranche A and tranche B series 2 convertible notes with a total face value of \$3,499,000 issued pursuant to a deed poll dated the 1 st of July 2016.
Share	means a fully paid ordinary shares in the capital of the Company.
Shareholder	means the registered holder of a Share as recorded in the Register.
Share Registry	means Boardroom Pty Limited.