



ICOLLEGE LIMITED

ACN 105 012 066

Prospectus

Entitlement Offer

For a non-renounceable, pro rata entitlement offer of approximately 77,019,374 New Shares on the basis of One (1) New Share for every One (1) Share held by Eligible Shareholders on the Entitlement Offer Record Date at an issue price of \$0.04 per New Shares, with One (1) free Attaching Option for every Two (2) New Shares issued, to raise approximately \$3,080,775 before costs (**Entitlement Offer**).

Underwriter Offer

For the offer of 25,000,000 Underwriter Options to the Underwriter (and/or its nominees) (**Underwriter Offer**).

Underwriting

The Entitlement Offer is fully underwritten by Richmond Food Systems Pty. Ltd.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and on the accompanying Acceptance Forms regarding acceptance of the Offer. If you do not understand this document you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The New Securities offered under this Prospectus should be considered speculative.

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1. IMPORTANT INFORMATION

1.1 General

The Prospectus is dated 14 June 2016 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the New Securities offered pursuant to this Prospectus to be admitted for quotation on ASX. No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

1.2 Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.icollege.edu.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

1.3 Applications for New Securities

Please read the instructions in **Section 5.4** and on the accompanying Acceptance Forms regarding acceptance of the Offer.

By returning a completed Entitlement Offer Acceptance Form, making a payment for New Shares by BPAY®, or otherwise applying for New Shares in accordance with the instructions on the Entitlement Offer Acceptance Form, the applicant acknowledges that it has received and read this Prospectus, has acted in accordance with the terms of the Offer, agrees to all of the terms and conditions set out in this Prospectus and makes the statements set out in the Entitlement Offer Acceptance Form.

1.4 Risk factors

Before deciding to invest in the Company, Eligible Shareholders should read the entire Prospectus. In considering the prospects for the Company, Eligible Shareholders should consider the assumptions underlying the prospective financial information and the risk factors set out in **Section 7** that could affect the performance of the Company. Eligible Shareholders should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

1.5 Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or

ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. 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. Eligible Shareholders should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company.

1.6 Offer restrictions

The offers of New Securities made pursuant to this Prospectus are not made to persons to which, or in places in which, it would not be lawful to make such an offer of New Securities. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

1.7 Representations

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

1.8 Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

1.9 Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of 7 days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. No preference will be conferred on applications received during the Exposure Period.

1.10 Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 10**.

All references in this Prospectus to **\$**, **AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

2. CORPORATE DIRECTORY

Directors

Ross Cotton (Executive Chairman)
Philip Re (Non-Executive Director)
Andrew Crevald (Non-Executive Director)

Chief Executive Officer

Stuart Manifold

Company Secretary

Stuart Usher

Registered Office

Suite 1 GF
437 Roberts Road
Subiaco WA 6008

Share Registry

Link Market Services Limited
Level 4, 152 St George's Terrace
Perth WA 6000

iCollege Limited Offer Information Line:
1300 970 086 (within Australia)
+61 1300 970 086 (outside Australia)
Open between 8.30am to 5.30pm (Sydney time)
Monday to Friday during the Offer period

Auditor (for information purposes only)

Bentleys Audit and Corporate (WA) Pty Ltd
Level 3, London House
216 St Georges Tce Perth WA 6000

Legal Adviser

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

ASX Code

ICT

Website

www.icollege.edu.au

3. TIMETABLE

The timetable for the Offer is as follows:

Event	Date
Announcement of Offer	26 May 2016
Appendix 3B lodged with ASX and Prospectus lodged with ASX and ASIC	14 June 2016
Notice sent to Optionholders	14 June 2016
Notice sent to Shareholders	16 June 2016
'Ex' date	17 June 2016
Entitlement Offer Record Date (5.00pm (WST))	20 June 2016
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders and announcement of issue of Prospectus	22 June 2016
Opening Date of Entitlement Offer and Underwriter Offer	22 June 2016
Last day to extend the Closing Date	5 July 2016
Closing Date for acceptances and receipt of application under the Entitlements Offer at 5.00pm (WST) and the Underwriter Offer	8 July 2016
Deferred settlement trading commences	11 July 2016
ASX notified of under-subscriptions	13 July 2016
Issue of New Shares and deferred settlement trading ends	15 July 2016

Notes:

1. The Company will apply to ASX for quotation of the Attaching Options however there is no guarantee that ASX will approve the Company's application. See **Sections 4.1** and **4.13** for further information.
2. All dates (other than the date of lodgment of the Prospectus with ASX and ASIC) are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Dates or accepting late acceptances, either generally or in particular cases, without notice.

4. DETAILS OF THE OFFERS

4.1 Structure of the Offer

Entitlement Offer

Under the Entitlement Offer, approximately 77,019,374 New Shares are being offered at an issue price of \$0.04 each to raise up to approximately \$3,080,775 (before costs). The New Shares will be issued with one Attaching Option for every two New Shares issued at no additional cost, such that a maximum of 38,509,687 Attaching Options will be issued. Each Eligible Shareholder has the opportunity to subscribe for one New Share for every one Share held on the Entitlement Offer Record Date. Eligible Shareholders may also apply for New Shares in excess of their entitlement (see **Section 4.3** for details).

Entitlements under the Entitlement Offer will be rounded to the nearest whole number. Subject to the eligibility requirements in **Section 4.4**, Optionholders who exercise their Options after the date of this Prospectus but before the Entitlement Offer Record Date will be entitled to participate in the Entitlement Offer.

Eligible Shareholders are being sent this Prospectus together with a personalised Entitlement Offer Acceptance Form and are invited to apply for New Shares. The Entitlement Offer opens on 22 June 2016 and closes at 5.00pm (WST) on 8 July 2016.

Underwriter Offer

Under the terms of the Underwriting Agreement, the Company has agreed to issue 25,000,000 Underwriter Options to the Underwriter (and/or its nominees) on the same terms and conditions as the Attaching Options as part consideration for underwriting the Entitlement Offer. No funds will be raised pursuant to the Underwriter Offer. In the event that all the Underwriter Options are exercised prior to the expiry date, the Company would receive \$2,000,000, which would be added to working capital.

The offer of the Underwriter Options is a separate offer pursuant to this Prospectus and only the Underwriter should complete the accompanying personalised Underwriter Offer Entitlement and Acceptance Form.

The Company will seek Shareholder approval to issue the Underwriter Options at a general meeting of shareholders.

4.2 Purpose of the Offer

Entitlement Offer

The purpose of the Entitlement Offer is to raise approximately \$3,080,775 (before costs) to enable the Company to:

- lease and develop suitable CRICOS compliant (zoned 9B) facilities for the purpose of the delivery of training to foreign students;
- employ suitably qualified instructional staff to cater for the expected increase in training participants;
- customise Diploma teaching materials for bespoke blended sports and education programs;

- continue expanding the Company's Foundation Skills program which allows the delivery to Corrective Services in QLD, SA, ACT, NSW and WA;
- developing partnerships that foster improved completion rates and therefore higher employment outcomes.

Assuming that the Entitlement Offer is fully subscribed (on the basis that it is fully underwritten), the funds raised under the Entitlement Offer are planned to be used in accordance with the table set out below:

Use of funds	Amount
Expenses of the Offer (excluding GST)	\$350,000
The leasing and development of suitable CRICOS compliant (zoned 9B) facilities for the purpose of the delivery of training to foreign students	\$462,000
Employment of suitably qualified instructional staff to cater for the expected increase in training participants	\$616,000
Customisation of Diploma teaching materials for bespoke blended sports and education programs	\$308,000
The continued expansion of the Company's Foundation Skills program allowing the delivery to Corrective Services in QLD, SA, ACT, NSW and WA	\$616,000
Further development of partnerships that foster improved completion rates and therefore higher employment outcomes	\$154,000
Working capital ¹	\$574,775
Total	\$3,080,775

Notes:

1. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves which may be used in connection with the Company's activities, as determined by the Board at the relevant time.

The above table is a statement of the Board's current intention as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

4.3 Additional New Securities

Eligible Shareholders may also apply for New Shares (with free Attaching Options (if applicable)) in excess of their entitlement under the Entitlement Offer (**Additional New Securities**).

Any Additional New Securities will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full entitlement (i.e. that form part of the Shortfall) or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer.

Additional New Securities will only be allocated to Eligible Shareholders, if and to the extent that the Company so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Entitlement Offer and subject to the Corporations Act and the ASX Listing Rules. The Company may apply any scale-back in its absolute discretion. The Company decision on the number of Additional New Securities allocated to Eligible Shareholders will be final.

To the extent that there remains any shortfall in the take-up of the Entitlement Offer following allocations of Additional New Securities, the Directors reserve the right to issue the Shortfall at their discretion, subject to the Company's obligations under the Underwriting Agreement (see **Section 8.5** for further details).

4.4 Eligible Shareholders

Entitlement Offer

Eligible Shareholders for the purposes of the Entitlement Offer are those persons who:

- are registered as a holder of Shares as at 5.00pm (WST) on the Entitlement Offer Record Date; and
- have a registered address in Australia or New Zealand.

4.5 Issue Outside Australia and New Zealand

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make such an offer. No action has been taken to register or qualify the New Shares or the Entitlements Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside of Australia and New Zealand.

Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Entitlements Offer contemplated by this Prospectus, then the Prospectus and accompanying Entitlement Offer Acceptance Form are provided for information purposes only.

The Entitlements Offer made to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Entitlement Offer Acceptance Form will be taken by the Company as a representation and warranty by the Applicant that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

4.6 Ineligible Shareholders

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance on ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the New Securities which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, this Offer is not being extended to any Shareholders outside Australia and New Zealand. The Company will notify all Ineligible Shareholders of the Offer and advise that the Company is not extending the Offer to those Shareholders.

4.7 No rights trading

Entitlements under the Offer are non-renounceable and accordingly cannot be traded on the ASX or any other stock exchange, or privately transferred.

4.8 Minimum subscription

There is no minimum level of subscription for either Offer.

4.9 Ranking of New Securities

New Shares to be issued pursuant to the Entitlement Offer will be issued on a fully paid basis and will rank equally in all respect with existing Shares. The Attaching Options are a new class of security.

A summary of the rights and liabilities attaching to the Shares is set out in **Section 8.3** and a summary of the terms and conditions of the Attaching Options and the Underwriter Options is set out in **Section 8.4**

4.10 Underwriting

The Entitlement Offer is fully underwritten by Richmond Food Systems Pty. Ltd.. Details of the Underwriting Agreement are contained in **Section 8.5**.

4.11 Issue of New Securities

The issue of New Securities under this Prospectus will occur in accordance with the timetable set out in **Section 3**. Upon New Securities being issued under each Offer, holding statements will be issued to applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the New Securities. Applicants who sell their New Securities before they receive their holding statement will do so at their own risk.

4.12 Application Monies

All Application Monies for New Shares to be issued pursuant to the Entitlement Offer will be held in the Application Account on behalf of applicants until the New Shares are issued or, if the New Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of New Shares) will be retained by the Company.

Amounts received by the Company in excess of an applicant's entitlement (**Excess Amount**) may be treated as application to apply for as many Additional New Securities as the Excess Amount will pay for in full. Alternatively, such Entitlement Offer Applications may not be accepted.

Any Applications Monies received for more than an applicant's final allocation of New Shares and Additional New Securities (if any) will be refunded as soon as practicable after the Entitlement Offer Closing Date.

If the New Shares are not issued to an applicant, a cheque will be drawn and the relevant Application Monies will be refunded as soon as practicable after the Entitlement Offer Closing Date.

4.13 ASX quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Securities offered under this Prospectus.

If approval for quotation of the New Securities to be issued under the Entitlement Offer is not granted within 3 months after the date of this Prospectus, the Company will not issue any New Securities and will repay all Application Monies without interest as soon as practicable.

4.14 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Ltd (**ASX Settlement**), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

ASX Settlement will send a CHESS statement to Shareholders who are broker sponsored following the completion of each Offer. Each CHESS statement will set out the number of New Securities issued to the Shareholder under this Prospectus, and provide details of the Shareholder's holder identification number and the participant identification number of the sponsor. CHESS allotment advices will be sent by the Share Registry.

The Share Registry will send a statement to Shareholders who are registered on the Issuer Sponsored sub-register following the completion of each Offer. Each statement will contain the number of New Securities issued to the Shareholder under this Prospectus and the Shareholder's security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes.

4.15 Privacy disclosure

Persons who apply for New Securities under this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications, to provide facilities and services to security holders and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications may not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

4.16 Taxation

It is the responsibility of all Shareholders to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Neither the Company nor the Directors accept any liability or responsibility in respect of the taxation consequences for Shareholders as a result of the matters referred to in this Prospectus.

5. HOW TO APPLY

This **Section 5** sets out the choices for an Eligible Shareholder with respect to applying for New Shares under the Entitlement Offer.

Please refer to **Section 4.4** to determine who is an Eligible Shareholder.

5.1 Choices available

Entitlement Offer

Eligible Shareholders may do any of the following:

- take up all or part of their entitlement under the Entitlement Offer (refer to **Section 5.2**); or
- do nothing (refer to **Section 5.3**).

Eligible Shareholders may also choose to apply for Additional New Securities as described in **Section 4.3**.

The Entitlement Offer is a non-renounceable pro rata offer to Eligible Shareholders and is fully underwritten by Richmond Food Systems Pty. Ltd.. Eligible Shareholders who take up their entitlement in full will not have their percentage shareholding in the Company diluted by the Entitlement Offer. The percentage shareholdings of Eligible Shareholders who do not take up all of their entitlement will be diluted. The exercise of Attaching Options or existing Options may also dilute the percentage holdings of Eligible Shareholders. For further details on the effects of the Entitlement Offer, please refer to **Section 6**.

5.2 Take up all or part of entitlements

Entitlement Offer

Eligible Shareholders who wish to take up all or part of their entitlement under the Entitlement Offer should complete the Entitlement Offer Acceptance Form in respect of the number of New Shares (including any Additional New Securities) they wish to subscribe for and arrange for payment of the Application Monies in accordance with **Section 5.4**.

5.3 Allow all or part of entitlement to lapse

Entitlement Offer

If Eligible Shareholders decide not to accept all or part of their entitlement to New Shares, or fail to accept by the Entitlement Offer Closing Date, the part of their entitlement not accepted will lapse. The New Shares not subscribed for will form part of the Shortfall.

Eligible Shareholders should note that if they do not take up their entitlement then although they will continue to own the same number of Shares, their percentage holding in the Company will be reduced.

5.4 Making an application

Entitlement Offer

Eligible Shareholders have two payment options in order to take up their entitlement under the Entitlement Offer.

Option 1: Submit a completed Entitlement Offer Acceptance Form together with a cheque, bank draft or money order.

To follow option 1, applicants should:

- complete the personalised Entitlement Offer Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of New Securities (including any Additional New Securities) they wish to subscribe for; and
- return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - in respect of the full Application Monies (being \$0.04 multiplied by the number of New Shares (including any Additional New Securities) they wish to subscribe for); and
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to 'iCollege Limited – Application Account' and crossed 'Not Negotiable'.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of the cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for the number of New Shares applied for in the Entitlement Offer Acceptance Form in full, the applicant will be taken to have applied for the lower number of whole New Shares as the cleared Application Monies will pay for (and to have specified that number of New Shares in the Entitlement Offer Acceptance Form). Alternatively, the Entitlement Offer Application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

Applicants need to ensure that their completed Entitlement Offer Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the address below by no later than 5.00pm (WST) on 8 July 2016.

Completed Entitlement Offer Acceptance Forms should be returned to the Share Registry at the following address:

By mail:

**iCollege Limited Entitlement Offer
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
Australia**

In person:

**iCollege Limited Entitlement Offer
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138**

Entitlement Offer Acceptance Forms (and payment of Application Monies) may not be accepted if received after 5.00pm (WST) on 8 July 2016.

Option 2: Pay via BPAY® payment

To follow option 2, applicants should pay the full Application Monies, being \$0.04 multiplied by the number of New Shares comprising their entitlement (plus any Additional New Securities), or, if subscribing for only part of their entitlement, the number of New Shares the applicant wishes to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement Offer Acceptance Form (which includes the biller code and the applicant's unique customer reference number). Applicants can only make a payment via BPAY® if they are the holder of an account with an Australian financial institution.

Please note that if payment is made by BPAY®:

- the applicant does not need to submit the personalised Entitlement Offer Acceptance Form but is taken to make the statements on that form; and
- if the applicant subscribes for less than its entitlement or does not pay for its full entitlement, the applicant is taken to have taken up its entitlement in respect of such whole number of New Shares which is covered in full by the Application Monies.

Applicants need to ensure that their BPAY® payment is received by the Share Registry by no later than 3.00pm (EST) on 8 July 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above.

5.5 Effect of making an application

Entitlement Offer

Returning a completed Entitlement Offer Acceptance Form or making a BPAY® payment will be taken to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in **Section 4.5** of this Prospectus and confirms its eligibility in respect of an offer of New Shares under the Entitlement Offer;
- declares that all details and statements in the Entitlement Offer Acceptance Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Entitlement Offer Acceptance Form;
- acknowledges that once the Entitlement Offer Acceptance Form is returned or a BPAY® payment is made its acceptance may not be withdrawn;

- agrees to being issued the number of New Shares it applies for at the offer price (or a lower number issued in a way described in this Prospectus) and, subject to **Section 4.3**, to being issued up to the number of Additional New Securities it applies for at the offer price;
- authorises the Company to register it as the holder(s) of the New Securities issued to it;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the New Securities are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for New Shares to be issued to it, including correcting any errors in its Entitlement Offer Acceptance Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Entitlement Offer Acceptance Form.

5.6 Enquiries

This document is important and should be read in its entirety. Shareholders who are in any doubt as to the course to follow should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Shareholders who:

- have questions relating to the calculation of their entitlement;
- have questions on how to complete an Acceptance Form or take up their entitlements; or
- have lost an Acceptance Form and would like a replacement form,

should call iCollege Limited Offer Information Line on +61 1300 970 086 between 8.30am to 5.30pm (AEST) Monday to Friday during the Offer period.

6. EFFECT OF THE OFFERS

6.1 Effect of the Offer

Assuming full subscription under the Entitlement Offer (on the basis that it is fully underwritten), the potential effect of the Offer will be that:

- cash reserves will increase by approximately \$2,708,727 (after costs);
- the number of fully paid ordinary shares on issue will increase from 77,019,374 to approximately 154,038,748; and
- the number of Options on issue will increase from 44,352,009 to approximately 107,861,696.

Shareholders should note that due to rounding of entitlements under the Offer on the Entitlement Offer Record Date, among other things, the exact number of New Securities to be issued will not be known until completion of the Offer.

6.2 Capital structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed:

Ordinary shares	Fully paid
On issue at the date of this Prospectus	77,019,374
Offered pursuant to the Entitlement Offer	77,019,374
Total ordinary shares on issue after the Offer	154,038,748

Notes:

1. Assumes that no Options are exercised and no other Shares are issued.

Options	Number
Option currently on issue:	
Listed Options exercisable at \$0.30 each on or before 24 July 2017	30,082,001
Options exercisable at \$0.30 each on or before 1 May 2017	3,334
Options exercisable at \$0.25 each on or before 31 March 2018	600,000
Options exercisable at \$0.30 each on or before 31 March 2019	11,666,674

Options exercisable at \$0.10 each on or before 1 April 2019	2,000,000
Total Options currently on issue	44,352,009
Options offered pursuant to the Offer:	
Attaching Options	38,509,687
Underwriter Options	25,000,000
Total Options on issue after the Offer	107,861,696

6.3 Effect of the Offer on control

Entitlement Offer

(a) General

The Entitlement Offer is a pro rata offer so that if all Eligible Shareholders take up their entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Entitlement Offer on control of the Company other than the dilution of any Ineligible Shareholders who are unable to participate in the Entitlement Offer.

The proportional shareholdings of Eligible Shareholders who do not take up their entitlements in full will be diluted.

The proportional shareholdings of Ineligible Shareholders will be diluted as those Shareholders are not entitled to participate in the Entitlement Offer

(b) The Underwriter, Mr Ross Cotton and control of the Company

The Entitlement Offer is fully underwritten by Richmond Food Systems Pty. Ltd. (**Underwriter**) (see **Section 8.5** for further details). The Underwriter is a related party of the Company by virtue of being controlled by Mr Ross Cotton, a Director of the Company.

The Company has not sought Shareholder approval for the execution of the Underwriting Agreement on the basis that it has been negotiated at arm's length and contains standard commercial terms and therefore falls within the exception in section 210 of the Corporations Act.

In support of this, the Company advises that:

- (i) Mr Cotton has been excluded from any discussions by the Board in relation to the Underwriting Agreement;
- (ii) the Company considered a number of alternative potential independent underwriters but the terms offered by the Underwriter were the most favourable;

- (iii) the Underwriter will not benefit from the proposed use of capital, other than as a holder of Shares, the underwriting fee consist of cash and Underwriter Options and the success fee; and
- (iv) it is the view of the Directors that the Offer period gives Shareholders reasonable opportunity to accept the Offer.

Mr Cotton and his associated entities (including the Underwriter) are presently Shareholders of the Company. At the date of this Prospectus, the Cotton Group has a Relevant Interest in 5,298,199 Shares, giving it voting power in the Company of approximately 6.879%. These Shares are held by Mr Cotton (92,918 Shares), the Underwriter (5,171,947 Shares) and Mr Ross Cotton & Mrs Danielle Cotton as trustee for the Cotton Super Fund (33,334 Shares).

Given Mr Cotton's existing substantial shareholding in the Company, the Directors have attempted to secure alternative means of underwriting the Offer, but have been unable to attract any third party unrelated underwriters. As a result, and due to the difficult market conditions, the Directors have determined that enabling the Underwriter to underwrite is reasonable in the current circumstances, to obtain certainty with respect to the amount of funds to be raised under the Offer. The Directors acknowledge that the support of this Offer by Underwriter is particularly important in these volatile times in capital markets. Underwriter's support of the Offer demonstrates its continued support of the Company, its management and its assets.

To the extent that it is required to subscribe for New Shares in accordance with the Underwriting Agreement (to the extent the Shortfall is not taken up by Shareholders applying for Additional New Securities in accordance with **section 4.3** of this Prospectus), it is possible that:

- (i) the Underwriter may acquire a Relevant Interest in voting shares in the Company such that its voting power increased from below 20% to more than 20%; and
- (ii) Mr Cotton may acquire a Relevant Interest in voting shares in the Company such that its voting power in the Company increases from below 20% to more than 20%,

each of which is prima facie prohibited under the Corporations Act.

Accordingly, the Offer may have an impact on the control of the Company.

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a Relevant Interest in issued voting shares in a company if because of the transaction in relation to the securities, a person's or someone else's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%).

However, there are exceptions to that prohibition, including (pursuant to item 13 of section 611 of the Corporations Act) an acquisition that results from the issue of securities under a disclosure document to an underwriter or sub-underwriter (provided the disclosure document discloses the effect that the acquisition would have on the person's voting power in the company). In light of this, the Company is providing the disclosures below.

The table below sets out the results of various scenarios based on varying levels of participation in the Offer and their approximate effect on the Relevant Interests and voting power of the Underwriter and Mr Cotton.

Event	Shortfall	Ross Cotton		Underwriter	
		Relevant Interest	Voting Power	Relevant Interest	Voting Power
At date of this Prospectus		92,918	0.12%	5,171,947	6.7%
At completion of the Entitlement Offer					
• Fully subscribed ¹	Nil	92,918	0.06%	5,171,947	6.7%
• 75% subscribed ²	25%	92,918	0.06%	24,426,791	15.9%
• 50% subscribed ³	50%	92,918	0.06%	43,681,634	28.4%
• 25% subscribed ⁴	75%	92,918	0.06%	62,936,478	40.9%
• 0% subscribed ⁵	100%	92,918	0.06%	82,191,321	53.4%

Notes:

1. In this scenario, 100% of Shareholders, other than the Cotton Group, take up their entitlements. As all entitlements have been taken up, other than the entitlements of the Cotton Group, the Shortfall will comprise only the entitlements of the Cotton Group.
2. In this scenario, 75% of Shareholders take up their entitlements, excluding the Cotton Group. The Underwriter must subscribe for the remaining entitlements that were not taken by Shareholders, assuming no Eligible Shareholders apply for Additional New Securities (in accordance with **Section 4.3**).
3. In this scenario, 50% of Shareholders take up their entitlements, excluding the Cotton Group. The Underwriter must subscribe for the remaining entitlements that were not taken by Shareholders, assuming no Eligible Shareholders apply for Additional New Securities (in accordance with **Section 4.3**).
4. In this scenario, 25% of Shareholders take up their entitlements, excluding the Cotton Group. The Underwriter must subscribe for the remaining entitlements that were not taken by Shareholders, assuming no Eligible Shareholders apply for Additional New Securities (in accordance with **Section 4.3**).
5. In this scenario, 0% of Shareholders take up their entitlements and no Eligible Shareholders apply for Additional New Securities (in accordance with **Section 4.3**). The Underwriter must subscribe for all of the Entitlements that were not taken up by Shareholders.
6. Assumes that no Options are exercised and no other Shares are issued.

The number of Shares in which the Underwriter and Mr Cotton have a Relevant Interest in the table above shows the potential effect of the Underwriter's underwriting of the Offer. The underwriting obligation and therefore voting power of the Underwriter and Mr Cotton will reduce by a corresponding amount for the amount of

Entitlements taken up under the Offer, and applications for Additional New Shares (in accordance with **Section 4.3**) by Eligible Shareholders other than the Cotton Group.

However, it is unlikely that no Shareholders will take up entitlements under the Offer and the Underwriter has indicated to the Company that 76,269,374 Shares will be sub-underwritten by eight sub-underwriters.

The implementation of the Underwriter and Mr Cotton's current intentions in relation to their ownership interest in the Company will be subject to the law (including the Corporations Act), the Listing Rules and the Company's Constitution.

6.4 Pro forma statement of financial position

Set out on the following page is the audit reviewed statement of financial position for the Company at 31 December 2015, and pro forma statement of financial position at 31 December 2015. The unaudited pro forma statement of financial position has been prepared on the basis and assumption that there have been no material movements in the assets and liabilities of the Company between 31 December 2015 and completion of the Offer other than:

- (a) the issue of 77,019,374 New Shares through the Entitlement Offer to raise \$3,080,775 before costs;
- (b) the estimated expenses of the Offer is approximately \$372,048, which amounts are shown as a deduction against issued capital; and
- (c) the issues of 25,000,000 Underwriter Options as part consideration for underwriting services, which have been valued using the Black and Scholes option valuation method at \$454,815 which amount is shown as a deduction against issued capital.

The significant accounting policies upon which the consolidated statement of financial position and the pro forma consolidated statement of financial position are based are contained in the audited interim financial report for the half-year ended 31 December 2015.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed Actual 31 December 2015 \$	Reviewed Pro-forma 31 December 2015 \$
Current Assets			
Cash assets	1	914,013	3,622,740
Trade and other receivables		396,722	396,722
Other assets		381,100	381,100
Total current assets		1,691,835	4,400,562
Net Current Assets			
Property, plant & equipment		40,333	40,333
Intangible assets		726,251	726,251
Total non-current assets		766,584	766,584
Total assets		2,458,419	5,167,146
Current Liabilities			
Trade and other payables		1,918,970	1,918,970
Provisions		8,330	8,330
Convertible Notes		2,150,000	2,150,000
Current tax liabilities		-	-
Total Current liabilities		4,077,300	4,077,300
Non-current Liabilities			
Deferred tax liability		199,593	199,593
Total Non-current Liabilities		199,593	199,593
Net liabilities		4,276,893	4,276,893
Net Assets/(Liabilities)		(1,818,474)	890,253
Equity			
Issued capital	2	6,436,374	8,690,286
Reserves	3	1,040,330	1,495,145
Accumulated losses		(9,295,178)	(9,295,178)
Total Equity		(1,818,474)	890,253

1. Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma financial information has been included for illustrative purposes to reflect the position of iCollege Limited on the assumption that the following transactions had occurred as at 31 December 2015:

- (a) The issue of 77,019,374 ordinary shares at \$0.04 each pursuant to the Entitlement Offer to raise a gross \$3,080,775;
- (b) The issue of 25,000,000 options valued at \$0.0182 under Black Scholes valuation, as part consideration to the Underwriter in accordance with the Underwriting Agreement;
- (c) The issue of 38,509,687 Attaching Options under the Entitlement Offer issued free;
- (d) The payment of expenses of the Entitlement Offer totalling an estimated \$372,048 excluding GST.

Note 1: Cash assets

	\$
Balance at 31 December 2015	914,013
Funds raised from offer	3,080,775
Expenses of the offer	<u>(372,048)</u>
Closing balance	<u>3,622,740</u>

Note 2: Issued capital

	\$
Balance at 31 December 2015	6,436,374
Funds raised from offer	3,080,775
Expenses of the offer	(372,048)
Underwriter Options	<u>(454,815)</u>
Closing balance	<u>8,690,286</u>

Note 3: Reserves

	\$
Balance at 31 December 2015	1,040,330
Underwriter Options	<u>454,815</u>
Closing balance	<u>1,495,145</u>

7. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This **Section 7** identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their stockbroker, lawyer, accountant or other professional adviser before deciding whether to apply for New Securities.

7.1 Specific risks

(a) Quotation of Attaching Options

The Company will apply for quotation of the Attaching Options on the ASX. However, there is no guarantee that ASX will approve the Company's application for quotation. If the Attaching Options are not quoted then holders will be unable to trade the Attaching Options on the ASX.

(b) Managing Growth

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business and its integration of acquired businesses, its financial condition and results of operations could be materially adversely affected.

(c) Government legislation and compliance framework

The ability of the Company to deliver training courses is subject to approved funding received from State Education Departments. The Company prioritises adherence to all regulatory and governance obligations in regards to all aspects of Government funding requirements.

While the Company currently holds the necessary Registered Training Organisation registrations, there is no guarantee that these registrations will be retained into the future.

(d) Future funding requirements

Even if the Offer is completed successfully, it is likely that the Company will require additional funding in the future in order to develop its business. In addition, it is highly likely that regardless of the successful completion of the Offer, the Company will also need to undertake an additional capital raising to raise additional funds to meet the project development costs as well as administration and working capital costs in the medium to long term.

Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

Further, there can be no assurance that any such equity or debt funding will be available for the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, there is significant uncertainty as to whether the Company can continue as a going concern.

Accordingly, the Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

7.2 General risks

(a) Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(b) Investment risks

The New Securities to be issued pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There is no guarantee as to the payment of dividends, return of capital or the market value of the New Securities. The prices at which an investor may be able to trade the New Securities may be above or below the price paid by the investor for the New Securities.

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

(c) Share market risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the New Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the New Securities will develop or that the price of the New Securities will increase. There may be relatively few buyers or sellers of New Securities on the ASX at any particular time:

(d) Competition risks

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

(e) Economy risks

The future viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the education industries including, but not limited to, the following:

- general economic conditions;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the education sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates; and
- natural disasters, social upheaval or war.

8. ADDITIONAL INFORMATION

8.1 Continuous disclosure

The Company is a “listed disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the Opening Date and the Bonus Offer Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2015;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in **Section 8.1(c)(i)** but before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in **Section 8.1(c)(i)** but before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2015.

Date	Title
29/09/2015	2015 Annual Report
29/09/2015	Appendix 4G
29/09/2015	Corporate Governance Statement
01/10/2015	International Roadshow Presentation
01/10/2015	Binding Term Sheet to acquire ITS
06/10/2015	Board Restructure and strengthening of Management Team
08/10/2015	Appendix 3Z Final Directors Interest Notice - Hans de Back
08/10/2015	Appendix 3Z Final Directors Interest Notice - Vic Hawkins
08/10/2015	Appendix 3X Initial Directors Interest Notice Andrew Crevald
16/10/2015	Celtic obtains pre-qualified supplier status
19/10/2015	Rights Issue & Selective Buy-back of Performance Shares
26/10/2015	Offer Document
26/10/2015	S708AA
26/10/2015	Appendix 3B
26/10/2015	Notice of Annual General Meeting/Proxy Form
27/10/2015	Letter to Shareholders - Rights Issue
30/10/2015	Change of Director's Interest Notice
30/10/2015	Appendix 4C - quarterly
02/11/2015	Change of Director's Interest Notice
04/11/2015	Dispatch of Offer Document and Entitlement Form
12/11/2015	LOI Signed with Clubs Qld & CTA Training
13/11/2015	Extension of closing date of entitlement offer
16/11/2015	Change of Director's Interest Notice
17/11/2015	Commercial Agreement signed with WA Business Assist
18/11/2015	Research paper released
20/11/2015	Signing of SSA with Celtic Training & Consultancy
24/11/2015	Change of Director's Interest - Ross Cotton
25/11/2015	Results of AGM
25/11/2015	Rights issue closure and results
03/12/2015	Comment on media coverage of VET sector & Vet-Fee HELP

Date	Title
04/12/2015	Investor Presentation
14/12/2015	Conversion of Convertible Notes
15/12/2015	Change in substantial holding
15/12/2015	Announcement of buy-back - Appendix 3C
21/12/2015	Change of Director's Interest Notice
21/12/2015	Becoming a substantial holder
21/12/2015	MIA Smart and Skilled Contract Awarded
24/12/2015	S708A Notice & Appendix 3B
24/12/2015	Appendix 3F Final Buy-back Notice
31/12/2015	Review & Restructure of MIA complete
12/01/2016	Acquisition of Celtic completed & Update on Fundraising
12/01/2016	S708A Notice & Appendix 3B
12/01/2016	Amended S708A Notice & Appendix 3B
12/01/2016	Fundraising Conversion Options - Amendment
14/01/2016	Delivery of Training Programs in Qld Correctional Facilities
27/01/2016	Change of Director's Interest Notice
29/01/2016	Quarterly Cashflow Report
17/02/2016	Change of Director's Interest Notice
18/02/2016	Response to Appendix 3Y letter
19/02/2016	Change of Director's Interest Notice
23/02/2016	LOI signed with Profire LLC in UAE
29/02/2016	Celtic receives \$350k WorkReady Contract Variation
29/02/2016	Half Yearly Report and Accounts
02/03/2016	DJ Carmichael Initiated Research Paper
16/03/2016	Change of Director's Interest Notice
21/03/2016	Appendix 3B and S708A Notice
22/03/2016	Partnership with Cara
01/04/2016	S708A Cleansing Notice
01/04/2016	Appendix 3B
26/04/2016	Partnership with BCA National Training Group
26/04/2016	Release of securities from escrow
29/04/2016	Appendix 4C - Quarterly report
02/05/2016	Appendix 3B
23/05/2016	Share sale agreement signed with Interlink Technology
23/05/2016	Appendix 3B

Date	Title
24/05/2016	Trading Halt
26/05/2016	Fully Underwritten Rights Issue & Placement to raise \$3.4M
01/06/2016	Amended Rights Issue Timetable
08/06/2016	Amended Rights Issue Timetable
14/06/2016	SSA with Interlink Technology Pty Ltd terminated

8.2 Market price of Shares on ASX

The highest and lowest sale price of Shares on ASX during the 3 months preceding the date of this Prospectus, and the sale price on the Trading Day before this Prospectus was lodged with ASIC, are set out below.

3-month high (on 9 March 2016)	3-month low (on 31 May 2016)	Last sale price (on 10 June 2016)
\$0.11	\$0.03	\$0.04

8.3 Rights and liabilities attaching to New Shares

The New Shares will rank equally in all respects with existing fully paid ordinary shares in the capital of the Company on issue. The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the New Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Security holders are entitled to be present in person, or by proxy, attorney or representative, to attend and vote at general meetings of the Company.

Security holders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of securities, at general meetings of security holders or classes of security holders:

- (i) each security holder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a security holder or a proxy, attorney or representative of a security holder has one vote, and
- (iii) on a poll, every person present who is a security holder or a proxy, attorney or representative of a security holder shall, in respect of each fully paid security held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the security, but in respect of partly paid securities shall have such number of votes as bears the same proportion to

the total of such securities registered in the security holder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of persons (if any) entitled to securities with special rights to dividend, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the security holders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to securities with special rights as to dividend, all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. The Company may not pay interest in respect of any dividend, whether final or interim.

(d) Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the security holders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the security holders or different classes of security holders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any securities or other securities in respect of which there is any liability. Where an order is made for the winding-up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any securities classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other securities.

(e) Transfer of securities

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

(f) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of security holders, vary or abrogate the rights attaching to securities.

If at any time the share capital is divided into different classes of securities, the rights attached to any class (unless otherwise provided by the terms of issue of the securities of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued securities of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the securities of that class.

8.4 Rights and liabilities attaching to Attaching Options and Underwriter Options (“Options”)

The material terms and conditions of the Options offered pursuant to this Prospectus are as follows:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.08 (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on a date that is three years from the issue date (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, 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 Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Quotation

The Company will apply for quotation of the Options on ASX.

(n) Transferability

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

8.5 Underwriting Agreement

Richmond Food Systems Pty. Ltd. has been appointed to act as Underwriter to the Entitlement Offer. Set out below is a summary of the key terms of the Underwriting Agreement dated 9 June 2016.

(a) Appointment as Underwriter

- (i) The Underwriter has agreed to fully underwrite the subscription of New

Securities under the Entitlement Offer on the terms and conditions of the Underwriting Agreement.

- (ii) The Company has agreed to:
 - (A) pay the Underwriter an underwriting fee of 6% (excluding GST) of the amount to be raised under the Entitlement Offer.
 - (B) pay the Underwriter a success fee of \$150,000;
 - (C) subject to shareholder approval, issue to the Underwriter (or its nominee) the Underwriter Options; and
 - (D) reimburse the Underwriter's costs and expenses in connection with the Entitlement Offer up to a maximum amount of \$5,000, whether or not the Entitlement Offer completes or the Underwriting Agreement is terminated.

(b) Conditions precedent

The obligations of the Underwriter are conditional on the satisfaction or waiver by the Underwriter of each of the following conditions, and the Underwriter may terminate the Underwriting Agreement by written notice if any of the following conditions precedent is not satisfied:

- (i) the Underwriter being reasonably satisfied with the results of due diligence by the Lodgment Date;
- (ii) the Prospectus being lodged with ASIC by 5.00pm on the Lodgment Date;
- (iii) ASX granting conditional approval for Official Quotation of the Underwritten Securities, subject only to:
 - (A) allotment and issue of the Underwritten Securities;
 - (B) dispatch of holding statements in respect of all the Underwritten Securities; and
 - (C) any other usual terms and conditions imposed by ASX,on or before the Entitlement Offer Closing Date.

(c) Warranties and indemnity

Customary and usual representations and warranties are given by the parties in relation to matters such as power to enter into the Underwriting Agreement and corporate authority.

The Company gives a number of additional representations and warranties in favour of the Underwriter, including that the Company will comply with the Corporations Act and the ASX Listing Rules in relation to the Entitlement Offer, this Prospectus does not contain any statements that are misleading or deceptive and that none of the information provided to the Underwriter is misleading or deceptive. Further, the Company gives warranties regarding due diligence, the New Shares, solvency, litigation and other matters concerning the Entitlement Offer and the affairs of the

Company.

The Company indemnifies the Underwriter and persons associated with the Underwriter (**Indemnified Parties**) in respect of certain loss that may be suffered in connection with the Entitlement Offer or any breach of the Underwriting Agreement by the Company. The indemnity does not apply to the extent that any loss suffered by an Indemnified Party has resulted from, among other things:

- (i) any penalty or fine which the Indemnified Party must pay for any contravention by it of the Corporations Act;
- (ii) the wilful default or gross negligence of the Indemnified Party; or
- (iii) breach of the Underwriting Agreement by the Underwriter.

(d) Termination events

The Underwriter may terminate the Underwriting Agreement if any of the following termination events occurs at any time prior to the date that all Application Monies are received:

- (i) conditional approval for Official Quotation of the Underwritten Securities is withdrawn, qualified or made subject to conditions not acceptable to the Underwriter in its absolute discretion;
- (ii) *the Company is in default in the performance of any of its obligations under the Underwriting Agreement or any of the warranties given by it ceases to be, or are found not to have been, true and correct in all respects;
- (iii) ASIC issuing an interim or final stop order in relation to the Prospectus and that order is not withdrawn or revoked within five Business Days of first being made;
- (iv) an event occurs which is in the opinion of the Underwriter falls within section 724 of the Corporations Act;
- (v) an occurrence specified in section 65C of the Corporations Act occurs in relation to the Company or a Related Body Corporate of the Company (assuming that it was a target company within the meaning of Chapter 6 of the Corporations Act);
- (vi) there is a material misstatement or inaccuracy in, or a material omission from, the Prospectus, or any statement in the Prospectus (including, but not limited to, any representation with respect to any future matter) is or becomes false or misleading in a material respect;
- (vii) *there is an outbreak of new hostilities (whether or not war has been declared) involving any one or more of these countries: Commonwealth of Australia, any member state of the European Union, Japan, United States of America, the People's Republic of China, the Russian Federation or any other former member of the Union of Soviet Socialist Republics, Indonesia, Hong Kong, Singapore, Taiwan, India or Korea;
- (viii) *any law, bill or other measure is introduced or announced by the Commonwealth Government or the State Government or any policies are

adopted or announced by the Reserve Bank of Australia or any other relevant fiscal authority (whether or not in Australia) which may have a material effect on the Offer;

- (ix) any expert who has previously consented to the inclusion in the Prospectus of a statement made by him or her or a statement based on such a statement validly withdraws his or her consent;
- (x) *the Company or any of its Related Bodies Corporate or any of their respective officers contravene, or are charged with a contravention of, any provision of their respective constituent documents or any law relating to companies or securities, or the Listing Rules;
- (xi) *an officer of the Company is convicted of an criminal offence relating to a financial or corporate matter;
- (xii) a director of the Company at the date of the Underwriting Agreement is removed from office or resigns as a director of the Company, dies or suffers an Insolvency Event or is otherwise required to vacate office as a director of the Company;
- (xiii) any information supplied by or on behalf of the Company to the Underwriter or any of its respective employees, agents or advisers in relation to the Offer is or becomes false or misleading;
- (xiv) any material contract to which the Company or a Related Body Corporate is a party is terminated (whether by breach or otherwise), rescinded, materially altered or amended, or an event occurs which would entitle any party to such a contract to terminate or rescind that contract;
- (xv) the All Ordinaries Index as published by ASX falls to a level that is 5% or more below the level as at close of trading on the Business Day prior to the date of the Underwriting Agreement;
- (xvi) there is a material adverse change in the management, financial position, results of operations or prospects of the Company;
- (xvii) the Company or any Related Body Corporate reduces its capital or otherwise alters its capital structure without the prior written consent of the Underwriter;
or
- (xviii) an event of insolvency occurs in relation to the Company or any Related Body Corporate.

The Underwriter may only terminate the Underwriting Agreement where an event marked with an asterisk (*) above has occurred if, in the reasonable opinion of the Underwriter, the event has, or is likely to have, a material adverse change in the financial position of the Company from that which exists at the date of the Underwriting Agreement or result in the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than at the date of the Underwriting Agreement or impact the Underwriter's ability to properly perform its obligations under the Underwriting Agreement.

8.6 Consents

Each of the parties referred to as consenting parties who are named below:

- (a) does not make the Offer;
- (b) has not authorised, and has not caused, the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus; and
- (e) has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Role	Consenting party
Underwriter of the Entitlement Offer	Richmond Food Systems Pty. Ltd.
Legal adviser	Price Sierakowski Corporate
Share Registry	Link Market Services Limited
Auditor	Bentleys Audit and Corporate (WA) Pty Ltd

8.7 Interests of Directors, experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- 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;
- promoter of the Company; or
- underwriter to the issue of the New Securities or financial services licensee named in this Prospectus as being involved in the issue of the New Securities,

holds at the date of this Prospectus or held at any time during the last two years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- the Offer.

Other than as set out below or elsewhere in this Prospectus, no amount has been paid or agreed to be paid, and no benefit has been given or agreed to be given, to any Director or proposed Director either to induce them to become, or to qualify as, a Director of the

Company, or otherwise for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(a) Directors' Relevant Interests in securities

As at the date of this Prospectus, the Directors had the following Relevant Interests in Shares:

Director	Number of Shares Held ¹	Entitlement to subscribe for New Shares ²
Ross Cotton ³	5,298,199	5,298,199
Philip Re	2,946,667	2,946,667
Andrew Crevald	Nil	Nil

Notes:

1. Held directly or indirectly by the Director or a related party of the Director.
2. Entitlement to subscribe for Shares that will be held directly or indirectly assuming no existing Options held are exercised before the Entitlement Offer Record Date
3. 92,918 held directly by Mr Cotton, 5,171,947 Shares held indirectly through Richmond Food Systems Pty. Ltds <Montery Trust A/C> 33,334 Shares held indirectly through Mr Ross Cotton & Mrs Danielle Cotton <Cotton Super Fund A/C>.

As at the date of this Prospectus, the Directors had the following Relevant Interests in Options:

Director	Number	Exercise price	Expiry date
Ross Cotton	309,112	20c	24/07/2017
Philip Re	1,458,333	30c	31/03/2019
	972,223	20c	24/07/2017
Andrew Crevald	Nil	Nil	Nil

(b) Directors' remuneration

The Constitution provides that the Directors may be paid for their services as directors a maximum total amount (excluding salaries) determined by the Company in general meeting (currently set at \$260,000). Executive Directors are entitled to be remunerated by salary or other employment related benefits in accordance with their employment agreements. The table below sets out the remuneration paid to the Directors for the two financial years prior to the date of this Prospectus and for the current financial year until the date of this Prospectus:

Director	Remuneration paid in 2014 financial year	Remuneration paid in 2015 financial year	Remuneration paid in 2016 financial year
Ross Cotton	Nil	\$116,625 ¹	\$137,500
Philip Re	\$20,000	\$60,000	\$55,000
Andrew Crevald	Nil	Nil	\$15,997

Notes:

1. Payment was made to Richmond Food Systems Pty. Ltd. (as trustee for the Monterey Trust) where Mr Ross Cotton is a beneficiary.

(c) Experts and advisers

Richmond Food Systems Pty. Ltd. has acted as underwriter of the Entitlement Offer. Details of the Underwriting Agreement and the fees payable to the Underwriter in relation to the underwriting of the Entitlement Offer are set out in **Section 8.5**.

Price Sierakowski Corporate has acted as legal adviser to the Company. Price Sierakowski Corporate's fees for work in relation to the Offer (which includes services in connection with the Offer) up to the date of lodgment of this Prospectus will be approximately \$15,000 (plus GST and disbursements). Price Sierakowski Corporate may receive further fees for additional work done determined on the basis of hours spent at its ordinary hourly rates.

8.8 Expenses of the Offer

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Amount
Underwriting fees	\$334,847
Legal fees	\$15,000
ASIC fees	\$2,320
ASX fees	\$9,881
Printing and other costs	\$10,000
Total	\$372,048

8.9 Litigation

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

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 14 June 2016.

A handwritten signature in black ink, appearing to read 'Phil Re', is positioned above the printed name and title.

Phil Re
Executive Chairman

iCollege Limited

10. DEFINITIONS

Definitions used in this Prospectus are as follows:

Acceptance Form means an Entitlement Offer Acceptance Form.

Additional New Securities means the additional New Securities offered to Eligible Shareholders under the Entitlement Offer above their entitlement as set out in **Section 4.3**.

Applicant means an Eligible Shareholder who applies for the New Securities pursuant to the Offers.

Application Account means the Company's bank account titled 'iCollege Limited – Application Account' which has been established for the purpose of holding the Application Monies.

Application Monies means the monies received from persons applying for New Shares under the Entitlement Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the ASX Listing Rules published and distributed by the ASX.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Attaching Option means up to 38,509,687 Options to be issued at no additional cost to all successful Applicants under the Entitlement Offer on the basis of one Attaching Option for every two New Shares issued, on the terms set out in Section 8.

Board means the board of Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

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

Company means iCollege Limited ACN 105 012 066.

Constitution means the constitution of the Company from time to time.

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

Cotton Group means Ross Cotton and the group of entities owned and controlled by him, including Richmond Food Systems Pty Ltd as trustee for the Monterey Trust and Mr Ross Cotton & Mrs Danielle Cotton as trustee for the Cotton Super Fund.

Director means a director of the Company.

Eligible Shareholder has the meaning given in **Section 4.4**.

Entitlement Offer means the non-renounceable, pro rata entitlement offer of New Shares at an issue price of \$0.04 each on the basis of 1 New Share for every 1 Share held at the Entitlement Offer Record Date to raise approximately \$3,080,775 before costs, made pursuant to this Prospectus.

Entitlement Offer Acceptance Form means an Entitlement Offer acceptance form in the form accompanying this Prospectus pursuant to which Eligible Shareholders may apply for New Shares under the Entitlement Offer.

Entitlement Offer Application means an application for New Shares under the Entitlement Offer made by an Eligible Shareholder in an Entitlement Offer Acceptance Form or by payment via BPAY® or such other form as approved by the Company. Eligible Shareholders who submit an Entitlement Offer Application are deemed to accept all of their entitlement to Attaching Options (if any) under the Offer.

Entitlement Offer Closing Date means the date that the Entitlement Offer closes which is 5.00pm (WST) on 8 July 2016 or such other time and date as the Company determines.

Entitlement Offer Record Date means the date for determining the entitlement of Shareholders under the Entitlement Offer, being 5.00pm (WST) on 20 June 2016.

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

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Listed Option means an Option listed on the ASX, exercisable at 30 cents on or before 24 July 2017.

Lodgement Date means 14 June 2016.

New Option means an Attaching Option and/or an Underwriter Option; as the context requires.

New Securities means the New Shares and/or the New Options, as the context requires.

New Share means a Share offered for subscription on the basis of, and under the terms of, the Entitlement Offer.

Offer means the Entitlement Offer and/or the Underwriter Offer, as the context requires.

Official Quotation has the definition given to that term in the Listing Rules;

Opening Date means the first date for receipt of acceptances under the Offer which is 9:00am (WST) on 22 June 2016 or such other time and date as the Company determines.

Option means an option to acquire a Share.

Optionholder means a holder of one or more Options.

Prospectus means this prospectus dated 14 June 2016.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

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

Shareholder means the registered holder of one or more Shares.

Share Registry means Link Market Services Limited.

Shortfall means those New Shares (with Attaching Options, if applicable) not validly applied for by Eligible Shareholders pursuant to their entitlement under the Entitlement Offer.

Trading Day has the meaning given in the ASX Listing Rules.

Underwriter means Richmond Food Systems Pty. Ltd. (ACN 109 629 601).

Underwriter Offer means the offer of the Underwriter Options to the Underwriter pursuant to this Prospectus.

Underwriter Options means 25,000,000 Options to be issued to the Underwriter (and/or its nominees).

Underwriting Agreement means the underwriting agreement dated 9 June 2016 between the Company and the Underwriter described in **Section 8.5**.

Underwritten Securities means all of the New Shares and Attaching Options comprised in the Offer.

WST means Western Standard Time, being the time in Perth, Western Australia.