



Prospectus.

Murray River Organics Group Limited

ACN 614 651 473

A 2.4 for 1 accelerated pro-rata renounceable entitlement offer of Murray River Organics Group Limited (**Company or MRG**) ordinary shares (**New Shares**) at an offer price of \$0.10 per New Share (**Offer Price**) to raise up to \$30.6 million (**Entitlement Offer**).

The Entitlement Offer closes at 5.00pm (AEDT) on 24 October 2018 (unless extended).

The Entitlement Offer is fully underwritten by Shaw and Partners (**Underwriter**).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Prospectus is a transaction specific prospectus prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not of itself contain the same level of disclosure as an initial public offering prospectus. This Prospectus requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. Please consult your stockbroker, accountant or other professional adviser if you have any questions.

**Important
notice.**

Important Notice

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This Prospectus relates to the 2.4 for 1 Entitlement Offer of New Shares to raise up to \$30.6 million which is being conducted by Murray River Organics Group Limited.

This Prospectus will also be utilised for the issue of up to 3,825,000 Advisor Options to EM Advisory, as described in Sections 7.3.4 and 8.5.

Capitalised terms in this section have the meaning given to them in this Prospectus. This Prospectus is issued by the Company.

Lodgment

This Prospectus is dated 9 October 2018 and was lodged with ASIC on that date. None of ASIC, the ASX or their respective Officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company will apply within 7 days of the date of this Prospectus to ASX for quotation of the New Shares on ASX.

This Prospectus expires on the date which is 13 months after the date of this Prospectus. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Purpose of this Prospectus

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.

This Prospectus does not of itself contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisors. Investors should therefore have regard to the other information disclosed to ASX in relation to the Company before deciding whether to invest.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. You should carefully consider this Prospectus in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

Some of the risk factors that should be considered by investors are set out in Section 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on New Shares.

No cooling-off Entitlement

Cooling-off Entitlement do not apply to an investment in New Shares acquired under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire New Shares under this Prospectus once it has been accepted.

Obtaining a copy of this Prospectus

The Offer constituted by this Prospectus in electronic form at <https://murrayriverorganicsoffer.thereachagency.com> is available only to persons within Australia and certain persons in other jurisdictions authorised by the Company. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Subject to the foregoing, the Prospectus is not available to persons in other jurisdictions (including the United States). Persons having received a copy of this Prospectus in its electronic form may, before the Retail Entitlement Offer closes, obtain a paper copy of this Prospectus (free of charge) by telephoning the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 outside Australia) between 8.30am and 5.00pm Monday to Friday.

Applications for New Shares under the Entitlement Offer may only be made on an Entitlement and Acceptance Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form onto another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of MRG. Investors should be aware that past performance is not indicative of future performance.

Financial performance

Section 5 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of the financial information.

All financial amounts contained in this Prospectus are expressed in Australian currency, unless otherwise stated.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Future performance and forward looking statements

This Prospectus contains certain “forward looking statements” and comments about future matters. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Prospectus speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Prospectus are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of MRG, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks outlined in Section 6 of this Prospectus for a non-exhaustive summary of certain general and specific risk factors that may affect MRG. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the key risk factors outlined in Section 6 of this Prospectus. Investors should consider the forward looking statements contained in this Prospectus in light of those risks and disclosures.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. The Company has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

This Prospectus uses market data, industry estimates and projections. The Company has based some of this information on market research prepared by third parties. The information contained in the projections and reports of third parties includes assumptions, estimates and generalisations that MRG believes to be reliable, but the Company cannot guarantee the completeness of such information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors as set out in Section 6. This information should not be used as a basis for investments and should not be considered as an opinion as to the value of any security or advisability of investing in New Shares.

To the maximum extent permitted by law, the Company and its Officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of such forward looking statements, or likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

The forward looking statements are based on information available to the Company as at the date of this Prospectus. Except as required by law or regulation (including the ASX Listing Rules), the Company has no obligation to supplement, revise or update any forward looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Prospectus.

Independent Limited Assurance Report on the Financial Information and Financial Services Guide

The provider of the Independent Limited Assurance Report (“ILAR”) on the Financial Information is required to provide Australian Retail Applicants with a financial services guide in relation to the review under the Corporations Act. The ILAR and accompanying financial services guide is provided in Section 9

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by MRG. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

No representation other than in this Prospectus

No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company or its Directors.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary in Section 10.

Unless otherwise stated or implied, references to times in this Prospectus are to Australian Eastern Daylight Savings Time (AEDT).

Disclaimer

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

The Company, the Company's Share Registry and the Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry, the Underwriter or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders of Entitlements at the end of the trading period do not meet eligibility criteria, they will not be able to exercise the Entitlements and, as a result, they will receive no value for them if there is no Retail Premium resulting from their sale in the Retail Shortfall Bookbuild.

The Company, the Company's Share Registry and the Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade New Shares they believe will be issued to them before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry, or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares, the Entitlements, the Entitlement Offer, or to otherwise permit a public offering of New Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, any person in the United States. In particular, the New Shares, the Advisor Options (and any Shares issued on exercise of the Advisor Options) and the Entitlements have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares are registered under the US Securities Act, or are offered or sold in a transaction exempt from, or not subject to the registration requirements of the US Securities Act and applicable US state securities laws.

See Section 3.14 for more detail on the restrictions on distribution and selling restrictions that apply to the offer and sale of New Shares in jurisdictions outside Australia.

References to “you” and “your Entitlement”

In this Prospectus, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Privacy

As a Shareholder, the Company and the Share Registry have already collected certain personal information from you. By filling out the Entitlement and Acceptance Form to apply for New Shares, the Company through the Share Registry, which is contracted by the Company to manage Applications, may update that personal information or collect additional personal information. The Company and the Share Registry on the Company's behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The agents and service providers of MRG may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, Shares and for associated actions.

In most cases you can gain access to your personal information held by the Share Registry on behalf of the Company. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information held by the Share Registry on behalf of the Company by contacting the Share Registry as follows:

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Tel: +61 3 9415 4000
Email: privacy@computershare.com.au

Use of trademarks

This Prospectus includes the Group's registered and unregistered trademarks. All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

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**Key
Details.**

Key information and dates for the Entitlement Offer

Key Offer details	
Total number of New Shares offered under this Prospectus	306,184,087
Total Offer proceeds	\$30.6 million
Offer Price	\$0.10
Offer Ratio	2.4 for 1
Total number of Shares on issue on Completion of the Offer	433,760,790

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in New Shares. In particular, Section 5 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information. Section 5 should be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

Key Entitlement Offer details	
Announcement of the Offer	9 October 2018
Prospectus lodgement date	
Institutional Entitlement Offer opens including Institutional Bookbuild	9 October 2018
Institutional Entitlement Offer closes including Institutional Bookbuild	10 October 2018
Announcement of Institutional Entitlement Offer results	11 October 2018
Record Date for the Retail Entitlement Offer	7.00pm (AEDT) 11 October 2018
Prospectus dispatched	15 October 2018
Retail Entitlement Offer opens	15 October 2018
Applications Monies received for Institutional Entitlement Offer and Institutional Bookbuild and held in trust	16 October 2018
Retail Entitlement Offer closes	5.00pm (AEDT) 24 October 2018
Announcement of the Retail Entitlement Offer results	25 October 2018

Bookbuild for shortfall from Retail Offer (if required)	26 October 2018
Settlement Date for the Retail Entitlement Offer	31 October 2018
Allotment of all New Shares under the Offer	1 November 2018
Quotation of all New Shares under the Offer	2 November 2018
Voluntary suspension of trading lifted and normal trading of all New Shares under the Offer to commence on ASX	2 November 2018
Dispatch of holding statements for all New Shares under the Offer and payment (if any) in respect of renounced and ineligible Entitlements	5 November 2018

* The timetable above is indicative only and is subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases), to close the Entitlement Offer early and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares under the Retail Entitlement Offer.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Chairman's Letter.

Letter from the Chairman

9 October 2018

Dear Shareholder,

Murray River Organics Group Limited (ASX: MRG) – Entitlement Offer

On behalf of the Board of Murray River Organics Group Limited, I invite you to participate in MRG's 2.4 for 1 pro-rata accelerated renounceable entitlement offer (**Entitlement Offer**) of New Shares at an Offer Price of \$0.10 per New Share (**Offer Price**).

The Company has today announced a \$30.6 million recapitalisation equity raising by way of an Entitlement Offer.

The Entitlement Offer is fully underwritten by Shaw and Partners.

The launch of this fully underwritten entitlement offer marks a significant milestone for Murray River Organics. Your new Board and Management team have worked tirelessly over the past months to improve the operations of the business and recapitalize the balance sheet. Addressing the cashflow needs of the business and restructuring our debt facility has been a significant priority, and we are delighted with the support we have received in this work.

Based on the work completed by Management, the proceeds from the Entitlement Offer are expected to provide the business sufficient capital to execute the Company's turnaround strategy, with particular focus on development of its existing vineyards, providing confidence to third party fruit suppliers and funding operational cash flow.

Subject to successful completion of the Entitlement Offer, the Company's debt financier has made an offer to the Company to provide senior debt and ongoing working capital support for at least 3 years on the terms set out in Section 5.5. During this entitlement offer, we will be finalising the legal documentation in relation to the debt facility, which will be concluded prior to the close of the offer.

The transformation is being led by the Company's new Managing Director and CEO, Valentina Tripp, who has significant turnaround experience and has assembled a team with proven backgrounds in business transformation, FMCG, food processing and agriculture. The cost saving and efficiency program across the business is well progressed and initiatives focused on improving farming performance are underway. With a new leadership team in place, Murray River Organics is now recruiting more broadly to meet the capability needs of the business across sales, marketing, farm operations, processing and distribution.

The foundations of any turnaround are grounded in having the right people, plans and processes to allow us to meet our customer's needs. Key turnaround initiatives include improving supplier and customer relationships, growing sales at our target margin, securing third party supply, continuing development of our product offering and improving yield through improved farm management and harvest practices.

As the largest vertically integrated certified organic dried vine fruit producer in Australia, Murray River Organics is well placed to leverage the growing demand for healthy snacking alternative and 'better-for-you' products. We are confident that by providing quality, innovation, value and convenience we can exceed consumer expectations and realise Murray River Organics' significant potential.

On completion of the Entitlement Offer, the Company's Shares will come out of voluntary suspension and will recommence trading on the ASX. We thank all our shareholders for your support and patience during this period.

Entitlement Offer

The Entitlement Offer will be conducted in two stages:

- an accelerated renounceable institutional entitlement offer of New Shares to Eligible Institutional Shareholders (Institutional Entitlement Offer); and
- a renounceable retail entitlement offer of New Shares to Eligible Retail Shareholders (Retail Entitlement Offer),

which will be conducted in accordance with the "Key Dates" section of this Prospectus.

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 2.4 New Shares at the Offer Price for every 1 fully paid ordinary Shares held at 7.00pm (AEDT) on the Record Date of 11 October 2018. New Shares issued under either component of the Entitlement Offer will rank equally with existing Shares.

A maximum of 306.2 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with existing Shares in all respects from the date of issue.

The Offer is fully underwritten by the Underwriter. For more information on the underwriting arrangements, see Section 8.6 of this Prospectus.

The Retail Entitlement Offer closes at 5.00pm (AEDT) on 24 October 2018 (unless extended).

Prospectus

This Prospectus contains important information about the Entitlement Offer and MRG, including:

- Key dates
- Retail Entitlement Offer details & how to apply for New Shares under the Retail Entitlement Offer
- Important information about MRG and the New Shares that you should carefully consider, before deciding whether to participate in the Retail Entitlement Offer
- Key Risks associated with an investment in MRG
- Entitlement and Acceptance Form

Taking up your Entitlements

To participate in the Retail Entitlement Offer, you need to ensure that your personalised Entitlement and Acceptance Form is completed in accordance with the instructions provided on the form and the instructions in this Prospectus under "Offer Details & How to Apply".

To participate in the Retail Entitlement Offer, you must ensure that you have completed your application by paying Application Monies by BPAY® before 5.00pm (AEDT) on 24 October 2018 or by lodging your completed Entitlement and Acceptance Form with your Application Monies paid by cheque or bank draft, so that they are received by the Share Registry before 5.00pm (AEDT) on 24 October 2018.

If you do not wish to take up any of your Entitlement, you do not have to take any action. In that event, as the Entitlement Offer is renounceable, your Entitlement will be issued to the Nominee and sold on your behalf through a bookbuild process to be undertaken by the Underwriter (see section 3.7 of this Prospectus).

The Underwriter will separately provide to Eligible Institutional Shareholders details of their Entitlements and how to apply under the Institutional Entitlement Offer, at the commencement of the Institutional Entitlement Offer.

Risks

Investment in the Group is subject to specific and general risks.

In particular, there is no guarantee as to the benefits of the turnaround strategy that the Company has commenced, nor the time that may be required to realise these benefits. Delays or failure to effectively implement the turnaround strategy could have a material adverse effect on MRG's future financial performance.

Set out in Section 1.3 and 6.2 are other specific key risks to which MRG is exposed. Further general risks associated with an investment in the Group are outlined in Section 6.1.

Further information and application instructions

Further details of the Entitlement Offer, as well as the key risks associated with investing in the Entitlement Offer are set out in this Prospectus (refer to the key risks outlined in Section 6 of this Prospectus) which I encourage you to read carefully and in its entirety.

You should consult your stockbroker, accountant, or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

If you have any questions about the Entitlement Offer, please call the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9.00am and 5.00pm Monday to Friday or visit the MRG website at www.murrayriverorganics.com.au.

All of the Directors have independently elected to take up their Entitlements, and committed to sub-underwrite a portion of the fully underwritten Offer. We are committed to returning MRG to health, and realising the value of the business, assets, vines and farms that MRG owns.

On behalf of the Board of Directors and management team of MRG, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully



Andrew Monk
Chairman

1. Investment overview.

1. Investment overview

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

1.1 Overview of Murray River Organics

Topic	Summary	Further information
Who is Murray River Organics?	Murray River Organics is a vertically integrated business focusing primarily on the production of certified organic, natural and better for you food products. Its expanding portfolio of products includes dried vine fruit, coconut, nuts, seeds, dried berries, chia seeds, prunes, dried ginger, dried mango and quinoa. MRG sells products Australia wide and in a number of overseas markets. MRG is also Australia's largest vertically integrated producer in its core product offering of dried vine fruits.	Section 2.1
What is MRG's business model and how does it generate revenue?	<p>Murray River Organics operates farms, sources products from third parties and then processes and packages products to service the organic, natural and healthy food markets in Australia and international markets, as shown below.</p> <p>Farming</p> <p>MRG owns farms¹ with an approximate value of \$35 million across 13 farms (3,852 hectares) and holds a long term lease over a 1,085 hectare property (\$22 million value of lease) in the Sunraysia region of Australia. The Group's farming operations comprise vineyards and other properties for production of dried vine fruit, clusters, citrus fruits, wine grape and table grapes. Currently approximately 1,286 hectares of the Group's land holdings are planted, with a significant proportion (67%) available for further plantings. Citrus, wine and table grapes are sold at farm-gate to third party processors. Dried vine fruit, which makes up the majority of Murray River Organics' harvest by value, is sent to the Sunraysia Facility for processing and packing.</p>	Section 2.2

¹ Farms includes land, bearer plants, buildings and improvements, including those farms held for sale.

	<p>Processing and packing</p> <p>Murray River Organics operates three facilities – a certified organic dried vine fruit processing facility in Mourquong, New South Wales (Sunraysia Facility); a certified organic manufacturing facility in Dandenong, Victoria (Dandenong Packing Facility); and a shared warehouse facility in Dandenong South, Victoria (South Park Drive Shared Facility).</p> <p><u>Sunraysia Facility</u></p> <p>The 43,600 m² property includes a packing shed and cool room where harvested dried vine fruit and clusters are graded, processed, dried, packed, stored (including dehydration and raw material storage), and distributed directly to overseas customers and to MRG's Dandenong Facility for further processing and distribution.</p> <p><u>Dandenong Packing Facility</u></p> <p>MRG also operates a 4,219 m² certified organic packing, value-add and pick-pack facility in Dandenong, Victoria, which services the retail, industrial and food service markets internationally and in Australia. The facility which became fully functional in the second half of FY17 operates multiple packing lines for all products, and also has freezing and cool room capabilities.</p> <p><u>South Park Drive Shared Facility</u></p> <p>MRG leases 4,000 m² in a shared storage facility in Dandenong South, Victoria, to accommodate additional storage requirements of the business. Murray River Organics is currently reviewing the suitability of this facility with regard to its longer term operational and storage needs.</p>	
<p>In what market does MRG operate?</p>	<p>MRG operates in the organic, natural, and 'better-for-you' food products market.</p> <p>MRG's four channels to market, outlined below:</p> <ul style="list-style-type: none"> • National retail, including supermarkets and specialty retailers; • Wholesale and industrial customers; • Exports across US, Europe and Asia; and • Fresh fruit – citrus, wine grape and table grapes. <p>Murray River Organics' core products include grown and sourced certified organic and conventionally grown dried vine fruit, and sourced coconut, nuts, seeds and grains.</p>	
<p>What is MRG's turnaround strategy?</p>	<p>The Company has initiated a transformational turnaround plan to realise the potential of Murray River Organics' assets and provide the management, capability and funding required to capitalise on demand for its organic and better-for-you products in its target markets. The transformation is being led by the Company's new Managing Director and CEO Valentina Tripp, who has assembled a team with proven experience across business transformation, FMCG, food processing and agriculture.</p>	<p><i>Section 2.4</i></p>

The strategy can be summarised into three objectives:

1. Leverage significant investment in the processing and value add facilities
 - a. Resolve supply chain bottlenecks
 - b. Improve operating efficiency
 - c. Pursue cost saving initiatives
2. Improve sales performance
 - a. Increase top-line revenue with new products / better ranging, with a focus on growing branded product exports to Asia
 - b. Increase margins of existing products through better customer management
3. Increase supply of dried vine fruit
 - a. Return farming yields to industry benchmarks
 - b. Increase third party fruit volume

The transformation focuses on six key areas;

1. operations;
2. customers;
3. farms;
4. third party grower relationships;
5. systems; and
6. people & culture.

The Company's cost out program, "Project Muscat" is underway and is shifting its focus to addressing the underperformance of the Group's farming assets and driving improved utilisation of its Sunraysia and Dandenong Facilities.

Significant changes have been made to the operating model in the Dandenong Facility which will reduce MRG's cost base. These changes are also expected to:

- improve service and delivery levels to meet customer expectations; and
- improve inventory management to reduce instances of Murray River Organics not having sufficient stock on hand to meet customer demand. Murray River Organics is seeking to achieve a Fill Rate above 90%.

The company will seek to improve margins through the removal of poor operational practices and better customer management and sourcing practices.

The Company's turnaround strategy is set against an environment of continued strong demand for dried fruit generally and organic produce in particular.

1.2 Overview of the Entitlement Offer & How to Apply

Topic	Summary	Further information
What is the Offer?	<p>The Company intends to raise approximately \$30.6 million through the Entitlement Offer - The Entitlement Offer is an accelerated renounceable pro rata offer of New Shares in the Company, at the Offer Price, comprising two components:</p> <ul style="list-style-type: none"> • Institutional Entitlement Offer to Eligible Institutional Shareholders, with an Institutional Bookbuild of Shares not taken up in the Institutional Entitlement Offer; and • Retail Entitlement Offer to Eligible Retail Shareholders, with a Retail Bookbuild of Shares not taken up in the Retail Entitlement Offer. <p>Under the Entitlement Offer, Eligible Shareholders will be able to subscribe for 2.4 New Shares for every 1 Share held at the Record Date Under the Entitlement Offer, Eligible Shareholders will be able to subscribe for 2.4 New Shares for every 1 Share held at the Record Date.</p> <p>All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all existing Shares. A summary of the rights attaching to the New Shares is set out in Section 8.4.</p>	<i>Section 3.1, 3.2, 3.3 and 3.5</i>
What is the Offer Price?	\$0.10 per New Share.	
Who is the issuer of the Prospectus?	Murray River Organics Group Limited (ACN 614 651 473).	

How will the proceeds of the Offer be used?	<p>The Offer is expected to raise approximately \$30.6 million. The following table details the uses of the proceeds from the Entitlement Offer:</p> <table><tr><th></th><th>\$ Million</th><th>%</th><th>Uses of Funds</th><th>\$ Million</th><th>%</th></tr><tr><td>Offer Proceeds</td><td>\$30.6</td><td>100%</td><td>Vineyard development</td><td>\$10.5</td><td>34%</td></tr><tr><td></td><td></td><td></td><td>Third party fruit supply</td><td>\$5.1</td><td>17%</td></tr><tr><td></td><td></td><td></td><td>Operational cash loss</td><td>\$2.8</td><td>9%</td></tr><tr><td></td><td></td><td></td><td>Colignan farm lease payments</td><td>\$5.0</td><td>16%</td></tr><tr><td></td><td></td><td></td><td>Working Capital</td><td>\$4.0</td><td>13%</td></tr><tr><td></td><td></td><td></td><td>Transaction costs</td><td>\$3.2</td><td>11%</td></tr><tr><td></td><td>\$30.6</td><td>100%</td><td></td><td>\$30.6</td><td>100%</td></tr></table>		\$ Million	%	Uses of Funds	\$ Million	%	Offer Proceeds	\$30.6	100%	Vineyard development	\$10.5	34%				Third party fruit supply	\$5.1	17%				Operational cash loss	\$2.8	9%				Colignan farm lease payments	\$5.0	16%				Working Capital	\$4.0	13%				Transaction costs	\$3.2	11%		\$30.6	100%		\$30.6	100%	Section 4.1
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Is the Offer underwritten?	Yes. Shaw and Partners Limited has fully underwritten the Offer.	Section 8.6																																																
What is the effect of the Offer on control of the Company?	<p>As the Entitlement Offer is structured as a pro rata issue to all Eligible Shareholders, it will not have any material effect or consequence on the control of the Company if all Eligible Shareholders take up their Entitlements. If some Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their shareholding in the Company will be diluted. The shareholding of Shareholders who only take up part of their Entitlements will also be diluted, but to a lesser extent.</p> <p>The Company's largest Shareholder, Thorney Investment Group (Thorney), (with a relevant interest in Shares constituting Voting Power of 19.99% in the Company based on substantial holding notices that have been given to the Company and lodged with ASX on or prior to the date of this Prospectus) has committed to take up 100% of its Entitlements and to act as sub-underwriter to the Underwriter for up to 88.8 million Shortfall Shares. In the event that there are Shortfall Shares and the Underwriter allocates any Shortfall Shares to Thorney in accordance with its sub-underwriting commitment, the potential effect or consequence on the control of the Company due to Thorney being required to subscribe for Shortfall Shares is as follows:</p>	Section 4.2 and 4.3																																																

	<table><tr><th>Thorney holding following take-up of their Entitlement</th><th>Percentage take up by Eligible Shareholders (other than Thorney)</th><th>Maximum potential allocation of New Shares to Thorney¹</th><th>Potential number Shares held by Thorney post Completion of the Offer²</th><th>Potential Voting Power % of Thorney post Completion of the Offer</th></tr><tr><td>86,700,000</td><td>100%</td><td>-</td><td>86,700,000</td><td>19.99%</td></tr><tr><td>86,700,000</td><td>75%</td><td>61,246,022</td><td>147,946,022</td><td>34.1%</td></tr><tr><td>86,700,000</td><td>50%</td><td>88,800,000</td><td>175,500,000</td><td>40.5%</td></tr><tr><td>86,700,000</td><td>25%</td><td>88,800,000</td><td>175,500,000</td><td>40.5%</td></tr><tr><td>86,700,000</td><td>0%</td><td>88,800,000</td><td>175,500,000</td><td>40.5%</td></tr></table> <p>1. Allocation to sub-underwriters is at the discretion of the Underwriter, however this column shows the maximum potential allocation to Thorney.</p> <p>2. The number of Shares held by Thorney post Completion of the Offer shown in this column assumes that Thorney subscribes for 100% of its Entitlements and that the Underwriter exercises discretion to allocate 100% of Shortfall Shares to Thorney, subject to Thorney's maximum sub-underwriting commitment of 88.8 million Shares.</p> <p>The number of Shares acquired by Thorney pursuant to its sub-underwriting obligation, and therefore Voting Power of Thorney post Completion of the Offer, will be reduced by the number of Entitlements accepted by Eligible Shareholders under the Offer, the Entitlements taken up by Institutional Investors participating in the Institutional Bookbuild and Retail Bookbuild, and the proportion of any Shortfall shares allocated by the Underwriter to other sub-underwriters.</p>	Thorney holding following take-up of their Entitlement	Percentage take up by Eligible Shareholders (other than Thorney)	Maximum potential allocation of New Shares to Thorney ¹	Potential number Shares held by Thorney post Completion of the Offer ²	Potential Voting Power % of Thorney post Completion of the Offer	86,700,000	100%	-	86,700,000	19.99%	86,700,000	75%	61,246,022	147,946,022	34.1%	86,700,000	50%	88,800,000	175,500,000	40.5%	86,700,000	25%	88,800,000	175,500,000	40.5%	86,700,000	0%	88,800,000	175,500,000	40.5%	
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Will the New Shares be quoted?	<p>Yes. The Company will apply within 7 days of the date of this Prospectus to the ASX for quotation of New Shares on the ASX.</p> <p>If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company is required to comply with the ASX Listing Rules, subject to any waivers obtained from time to time.</p> <p>The ASX and its Officers take no responsibility for this Prospectus or the investment to which it relates.</p>	<i>Section 3.13</i>																														
Is the Offer subject to shareholder approval?	<p>The Entitlement Offer is not subject to shareholder approval.</p>																															
What are the tax implications of investing in the New Shares?	<p>An overview of certain Australian tax consequences of investing in the New Shares is included in Section 8.8.</p> <p>The tax consequences of any investment in the New Shares will depend on an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</p>	<i>Section 8.8</i>																														

When will I receive confirmation that my Application has been successful?	It is expected that holding statements in respect of New Shares issued under the Entitlement Offer will be dispatched by standard post on or around 1 November 2018.	<i>Timetable</i>
How can I apply?	You may apply for New Shares under the Retail Entitlement Offer by completing a valid Entitlement and Acceptance Form attached to or accompanying this Prospectus and returning it to the Registry with your payment, or by making a payment via BPAY® in accordance with the instructions on your Entitlement and Acceptance Form. The Company and the Underwriter will separately advise participants in the Institutional Entitlement Offer of the application procedures for Applications for New Shares to be issued under the Institutional Entitlement Offer.	<i>Section 3.8</i>
Can I withdraw my Application?	To the extent permitted by law, Applications are irrevocable.	<i>Important Notices, Section</i>
Can I apply for additional New Shares?	No. The number of New Shares offered to Eligible Retail Shareholders under the Retail Entitlement Offer is on a pro rata basis in respect of existing Shares held as at the Record Date, Eligible Retail Shareholders cannot apply for additional New Shares above their Entitlements.	
Can I sell my Entitlements under the Entitlement Offer?	As the Entitlement Offer is renounceable, in the event that certain Eligible Shareholders do not take up some or all of their Entitlements, such Entitlements that are not taken up will be issued to the Nominee and offered for sale on behalf of Renouncing Shareholders and Ineligible Shareholders through the Institutional Bookbuild and then Retail Bookbuild to be conducted by the Underwriter.	<i>Section 3.3, 3.5 and 3.6</i>
When are the New Shares expected to commence trading?	<p>The Company will remain in voluntary suspension until Completion of the Offer.</p> <p>It is therefore expected that the New Shares issued under the Entitlement Offer will commence trading on the ASX on normal settlement basis on or about 2 November 2018.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading New Shares. Applicants who sell New Shares before they receive an initial holding statement do so at their own risk.</p>	<i>Section 3.13</i>
Can the Entitlement Offer be withdrawn?	<p>Yes. The Company reserves the right not to proceed with the Entitlement Offer at any time before the issue or transfer of New Shares to successful Applicants.</p> <p>If the Entitlement Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a</p>	<i>Section 3.16</i>

	result of the withdrawal of the Entitlement Offer.	
Where can I find out more information about this Prospectus or the Entitlement Offer?	<p>All enquiries in relation to this Prospectus should be directed to the MRG Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday.</p> <p>If you require assistance to complete the Entitlement and Acceptance Form, have any questions in relation to the Offer or are uncertain as to whether obtaining New Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, taxation adviser, financial adviser or other independent professional adviser before deciding whether to invest.</p>	<i>Section 3.17</i>
What are the Advisor Options?	<p>The Company has agreed to issue 3,825,000 Advisor Options to EM Advisory as part consideration for services by EM Advisory to the Company.</p> <p>Only EM Advisory may accept the offer of Advisor Options.</p>	<i>Section 5.3 and 8.5</i>

1.3 Key risks

The business, assets and operations of the Group are subject to certain risk factors that have the potential to influence future operating and financial performance. These risks may have an impact on the value of an investment in Shares.

The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. Some risks are unforeseeable and so the extent to which these risks can be effectively managed is somewhat limited.

Set out below are specific key risks to which MRG is exposed. Further general risks associated with an investment in the Group are outlined in Section 6.

Topic	Summary	Further information
Impact of turnaround strategy	The Company has commenced the roll out of its turnaround strategy (refer to Section 2.4.). However, there is no guarantee as to the benefits that the turnaround strategy will realise, nor the time that may be required to realise these benefits. Delays or failure to effectively implement the turnaround strategy could have a material adverse effect on MRG's future financial performance.	<i>Section 6.2.1</i>
Access to funding	<p>To continue to utilise the multi-option debt facility, the Company is required to comply with the Financial Covenants and other undertakings.</p> <p>MRG has received from its financier, the National Australia Bank, a credit approved term sheet for the provision of a multi-option facility (Banking Facilities) which expires on 30 November 2021. MRG and National Australia Bank are currently working productively to settle the formal documentation for the Banking Facilities, which MRG expects will be</p>	<i>Section 6.2.2</i>

	<p>completed shortly.</p> <p>Funding provided under the Banking Facilities will be utilised to refinance and reduce MRG's existing debt facilities. Of the existing facilities available to the Company at the date of the Prospectus, \$29.8 million (related to trade facilities, working capital facilities, undrawn finance lease facilities and bank guarantees) matures on 30 November 2018. In the event that formal documentation for the Banking Facilities is not agreed before the maturity date, MRG is unlikely to be able to refinance those existing facilities before that time. In such circumstance, the financier would be entitled to require immediate repayment of all outstanding borrowed funds under the existing facilities and enforce its rights under the security documents.</p> <p>Generally, the Company may require further debt or equity funding in the future for funding its operations, or growth strategies. There is a risk that the Company may be unable to access sufficient debt or equity funding from the capital markets or its existing lenders on favourable terms, or at all.</p>	
Customer Risk	<p>As of FY18, MRG's top ten customers comprised approximately 80% of sales; and the number one customer accounted for almost 50%. There is a risk that the Group may lose customers for a number of reasons, and the loss of any large customer (particularly key customers such as major Australian supermarkets), the reduction of purchasing levels or the cancellation of any business from a large customer for an extended period of time may adversely affect the business.</p> <p>MRG's customer contracts are short term, with supply periods typically for one season or one year (which may depend on the product's seasonality), and the prices at which its products are sold are subject to fluctuation depending on the level of supply and demand at the time the products are sold. In addition, a significant proportion of these customer contracts do not have fixed or minimum volume requirements, and do not oblige customers to continue purchasing MRG's products.</p> <p>MRG's market share and/or profit margins could be materially and adversely impacted by customers taking actions that are adverse to the Group's interests, including:</p> <ul style="list-style-type: none"> materially changing its trading terms with MRG; promoting the products of one or more of MRG's competitors or new entrants into organic, natural or better-for-you food products; or refusing to promote or stock MRG's products or significantly reducing orders for its products. 	<i>Section 6.2.3</i>
Operation in highly competitive markets	<p>MRG operates in highly competitive geographic and product markets with other organic and natural packaged food brands and companies, which may be more innovative and able to bring new products to market faster and better able to quickly exploit and serve niche markets. This could have a material adverse impact on the financial performance and prospects of the Group.</p>	<i>Section 6.2.4</i>

Horticultural Risk	<p>There are a number of factors that may affect the yield of agricultural crop, and yields may vary from vine to vine and harvest to harvest, which may impact MRG's performance.</p> <p>In particular, as a producer and buyer of agricultural produce, climate change or prolonged periods of adverse weather and climatic conditions (including floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on agricultural productivity, decreased availability or less favourable pricing for certain commodities necessary for the Group's products. Such conditions may also lower crop yields and reduce crop size and quality, which could reduce availability of organic ingredients or increase the price of such ingredients sourced from third parties.</p>	<i>Section 6.2.5</i>
Water supply	<p>Adequate water supply is critical to the success of MRG to grow crops. There is a risk that the Group's operations may be exposed to natural events, many of which are outside the control of MRG, including floods, storms, fire and other adverse environmental changes.</p> <p>In particular, such natural events could result in changes in water quality (including salinity levels in the Murray River and Darling River), allocation, availability of water entitlement, or the price of water. This may restrict MRG's access to water for its operations and increase the cost to produce both dried vine and citrus fruits.</p>	<i>Section 6.2.6</i>
Loss of organic certification and deterioration in the MRG brand	<p>The Group relies on independent certification, such as certifications of some of its products as "organic" to differentiate the Group's products from others. The loss of any independent certifications could adversely affect the Group's market position as a certified organic and natural products company and result in a loss of consumer confidence in the brands of MRG.</p> <p>In addition, a failure to provide customers with the quality of product they expect from MRG, or a quality issue could adversely affect consumer confidence in the MRG brand.</p>	<i>Section 6.2.7</i>
Reduced ability to access raw materials (including organic ingredients)	<p>The Group's ability to ensure continued supply of raw ingredients (including organic) not grown by the Group from third parties at competitive prices is dependent on many factors beyond the Group's control, including (amongst other factors) the number and size of those farms growing organic crops, climate conditions and domestic and global economic conditions.</p> <p>For certain products, MRG competes with other manufacturers in the procurement of these organic products, which are more limited in supply than conventional product ingredients. Such competition may increase in the future and limit the Group's ability to access sufficient raw organic ingredients within a commercial price range. As the Group rebuilds relationships with suppliers and customers, some may no longer opt to</p>	<i>Section 6.2.8</i>

	trade with the Company.	
Adverse movement in exchange rate	MRG imports a number of products and exports produce internationally. Changes in the relative value of certain currencies against the Australian dollar may reduce the value of a transaction denominated in a foreign currency.	<i>Section 6.2.9</i>
Dependence upon key personnel and other key contractors	MRG's success and ability to achieve turnaround and profitability depends on its ability to attract and retain suitably qualified key personnel, including key members of MRG's senior management team named in this prospectus.	<i>Section 6.2.10</i>
Market volume and price risk	As a produce grower, MRG is exposed to fluctuations in the market prices particularly in conventionally grown fruit. Excess supply can cause price reduction in the produce markets in which the Company supplies. If overall industry produce yields, in categories in which MRG competes, are higher than expected, prices may fall and MRG's operating results are likely to be negatively impacted.	<i>Section 6.2.11</i>
Uncontracted sales arrangements	MRG's growth is dependent on successfully maintaining existing customers and securing new customers. A significant proportion of MRG's revenue is currently attributable to uncontracted customer relationships, using MRG's or the customer's standard terms and conditions of sale. There is a risk that the Group will be unable to maintain these customer relationships, or secure new customers, on terms that are acceptable to the Group. In addition, it is not possible to guarantee consistency in respect of volume, price and terms for future transactions.	<i>Section 6.2.12</i>
Consolidation of customers	Customers in certain markets in which the Group sells products, such as supermarkets and food distributors, continue to consolidate, which has resulted in larger organisations with increased negotiating and buying power. These larger organisations are able to resist price increases or demand increased promotional programs amongst other actions, which may negatively affect margins by the Group from sales to these customers.	<i>Section 6.2.13</i>

Loss or Deterioration of Supply Arrangements	<p>MRG's relationships with suppliers are often governed by individual purchase orders and invoices, the terms of which may be altered by suppliers as to volumes and products supplied.</p> <p>This may result in changes in the price of products and the product range made available to MRG, which may ultimately impact MRG's ability to provide products to customers at competitive prices.</p>	<i>Section 6.2.14</i>
Operational risk	<p>MRG is a complex business. Operational risks include Fill Rate issues, crop health and out-of-stock products.</p> <p>In FY18 MRG was unable to meet buyer demand. In FY19, whilst operational performance is expected to improve, there is still a risk of running out of particular items of stock.</p>	<i>Section 6.2.15</i>

Credit risk	MRG provides credit to some of its customers, usually no more than 30 days. Although unlikely, customers may fail to make repayments and default on their debt.	<i>Section 6.2.16</i>
Failure to respond to changes in consumer trends	<p>MRG's business is primarily focused on sales of organic, natural and better-for-you products which are subject to continually evolving preferences, which may change based on a number of factors.</p> <p>A shift in consumer demand away from products of the Group, or a failure by MRG to maintain its current market position could reduce sales or the value of its brands in those markets.</p>	<i>Section 6.2.17</i>
Product liability	There is a risk that inadvertent mislabeling, tampering by unauthorised third parties or product contamination or spoilage may result in illness or injury to customers. Under certain circumstances, MRG may be required to recall or withdraw products, suspend production of products or cease operation and customers may also cancel orders for such products as a result of such events.	<i>Section 6.2.18</i>
Regulatory risk	<p>The Group is required to comply with a range of laws and regulations, including in relation to environmental, occupational health and safety, quarantine, customs and tariff, taxation and employment laws. Non-compliance with such laws and regulations could have a material adverse effect on the business of the Group.</p> <p>In addition, as a public company listed on ASX, the Company is required to comply with the ASX Listing Rules and the Corporations Act, which may result in investigations and disputes by Federal and State regulatory bodies.</p>	<i>Section 6.2.19</i>

1.4 Directors, Key Management Personnel and Management Team

Topic	Summary	Further information																											
Who are the Directors of the Company?	<ul style="list-style-type: none"> • Andrew Monk, Independent Non-Executive Director, Chairman • Valentina Tripp, Non-Independent, Managing Director & Chief Executive Officer • Keith Mentiplay, Independent Non-Executive Director • Michael Porter, Independent Non-Executive Director 	<i>Section 7.1</i>																											
Who are the Key Management Personnel and Management Team of MRG?	<ul style="list-style-type: none"> • Valentina Tripp, Non-Independent, Managing Director & Chief Executive Officer • Albert Zago, Chief Financial Officer • Patrick Roseman, Head of Sales • Peter Wolff, Head of Strategy, Planning & Transformation • Wayne Turner, General Manager Sunraysia Operations • Peter York, General Manager Dandenong Operations • Rania Haidar, Head of People and Culture 	<i>Section 7.2</i>																											
What significant benefits and interests are payable to Directors and other stakeholders connected with the Company?	<table> <tr> <th>Key people</th><th>Interest or benefit</th><th>Section</th></tr> <tr> <td rowspan="2">Andrew Monk and associated entities</td><td>Director's remuneration</td><td>7.3.1.3</td></tr> <tr> <td>Shares held in the Company</td><td>7.3.1.4</td></tr> <tr> <td rowspan="2">Keith Mentiplay and associated entities</td><td>Director's remuneration</td><td>7.3.1.3</td></tr> <tr> <td>Shares held in the Company</td><td>7.3.1.4</td></tr> <tr> <td rowspan="3">Michael Porter</td><td>Director's remuneration</td><td>7.3.1.2</td></tr> <tr> <td>Independent contractor services fees</td><td>7.3.1.3</td></tr> <tr> <td></td><td>7.3.1.4</td></tr> <tr> <td rowspan="3">Valentina Tripp</td><td>Remuneration</td><td>7.3.1.1</td></tr> <tr> <td>Incentive arrangements</td><td>7.3.2.1</td></tr> <tr> <td></td><td>7.3.3</td></tr> </table>	Key people	Interest or benefit	Section	Andrew Monk and associated entities	Director's remuneration	7.3.1.3	Shares held in the Company	7.3.1.4	Keith Mentiplay and associated entities	Director's remuneration	7.3.1.3	Shares held in the Company	7.3.1.4	Michael Porter	Director's remuneration	7.3.1.2	Independent contractor services fees	7.3.1.3		7.3.1.4	Valentina Tripp	Remuneration	7.3.1.1	Incentive arrangements	7.3.2.1		7.3.3	<i>Section 7.3</i>
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		7.3.1.4																											
Valentina Tripp	Remuneration	7.3.1.1																											
	Incentive arrangements	7.3.2.1																											
		7.3.3																											

2. Company overview.

2. Company overview

2.1 Overview of Murray River Organics

Murray River Organics is a vertically integrated business focusing primarily on the production of certified organic, natural and better for you food products. Its expanding portfolio of products includes dried vine fruit, coconut, nuts, seeds, grains, dried berries and dried fruits. MRG is also Australia's largest vertically integrated producer in its core product offering of organic dried vine fruits.

Murray River Organics owns or controls 4,935 hectares of farmland located in the Sunraysia region of Australia. This farmland comprises vineyards for the production of both conventional and certified organic dried vine fruit and clusters; along with production of citrus and wine grapes. Murray River Organics also grows table grapes on its Fifth Street property, which is considered a non-core asset and is currently listed for sale.

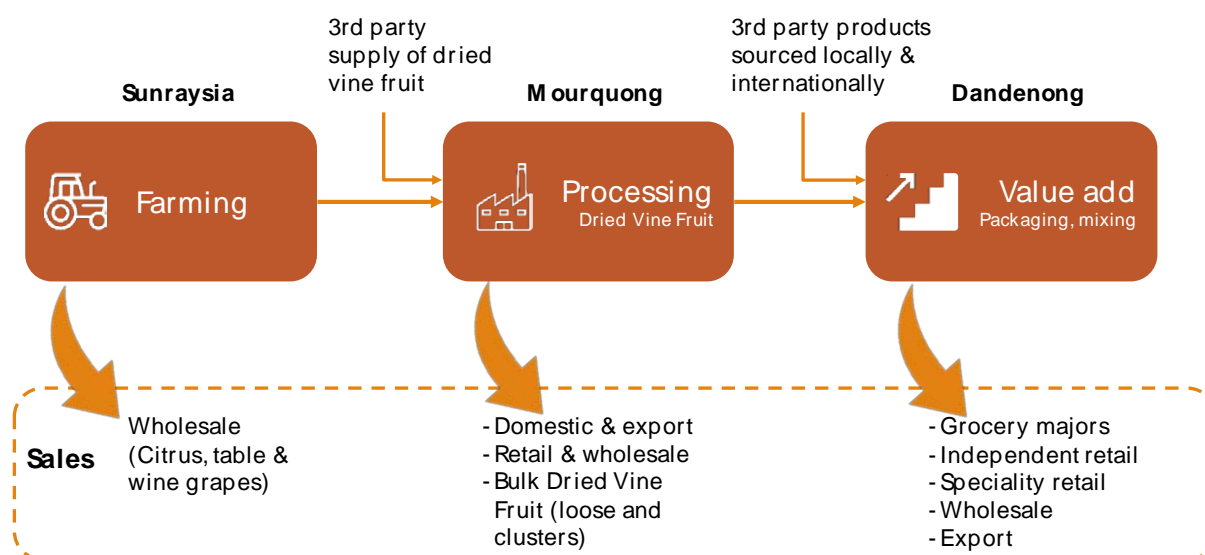
The Group operates two certified organic processing facilities. In Mourquong, New South Wales, which is centrally located to its vineyards, dried fruit is graded, dehydrated, processed, packaged and distributed to export customers. At the Dandenong, Victoria facility, further value add processing and pick and packing is undertaken.

Murray River Organics' products are targeted at the rising consumer demand for natural, healthy and organic foods in Australia and internationally.

2.2 Business Model and Operations

Murray River Organics operates farms, sources products from third parties and then processes and packages products to service the organic, natural and healthy food markets in Australia and several international markets, as shown in Figure 1 below.

Figure 1: MRG's vertically integrated business model

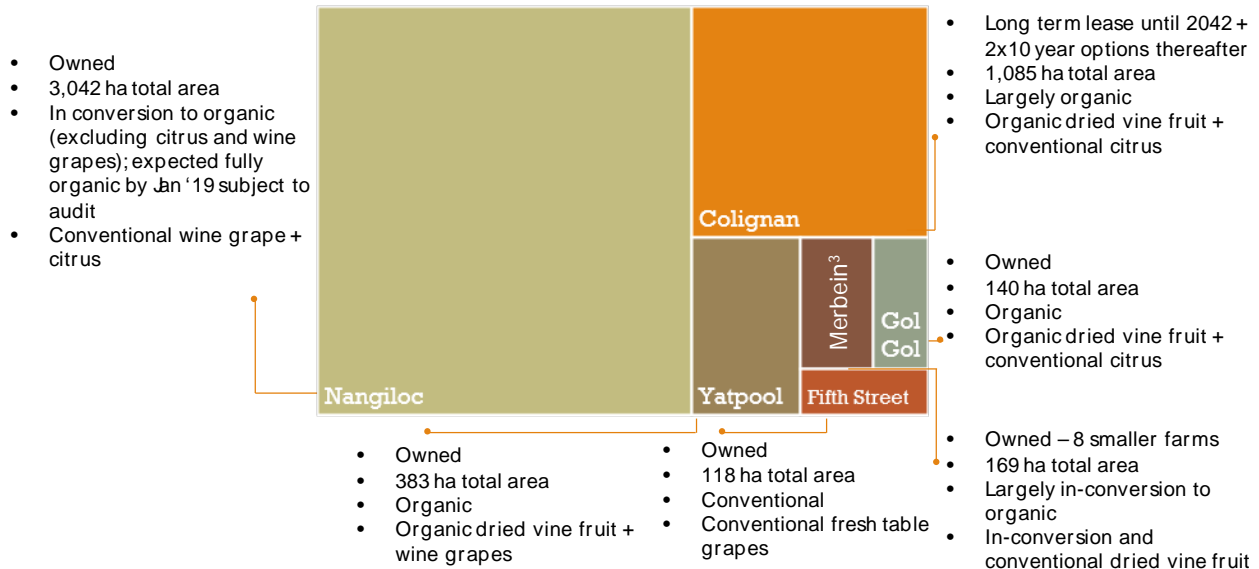


MRG's Board and management team has embarked on a turnaround plan focused on improving performance across the business which is further described in Section 2.4

2.2.1 Farming

MRG owns farms² with an approximate value of \$35 million across 13 properties (3,852 hectares) and holds a long term lease over a 1,085 hectare property (\$22 million value of lease) in the Sunraysia region of Australia, as shown in Figure 2 below. The Group's farming operations comprise vineyards and other properties for production of dried vine fruit, clusters, citrus fruits, wine grape and table grapes.

Figure 2: MRG Farms



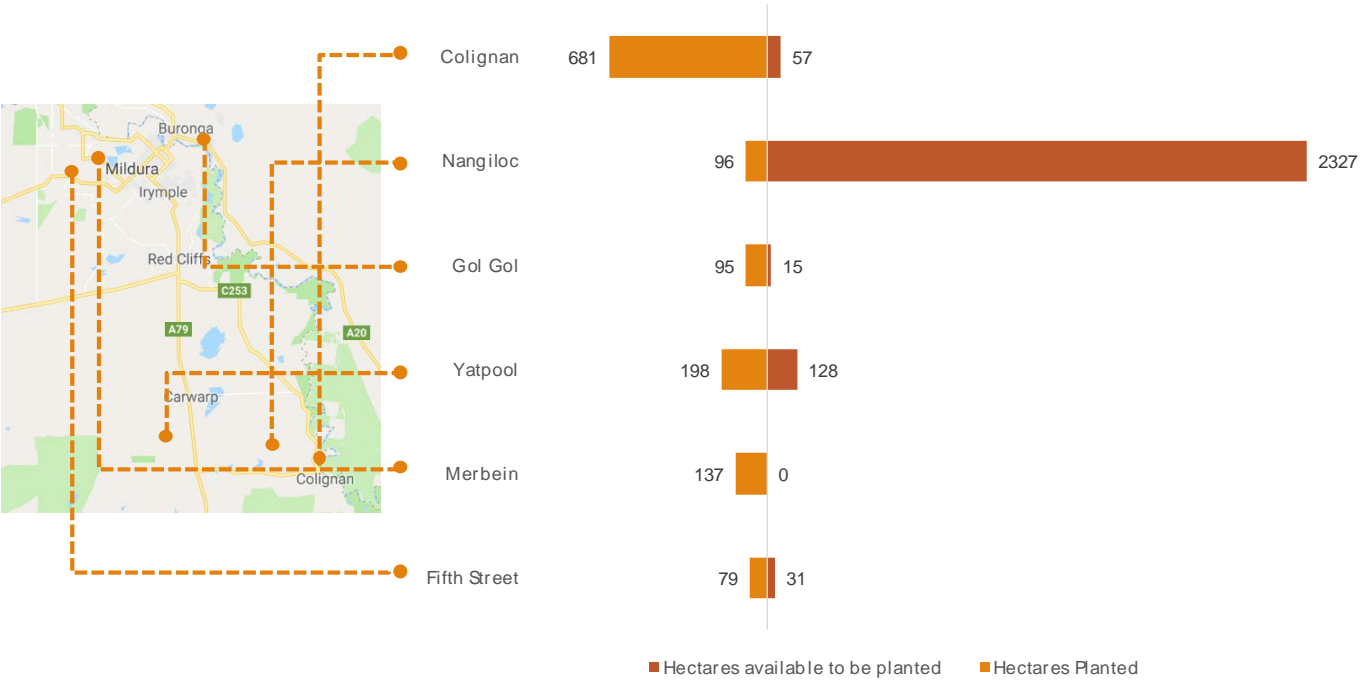
Of Murray River Organics' farms planted area, approximately 665 hectares are certified organic or are in the process of conversion to organic status. Of the total area, approximately 4,274 hectares are certified organic or are in the process of conversion to organic status.

Currently, approximately 1,286 hectares of the Group's land holdings are planted, with a significant proportion (67%) available for further plantings as shown in Figure 3 below.

² Farms includes land, bearer plants, buildings and improvements including those farms held for sale.

³ 41 hectares included in the Merbein group of farms is under a contract of sale expected before the end of 2018. This contract includes a dried vine fruit supply agreement for three years from 2019.

Figure 3: MRG’s farming assets and available capacity



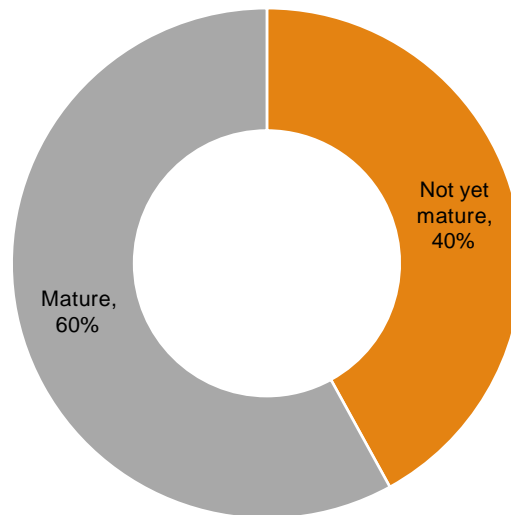
Citrus, wine and table grapes are sold at farm-gate to third party processors. Dried vine fruit, which makes up the majority of Murray River Organics’ harvest by value, is sent to the Sunraysia Facility for processing and packing.

Vine Maturity

Typically, dried vine fruit takes three to four years from planting to reach full maturity. In the first two years, the focus is on growing the vines, rather than the yield achieved. From year three onwards, the crop yield begins to increase, with average yields, in a conventional farming system at maturity expected to be between on average 4.9 tonnes and 6.8 tonnes harvested per hectare planted. As a result of the farming practices adopted by organically certified farms (to obtain and maintain organic certification), the harvest from organic vineyards is expected to be circa 20% lower than conventional vines, however with improved farming practices this differential is expected to be minimised. It is important to note that organic dried vine fruit is expected to provide a 25-35% price premium to conventional dried vine fruit.

In FY18, 2,606 tonnes of dried vine fruit was yielded from Murray River Organics’ 1,031 planted hectares, implying a yield of approximately 2.5 tonnes per hectare. The implied yield reflected in part more than 40% of MRG’s vines have not yet reached full maturity (younger than 4 years old). All existing plantings are expected to mature by 2022.

Figure 4: Current Maturity of MRG's Dried Vine Fruit Plantings



The yield performance of the farms was below expectations in FY18. The Board and management has undertaken extensive analysis to understand the root causes of the underperformance, which include:

- Poor vine/tree/crop management;
- Poor grafting practices;
- Inadequate water and nutrition application rates;
- Poor supervision and on-farm governance;
- Irregularities in contract labour supply; and
- Poor communication and decision making.

As part of the broader turnaround strategy, the Company has commenced initiatives to remedy on-farm performance. This plan is termed 'Project Yield' and is focused on improving the yields from existing vines by addressing the failures that have been identified in the comprehensive reviews of farming operations undertaken by both Murray River Organics' management team and expert technical consultants over the last three months.

Water Entitlement

MRG estimates current water requirements in a normal climatic year are circa 8,000 megalitres. MRG has three third-party water leases entitling the business to in aggregate approximately 6,593 megalitres of water per annum (based on 100% allocation). The lease expiry is 30 June 2020, however one lease (with 4,046 megalitres of water per annum) has an option to extend the term for a further 5 years. The balance MRG purchases on the spot market. Murray River Organics does not currently own any material permanent water rights, however MRG may consider acquiring permanent water entitlements in the future, depending on its circumstances and the costs associated with doing so (at the relevant time).

2.2.2 Externally sourced products

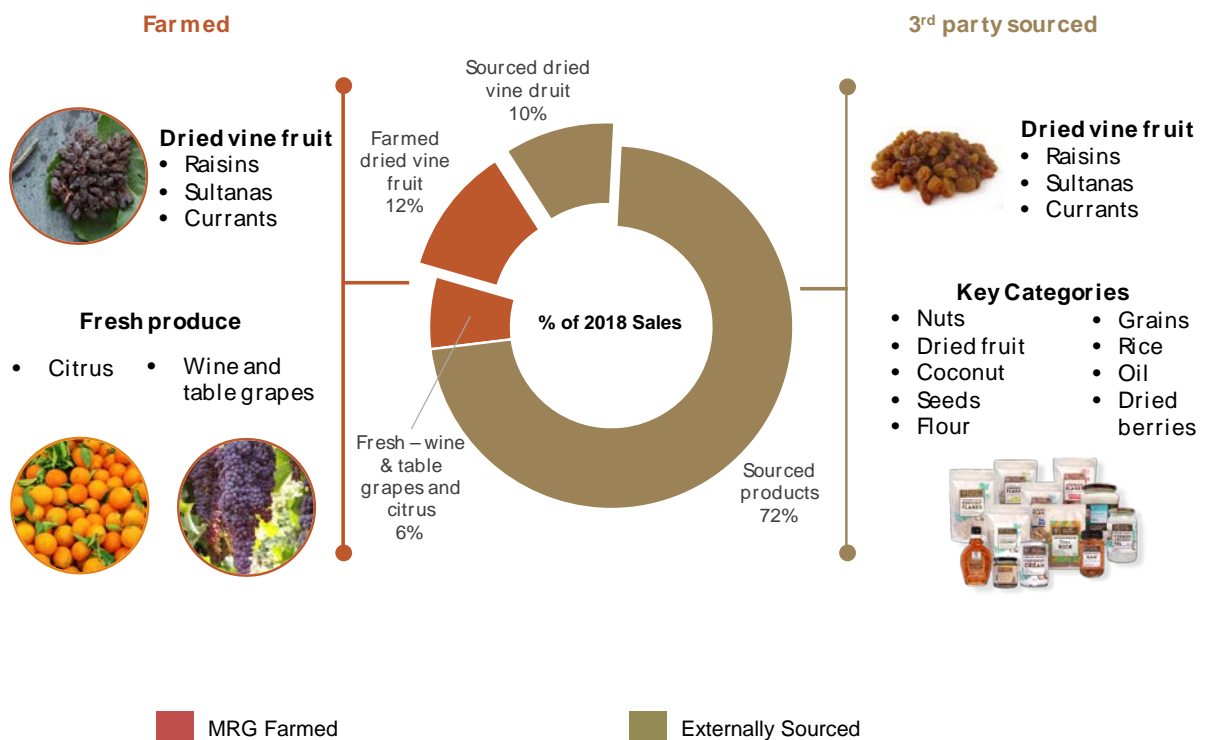
MRG has established a dedicated sourcing team to develop its strategic supply partnerships with grower producers with a focus on key organic and better-for-you categories including dried fruits, coconut, grains, flours, dried berries, seeds and hemp. MRG has already established key supply relationships across Australia, USA, South America, Turkey and Asia.

MRG's grower producer partnerships leverage its capability to value-add and deliver brand, marketing, new product development and sales activations across multiple channels to market including major retail, specialty retail and international retail/export.

In 2018 over 1,100 tonnes of dried vine fruit was supplied to MRG by Sunraysia growers and 2,606 tonnes of dried vine fruit was grown on farms owned or operated by Murray River Organics. A key part of MRG's sourcing strategy is its commitment to partnering with dried vine fruit growers in Sunraysia to increase supply of dried vine fruit for Australian and export markets.

As shown in Figure 5 below, 72% of MRG's FY18 revenues are associated with third party sourced products.

Figure 5: MRG raw material supply source



2.2.3 Processing and packing

Murray River Organics operates three facilities— a certified organic dried vine fruit processing facility in Mourquong, New South Wales (**Sunraysia Facility**); a certified organic manufacturing facility in Dandenong, Victoria (**Dandenong Facility**); and a shared warehouse facility in Dandenong South, Victoria (**South Park Drive Shared Facility**).

Figure 6: MRG's processing packing and warehouse facilities

Sunraysia Facility



Dandenong Facility



South Park Drive Shared Facility



Sunraysia Facility

The 43,600 m² property includes a packing shed and cool room where harvested dried vine fruit and clusters are graded, processed, dried, packed, stored (including dehydration and raw material storage), and distributed directly to overseas customers and to its Dandenong Facility for further processing and distribution.

The dried vine fruit processing at the Sunraysia Facility is substantially automated and involves dried vine fruit passing through dried vine fruit inspection points, two laser sorters and metal detectors, before being packed into plastic lined cartons then finally being sealed.

Dandenong Facility

MRG also operates a 4,219 m² certified organic packing, value-add and pick-pack facility in Dandenong, Victoria, which services the retail, industrial and food service markets internationally and in Australia. The facility operates multiple packing lines for all products, and also has freezing and cool room capabilities.

Consumer packaged products and products sold to wholesale customers pursuant to Murray River Organics' pick-pack service, are undertaken at the Dandenong Facility.

South Park Drive Shared Facility

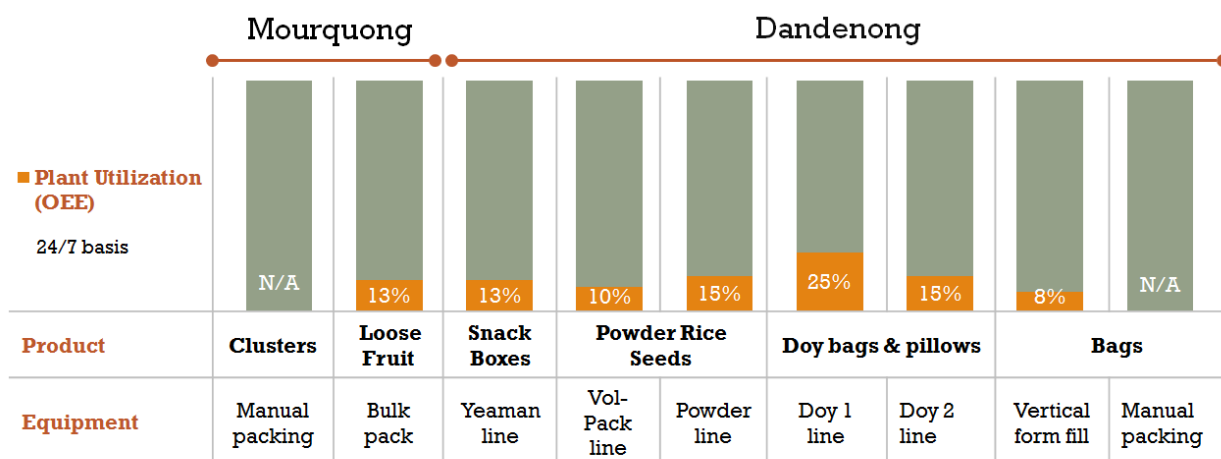
MRG leases 4,000 m² in a shared storage facility in Dandenong South, Victoria, to accommodate additional storage requirements of the business. Murray River Organics is currently reviewing the suitability of this facility with regard to the longer term operational and storage needs.

2.2.4 Facility Utilisation

The Sunraysia Facility, has the capacity to process approximately 15,000 tonnes of dried vine fruit in bulk and approximately 1,000 tonnes of clusters per year.

A recent management review of the Group's processing and packing operations identified significant excess capacity as indicated in Figure 7.

Figure 7: MRG manufacturing and processing facility utilisation



Facilities have extensive certification, including:



*Estimate as at May 2018

MRG management subsequently restructured its operations at its Dandenong facility and is focusing on further systems and process improvements to drive efficiency. Further details of the Company's turnaround strategy is explained in Section 2.4

2.2.5 Sales and Marketing

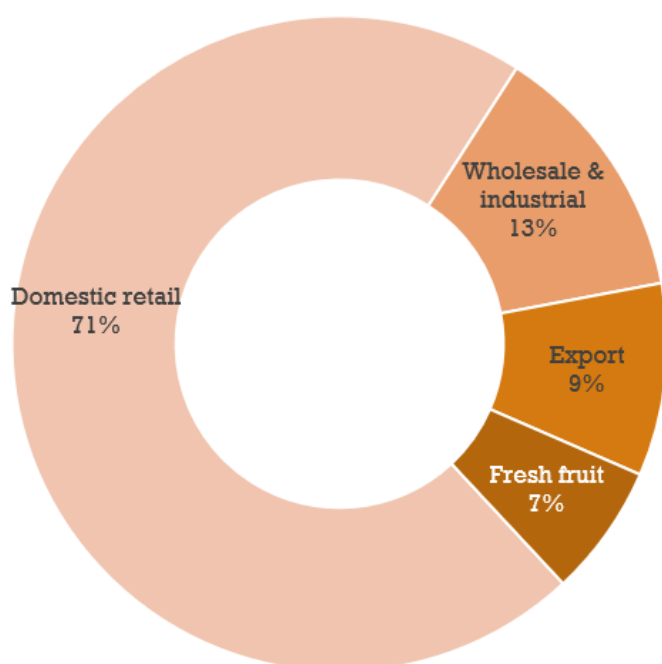
Murray River Organics' broad customer base includes retail customers (such as supermarkets, specialty retailers, organic food stores, mass-market, e-commerce retailers and convenience stores), wholesale and industrial customers (such as cereal manufacturers, bakeries and confectionary manufacturers), and food service channels (such as specialty and natural food distributors), in both Australia and overseas markets.

Markets

MRG's target markets can be broadly segmented into the following channels:

- National Retail – MRG product sold in supermarkets and specialty retail under both Murray River Organics' own brands and private label. Australian supermarkets and specialty retailers accounted for approximately 71% of the Group's FY18 sales revenue.
- Wholesale & Industrial – MRG sales of bulk product to wholesalers providing supply to other third parties (including retailers) and customers who use dried vine fruit in their products (e.g. bakery products, cereal products, confectionery).
- Export - MRG manages a variety of export channels across United States, Europe and Asia.
- Fresh fruit – sales of MRG citrus, wine grape and table grapes to processors and wine makers.

Figure 8: FY18 channel breakdown



MRG maintains contracted supply arrangements with its customers, typically with a duration of 1 to 3 years.

Murray River Organics is targeting export markets with a strong focus on building their brands in China, Japan, Vietnam and other Asian, European and United States markets. MRG will also continue to support Murray River Organics' supermarket partners with MRG branded and private label programs. Maintaining an appropriate customer mix will be crucial to the future performance of the Group.

Figure 9: MRG's existing export destinations

Existing export destinations⁽¹⁾

Asia Pacific

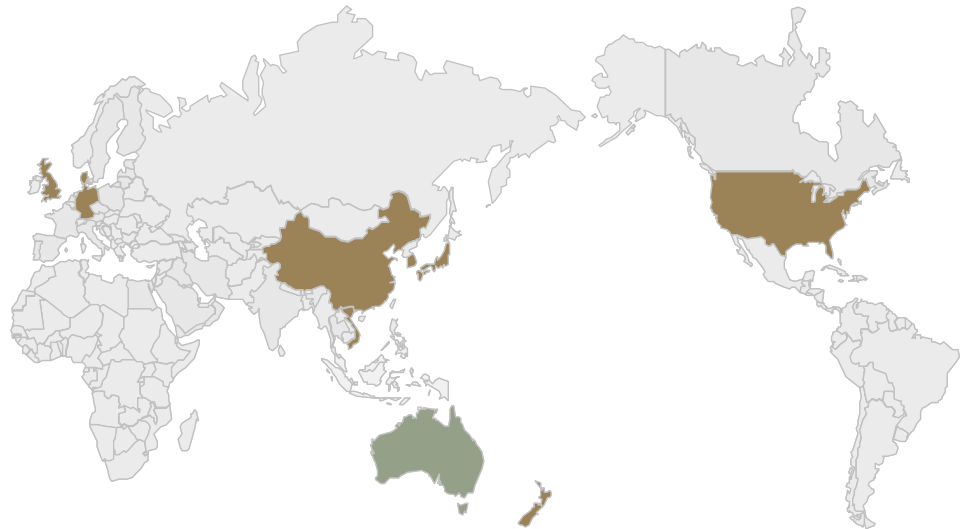
- China
- Vietnam
- Hong Kong
- Singapore
- Japan
- South Korea
- New Zealand

North America

- United States

EM EA

- Germany
- Denmark
- Netherlands
- UK







⁽¹⁾ Represents international markets to which MRG currently exports.

2.3 Products and Brands

Murray River Organics' core products include home grown and sourced certified organic and conventionally grown dried vine fruit, and sourced coconut, nuts, seeds, grains, dried berries and dried fruits. Murray River Organics' range currently comprises over 100 product lines.

Figure 10: MRG's Products and Brand Portfolio

MRG Brand Portfolio (Bulk):

Certified organic food products and ingredients	Murray River Organics	
Conventional food products and processed ingredients	MRO	
Certified organic and conventional dried vine clusters	Premium Australian Clusters	
Fresh	<ul style="list-style-type: none"> • Citrus • Wine and table grapes 	

MRG Brand Portfolio (Retail):

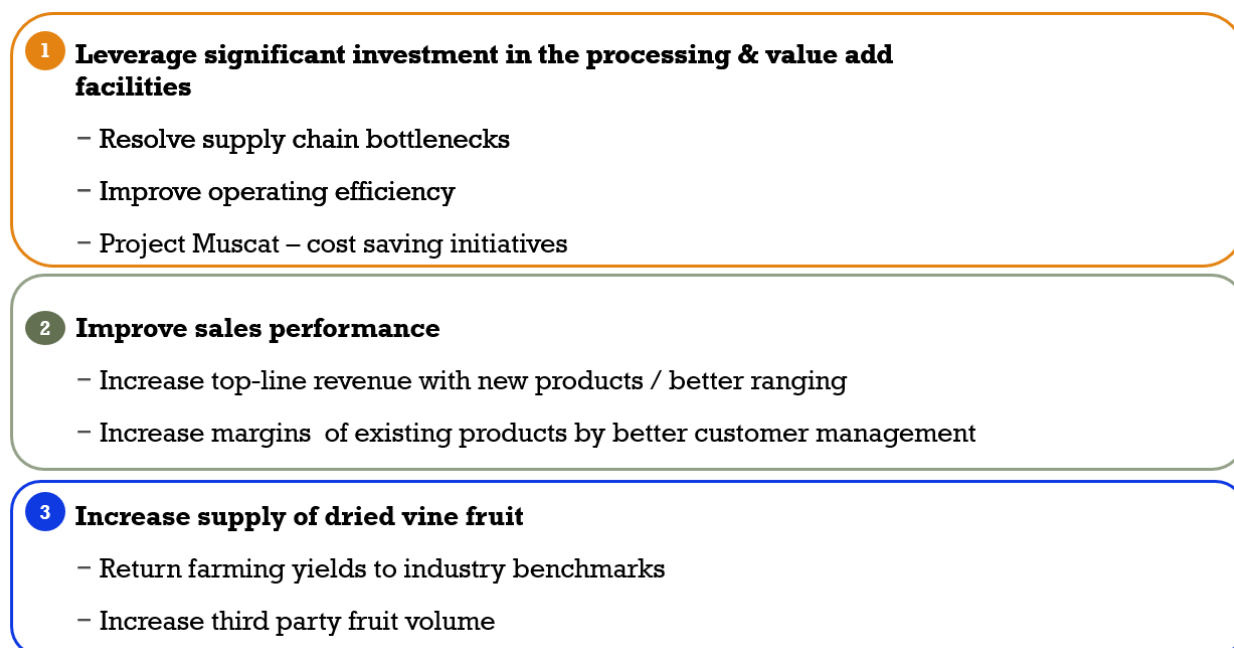
Dried vine fruit packed in re-sealable snack bags	Gobble	
Premium dry fruit mix for snacking	Snack'd	
Certified organic and conventional clusters packed for retail	Premium Australian Clusters	
Certified organic wholefoods	PACIFIC ORGANICS	

MRG has implemented several initiatives to improve margins including the expansion of its own branded range, marketing its Australian dried vine fruit, promoting its brands to key Asian markets and developing new products for existing retail and new channels. This is a core aspect of the turnaround strategy outlined in Section 2.4.

2.4 Turnaround Strategy

Following a strategic review completed earlier this year, the Company has initiated a transformational turnaround strategy to realise the potential of Murray River Organics' assets and to capitalise on growing demand for its organic and better-for-you products in its target markets. The transformation is being led by the Company's new Managing Director and CEO Valentina Tripp, who has assembled a team with proven experience across business transformation, FMCG, food processing and agriculture. The turnaround opportunity can be summarised into three categories as shown in Figure 11 below. As part of the review management identified material cost savings of approximately \$5.0 million per annum across the Group's businesses (referred to as Project Muscat)

Figure 11: Summary of the turnaround opportunity















The transformation program is well underway, with benefits currently being realised, and the new leadership team in place. The transformation is focused on six key areas:

1. operations;
2. customers;
3. farms;
4. third party grower relationships;
5. systems; and
6. people and culture.

The progress on each of these areas and key progress metrics are summarised in Figure 12 below.

Figure 12: Turnaround strategy progress

	Short term (6-12 months)	Progress	Medium term (3 years)	Progress Metric
1 Operations	<ul style="list-style-type: none"> Reset operating cost base in Dandenong Improve efficiency and fulfillment Implement warehouse management system 		<ul style="list-style-type: none"> Reconfigure warehouse footprint 	 Fill Rate >90% by Jun-19
2 Customers	<ul style="list-style-type: none"> Restructure sales team Full category range architecture & pricing review Improve customer management 		<ul style="list-style-type: none"> New product development Brand development and planning Entering new markets 	 New products ranged Increased margins
3 Farms	<ul style="list-style-type: none"> Complete Farm Operational Review Work with agronomy partner to build farm plans Implement centralised "farm services" model 		<ul style="list-style-type: none"> Improve nutrition, irrigation Adopt best practice farming methods 	 Improve yield performance
3 rd party suppliers	<ul style="list-style-type: none"> Build confidence in MRG as processor Reset strategic partnerships 		<ul style="list-style-type: none"> Partnering with growers Enhance strategic buying 	 Build confidence & sourced volumes
Systems	<ul style="list-style-type: none"> Reset SGARA Implement standard costing system Improve stock & purchasing controls Improved sales and operational reporting 		<ul style="list-style-type: none"> Continuous improvement 	
People & culture	<ul style="list-style-type: none"> Leadership structure reset Culture of values & performance Focus on OH&S 		<ul style="list-style-type: none"> Build KPI, outcome-based performance Embed safety first culture Develop our people & leadership 	

Operations – Sunraysia and Dandenong

Significant changes have been made to the operating model in the Dandenong Facility which will reduce MRG's cost base. These changes are also expected to improve service and delivery levels to meet customer expectations and improve inventory management to reduce instances of Murray River Organics not having sufficient stock on hand to meet customer needs. Murray River Organics is targeting a Fill Rate metric above 90% by 30 June 2019. Operational changes will continue to be implemented and monitored until Murray River Organics can achieve acceptable service and delivery targets.

Further cost savings are expected to result throughout the supply chain as the business continues to review and eliminate poor operational practices, seek alternative sources of third party raw materials and other services.

Customers

Growing sales and optimising the mix of products, particularly branded and value-added snacking products and building its export markets are key to MRG's longer term turnaround. Short term revenue potential from farmed products was previously constrained by lower yields, however Murray River Organics' ability to meet demand is expected to improve with better farming practices and increased additional sourcing supply from its grower partners. Greater volumes of raw materials will also drive improved processing efficiency at the Group's Dandenong and Sunraysia Facilities.

MRG intends to continue to grow both organically, through a continued focus on expanding and deepening customer relationships, product innovation and servicing new markets and geographies, and increasing the purchase and sale of third party products.

MRG is currently working in collaboration with the Group's retail partners on the development of new ranges, with a target launch date in 2019.

Farms

Murray River Organics' management team, with the support of external agronomy and technical farming partners, have commenced the implementation of 'Project Yield' - an action plan to address the underperformance of MRG's farming assets.

The foundations of Project Yield are built on having the right people, plans and processes, underpinned by best-practice farming to improve Murray River Organics' on-farm yields and achieve forecasts in a year with normal seasonal conditions. Actions taken to date that are expected to contribute to improved operational performance include:

- Centralisation of farm services including senior leadership and decision making, procurement, administration, budgetary control, irrigation and equipment maintenance.
- Appointment of agronomy and technical farming consultants, to provide specialist services across fresh and dried fruit, and citrus from August 2018.
- Engagement of personnel with the appropriate capabilities to support delivery of the Group's production targets.

Implementation and further development of Project Yield will continue over the coming months.

Third Party Grower Relationships

As discussed in Section 2.2.1 MRG is committed to partnering with third party dried vine fruit growers to grow the volume of MRG produced product and MRG is currently working to secure strategic partnerships with dried vine growers and other category suppliers.

Systems

The financial reporting of underlying EBITDA and management of margin has been adjusted from including the fair value gain or loss from biological assets (being post Self Generating and Regenerating Assets) (**SGARA**) to excluding SGARA. The impact of SGARA has been removed from day to day internal reporting and external reporting of underlying performance. The calculation of SGARA uses farm gate prices, amongst other inputs, and the Company's accounting policy in relation to biological assets and agricultural produce is detailed in the Company's 30 June 2018 financial report. .

Standard costing, stock and purchasing controls and reporting have all been implemented internally to manage sales and margins.

Whilst management has now rebuilt and re-set the fundamental internal reporting metrics of the business, ongoing refinement of systems and processes will continue to be undertaken.

People & culture

With the new Board and leadership team, Murray River Organics will continue to seek to build our capability and capacity across sales, marketing, farm operations, processing and distribution.

3. Details of the Offer and How to Apply.

3. Details of the Entitlement Offer and How to Apply

Except as expressly stated otherwise, this section describes the Retail Entitlement Offer and how Eligible Retail Shareholders can take up their Entitlements under the Retail Entitlement Offer. References to “you” are references to Eligible Retail Shareholders and references to “your Entitlements” (or “your Entitlement and Acceptance Form”) are references to the Entitlements (or Entitlement and Acceptance Form) of Eligible Retail Shareholders. The Underwriter will separately provide to Eligible Institutional Shareholders the details of their Entitlements and how to apply under the Institutional Entitlement Offer, at the commencement of the Institutional Entitlement Offer.

3.1 Overview of the Entitlement Offer

The Company intends to raise up to \$30.6 million under the Entitlement Offer.

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to purchase 2.4 New Shares for every 1 existing Share held as at the Record Date of 7.00pm (AEDT) on Thursday 11 October 2018, at the Offer Price of \$0.10 per New Share.

The Entitlement Offer is comprised of:

1. the **Institutional Entitlement Offer** - Eligible Institutional Shareholders are approached and required to decide whether or not they will take up their Entitlement. Entitlements under the Institutional Entitlement Offer are renounceable but not able to be traded on ASX (See Section 3.2). Entitlements not taken up by Eligible Institutional Shareholders and Entitlements of Ineligible Institutional Shareholders will be offered under a bookbuild to certain Institutional Investors (including those Eligible Institutional Shareholders who took up their full Entitlement) (See Section 3.3); and
2. the **Retail Entitlement Offer** - Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer under this Prospectus and are required to decide whether or not they will take up their Entitlement. Entitlements under the Retail Entitlement Offer are renounceable but not able to be traded on ASX (See Section 0). Entitlements not taken up by Eligible Retail Shareholders and Entitlements of Ineligible Retail Shareholders will be offered under a bookbuild to certain Institutional Investors (including those Eligible Institutional Shareholders who took up their full Entitlement) (See Section 3.5.).

The Entitlement Offer provides Eligible Shareholders with the opportunity to take up all or part of their Entitlements.

Based on the number of Shares on issue as at the date of the Entitlement Offer, a maximum of 306 million New Shares (subject to rounding) will be issued under the Entitlement Offer.

You have a number of decisions to make in respect of your Entitlements. You should read this Prospectus carefully before making any decisions in relation to your Entitlements.

The Retail Entitlement Offer opens on 15 October 2018 and will close at 5.00pm (AEDT) on 24 October 2018 (unless extended).

3.2 The Institutional Entitlement Offer

The Institutional Entitlement Offer will be offered to Eligible Institutional Shareholders between 9 October 2018 and 10 October 2018. Application Monies in respect of the Institutional Entitlement Offer will be received by the Underwriter by no later than 16 October 2018 and held in trust until New Shares under the Institutional Entitlement Offer are issued, which will be on Completion of the Offer. Trading on a normal settlement basis of those New Shares is expected to commence on ASX on the trading day after Completion of the Offer, when the voluntary suspension is lifted and trading in all Shares resumes.

3.2.1 Eligible Institutional Shareholders

Eligible Institutional Shareholders are those persons who receive an offer from the Company through the Underwriter to subscribe for New Shares under the Institutional Entitlement Offer on the basis that it is an Institutional Investor, including where the offer is made to a person for whom the Shareholder holds Shares.

3.2.2 Ineligible Institutional Shareholders

Ineligible Institutional Shareholders are those persons who hold Shares that are, or the person for whom they hold Shares, are an institutional investor that is in a jurisdiction other than Australia, New Zealand, Hong Kong or Malaysia. Ineligible Institutional Shareholders will be sent a letter in the form lodged with ASX.

Any person allocated New Shares under the Institutional Offer or Institutional Bookbuild does not have any entitlement to participate in the Retail Offer in respect of those New Shares.

3.3 Institutional Bookbuild

To the extent that the Institutional Offer is not fully subscribed, New Shares equivalent to the number in respect of which the Institutional Entitlement Offer to Eligible Institutional Shareholders has lapsed, together with any New Shares that would have been offered to Ineligible Institutional Shareholders if they had been entitled to participate in the Institutional Entitlement Offer, will be offered under the Institutional Bookbuild to certain Institutional Investors.

The Institutional Bookbuild will be conducted in conjunction with the Institutional Entitlement Offer between 9 October and 10 October. Eligible Institutional Shareholders who take up all of their Entitlement under the Institutional Entitlement Offer and other Institutional Investors will be invited by the Underwriter acting on behalf of the Company to participate in the Institutional Bookbuild.

The Price at which the New Shares are acquired by participants in the Institutional Bookbuild (**Institutional Bookbuild Price**) may not be less than the Offer Price but may be at a premium to the Offer Price. If the Institutional Bookbuild Price is at a premium to the Offer Price (**Institutional Premium**), the Institutional Premium will be paid on a pro-rata basis to Ineligible Institutional Shareholders and Eligible Institutional Shareholders who did not take up their full Entitlement. The Offer Price will be received by the Company as Application Monies for the New Shares.

Application Monies in respect of the Institutional Bookbuild will be received by the Underwriter by no later than 16 October 2018 and held in trust until New Shares under the Institutional Bookbuild are issued, which will be on Completion of the Offer. Trading on a normal settlement basis of those New Shares is expected to commence on ASX on the trading day after Completion of the Offer, when the voluntary suspension is lifted and trading in all Shares resumes.

3.4 The Retail Entitlement Offer

The Retail Entitlement Offer will be offered to Eligible Retail Shareholders between 15 October 2018 and 24 October 2018. Settlement of the issue of the New Shares under the Retail Entitlement Offer is expected to occur on 31 October 2018. Trading on a normal settlement basis of those New Shares is expected to commence on ASX on the trading day after Completion of the Offer, when the voluntary suspension is lifted and trading in all Shares resumes.

3.4.1 Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer (unless the Underwriter has agreed, in its absolute discretion, that a Shareholder who was invited to participate in the Institutional Entitlement Offer, may defer their participation to the Retail Entitlement Offer), and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer;
- are registered as a holder of existing Shares as at 7.00pm on the Record Date;
- have a registered address on the Company's share register in Australia or New Zealand as at the Record Date;
- are not in the United States and is not, and is not acting for the account or benefit of, a U.S. Person; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

3.4.2 Ineligible Retail Shareholders

Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders are Ineligible Retail Shareholders. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer. Ineligible Retail Shareholders will be sent a letter in the form lodged with ASX.

The Company reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Shareholders must comply with their local laws and are responsible for determining whether any laws may restrict them from participating in the Entitlement Offer. Refer to Section 3.14 for further details on foreign selling restrictions. If you are restricted and come into possession of this Prospectus, you should seek advice on and observe those restrictions. Any failure to comply with restrictions may constitute a violation of applicable securities laws.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees and custodians are therefore advised to seek independent professional advice as to how to proceed.

3.5 The Retail Bookbuild

To the extent that the Retail Entitlement Offer is not fully subscribed, New Shares equivalent to the number in respect of which the Retail Entitlement Offer to Eligible Retail Shareholders has lapsed, together with any New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, will be offered under the Retail Bookbuild to certain Institutional Investors.

The Retail Bookbuild will be conducted on 26 October.2018 If the price at which the New Shares are acquired by participants in the Retail Bookbuild (Retail Bookbuild Price) is higher than the Offer Price, the difference between the Retail Bookbuild Price and the Offer Price (Retail Premium) will be paid on a pro-rata basis to Ineligible Retail Shareholders and Eligible Retail Shareholders who do not take up their full Entitlement. The Offer Price will be received by the Company as Application Monies for the New Shares. If the Retail Bookbuild Price is not higher than the Offer Price the Company will receive the Offer Price in respect of all Shares issued under the Retail Bookbuild and no amount will be payable to Renouncing Retail Shareholders or Ineligible Retail Shareholders.

There is no guarantee that the price achieved under the Retail Bookbuild will match the price of the Institutional Bookbuild (or vice versa). Any premium that is remitted to renouncing shareholders under the Institutional Entitlement Offer is not an indication that the price achieved in the Retail Bookbuild will result in a premium being remitted to Renouncing Retail Shareholders.

Settlement of the issue of New Shares under the Retail Bookbuild is expected to occur on 31 October 2018. Trading on a normal settlement basis of those New Shares is expected to commence on ASX on the trading day after Completion of the Offer when the voluntary suspension is lifted and trading in all Shares resumes.

The ability to sell Entitlements in respect of New Shares under the Retail Bookbuild will be dependent on various factors including market conditions. Similarly, the Retail Bookbuild price may not be the highest price offered but will be determined by the Underwriter in consultation with the Company (each acting reasonably having regard to the outcome of the Retail Bookbuild), provided that (i) the Retail Bookbuild price will not be set higher than the Offer Price unless the Underwriter has received binding and bona fide offers from institutional investors that, in the reasonable opinion of the Underwriter, will (if accepted) result in allocations to dispose of all New Shares offered for sale through the Retail Bookbuild at a price higher than the Offer Price and (ii) the Retail Bookbuild price may not be higher than the price that would 'clear' the book.

To the maximum extent permitted by law, the Company, the Underwriter, and their respective related bodies corporate, agents or affiliates, or the directors, officers, employees or advisers of any of them, disclaim all liability, including for negligence, for any failure to procure applications for New Shares under the Retail Bookbuild at a price in excess of the Offer Price and for any difference between the price achieved through the Institutional Bookbuild and the Retail Bookbuild. The Retail Premium (if any) (net of expenses and any withholdings required by law) will be paid to Renouncing Shareholders and Ineligible Retail Shareholders in Australian dollars. If applicable, you will be paid by cheque sent by ordinary post to your address as recorded by the Share Registry.

Any proceeds you may receive as a result of the Retail Bookbuild may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

3.6 No Rights trading

There will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. As the Entitlements are renounceable, if you do not take up your Entitlement to New Shares under the Entitlement Offer in full by the Entitlement Offer Closing Date, you will be deemed to have renounced the Entitlements not taken up and these entitlements will be issued instead to the Nominee, who will sell them into the Retail Bookbuild, with any Retail Premium being returned to Renouncing Shareholders.

3.7 Eligible Retail Shareholders' Entitlement

If you are an Eligible Retail Shareholder, your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and calculated on the basis of 2.4 New Shares for every 1 existing Share you hold as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares will be fully paid and rank equally in all respects with existing Shares.

3.8 Options available to you

If you are an Eligible Retail Shareholder, you may take any one of the following options:

3.8.1 If you wish to take up all or part of your Entitlement

If you take up and pay for all of your Entitlement in accordance with the instructions under "Offer Details and How to Apply" and your personalised Entitlement and Acceptance form, before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 1 November 2018.

3.8.2 If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form (indicating the number of New Shares) with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, by no later than 5.00pm (AEDT) on 24 October 2018.

The Company will treat you as applying for as many New Shares (up to your Entitlement) as your payment will pay for in full. Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in your personalised Entitlement and Acceptance Form.

If you are paying by BPAY®, please make sure to use the specific biller code and unique reference number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the reference number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up and pay for all of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 1 November 2018.

The Company's decision on the number of New Shares to be issued to you under the Retail Entitlement Offer will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if the Company believes an Applicant's claim to be overstated or if an Applicant or their nominees or custodians fail to provide information to substantiate their claims to the Company's satisfaction.

3.8.3 If you wish to take up part of your Entitlement and renounce the balance

If you take up and pay for part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 1 November 2018.

The balance of your Entitlement will be deemed to have been renounced and will be sold under the Retail Bookbuild as set out below.

3.8.4 If you wish to do nothing, you are deemed to have renounced your Entitlement

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement (and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild on your behalf). You should note that if you renounce all or part of your Entitlement, then your percentage holding in the Company will be diluted by your non-participation in the Retail Entitlement Offer. Entitlements will not be able to be traded on ASX or another financial market, or otherwise privately transferred.

3.9 Ineligible Shareholders

The Company has determined that it is unreasonable to make offers under the Entitlement Offer to Shareholders who have registered addresses outside Australia, New Zealand, Hong Kong and Malaysia, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued pursuant to the Entitlement Offer, to Shareholders having a registered address outside Australia, New Zealand, Hong Kong and Malaysia.

Ineligible Shareholders are not eligible to participate in the Retail Entitlement Offer. However, the Entitlements that Ineligible Shareholders would otherwise have been entitled to will instead be issued to the Nominee, who will sell the Entitlements into the Retail Bookbuild and the Nominee will work with the Company to distribute any Retail Premium proportionately to Ineligible Retail Shareholders.

The Company reserves the right (in its absolute discretion) to extend the Offer to Shareholders who have registered addresses outside of the above jurisdictions in accordance with applicable law.

Shareholders must comply with their local laws and are responsible for determining whether any laws may restrict them from participating in the Offer. Refer to Section 3.14 for further details on foreign selling restrictions. If you are restricted and come into possession of this Prospectus, you should seek advice on and observe those restrictions. Any failure to comply with restrictions may constitute a violation of applicable securities laws.

3.10 Consider your specific investment objectives and circumstances

Please consult with your stockbroker, accountant, financial advisor, taxation advisor or other independent professional advisor if you have any queries or are uncertain about any aspects of the Offer. You should also refer to the risks associated with an investment in the Company and the New Shares which are set out in Section 6 of this Prospectus.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment to investors holding their shares in the Company.

3.11 Payment

You can pay in the following ways:

- by BPAY®; or
- by cheque or bank draft.

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

The Company will treat you as applying for as many New Shares (up to your Entitlements) under the Retail Entitlement Offer as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlements, you are deemed to have taken up your Entitlements in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on 24 October 2018. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

Payment by cheque or bank draft

For payment by cheque or bank draft, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to "Murray River Organics Group Limited" and crossed "Not Negotiable".

Your cheque or bank draft must be:

- for an amount equal to \$0.10 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies, as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

3.12 Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (AEDT) on 24 October 2018. If you make payment via cheque or bank draft, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Murray River Organics Group Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne, Victoria, 3001

By Hand (please do not use this address for mailing purposes)

Murray River Organics Group Limited
C/- Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, Victoria, 3067

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at other offices of the Share Registry or if mailed to the Company's registered or corporate offices.

3.13 ASX quotation and trading

The Company will apply within 7 days of the date of this Prospectus to the ASX for quotation of the New Shares on ASX. If approval is not given within three months after such application is made (or any longer period permitted by law), none of the New Shares offered under this Prospectus will be issued and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to ASX approval being granted, it is expected that normal trading of New Shares issued under the Institutional Entitlement Offer, and New Shares allotted under the Retail Entitlement Offer will commence on 2 November 2018.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell New Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Underwriter disclaim all liability, whether in negligence or otherwise, if you sell New Shares before receiving your holding statement.

3.14 Restrictions on distribution and selling restriction

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify this Prospectus, the Offer, the Entitlements, the New Shares or the Advisor Options or otherwise permit the public offering of the New Shares or the Advisor Options, in any jurisdiction other than Australia except to the extent permitted below.

The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

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

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

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. None of the New Shares may be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for

subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

3.15 Representations by acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to the Company that you are an Eligible Retail Shareholder and:

- acknowledge that you have personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) accompanying the Entitlement and Acceptance Form and have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus and the Company's Constitution;
- authorise the Company to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your Entitlement and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as permitted by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®;
- authorise the Company, the Underwriter and the Share Registry and their respective Officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge (and have read) the statement of key risks outlined in Section 6 of this Prospectus, and acknowledge that investments in MRG are subject to risk;
- acknowledge that none of the Company, the Underwriter or their related bodies corporate and affiliates and their respective directors, Officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of MRG, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;

- represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee (other than in respect of other underlying holdings);
- represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you, and each person on whose account you are acting, are not in the United States;
- you, and each person on whose account you are acting, understand and acknowledge that the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand and accordingly, the Entitlement may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- you have not and you will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Notwithstanding the foregoing, after quotation and the commencement of trading of the New Shares, you may sell such New Shares in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand or such other country that does not prohibit the beneficial holder from being given this Prospectus or the personalised Entitlement and Acceptance Form, or prohibit the beneficial holder from making an application for New Shares and is not in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Offer to any such person.

3.16 Discretion regarding the Offer

The Company reserves the right to withdraw all or part of the Offer and this Prospectus at any time, subject to applicable laws, in which case the Company will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

The Company and the Underwriter also reserve the right to close the Offer early, extend the Offer, accept late Applications either generally or in particular cases, reject any application, or allocate to any Applicant fewer New Shares than applied for.

3.17 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday during the Entitlement Offer period. Alternatively, you can access information about the Entitlement Offer online at <https://murrayriverorganicsoffer.thereachagency.com>. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

4.

Purpose and Effect of the Offer.

4. Purpose and Effect of the Offer

4.1 Sources and uses of funds of the Offer

The Company is seeking to raise approximately \$30.6 million pursuant to the Offer. The total gross proceeds of the Offer will be equal to the number of New Shares issued under the Entitlement Offer multiplied by the Offer Price.

The following table details the sources and uses of the proceeds of the Offer.

Sources	\$m	%	Uses of funds	\$m	%
Entitlement Offer	\$30.6	100%	Vineyard development	\$10.5	34%
			Third party fruit supply	\$5.1	17%
			Operational cash loss	\$2.8	9%
			Colignan farm lease payments	\$5.0	16%
			Working Capital	\$4.0	13%
			Transaction costs	\$3.2	11%
Total	\$30.6	100%	Total	\$30.6	100%

Transaction costs includes the expenses associated with the Offer.

4.2 Capital structure

4.2.1 Current capital structure as at the Record Date

Summary capital table

	Total number of fully paid ordinary Shares	Total number of Unquoted Options	Total number of Performance Rights
Securities on issue as at the Record Date	127,576,703	-	500,527

Performance Rights

Number	Number of Performance Rights
500,527	500,527

4.2.2 Effect of Offer on capital structure

A table setting out the effect of the Offer and the issue of Advisor Options on the capital structure of the Company (on an undiluted basis) is set out below.

	As at the Record Date	On Completion of the Offer
Ordinary Shares ³	127,576,703	433,760,790
Advisor Options	-	3,825,000
Unquoted Options (excluding the Advisor Options)	-	-
Performance Rights	500,527	500,527

4.3 Effect of the Offer on Control of the Company

As the Entitlement Offer is structured as a pro rata issue to all Eligible Shareholders, it will not have any material effect or consequence on the control of the Company if all Eligible Shareholders take up their Entitlements. If some Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their shareholding in the Company will be diluted. The shareholding of Shareholders who only take up part of their Entitlements will also be diluted, but to a lesser extent.

³ The number of Shares on issue on Completion of the Offer will depend on a number of factors, including the reconciliation and rounding of Entitlements.

The Company's largest Shareholder, Thorney Investment Group (**Thorney**), (with a relevant interest in Shares constituting Voting Power of 19.99% in the Company based on substantial holding notices that have been given to the Company and lodged with ASX on or prior to the date of this Prospectus) has committed to take up 100% of its Entitlements and to act as sub-underwriter to the Underwriter for up to 88.8 million Shortfall Shares.

Under section 606 of the Corporations Act, a person cannot acquire a relevant interest in the issued voting shares of a company if, because of a transaction in relation to securities of that company, a person'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%).

The table below indicates that, as a result of subscribing for New Shares in accordance with its own Entitlement and subscribing for any Shortfall Shares in accordance with its sub-underwriting obligations (if required to do so by the, Underwriter) Thorney may increase its Voting Power above 20%.

Item 13 of section 611 of the Corporations Act (**Underwriting Exception**) provides an exception to section 606 of the Corporations Act for an acquisition that results from an issue under a disclosure document (such as this Prospectus) of securities in a company if:

- a) the issue is to a person as underwriter to the issue or sub-underwriter; and
- b) the disclosure document discloses the effect that the acquisition would have on the person's Voting Power in the company.

In the event that there are Shortfall Shares and the Underwriter allocates any Shortfall Shares to Thorney in accordance with its sub-underwriting commitment, the potential effect or consequence on the control of the Company due to Thorney being required to subscribe for Shortfall Shares is as follows:

Thorney holding following take-up of their Entitlement	Percentage take up by Eligible Shareholders (other than Thorney)	Maximum potential allocation of New Shares to Thorney assuming pro-rata allocation ¹	Potential number Shares held by Thorney post Completion of the Offer ²	Potential Voting Power % of Thorney post Completion of the Offer
86,700,000	100%	-	86,700,000	19.99%
86,700,000	75%	61,246,022	147,946,022	34.11%
86,700,000	50%	88,800,000	175,500,000	40.46%
86,700,000	25%	88,800,000	175,500,000	40.46%
86,700,000	0%	88,800,000	175,500,000	40.46%

1. Allocation to sub-underwriters is at the discretion of the Underwriter, but this column shows the maximum potential allocation to Thorney.
2. The number of Shares held by Thorney post Completion of the Offer shown in this column assumes that Thorney subscribes for 100% of its Entitlements and that the Underwriter exercises discretion to allocate 100% of Shortfall Shares to Thorney, subject to Thorney's maximum sub-underwriting commitment of 88.8 million Shares.

The number of Shares acquired by Thorney pursuant to its sub-underwriting obligation, and therefore Voting Power of Thorney post Completion of the Offer, will be reduced by the number of Entitlements accepted by other Eligible Shareholders under the Offer, the Entitlements taken up by Institutional Investors participating in the Institutional Bookbuild and Retail Bookbuild and the proportion of any Shortfall shares allocated by the Underwriter to other sub-underwriters.

5. Financial Information.

5. Financial Information

5.1 Introduction

The financial information for the Company and its subsidiaries contained in Section 5 includes:

- the statutory consolidated historical statement of financial position as at 30 June 2018. (hereafter “the Historical Financial Information”); and
- the pro forma consolidated historical statement of financial position as at 30 June 2018. (hereafter “the Pro Forma Historical Financial Information”).
- (collectively, the “Financial Information”).

Section 5.2 also summarises the basis of preparation and presentation of the Financial Information.

The Financial Information has been reviewed and reported on by Ernst & Young Transaction Advisory Services Limited as set out in the Independent Limited Assurance Report (ILAR) in Section 9. Investors should note the scope and limitations of the ILAR (refer to Section 9). Total and Sub-totals in tables may not reconcile due to rounding differences.

The information in Section 5 should also be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

All amounts disclosed in this Section are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$1,000.

5.2 Basis of preparation and presentation of financial information

5.2.1 Overview

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Financial Information contained in this Prospectus is intended to present potential investors with information to assist them in understanding the financial position of the Company.

The Company is an incorporated public company and was incorporated on 6 September 2016.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of the pro forma adjustments described in Section 5.3. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the impact of certain transactions as if they occurred on or before 30 June 2018 for the Pro Forma Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent MRG's actual or prospective financial position.

The Financial Information has been presented in an abbreviated form insofar as it does not include all of the presentation, disclosures, statements or comparative information as required by AAS applicable to annual general purpose financial reports prepared in accordance with the Corporations Act.

The accounting policies adopted in the Pro Forma Historical Financial Information are consistent with the accounting policies adopted and described in the Company's annual financial report for the year ended 30 June 2018 and should be read in conjunction with those reports. The annual financial report of Murray River Organics for the year ended 30 June 2018 is available from Murray River Organics' website (murrayriverorganicsinvestors.com.au) or the ASX website (www.asx.com.au).

5.2.2 Preparation of Historical and Pro Forma Historical Financial Information

The Historical Financial Information has been derived from the annual financial report of the Company for the year ended 30 June 2018, which was audited by Ernst & Young and an unqualified audit opinion was issued, and included an emphasis of matter regarding a material uncertainty in relation to the Group's ability to continue as a going concern. The financial report of Murray River Organics for the year ended 30 June 2018 is available from Murray River Organics' website (murrayriverorganicsinvestors.com.au) or the ASX website (www.asx.com.au).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for pro forma transactions to reflect (i) the impact of the Entitlement Offer as if the Entitlement Offer occurred on 30 June 2018; and (ii) the impact of the multi-option debt facility (conditional on Completion of the Offer being the reduction in net debt, the reclassification of borrowings between current and non-current liabilities and the recognition of debt facility costs, as if the multi-option debt facility was in place at 30 June 2018.

Section 5.3 sets out a reconciliation between the Historical Financial Information and the Pro Forma Historical Financial Information as at 30 June 2018.

5.2.3 Going concern

The Historical Financial Information has been prepared on a going concern basis, which assumes continuity of the Company's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Historical Financial Information reflects a net current asset deficiency position of \$25.062m and the auditor's unqualified audit opinion with respect to the financial report for the year ended 30 June 2018 included an emphasis of matter regarding a material uncertainty in relation to the Group's ability to continue as a going concern.

The Offer is to provide sufficient capital to execute the Company's turnaround strategy.

Following Completion of the Offer, the Company expects the Pro Forma Historical Financial Information to reflect a net current asset position of \$18.113m. Consequently, the Directors of the Company consider the going concern basis of preparation to be appropriate given consideration to:

- Forecast operating cash flows anticipated to be generated;
- Availability of adequate debt funding through the execution of the multi-option debt facility; and
- Forecast compliance with financial covenants imposed under the multi-option debt facility.

The Historical Financial Information and Pro Forma Historical Financial Information do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor the classification of liabilities that might be necessary should the Company not continue as a going concern.

5.2.4 Explanation of certain non-International Financial Reporting Standards (IFRS) financial measures

Investors should be aware that certain information included in this Section 5 is considered 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes that these non-IFRS financial measures provide useful information to readers in measuring the financial performance and condition of the Company. As non-IFRS financial measures are not defined under AAS or IFRS, these do not have a prescribed meaning. Therefore, the way in which MRG

calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-IFRS financial measures.

In particular, the following non-IFRS financial measures are included in the Prospectus:

1. Net Debt

- Net Debt represents total borrowings less cash and cash equivalents.

2. Net Bank Debt

- Net Bank Debt represents total borrowings (excluding the Colignan property lease liability) less cash and cash equivalents.
- Management believes this is a useful measure as it displays MRG's credit position.
- One of the limitations of this measure is that cash and cash equivalents may be required for purposes other than debt reduction.

3. EBITDA

- EBITDA represents earnings before interest, tax, depreciation, amortisation and impairment.

4. Underlying EBITDA

- Underlying EBITDA represents EBITDA adjusted for items not considered to reflect results from underlying operations as agreed between MRG and the National Australia Bank.

5. EBITDA before SGARA

- EBITDA before SGARA represents EBITDA before the fair value gain or loss on Self-Generating and Regenerating Assets (biological assets).

6. Underlying EBITDA before SGARA

- Underlying EBITDA before SGARA represents Underlying EBITDA before the fair value gain or loss on Self-Generating and Regenerating Assets (biological assets).

7. Net Tangible Assets (NTA)

- Net Tangible Assets represents total assets less intangible assets less total liabilities (excluding deferred tax liabilities) less deferred tax assets.

5.3 Historical Financial Information, pro forma adjustments and Pro Forma Historical Financial Information

The Historical Financial Information and Pro Forma Historical Financial Information of Murray River Organics as at 30 June 2018 are set out below.

The basis of preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information is detailed in Section 5.2. A reconciliation of adjustments between the Historical Financial Information and Pro Forma Historical Financial Information is summarised in Table 1 below.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of Murray River Organics' view on its future financial position. In particular, it does not take into account any operating losses and cash generated or utilised by Murray River Organics from 30 June 2018 to Completion of the Offer. It has also not been prepared on a fully diluted basis meaning that it assumes that none of the existing Performance Rights vest, nor any of the Advisor Options, are exercised.

Further information on the sources and uses of funds of the Offer is contained in Section 4.

Table 1: Reconciliation of the Historical Financial Information to the Pro Forma Historical Financial Information

\$'000	Note	2018 Statutory historical statement of financial position ⁽¹⁾	Equity raising	Transaction costs	Impact of the Offer ⁽²⁾	Debt facility costs ⁽³⁾	Banking restructure - reclassification of debt ⁽⁴⁾	Pro forma
Current assets								
Cash and cash equivalents		4	3,169	(3,169)	-			4
Trade and other receivables		6,729						6,729
Inventories		16,194						16,194
Agricultural produce		2,621						2,621
Other assets		1,320						1,320
Other financial asset		169						169
		27,037	3,169	(3,169)	-	-	-	27,037
Assets held for sale		7,642						7,642
Total current assets		34,679	3,169	(3,169)	-	-	-	34,679
Non-current assets								
Property, plant and equipment		67,610						67,610
Intangible assets		-						-
Deferred tax assets	5	-						-
Total non-current assets		67,610	-	-	-	-	-	67,610
Total assets		102,289	3,169	(3,169)	-	-	-	102,289
Current liabilities								
Trade and other payables		11,825				222		12,047
Borrowings		47,161	(27,431)		(27,431)	(222)	(15,744)	3,764
Provisions		755						755
Other financial liability		-						-
Income tax payable		-						-
Total current liabilities		59,741	(27,431)	-	(27,431)	-	(15,744)	16,566
Non-current liabilities								
Borrowings		22,133					15,744	37,877
Deferred tax liabilities		-						-
Provisions		440						440
Total non-current liabilities		22,573	-	-	-	-	15,744	38,317
Total liabilities		82,314	(27,431)	-	(27,431)	-	-	54,883
Net assets		19,975	30,600	(3,169)	27,431	-	-	47,406
Equity								
Contributed equity		123,832	30,600	(3,275)	27,325			151,157
Reserves		(40,127)		106	106			(40,021)
Accumulated losses		(63,730)						(63,730)
Total equity		19,975	30,600	(3,169)	27,431	-	-	47,406

Notes:

(1) Historical Financial Information

The Historical Financial Information is in reference to the statutory consolidated statement of financial position as at 30 June 2018 and reported within the Company's 30 June 2018 financial report.

(2) Impacts of the Offer

Under the terms of the Entitlement Offer, MRG is offering to issue 306,184,087 new fully paid ordinary shares to raise \$30.600m before transactions costs of \$3.275m. The \$3.275m of transaction costs includes issuing EM Advisory with 3,825,000 options over the ordinary shares in the Company (being the Advisor Options) with an aggregate fair value of \$0.106m, equating to a fair value of \$0.0276 per option. The Advisor Options will vest on Completion of the Offer and will be exercisable upon vesting at an exercise price of \$0.12 per option, being 20% greater than the Offer Price per New Share under the Offer. The Advisor Options have an expiry date of 3 years following the grant date.

The fair value of the Advisor Options has been calculated using a Black-Scholes option pricing methodology and applying assumptions considered reasonable at the date of the Prospectus. The fair value of the Advisor Options will be reassessed at the grant date which may result in a change to the fair valuation reflected in the Pro Forma Historical Information.

(3) Multi-option debt facility and other costs

As a result of entering the multi option debt facility, which is conditional on Completion of the Offer, \$0.222m of borrowing costs incurred in respect of the multi-option debt facility will be capitalised and amortised over the term of the facility.

(4) Multi-option debt facility – reclassification of debt

Under the terms of the multi-option debt facility, which is conditional on Completion of the Offer, \$15.744m of borrowings will be reclassified from current liabilities to non-current liabilities.

(5) Deferred tax assets

At 30 June 2018, MRG had recognised \$1.264m of income tax losses, which have been offset by deferred tax liabilities and consequently a nil balance is shown for deferred tax assets and deferred tax liabilities at 30 June 2018. In order for MRG to carry forward or recoup the income tax losses in the future when MRG generates taxable income, it must demonstrate that the 'continuity of ownership test' is satisfied, or failing this, the 'same business test' is satisfied. In accordance with independent advice, at the time of the Prospectus, the ability of MRG to satisfy either of the recoupment tests at the time it seeks to utilise the available income tax losses will not be known.

(6) Historical net current asset deficiency

At 30 June 2018, MRG had a historical net current asset deficiency of \$25.062m. Following completion of the Offer and finalisation of the multi-option debt facility, MRG will have a net current asset surplus of \$18.113m and the Directors believe MRG will be able to finance its ongoing operations, including meeting future interest payments on its borrowings and the Financial Covenants of the multi-option debt facility.

(7) Reconciliation of share capital

Table 2 sets out a reconciliation of the number of fully paid ordinary shares, options and Performance Rights of MRG as at 30 June 2018, before and immediately after Completion of the Offer:

Table 2: Reconciliation of Share Capital

\$'000	30 June 2018 Statutory consolidated historical statement of financial position	Impacts of the Entitlement Offer^(a)	Pro forma consolidated historical statement of financial position
Fully paid ordinary shares	127,576,703	306,184,087	433,760,790
Options	-	3,825,00	3,825,00
Performance Rights	500,527	-	500,527

Table 2 excludes the impact of options and Performance Rights to be offered outside of the Entitlement Offer to Non-Executive Directors, Key Management Personnel and the Management Team as described in Section 7.3.

Notes:

(a) Impact of the Entitlement Offer

Under the terms of the Entitlement Offer, MRG is offering to issue 306,184,087 new fully paid ordinary shares to raise \$30.600m before transactions costs of \$3.275m. The \$3.275m of transaction costs includes issuing EM Advisory with 3,825,000 options over the ordinary shares in the Company (being the Advisor Options) with an aggregate fair value of \$0.106m, equating to a fair value of \$0.0276 per option. The Advisor Options will vest on Completion of the Offer and will be exercisable upon vesting at an exercise price of \$0.12 per option, being 20% greater than the Offer Price per New Share under the Offer. The Advisor Options have an expiry date of 3 years following the grant date.

The fair value of the Advisor Options has been calculated using a Black-Scholes option pricing methodology and applying assumptions considered reasonable at the date of the Prospectus. The fair value of the Advisor Options will be reassessed at the grant date which may result in a change to fair valuation reflected in the Pro Forma Historical Information

(8) Reconciliation of total equity

Table sets out a reconciliation of the total equity of the Company as at 30 June 2018, before and immediately after Completion of the Offer:

Table 3: Reconciliation of Total Equity

\$'000	30 June 2018
Total Equity per Historical Information	19,975
Proceeds from Entitlement Offer	30,600
Transaction Costs, including EM Advisory options (Advisor Options) ^(a)	(3,275)
Impact of EM Advisory options (Advisor Options) to reserves ^(b)	106
Total Equity per Pro Forma Historical Information	47,406

Notes:

(a) Transaction Costs, including EM Advisory options (Advisor Options)

Under the terms of the Entitlement Offer, MRG is offering to issue 306,184,087 new fully paid ordinary shares to raise \$30.600m before transactions costs of \$3.275m. The \$3.275m of transaction costs includes issuing EM Advisory with 3,825,000 options over the ordinary shares in the Company (being the Advisor Options) with an aggregate fair value of \$0.106m, equating to a fair value of \$0.0276 per option. The Advisor Options will vest on Completion of the Offer and will be exercisable upon vesting at an exercise price of \$0.12 per option, being 20% greater than the Offer Price per New Share under the Offer. The Advisor Options have an expiry date of 3 years following the grant date.

The fair value of the Advisor Options has been calculated using a Black-Scholes option pricing methodology and applying assumptions considered reasonable at the date of the Prospectus. The fair value of the Advisor Options will be reassessed at the grant date which may result in a change to fair valuation reflected in the Pro Forma Historical Information.

(b) Impact of EM Advisory options (Advisor Options) to reserves

Advisor Options with a fair value of \$0.106m are accounted for as a reduction to contributed equity (included in transaction costs of \$3.275m) with a corresponding increase in reserves.

(9) Subsequent events to the Historical Financial Information

Since 30 June 2018, the Group has increased its bank overdraft facility (as part of the existing NAB banking facilities) by an additional \$9.4m. This has taken the Group's total bank debt facilities (including bank guarantees) to \$56.713m.

On satisfaction of all conditions precedent as detailed in Section 5.5, the Group is expecting to finalise the multi-option banking facility (Banking Facilities) (together with, in part, proceeds from the issue of New Shares by the Company under the Offer) which will be utilised to refinance and reduce MRG's existing NAB banking facilities.

5.4 Indebtedness

The Pro Forma Historical Financial Information reflects the new multi option debt facilities as if they existed as at 30 June 2018. As such, the Net Debt reflected in the Pro Forma Historical Financial Information as at 30 June 2018 of \$48.131m does not reflect the various anticipated cash requirements of the business between 30 June 2018 and Completion of the Offer.

Table 4 sets out the indebtedness of MRG as at 30 June 2018, before and immediately after Completion of the Offer:

Table 4: Aggregated historical Net Debt to the pro forma historical Net Debt as at 30 June 2018

\$'000	30 June 2018
Cash and cash equivalents	(4)
Current borrowings	47,161
Non-current borrowings	22,133
Net Debt before Completion of the Offer (Historical Financial Information)	69,290
Repayment of current borrowings with proceeds from Entitlement Offer	(27,431)
Capitalised facility fees in respect of multi-option debt facility	(222)
Net Debt after Completion of the Offer (Pro Forma Historical Financial Information)	41,637
Comprising of:	
Net Bank Debt	17,215
Lease liabilities – Colignan property	24,422
Net Debt after Completion of the Offer (Pro Forma Historical Financial Information)	41,637

5.5 Description of Banking Facilities

5.5.1 Background

Murray River Organics Limited has received from its financier, the National Australia Bank, a credit approved term sheet dated 27 September 2018 for the provision of a multi-option facility (Banking Facilities) which expires on 30 November 2021. The details are as follows:

- a \$34.000 million term loan facility with \$6.0 million in additional staged drawdowns (Facility 1);
 - a \$10.500 million working capital facility commencing on 31 July 2019 and increasing to \$15.000 million from 31 July 2020 (Facility 2);
 - a \$7.300 million equipment finance loan facility (Facility 3);
 - a \$1.530 million bank guarantee (Facility 4); and
 - a \$0.100 million card facility (Facility 5),
- (together, the **Banking Facilities**).

The availability of funding under the Banking Facilities is conditional upon completion of a gross capital raise of not less than \$30.000 million (excluding transaction costs) by 1 December 2018 and MRG anticipate other conditions precedent which are customary for facilities of the nature of the Banking Facilities.

On satisfaction of all conditions precedent, funding provided under the Banking Facilities (together with proceeds from the issue of New Shares by Murray River Organics under the Offer) will be utilised to refinance and reduce MRG's existing debt and working capital facilities.

The Banking Facilities will be available as follows:

- Facility 1 is a core debt facility available for the purposes of refinancing existing debt and working capital facilities;
- Facility 2 is a working capital facility which will commence on 31 July 2019 with an initial limit of \$10.500 million, increasing to \$15.000 million from 31 July 2020;
- Facility 1 and Facility 2 are available to be drawn throughout their terms, subject to any permanent reduction (prepayment) of Facility 1 as described below at 5.5.9;
- Facility 3 is an equipment leasing facility with an initial limit of \$7.300 million. Additional equipment finance is subject to the provision of a capital expenditure budget and equipment/asset review for any assets to be funded;
- Facility 4 is a bank guarantee facility with a limit of \$1.530 million.
- Facility 5 is a business card facility with a limit of \$0.100 million.

5.5.2 Security

The Banking Facilities will be secured by:

- a general security agreement over the assets of Murray River Organics Limited and each other Group entity and
- a registered mortgage over all the properties owned by each Group entity.

5.5.3 Guarantors

The Banking Facilities are required to be guaranteed by each Group entity.

5.5.4 Interest rates and payments

Each of Facility 1 and Facility 2 bears interest at a Base Rate plus the applicable margin. The Base Rate is determined by the financier and is to be equal to the Australian Bank Bill Swap Reference Rate (Bid) administered by ASX Benchmarks displayed on page BBSY of the Thomson Reuters Screen on the first day of that pricing period for a period equal to that pricing period and which starts on that day, and NAB's minimum return margin for the tenor of the pricing period.

Interest for Facility 1 and Facility 2 is payable on the last day of each interest period (which shall be for 30 to 180 days).

5.5.5 Events of default

The Banking Facilities will contain certain events of default which are customary for facilities and a business of the nature of Murray River Organics business and include where:

- an Obligor defaults in payment of amounts when due and payable;
- there is a failure to comply with financial covenants;
- there is a failure by any Obligor to observe or perform any undertaking; and
- an insolvency event occurs in respect of an Obligor.

MRG anticipates that at any time after and during the continuance of an event of default, the NAB will be entitled to, among other things, terminate the commitments and declare the loans then outstanding to be due and payable in whole or part.

5.5.6 Representations and warranties

The Banking Facilities will contain appropriate representations and warranties for facilities of this nature. MRG anticipates that the Banking Facilities will contain customary representations and warranties including that:

- the Company is duly incorporated and has duly executed the facility documents;
- there is no litigation pending or threatened (subject to a material adverse effect qualification);
- there is no event of default; and
- the necessary authorisations required for each of the facility documents have been obtained.

5.5.7 Reporting requirements

The Obligors are subject to usual positive reporting under the Banking Facilities including and undertaking to provide:

- Annual audited statutory accounts within 90 days of 30 June each year;
- Half year financial statements within 60 days of 31 December each year;
- An annual Board approved budget by 15 June each year;
- Quarterly three-way reports including actual to budget and variance on key line items (including the Vineyard Development costs) within 45 days of quarters ended September, December, March and June;
- Farming, crop (biological asset) and production operational management reports are to be provided at the quarters ending September, December and March and on completion of harvest, yield information by farm.

5.5.8 Financial Covenants

The following Financial Covenants apply:

- Underlying EBITDA before SGARA to not adversely vary from the forecasted position provided to and accepted by NAB for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- Minimum Net Tangible Assets (NTA) to not adversely vary from the forecasted position provided to and accepted by NAB for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021.

The Financial Covenants can be reviewed upon request based upon updated Board approved forecasts as deemed acceptable by NAB. Both covenants exclude the impacts of new accounting standards introduced during the term of the Banking Facilities. MRG expects to comply with the Financial Covenants and other undertakings of the Banking Facilities.

5.5.9 Prepayment

The proceeds from the disposal of any of the Group's real property assets are to be applied to the permanent reduction of Facility 1 and any other outstanding balances.

MRG anticipates that market standard provisions will exist under the Banking Facilities in relation to prepayments, including:

- the right to repay any loan in whole or part, subject to the prepayment or break costs; and
- a requirement to prepay the Banking Facilities in full if all or substantially all of the assets or businesses of the Company are disposed.

5.5.10 Fees

- MRG anticipates that fees will be market for facilities of this nature and include an upfront establishment fee, and any applicable legal, documentation and registration fees.

5.5.11 Conditions precedent

The availability of the Banking Facilities is subject to:

- the completion of capital raise of not less than \$30.000 million gross by 1 December 2018; and
- any additional equipment finance under Facility 3 is subject to provision of a Capital Expenditure budget and equipment/asset review for any assets to be funded to the satisfaction of NAB.

6. Key risks.

6. Key risks

6.1 Introduction

This Section identifies some of the key material risks associated with MRG's business, the industry in which it operates, and the risks associated with an investment in Shares. MRG is subject to a number of risks both specific to its business activities, and of a general nature. Individually, or in conjunction, these may materially adversely impact the future operating and financial performance of MRG, the investment returns and the value of Shares.

The occurrence or consequences of some of the risks described in this Section are partially or completely outside of the control of MRG, its Directors and Management Team. Investors should note that this Section 6 does not purport to list every risk that may be associated with MRG's business, the industry in which it operates, or an investment in Shares, now or in the future. The selection of risks has been based on assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur.

This assessment is based on the knowledge of the Directors as at the date of the Prospectus, but there is no guarantee or assurance that the risks will not change or that other risks will not emerge. There can be no guarantee that the Group will achieve its stated objectives, or that any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance may not be a reliable indicator of future performance. Before applying for New Shares, investors should satisfy themselves that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment for them, having regard to their investment objectives, financial circumstances and taxation position. Investors should seek advice from their stockbroker, solicitor, accountant, taxation adviser, financial adviser or other independent professional adviser (as applicable) before deciding whether to invest in MRG.

Before deciding to invest in the Company, potential investors should:

- Read the entire Prospectus;
- Review these factors in light of their personal circumstances; and
- Seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 Risks specific to an investment in MRG

6.2.1 Impact of the turnaround strategy

The MRG transformation strategy is focused on five key areas, being people, capital, product focus, supply dried vine fruit and improving balance sheet efficiency. The Company has announced that work has commenced in each of the key areas of the turnaround strategy. However, there is no guarantee as to the benefits that the turnaround strategy will realise, nor the time that may be required to realise these benefits. Delays or failure to efficiently implement the turnaround strategy could have a material adverse effect on MRG's future financial performance.

In particular, the Group's success depends on the Company's ability to execute and realise cost savings and efficiencies from the Group's operations. As announced on 8 May 2018, the Company has implemented a cost-out program, Project Muscat. The Company has also begun to roll out Project Yield, announced on 31 July 2018, being an action plan to seek and address the underperformance of MRG's farming assets. However, if the Company is unable to fully implement its productivity plans and achieve the anticipated efficiencies, the profitability of the Group may be adversely impacted.

In addition, the Group's profit margins also depend on its ability to manage inventory and stock levels efficiently. As part of the continued effort to manage inventory more efficiently, the Group carries out SKU rationalisation programs from time to time, which may result in the discontinuation of numerous lower-margin or low- turnover SKUs. However, a number of factors, such as changes in customers' inventory levels, access to shelf space and unexpected changes in consumer preferences, may lengthen the number of days the Group is required to carry certain inventories. This may impede the Group's effort to manage inventory efficiently and result in an increase in costs.

6.2.2 Access to funding

As noted in section 5.5, MRG has received from its financier, the National Australia Bank, a credit approved term sheet for the provision of a multi-option facility (Banking Facilities) which expires on 30 November 2021. The details are as set out in section 5.5.

MRG and National Australia Bank are currently working productively to settle the formal documentation for the Banking Facilities, which MRG expects will be completed shortly. The availability of funding under the Banking Facilities is conditional upon completion of a gross capital raise of not less than \$30 million (excluding transaction costs) on or prior to 1 December 2018 and MRG anticipates other conditions precedent which are customary for facilities of the nature of the Banking Facilities.

On satisfaction of all conditions precedent, funding provided under the Banking Facilities (together with, in part, proceeds from the issue of New Shares by Murray River Organics under the Offer) will be utilised to refinance and reduce MRG's existing debt facilities. Of the existing facilities available to the Company at the date of the Prospectus, \$29.8 million (related to trade facilities, working capital facilities, undrawn finance lease facilities and bank guarantees) matures on 30 November 2018. In the event that formal documentation for the Banking Facilities is not agreed before the maturity date, MRG is unlikely to be able to refinance those existing facilities before that time. In such circumstance, the financier would be entitled to require immediate repayment of all outstanding borrowed funds (including interest and costs) under the existing facilities and enforce its rights under the security documents.

To continue to utilise the multi-option debt facility, the Company is required to comply with the Financial Covenants and other undertakings (refer to Section 5.5.8).

Generally, the Company may require further debt or equity funding in the future in order to fund growth strategies, in particular, acquisitions. There is a risk that the Company may be unable to access debt or equity funding from the capital markets or its existing lenders on favourable terms, or at all.

6.2.3 Customer risk

MRG's top ten customers comprised approximately 80% of FY18 sales, with the largest single customer representing almost 50% of FY18 sales. There is a risk that MRG may lose customers for a variety of reasons, including a failure to meet key requirements under the contract, material breach of contract, or customers increasing their emphasis on private label products.

The loss of any large customer, particularly key customers such as major Australian supermarkets, the reduction of purchasing levels or the cancellation of any business from a large customer for an extended length of time could negatively impact the Group's sales and profitability. Depending on the reason for the loss of a key customer, it may also have a negative impact on the Group's reputation.

In addition, MRG's customer contracts are short term (and typical of the sector MRG operates in), with supply periods typically for one season or one year (which may depend on the product's seasonality), and the prices at which its products are sold are subject to fluctuation depending on the level of supply and demand at the time the products are sold. In addition, a significant proportion of these customer contracts do not have fixed or minimum volume requirements and do not oblige customers to continue purchasing MRG's products.

MRG's market share and/or profit margins could be materially and adversely impacted by customers taking actions that are adverse to the Group's interests, including:

- materially changing its trading terms with MRG;
- promoting the products of one or more of MRG's competitors or new entrants into organic, natural or better-for-you food products; or
- refusing to promote or stock MRG's products or significantly reducing orders for its products.

6.2.4 Operation in highly competitive markets

MRG operates in highly competitive geographic and product markets with other organic and natural packaged food brands and companies, which may be more innovative and able to bring new products to market faster and better able to quickly exploit and serve niche markets. This could have a material adverse impact on the financial performance and prospects of the Group. Numerous brands and products compete for limited retailer shelf space, where competition is based on product quality, brand recognition, brand loyalty, price, product innovation, promotional activity, availability and taste among other things. Such competitive forces may result in an adverse impact on the profitability and prospects of the Group.

In addition, some of the Group's markets are dominated by multinational corporations with greater resources and more substantial operations than MRG. MRG cannot be certain that the Group will successfully compete for sales to industrial customers, distributors or retailers that purchase from larger competitors that have greater financial, managerial, sales and technical resources.

6.2.5 Horticultural risk

As with any viticultural crop, there are a number of factors that may affect the yield. While MRG takes steps to minimise annual variations in yields and production from its own farming operations, yields may vary from tree to tree, from crop type to crop type and from harvest to harvest, which may impact MRG's performance.

For example, as an agricultural producer, weather and climatic conditions directly affect the business operations of the Group. Climate change or prolonged periods of adverse weather and climatic conditions may have a negative effect on agricultural productivity, which may result in decreased availability or less favourable pricing for certain commodities that are necessary for its products.

In particular, the organic ingredients that are used in the production of MRG's products (including, among others, fruits, vegetables, nuts and grains) are vulnerable to adverse weather conditions and natural disasters, such as floods, hail, droughts, water scarcity, temperature extremes, frosts, earthquakes and pestilences. Natural disasters and adverse weather conditions (including the potential effects of climate change) can lower crop yields and reduce crop size and crop quality, which in turn could reduce availability of organic ingredients or increase the prices of organic ingredients sourced from third party suppliers. If the Group's supplies of organic ingredients are reduced, MRG may not be able to find sufficient supply sources on favourable terms, which could impact the Group's ability to supply product to customers and adversely affect the Group.

As a fresh produce grower and distributor, MRG, like the fresh produce industry as a whole, is exposed to biosecurity risks, including diseases and animal or insect infestation. If a region in which MRG operates, a site at which MRG grows or stores produce, or its varieties and/or produce categories become exposed to a biosecurity risk, MRG's earnings could be negatively affected. This could have a material adverse impact on the financial performance and prospects of MRG, especially if a biosecurity risk has a significant impact on the fresh produce industry as a whole or if a disease or infestation emerges that affects a particular produce category or variety.

6.2.6 Water supply

An adequate supply of suitable water is crucial to the success of MRG's ability to grow crop on its properties.

While the irrigation water from both the Murray River and the Darling River is currently suitable for dried vine fruit production, having particular regard to its salinity, there is a risk that MRG could be exposed to a number of natural events such as floods, storms, fire, oil spills and adverse movements in the environment, such as changes in salinity levels, many of which are beyond MRG's control. Changes to the availability of water or water quality may impact MRG's operations. The sporadic and unreliable rainfall widespread and ongoing drought in NSW has not had any impact on MRG's water supply but could in the future.

Whilst MRG has leased permanent water rights and has an option to extend some of these rights until 2020 (see Section 2.2.1 for further details), unexpected changes in climatic conditions may affect future allocation or availability of permanent water rights. There is a risk to MRG that if access to water supply was significantly limited or restricted, or if there was a material increase in the price of water, this could have a material impact on MRG's farming operations or costs, and its subsequent financial performance.

6.2.7 Loss of organic certification and deterioration in the MRG brand

The Group relies on independent certification, such as certifications of some of its products as "organic" to differentiate the Group's products from others. Quality control issues in respect of raw materials and ingredients may result in the loss of any independent certifications, which could adversely affect the Group's market position as a certified organic and natural products company and result in a loss of consumer confidence in the brands of MRG, which could adversely affect its business and financial operation.

In addition, a failure to provide customers with the quality of product they expect from MRG, or a recall issue could adversely affect consumer confidence in the MRG brand.

6.2.8 Reduced ability to access raw ingredients

MRG's ability to ensure a continuing supply of ingredients (including organic) not grown by the Group at competitive prices depends on many factors beyond the Group's control, such as the number and size of farms that grow organic crops, climate conditions, changes in national and world economic conditions, currency fluctuations and forecasting adequate need of seasonal ingredients.

For certain products, MRG also competes with other manufacturers in the procurement of organic product ingredients, which may be less plentiful in the open market than conventional product ingredients. This could cause the expenses of the Group to increase or could limit the amount of product that MRG is able to manufacture and sell. As the Group rebuilds relationships with suppliers and customers, some may no longer opt to trade with the Company.

The inability of any supplier of raw materials, or other service provider to MRG to deliver products or perform their obligations in a timely or cost-effective manner could cause the Group's operating costs to increase and profit margins to decrease.

There is a risk that the Group may fail to accurately forecast demand or suppliers may fail to meet the requirements of the Group.

This may result in the Group having inadequate supplies to meet consumer demand, or, alternatively the Group holding too much inventory on hand that may reach its expiration date and become unsaleable. If the Group is unable to manage its supply chain efficiently and ensure that sufficient products are available to meet consumer demand, the operating costs of the Group could increase and profit margins could decrease, which may have an adverse effect on the financial condition of MRG.

In addition, many aspects of the business of MRG have been, and may continue to be, directly affected by volatile commodity costs, including fuel, that are subject to price volatility which can be caused by various factors, many of which are outside the control of MRG. Volatile fuel costs translate into unpredictable costs for the products and services MRG receives from third party providers including, but not limited to, distribution and packing costs for products. If the Group is unable to fully offset the volatility of such costs, the financial results of the Group could be adversely affected.

6.2.9 Adverse movement in exchange rate

Murray River Organics is exposed to foreign exchange risk from a number of sources, namely from the importation of commodities and export of produce to various customers. Unfavourable movements in the foreign exchange rates between the Australian dollar and other currencies such as the US dollar can have a material adverse impact on the overall financial performance of the Group. The Group hedges a proportion of anticipated purchase commitments and sale commitments denominated in foreign currencies to manage its exposure to foreign currency exchange rate fluctuations.

6.2.10 Dependence upon key personnel and other key contractors

MRG's success depends to a significant extent on its ability to attract and retain suitably qualified key personnel. The loss of key management personnel, or any delay in their replacement could have a significant adverse effect on the management of the MRG, its financial performance and future prospects.

6.2.11 Market volume and price risk

Volatility in volume and price of produce (dried vine fruit, citrus, table grapes & wine grapes) could have a positive or negative impact on MRG's earnings.

As a produce grower, MRG is exposed to fluctuations in the market prices particularly in conventionally grown fruit. Excess supply can cause price reduction in the produce markets in which the Company supplies. If overall industry produce yields, in categories in which MRG competes, are higher than expected, prices may fall and MRG's operating results are likely to be negatively impacted.

It should be noted that the inverse relationship between supply and price can act as a mitigating factor to the horticulture risks (i.e. in periods of short supply, prices can be higher mitigating losses from falls in volume). It is, however, more difficult for MRG to make up shortfalls in earnings as a consequence of price reductions through increased volume, as any increases in volume also have corresponding costs of production.

6.2.12 Uncontracted sales arrangements

MRG's growth is dependent on successfully maintaining existing and securing new customers. A significant proportion of MRG's revenue is currently attributable to currently uncontracted customer relationships, using MRG's or the customers' standard terms and conditions of sale. These arrangements can be terminated or varied by the customer on short notice and without penalty. In many instances, customers are under no obligation to continue purchasing MRG's products or to purchase a particular volume of products. There is a risk that the Group will be unable to maintain these customer relationships, or secure new customers on terms that are acceptable to the Group. In addition, it is not possible to guarantee consistency in respect of the volume, prices and terms for future transactions.

If MRG is unable to secure customers on terms reasonably acceptable to the Group, this could materially and adversely affect MRG's revenue and profitability. There is a risk that new customer relationships may be less favourable to MRG, including in relation to pricing and other key terms, due to unanticipated changes in the market in which the Group operates.

6.2.13 Consolidation of customers

Customers, such as supermarkets and food distributors in some of the geographical markets in which the Group sells products, continue to consolidate. This consolidation has produced larger, more sophisticated organisations with increased negotiating and buying power that are able to resist price increases or demand increased promotional programs, as well as operate with lower inventories, decrease the number of brands that they carry and increase their emphasis on private label products, which could negatively impact the business and profitability of the Group. The consolidation of retail customers also increases the risk that a significant adverse impact on the business of those customers could have a corresponding material adverse impact on the business of MRG.

In addition, MRG depends on continued relationships with its current significant customers. There can be no guarantee that these relationships will continue or, if they do continue, that these relationships will continue to be successful.

6.2.14 Loss or deterioration of supply arrangements

MRG's relationships with suppliers are often governed by individual purchaser orders and invoices. Under those arrangements, suppliers may seek to alter the terms on which products are supplied as well as the range of products available for supply. This may result in changes in pricing levels and a reduction in the range of products made available to MRG, both of which could adversely impact MRG's ability to successfully provide customers with a wide range of products at competitive prices. If this occurred, this would be likely to reduce MRG's overall profitability and adversely impact its financial performance.

6.2.15 Operational Risk

MRG is a complex business. Operational risks include Fill Rate issues, crop health and out-of-stock produce.

Disease and insect infestation risks can impact the yield and quality of dried vine fruit. Lower quality fruit attracts significantly lower prices than premium or export quality. The farming nutrition program may also be adversely affected or not deliver results as expected.

In FY18 MRG was unable to meet buyer demand due to yield and quality of dried vine fruit. In FY19, although yield is forecast to be higher and third party fruit purchases are expected to increase, there is still a risk of running out of stock for particular dried vine fruit varieties.

6.2.16 Credit Risk

MRG provides credit to some of its customers, usually no more than 30 days. Although unlikely, customers may fail to make repayments and default on their debt, which could adversely impact MRG's financial performance and position.

6.2.17 Failure to respond to changes in consumer trends

The business of MRG is primarily focused on sales of organic, natural and better-for-you products which are subject to continually evolving consumer preferences. Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes.

A significant shift in consumer demand away from products of MRG or a failure by MRG to maintain its current market position could reduce sales or the value of its brands in those markets, which could adversely affect the business of the Group. While the Group continues to diversify product offerings, developing new products entails risks, and MRG cannot be certain that demand for the Group's products will continue at current levels or increase in the future.

6.2.18 Product liability

The sale of products for human use and consumption involves the risk of injury or illness to consumers. There is a risk that injuries may result from inadvertent mislabeling, tampering by unauthorized third parties or product contamination or spoilage. Under certain circumstances, MRG may be required to recall or withdraw products, suspend production of products or cease operations, which may lead to a material adverse effect on the business and profitability of the Group.

In addition, customers may cancel orders for such products as a result of such events. Further, even if a situation does not necessitate a recall or market withdrawal, product liability claims might be asserted against MRG.

6.2.19 Regulatory risk

The Group is required to comply with a range of laws and regulations. Regulatory areas which are of particular significance to the Group include environmental, occupational health and safety, quarantine, customs and tariff and taxation laws. Safety, employment and similar regulations give rise to significant requirements and compliance costs for the Group. In addition, as a public company listed on the ASX, the Company is required to comply with the Corporations Act and ASX Listing Rules. From time to time, this may result in investigations and disputes by Federal and State regulatory bodies, including ASIC, ASX, the Australian Taxation Office and the Fair Work Ombudsman. Non-compliance with such laws and regulations, or the introduction of new laws and regulations, may occur, which could have a material adverse impact on the Group's business, liabilities, financial condition, results, operations or liquidity.

6.2.20 Interruption in, disruption of or loss of operations at one or more of the Group's facilities

An interruption in, disruption of or the loss of operations at one or more of these facilities could delay or postpone production of products, which could have a material adverse effect on the business, results of operations and financial condition of the Group until such time as the interruption of operations is resolved or an alternate source of production could be secured.

In addition, MRG must maintain and renew the appropriate permits and licenses required to operate its business. MRG is subject to regular inspections, examinations and audits by governmental authorities and licensing bodies. If serious or repeated findings of non-compliance did occur, there is a risk that this would have a negative impact on MRG's ability to renew its licenses and may have a materially adverse impact on its business operations and financial performance.

6.2.21 Litigation and disputes

There is a risk that MRG could be involved in litigation relating to its key contracts, core commercial activities, employee personal injury and termination of employment claims and, if such claims were to materially increase, costs to the business would increase in turn. Such increases may have a negative impact on the profitability and financial performance of the Company.

Similarly, frequent or high profile litigation may undermine consumer confidence in the MRG brand or adversely affect the investment market's perception of MRG, which could in turn, negatively impact the financial performance of the Company or the price of Shares in the Company.

6.1 General risks of an investment in MRG

6.3.1 Price of Shares

As a publicly listed company on the ASX, the Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by MRG's fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the New Shares will increase following Completion of the Offer, even if MRG's earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- fluctuations in the domestic and international market for listed securities;
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- changes in legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which MRG operates; and
- general operational and business risks.

6.3.2 Trading and Liquidity in Shares

Even though the New Shares and the Shares to be issued upon exercise of the Advisor Options are to be quoted on the ASX, there can be no guarantee of an active trading market for such Shares or that the price of those Shares will increase following Completion of the Offer. There may be relatively few potential buyers or sellers of these Shares on the ASX at any given time. This may increase the volatility of the market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their New Shares under the Offer.

The Shares of the Company have been suspended from quotation on the ASX since 4 June 2018 and accordingly have not been able to be traded on the ASX since that date. The Company intends to request that its Shares are reinstated to quotation on completion of the Entitlement Offer. Even if the Shares are reinstated to quotation there can be no guarantee that an active market will develop or the price of the Shares will increase. There may be relatively few potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of the Shares and may prevent Shareholders from acquiring more Shares or disposing of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares.

6.3.3 Shareholder dilution

In the future, the Company may elect to issue Shares or engage in capital raisings to facilitate employee share plans, fund acquisitions, or undertake other strategic initiatives. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders at the time may be diluted as a result of such issues of Shares and capital raisings.

6.3.4 Inability to pay dividends or make other distributions or potential for dividends paid not to be franked or attach conduit foreign income

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

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

To the extent that the Company pays any dividends, the Company may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income. Alternatively, the franking system and/or the conduit foreign income system may be subject to review or reform.

The extent to which a dividend can be franked will depend on the Group's franking account balance and its level of distributable profits. The Group's franking account balance is contingent on the Group making Australian taxable profits and will depend on the amount of Australian income tax paid by the Group on those Australian taxable profits. The Group's Australian taxable profits may be volatile, making the payment of franked dividends unpredictable. As the Group continues to expand its overseas operations, this may or is likely to reduce the Australian income tax paid on the Group's income and profits, which may reduce the Company's ability to frank dividends.

The Group has also previously received R&D tax offset refunds. Where such refunds are obtained, subsequent payments of income tax (up to the amount of the refunds) by the entity that obtained the refunds do not create franking credits. This is commonly termed the 'deferred franking debit' in respect of R&D offset refunds. The 'deferred franking debit' may impact the Group's ability to frank dividends. The quantum of the 'deferred franking debit' that may impact the Group's ability to frank dividends (after reducing the debit for certain income tax paid or payable by the Group as at the date of the Offer) is estimated to be approximately \$1.2 million.

The extent to which an unfranked or partially franked dividend can be declared to be conduit foreign income will depend on the Group's conduit foreign income balance and its level of distributable profits. The Group's conduit foreign income balance will depend, among other things, on the structure of the Group's foreign operations and the level of non-Australian income tax paid by the Group on those operations.

The value and/or availability of franking credits and conduit foreign income to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each Shareholder.

No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking or conduit foreign income on any such dividend.

6.3.5 Tax law and application

The application of and changes in relevant tax laws (including income tax, goods and services taxes (or equivalent) and stamp duties), or changes in the way tax laws are interpreted, may impact the Group's tax liabilities and financial performance or the tax treatment of a Shareholder's investment. An example of such a tax change that could have an adverse impact on the financial performance of the Group is if GST was widened to include fresh produce.

An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's or the Group's view of those laws may increase the amount of tax paid or payable by the Company or the Group.

Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or other countries relevant to Group's business or operations) and/ or any changes in tax rules and tax arrangements (again in Australia or other countries relevant to the Group's business or operations) may have an adverse impact on the Group's financial performance, may increase the amount of tax paid or payable by the Group, may also impact Shareholder returns and could also have an adverse impact on the level of dividend franking/conduit foreign income and Shareholder returns.

6.3.6 Recent and further possible changes in Australian Accounting Standards

Australian Accounting Standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the control of MRG and its Directors. The AASB has issued new standards and interpretations including those in relation to revenue and financial instruments, which have applied mandatorily from 1 January 2018, and leases, which will mandatorily apply from 1 January 2019. These standards may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue, receivables and leased assets and liabilities. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the consolidated financial statements of MRG.

The Company's annual financial report for the year ended 30 June 2018 discloses accounting standards and interpretations issued but not yet effective as at 30 June 2018. The annual financial report of Murray River Organics for the year ended 30 June 2018 is available from Murray River Organics' website (www.murrayriverorganicsinvestors.com.au) or the ASX website (www.asx.com.au).

6.3.7 Possibility of force majeure events

Events may occur within or outside Australia that could impact upon the Australian economy, MRG's operations and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for MRG's products and its ability to conduct business.

7.

Key people, interests & benefits.

7 Key people, interests and benefits

7.1 Board of Directors

The Board of Directors comprises of four members, consisting of the Independent Non-Executive Chairman, two Independent Non-Executive Directors and the Managing Director. The Directors of the Company bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.



Andrew Monk
**Non-Executive Director and
Chairman of the Board**

Andrew Monk was elected to the Board and was appointed as Chairman of the Company in January 2018.

Andrew is also Chairman of Australian Organic Ltd, a for-purpose industry services group network with over 2,000 organic businesses, requiring multi-stakeholder consultation and representation, and Chairman and shareholder of Australian renewable energy company Enervest Pty Ltd.

Andrew has also owned and/or managed organic SMEs in horticulture, food processing and waste management, while having extensive technical experience in organic regulations and intimate working knowledge of this multi-sector industry domestically and internationally.

Andrew is an Adjunct Assistant Professor at UNE Armidale School of Law and holds a Bachelor of Science from the University of Melbourne, a PhD focused on organic agricultural and government policy from the University of Wollongong and a Graduate Diploma from the Australian Institute of Company Directors.




Valentina Tripp
Managing Director & CEO

Valentina Tripp was appointed Managing Director and CEO of the Company in April 2018.

Valentina is an accomplished executive with extensive experience and a track record of success in turnarounds and growing business in FMCG, agribusiness and retail across Asia and global markets.

Prior to joining MRG, Valentina was Executive Director – Business Transformation / Corporate Development of Simplot Australia, and Executive Director, Top Cut Group (a wholly owned subsidiary of JR Simplot Company USA) where she led the turnaround, repositioning and growth of the meat distribution business in Australia, China, Japan and Korea, together with resetting the future strategy for Simplot as the leading FMCG and agribusiness in Australia. Prior to Simplot, Valentina was Senior Director with KPMG leading transformation, strategy,

	<p>customer growth, supply chain, operational and financial turnarounds. Valentina led KPMG's Retail, Consumer and Industrial sectors for the Consulting Business.</p> <p>Valentina is also currently a Non-Executive Director at Capilano Honey Limited, the Non-Executive Chairman of Fairtrade Australia & New Zealand and a Board Director of Fairtrade International based in Bonn, Germany.</p> <p>She holds a Master of Business Administration (Mt Eliza/ Melbourne Business School/ University of Queensland), Bachelor of Commerce (University of Melbourne), is a Certified Practicing Accountant and is a member of the Australian Institute of Company Directors.</p>
 <p>Keith Mentiplay</p> <p>Non-Executive Director and Chair of Remuneration and Nomination Committees</p>	<p>Keith Mentiplay was elected to the Board of the Company in January 2018.</p> <p>Keith has previously worked at Murray Goulburn, National Foods / Lion, Nestle and other global names, with responsibility for markets in Australia, New Zealand, Indonesia, Malaysia, Singapore, Hong Kong and the Philippines.</p> <p>With over 40 years' experience in the food industry, he has taken on diverse roles including General & Executive management, operations & supply chain, international business, operational excellence, business transformation and business expansion.</p> <p>Keith has also held multiple Board positions on companies in the food industry, including Canberra Milk, Queensland Butter Board, Danone / Murray Goulburn and Vitasoy.</p>



Michael Porter
Non-Executive Director

Michael was appointed as a Non-Executive Director of the Company in April 2018. With effect from 6 June 2018, Michael Porter assumed the role of Senior Corporate Farms Manager to lead Murray River Organic's farming operation on an interim basis (until 10 September 2018).

Michael has extensive experience in the Agricultural sector, including as CEO of SQP Co-operative for almost four years. He owns dry land farming interests in Victoria's Western District near Ballarat and has a particular interest in soil re-generation and making the best use of our limited resources, such as water. Before working for SQP, Michael held senior management roles within a number of ASX listed companies, including Tox Free Solutions.

Michael is currently a Non-Executive Director of Angel Seafood Holdings Ltd (having previously served as Chairman), a Board Member of the Wimmera Catchment Management Authority (a Victorian State Government appointment), a member of the Audit Advisory Committee for the City of Ballarat.

Michael is also an Active Reservist where he holds the rank of Commander in the Royal Australian Naval Reserve.

Michael holds a Bachelor of Business Studies from Massey University (NZ) with a Major in Enterprise Development, a post Graduate Qualification in Change Management and is a Graduate of the Australian Institute of Company Directors.

As at the date of this Prospectus, each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Director without constraint from other commitments.

7.2 Key Management Personnel and Management

The experience of some of the key members of the Management Team is summarised below.



Valentina Tripp
Managing Director and CEO

Refer to Section 7.1.



Albert Zago
Chief Financial Officer

Albert Zago was appointed Chief Financial Officer of MRG in January 2018.

Albert is a qualified Chartered Accountant with over 30 years finance and business management experience in FMCG, retail, distribution and manufacturing operations.

Albert is an experienced leader in challenging customer focus and changing/complex environments, where operations are in need of pro-active transformation, whilst executing growth strategies.

Prior to joining MRG, Albert held various senior executive positions in ASX listed and unlisted public companies such as Mitre 10 Australia Ltd and GUD Holdings Ltd and most recently was Chief Financial Officer of Pental Ltd, and spent a decade at PriceWaterhouseCoopers and Hall Chadwick in audit and business management roles.

Albert is leading the transformation of our finance and governance functions to enable accurate, reliable and timely information enabling strategic decision support and execution of the company's strategic growth objectives.



Peter Wolff

Head of Strategy, Planning & Transformation

Peter brings over 20 year's experience in strategy, operations and turnarounds having worked with large multinationals and growth SME's across FMCG, transport and manufacturing. His experience includes operating in Australia, China, UK, Mexico and other international markets and a proven track record in value creation.

Most recently Peter was with Simplot as Head of Sales & Business Transformation, prior to this he led the Six Sigma Business Improvement Program at Asciano Limited and was also an Associate Director KPMG's Transactions/M&A practice leading operational and strategic due diligence, synergy analysis, cost reduction and integration programs.

Peter has also held GM and COO roles in manufacturing and technology businesses. Peter is fluent in German, Spanish, holds an MBA from Melbourne Business School and a Biochemical Engineering degree in Food Technology & Processing from Tecnologico de Monterrey University in Mexico.

Peter has been leading Project Muscat cost reduction program, restructuring, corporate strategy, sales & operations planning, strategic sourcing and the redesign of the broader MRO operating model to enable the company to achieve its strategic growth objectives.



Peter York

General Manager, Dandenong Operations

Peter brings over 30 years' experience in food manufacturing, agriculture and farming operational turnarounds across Australia, NZ and UK.

Most Recently Peter was the General Manager – Operations Development at Simplot. Peter played a lead role in the transformation of Simplot's Vegetable businesses in NSW and Tasmania, working closely with Agronomists, Manufacturing and the Commercial teams to rebuild plant operations and alignment with farming operations.

Peter brings extensive agricultural, quality and technical engineering knowledge and has held General Management and senior leadership roles with Simplot, Beak & Johnson, Kailis & France and Sun Valley Poultry. Peter holds a Bachelor of Science (Honors) in Food Technology from Reading University, England.

Peter leads our Dandenong Manufacturing Plant and Distribution sites and is focused on further developing our customer-focused, efficient operating model to enable us achieve the company's strategic growth objectives



Wayne Turner

General Manager, Sunraysia Operations

Wayne brings over 25 years experience in horticulture, food manufacturing, FMCG, biotech and renewable energy sectors where he held senior roles with organisations such as Select Harvests Limited, Australian Pomegranate Growers, George Weston Foods, Agri Energy, Horizon Science and Daintree Estates.

Wayne holds a Bachelor of Science Degree in Chemistry and Pharmacology from Monash University and has developed a passion towards horticulture and water utilisation. Wayne is leading the turnaround program in Sunraysia with Project Yield across our farming operations and the Mourquong Processing Plant.



Patrick Roseman

Head of Sales

Patrick brings over 25 years' experience in strategic sales management, marketing, category development, customer development and innovation having worked in senior sales roles with Pureharvest, SPC, Sabrands and Kraft where he consistently delivered significant growth in sales and market share gains, as well as improved margins.

Patrick holds a Master of Business in Marketing from RMIT. Patrick leads our sales efforts across national major retailers, specialty retail, wholesale, industrial and foodservice and has been focused on re-building our customer relationships and customer service capability.



Rania Haidar

Head of People & Culture

Rania brings over 20 years' experience specialising in Talent management & attraction, people capability development, cultural enhancement, and operational execution. Commercial and strategic in her approach she has a proven track record in business partnering with, and consulting to, strategic executives and leadership teams to deliver outstanding business results.

As Head of People & Culture, Rania leads our people and capability transformation agenda across the whole business.

7.3 Interests and benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company;
- person named in this Prospectus and who has performed 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 Offer,

holds at the date of this Prospectus, or has held in the two years before the date of this Prospectus, an 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 in connection with the Offer; or
- the Offer or any component of it,

and no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

7.3.1 Director interests and remuneration

7.3.1.1 *Managing Director and CEO*

Valentina Tripp is employed in the position of Managing Director and CEO under an employment contract with the Company. The Company has recently reviewed Valentina's remuneration package and implemented changes and therefore differs from the terms and conditions disclosed in the remuneration report within the 30 June 2018 financial report.

Valentina's annual remuneration package comprises a base salary of \$500,000 per annum (including superannuation) and an incentive payment of up to \$300,000 per annum received in accordance with the terms of the Company's STI Plan (refer to Section 7.3.3.3).

Valentina is also entitled to participate in the Company's LTI Plan (refer to Section 7.3.3.2). As part of the equity-based remuneration payable to Valentina for her services as Managing Director and CEO of the Company, the Company has agreed, subject to Shareholder approval (to be sought at the Company's 2018 Annual General Meeting), to issue Performance Rights with an aggregate fair value of \$200,000 to Valentina under the FY2019 LTI Plan grant and on the terms set out in Section 7.3.3.2

It is also intended that, subject to Shareholder approval (to be sought at the Company's 2018 Annual General Meeting), Valentina will also receive:

- as a retention incentive payment 18,000,000 Options as follows:
 - 6 million Options with an exercise price of \$0.10 cents per Option (being the Offer Price) vesting on 16 April 2019 (subject to continuous employment with the Company to this date) and expiring on 16 April 2021;
 - 6 million Options, with an exercise price of \$0.18 cents vesting on 16 April 2020 (subject to continuous employment with the Company to this date) and expiring on 16 April 2022; and

- 6 million Options, with an exercise price of \$0.27 cents vesting on 16 April 2021 (subject to continuous employment with the Company to this date) and expiring on 16 April 2023.

These are a modification to the terms of the existing retention incentive payment to Valentina (which was subject to Shareholder approval) as outlined in MRG's 30 June 2018 financial report.

- 3,000,000 Shares as a one-off payment (with a notional value of \$300,000 at the Offer Price) in recognition of the additional work undertaken Valentina since the date of her appointment. These Shares will be subject to an escrow period of 2 years from the date of issue, during which time Valentina will be unable to sell or otherwise deal with those Shares.

Following expiry of the 6 month probationary period (commencing on 16 April 2018), Valentina's employment may be terminated by either Valentina or the Company by providing 6 months' written notice before the proposed date of termination, or in the Company's case, payment in lieu of notice at its discretion. During the probationary period, Valentina's employment may be terminated by either Valentina or the Company by providing 1 month's written notice.

The Company may also terminate the employment of Valentina summarily in certain circumstances (without notice) if without limitation, she is found guilty of serious misconduct or is found guilty of fraud or dishonesty in a court of competent jurisdiction or is declared bankrupt or of unsound mind.

Valentina's employment also contains a restraint of trade period of up to 6 months from the date of termination of her employment, except where her employment is terminated in the first 12 months of her employment (prior to 16 April 2019), in which case, the restraint of trade period is reduced to 3 months. Enforceability of such restraint of trade is subject to all usual legal requirements, in particular, reasonableness.

7.3.1.2 *Remuneration payable to Director providing independent contractor services to the Company*

As announced on 4 June 2018, Michael Porter was engaged by MRG as an independent contractor to provide farm management services on an interim basis, while MRG undertook a search for a suitable candidate. Following the appointment of Wayne Turner as General Manager - Sunraysia Operations, MRG and Michael Porter agreed to the continuation of his executive role for a transitional period until 10 September 2018 (**Further Term**) on the following terms:

- Michael was to provide farm management services (**Services**) to MRG as an independent contractor;
- Michael was to provide the Services from 6 June 2018 to 14 July 2018 (including weekends and public holidays) (**Initial Term**), after which Services were provided 4 days per week on an ongoing basis until 10 September 2018 (**Further Term**);
- in consideration for the provision of Services, Michael was paid a total of \$60,800 plus GST for the Initial Term, being \$1,600 plus GST per day, plus travel and accommodation expenses to a maximum of \$6,020; after which the same daily remuneration and expense rate applied for the Further Term; and
- Michael was entitled to terminate the contractor agreement on one month's notice and MRG was entitled to terminate the agreement immediately for cause.

In addition to the above fees, Michael Porter is entitled to annual Directors' fees as set out in Section 7.3.1.3 below.

7.3.1.3

Non-Executive Directors' remuneration

The Board of Directors decides the total amount paid to each Director as remuneration for their services as a Director to the Company. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company at a general meeting (or, until so determined, as the Board determines). This amount has been fixed by the Board at \$500,000 per annum and any change to the aggregate sum will need to be approved in a general meeting of Shareholders.

Annual Directors' fees agreed to be paid by the Company for FY2018 were \$75,000 to the Chairman (inclusive of fees in respect of service on the various Committees), plus superannuation at 9.5% of that fee. Annual Directors' fees agreed to be paid by the Company for FY2018 were \$40,000 to each Non-Executive Director, plus superannuation at 9.5% of those fees. In addition, the Chair of the Audit and Risk Management Committee and the Chair of the Remuneration and Nomination Committee were paid \$5,000 per annum each. The Directors' fees do not include a commission on, or a percentage of, profits or income.

It is also intended that, subject to Shareholder approval (to be sought at the Company's 2018 Annual General Meeting), each Non-Executive Director (Andrew Monk, Keith Mentiplay and Michael Porter) will receive 1,000,000 options with an exercise price of \$0.10 cents per option (being the Offer Price) vesting on 22 November 2018 (subject to continuous employment with the Company to this date) and expiring on 22 November 2021.

The grant of options to the Non-Executive Directors is proposed in recognition of the time and effort that each of them has invested towards achieving the Company's turnaround strategy and recapitalisation. The options are intended to provide Non-Executive Directors with a mechanism to participate in the future development of the Company through share ownership and in the context of each Non-Executive Director having taken a voluntary reduction in Director Fees at the time of their appointment. The Non-Executive Directors also remain committed to the future of the Company.

7.3.1.4

Directors' interests in securities of the Company

Set out below are the details of the interests of the Directors in the securities of the Company immediately prior to lodgement of this Prospectus.

Director	Shareholding (as at the date of this Prospectus)	Performance Rights	Options
Andrew Monk*	30,000	-	-
Valentina Tripp	-	-	-
Keith Mentiplay*	125,000	-	-
Michael Porter	-	-	-

*Andrew Monk's interest is held indirectly via Cool-Chain (Aust) Pty Ltd atf the Monk Family Trust, of which Andrew Monk is a beneficiary. Keith Mentiplay's interest is held indirectly via Keith Anthony Mentiplay and Linda Louise Mentiplay atf K & L Mentiplay Superannuation Fund, of which Mr Mentiplay is a beneficiary.

7.3.1.5

Director entitlement commitment and sub-underwriting

Directors have committed to support the Entitlement Offer. Directors who held MRG shares at the date of this Prospectus have committed to take up their Entitlements and in addition to sub-underwrite any Shortfall Shares in the amounts set out in the table below. Directors who did not hold Shares have committed to sub-underwrite any Shortfall Shares in the amounts set out in the table below. The number of New Shares that the Directors' have each committed to subscribe for pursuant to their respective Entitlements and sub-underwriting commitments are detailed below.

Director	Shareholding (as at the date of this Prospectus) (number of shares)	Entitlements committed to take-up (number of shares)	Sub-underwriting Commitment (number of shares)
Andrew Monk*	30,000	72,000	500,000
Valentina Tripp	-	-	2,000,000
Keith Mentiplay*	125,000	300,000	200,000
Michael Porter	-	-	1,000,000

*Andrew Monk's interest is held indirectly via Cool-Chain (Aust) Pty Ltd atf the Monk Family Trust, of which Andrew Monk is a beneficiary. Keith Mentiplay's interest is held indirectly via Keith Anthony Mentiplay and Linda Louise Mentiplay atf K & L Mentiplay Superannuation Fund, of which Mr Mentiplay is a beneficiary.

The terms on which the Directors have agreed their sub-underwriting commitments are materially the same as all other sub-underwriters to the Offer, but the Directors will not receive any fee for their sub-underwriting commitments.

7.3.2 Key Management Personnel's Remuneration

7.3.2.1 *Managing Director*

See Section 7.3.1.1 above.

7.3.2.2 *Chief Financial Officer*

Albert Zago is employed in the position of Chief Financial Officer under an employment contract with the Company.

In connection with the recent review of the Managing Director and CEO's remuneration package, the Company has also undertaken a review of the Chief Financial Officer's remuneration package which differs from the terms and conditions disclosed in the remuneration report within the 30 June 2018 financial report.

Albert's annual remuneration package comprises a base salary of \$310,000 per annum (including superannuation) and an incentive payment of up to 25% of Albert's total remuneration (base salary plus superannuation) per annum received in accordance with the terms of the Company's STI Plan (refer to Section 7.3.3.3).

Albert is also entitled to participate in the Company's LTI Plan (refer to Section 7.3.3.1). As part of the equity-based remuneration payable to Albert for his services as Chief Financial officer of the Company, the Company has agreed to issue Performance Rights with an aggregate fair value of \$77,500 to Albert under the FY2019 LTI Plan grant and on the terms set out in Section 7.3.3.3.1. This grant represents approximately 25% of Albert's base salary.

Albert's employment may be terminated by either Albert or the Company by providing 4 months' written notice in writing before the proposed date of termination, or in the Company's case, payment in lieu of notice at its discretion.

The Company can also terminate the employment of Albert summarily in certain circumstances (without notice) if without limitation, he is found guilty of serious misconduct or is found guilty of fraud or dishonesty in a court of competent jurisdiction or is declared bankrupt or of unsound mind.

Albert's employment also contains a restraint of trade period of up to 12 months from the date of termination of his employment. Enforceability of such restraint of trade is subject to all usual legal requirements, in particular, reasonableness.

7.3.3 Employee Incentive Arrangements

7.3.3.1 Long Term Incentive Plan

The LTI Plan offers eligible employees (including executives) selected by the Board rights to subscribe for, or be granted, Performance Rights.

The invitations issued to eligible employees will include information such as performance conditions and any trading restrictions on dealing with Shares allocated on vesting or exercise of a performance right. Upon acceptance of an invitation, the Directors will grant Performance Rights in the name of the eligible employee or their nominee (as permitted by the terms of the LTI Plan). On vesting, one performance right is exercisable into or entitles the holder to one Share. Participants in the LTI Plan will not pay any consideration for the grant of the Performance Rights.

Performance Rights will not be listed on ASX and may not be transferred, assigned or otherwise dealt with except with the approval of the Directors (or by force of law upon death due to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy).

Performance Rights will only vest where the performance conditions and any other relevant conditions advised have been satisfied unless otherwise determined by the Board. An unvested performance right will lapse in certain circumstances, including where performance conditions are not satisfied within the relevant time period, where the participant deals with the performance right in breach of the rules of the LTI Plan or where, in the opinion of the Board, a participant has acted fraudulently or dishonestly.

If a participant's employment or engagement with the Company (or its subsidiaries) terminates before the Performance Rights have vested, the Performance Rights will lapse, unless the invitation provides otherwise, or the Board resolves otherwise.

Where there is a takeover bid made for Shares in the Company, the Directors may determine that all or part of the participant's unvested Performance Rights, will become vested Performance Rights.

If there are certain variations in the share capital of the Company, including a capitalisation or rights issue, subdivision, consolidation or reduction in share capital, the Directors may make such adjustments as they consider appropriate under the LTI Plan in accordance with the provisions of the ASX Listing Rules.

A performance right issued pursuant to the LTI Plan does not entitle its holder to dividends nor rights to vote at meetings of shareholders of the Company until that performance right is exercised and the participant is a holder of a valid Share in the Company.

Shares acquired on vesting of the Performance Rights will upon allotment rank equally in all respects with other Shares and the Company will apply to ASX for quotation of the relevant Shares. No performance right or Share may be offered under the LTI Plan if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time.

7.3.3.2 *FY2019 LTI Plan*

The Company has established various incentive arrangements to assist in the attraction, retention and motivation of its employees, as set out below.

The annual remuneration package of the Managing Director and CEO, and Chief Financial Officer, is comprised of a base salary, a cash-based short term incentive under the STI Plan and participation in the LTI Plan.

In respect of the FY2019 grant under the LTI Plan, it is intended that Managing Director and CEO, Valentina Tripp, be granted Performance Rights with an aggregate fair value of \$200,000 and the Chief Financial Officer, Albert Zago, be granted Performance Rights with an aggregate fair value of \$77,500. The number of Performance Rights to be granted to Valentina and Albert will be determined in reference to the fair value of the Performance Rights at the grant date. The grant of Performance Rights to Valentina Tripp will be subject to Shareholder approval at the Company's Annual General Meeting.

It is intended that Performance Rights granted to Valentina and Albert under the FY2019 LTI Plan will have nil consideration and vest 3 years from the date of grant, provided that the relevant employee is still employed by the Group at that time and subject to vesting conditions, based on Total Shareholder Return Compound Annual Growth Return and in accordance with the following vesting schedule:

TSR CAGR	% of Performance Rights that vest	Comment
Less than 10% p.a.	0%	
10% p.a.	25%	Straight line interpolation between 10% and 12.5%
12.5% p.a.	50%	Straight line interpolation between 10% and 12.5%
15% p.a.	100%	

In relation to the employees current in employment with the Company, no grants were made under the LTI Plan in respect of FY2018.

7.3.3.3 *Short Term Incentive Plan*

7.3.3.3.1 **FY2019 STI Plan**

For FY2019, Valentina Tripp, Albert Zago and certain other employees as determined by the Board will be entitled to participate in a cash-based STI Plan under the terms of their employment contracts, and in accordance with the terms of the STI Plan in place for FY2019. The maximum amount that the each person is entitled to under the STI Plan is an amount equal to:

- in respect of Valentina Tripp, up to 60% of Valentina's remuneration (base salary plus superannuation); and
- in respect of Albert Zago, up to 25% of Albert's total remuneration (base salary plus superannuation).

The table below sets out, in respect of Valentina and Albert's entitlement, the percentage of their entitlement that will be paid on satisfaction of certain key performance indicators.

Measure	Entitlement to be paid
EBITDA before SGARA	50%*
Operational performance (additional customer service and labour productivity)	20%
Deliver a 3-5 year strategic plan, to be approved by the Board	10%
People and systems	10%
Risk and compliance	10%

*With additional payment opportunities for an additional 10% and 15% weighting if performance measure is exceeded by specified amounts. This could result in them receiving up to 125% of their total STI Plan entitlement for FY2019.

7.3.3.4 *Other employee incentive arrangements*

There are currently 500,527 Performance Rights granted to other employees not considered Key Management Personnel of the Company. It is the Board's intention not to modify the terms and conditions, including the vesting conditions, of these Performance Rights on Completion of the Offer.

7.3.4 **Interests of advisers**

MRG has engaged the following professional advisers in relation to the Offer:

- Shaw and Partners Limited has acted as Underwriter and Lead Manager to the Offer. MRG has paid, or agreed to pay, the Underwriter the fees described in Section 8.6 for these services;
- Clayton Utz has acted as Australian legal adviser in relation to the Offer. MRG has paid, or agreed to pay, approximately \$290,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Clayton Utz in accordance with its normal time-based charges; and
- EM Advisory has acted as financial advisor in relation to the Offer. MRG has paid, or agreed to pay, approximately \$250,000 (excluding disbursements and GST) for these services up until the date of this Prospectus MRG has also agreed to issue the Advisor Options and a success fee of an amount equal to 1.5% of the proceeds of the Offer (see Section 8.5).
- Ernst & Young has provided financial due diligence and a shareholder tax opinion in connection with the Offer. MRG has paid, or agreed to pay, approximately \$105,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.
- Ernst & Young Transaction Advisory Services Limited has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report in connection with the Offer. MRG has paid, or agreed to pay, approximately \$9,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Ernst & Young Transaction Advisory Services Limited in accordance with its normal time-based charges.

The Underwriter or its affiliates from time to time may in the future perform other investment banking and financial advisory services for the Company, Shareholders or their respective affiliates. Further, in the ordinary course of their trading, brokerage and financing activities, the Underwriter and its affiliates may act as a market maker or buy or sell securities issued by the Company or associated derivatives as principal or agent. Customary fees and commissions are expected to be paid for any such services in the future.

8. Additional Information.

8 Additional Information

8.1 Nature of this Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, which allows the issue of a more concise prospectus for offers of:

- continuously quoted securities (as that term is defined in the Corporations Act); and
- options over such continuously quoted securities.

Shares in the Company have been continuously quoted by ASX for the 3 months prior to the date of this Prospectus, and no exemption, modification, declaration or order under section 111AS or 111AT, paragraph 741(1)(a), paragraph 741(1)(b) or section 340 or 341 of the Corporations Act covered the Company, or any person as director or auditor of the Company in the 12 months prior to the date of this Prospectus. As such, Shares in the Company are continuously quoted securities.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information that investors and their advisers would reasonably require to make an informed assessment of:

- the effect of the Offer on the Company; and
- the rights and liabilities attaching to the New Shares; and
- the rights and liabilities attaching to the Advisor Options and the underlying Shares.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in an initial public offering prospectus.

Since listing, the Company has provided ASX with information regarding its activities. That information is publicly available. Shareholders and other investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

No party other than the Company has authorised or caused the issue of this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

8.2 Reporting and disclosure obligations

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at www.asx.com.au.

8.3 Availability of other documents

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements are available on ASX's website (www.asx.com.au) or the Company's website (www.murrayriverorganics.com.au).

In addition, ASIC also maintains records in respect of documents lodged with it by the Company. Copies of documents lodged with ASIC in relation to MRG may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer period:

- MRG's annual financial report for the year ending 30 June 2018 (**FY2018 Annual Report**); and
- any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of the Listing Rules and the Corporations Act) after lodgement of the annual financial report referred to above and before the lodgement of the copy of this Prospectus with ASIC. Details of these notices are as follows:

Date	Announcement
04/10/2018	Response to Australian Financial Review speculation
01/10/2018	Appendix 4G
01/10/2018	FY 18 Financial Statements

8.4 Rights and liabilities attaching to New Shares and ranking of New Shares

There is presently only one class of share in the Company: **fully paid ordinary shares**. New Shares will be fully paid and rank equally in all respects with existing Shares. The Entitlement and liabilities attaching to fully paid ordinary shares in the Company (i.e. Shares and New Shares) are:

- set out in the Company's Constitution; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a summary of the significant Entitlement attaching to the New Shares. This summary is not exhaustive nor does it constitute a definitive statement of all Entitlement and liabilities of Shareholders.

8.4.1 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid Share held.

8.4.2 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to Shareholders.

8.4.3 Dividends

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the Constitution, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlement to the dividend and the time and the method of payment of the dividend.

8.4.4 Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

8.4.5 Issue of further Shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any Entitlement and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of, further shares on such terms and conditions as the Directors resolve.

8.4.6 Winding up

Subject to the Constitution, the Corporations Act and any special resolution or preferential Entitlement or restrictions attached to any class or classes of shares, members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

8.4.7 Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

8.4.8 Share buy-backs

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.

8.4.9 Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed. These provisions will cease to apply unless renewed by special resolution of the Shareholders in a general meeting by the third anniversary of the date of the Constitution's adoption.

8.4.10 Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

8.4.11 Directors - appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum may not be more than ten. Directors are elected at general meetings of the Company.

The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Retirement will occur on a rotational basis so that any Director who has held office for three or more years, or three or more annual general meetings, (excluding any Managing Director) retires at each annual general meeting of the Company.

8.4.12 Directors - voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote.

8.4.13 Directors - remuneration

The Directors, other than the executive Directors, shall be paid by way of fees for services, with the maximum aggregate sum approved from time to time by the Company in a general meeting or, until so determined, as the Board determines. The current maximum aggregate sum approved by the Board is \$500,000. Any change to that maximum aggregate sum needs to be approved by Shareholders. The Constitution also makes provision for the Company to pay all reasonable expenses incurred by Directors in attending meetings or otherwise in connection with the business of the Company. Subject to the Corporations Act and the Constitution, remuneration of executive Directors shall be the amount that the Board decides.

8.4.14 Directors - powers and duties

The Directors have the power to manage the business of the Company and may exercise all powers which are not expressly required by law, the ASX Listing Rules or the Constitution to be exercised by the Company in a general meeting.

8.4.15 Indemnities

The Company, to the extent permitted by law, indemnifies each of its Directors and company secretaries (past and present) against any liability incurred by that person as an officer of the Company or one of its subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director or company secretary of the Company or its subsidiaries against any liability incurred by such person as an officer of the Company or its subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may enter into an agreement or deed with a Director or a person who is, or has been, an officer of the Company or its subsidiaries, under which the Company must do all or any of the following:

- keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;
- indemnify that person against any liability and certain legal costs incurred by that person (on a solicitor-and-client basis);
- make a payment (whether by way of advance, loan or otherwise) to that person in respect of certain legal costs incurred by that person (on a solicitor-and-client basis); and
- keep that person insured in respect of any act or omission by that person while an officer of the Company or a subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

8.4.16 Alteration of Constitution

The Constitution can only be amended by special resolution passed by at least three-quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

8.5 Rights and liabilities attaching to Advisor Options

The key terms of the Advisor Options are as follows:

8.5.1 Options

EM Advisory will be granted 3,825,000 options on the Completion of the Offer on which date the Advisor Options will vest. Each Adviser Option entitles EM Advisory to subscribe for one Share at the exercise price of \$0.12 per option prior to the expiry date which is three years after their date of issue, expected to be 5 November 2021. The Adviser Options will not be quoted on the ASX and can only be transferred to a related party of EM Advisory.

The Pro Forma Historical Financial Information (refer to Section 5.3) includes an adjustment of \$0.106 million for the estimated fair value at the grant date (being the Completion of the Offer) for the Advisor Options, equating to a fair value of \$0.0276 per option. The fair value of the Advisor Options has been calculated using a Black-Scholes option pricing methodology and applying assumptions considered reasonable at the date of the Prospectus. The fair value of the Advisor Options will be reassessed at the grant date which may result in a change to the fair valuation reflected in the Pro Forma Historical Financial Information.

8.5.2 Exercise

EM Advisory may exercise the Adviser Options by providing notice in writing to the Company together with payment of the exercise price in cleared funds.

8.5.3 Issue of Shares

The Company must issue Shares in respect of the exercise of Advisor Options within 15 Business Days of receipt of the exercise notice. All Shares issue upon exercise of Advisor Options will rank all respects equally with the existing Shares at the date of issue. The Company must promptly apply for quotation of Shares issued on exercise of an Adviser Option.

8.5.4 Participation rights

EM Advisory may only participate in new issues of Shares in respect of an Adviser Option if it first exercises the Adviser Option and becomes the holder of Shares on or prior to the record date of the new issue of Shares.

8.5.5 Adjustments

If the Company makes a pro rata issue of Shares, the exercise price of each Adviser Option will be reduced in accordance with the Listing Rules.

8.5.6 Reorganisation

If the Company undertakes a reorganisation of the capital of the Company, the rights attaching to any unexercised Adviser Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganization of capital.

8.6 Underwriting Agreement

The Company has entered into an Underwriting Agreement with the Underwriter, who has agreed to fully underwrite the Offer on the terms and conditions set out in the Underwriting Agreement. The obligations of the Underwriter are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement. The following is a summary of the principal provisions of the Underwriting Agreement.

8.6.1 Commissions, fees and expenses

The Company has agreed to pay to the Underwriter:

- a management and underwriting fee of 5.0% of the proceeds of the Institutional Entitlement Offer ;
- a management and underwriting fee of 5.0% of the proceeds of the Retail Entitlement Offer; and

8.6.2 Termination events

If any of the following events occur at any time from the date of execution of the Underwriting Agreement until Completion of the Offer, (or such earlier time as specified below), the Underwriter may, by notice given to the Company, terminate its obligations under the Underwriting Agreement:

- (listing)
 - the Company ceases to be admitted to the official list of ASX;
 - the Shares cease to be officially quoted on ASX;
 - ASX makes any official statement to any person, or indicates to the Company or the Underwriter that official quotation on ASX of the Shares offered under the Entitlement Offer will not be granted; or
 - approval is not granted to the official quotation Shares offered under the Entitlement Offer on or before the dates referred to in the timetable for the Offer, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (notifications) ASIC:
 - applies for an order under Part 9.5 of the Corporations Act, in relation to the Offer or the Prospectus;
 - holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or the Prospectus;
 - commences an examination of any person or requires any person to produce documents arising out of or in connection with the Offer or the Company under sections 19 or 30 to 33 of the Australian Securities and Investments Commission Act;
 - prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company, and the matter has not been withdrawn within 3 Business Days of receipt, or by the Institutional Settlement Date if arising within that period, or the Retail Settlement Date if arising after the Institutional Settlement Date and within that period;
- (Timetable) any event specified in the Underwriting Agreement (including the Timetable) to occur before the Institutional Settlement Date, or on the Institutional Settlement Date, is delayed by more than two Business Days or an event specified in the Underwriting Agreement (including the Timetable) to occur after the Institutional Issue Date is delayed by more than three Business Days, in any such case, without the prior written consent of the Underwriter;
- (withdrawal) the Company withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer;
- (unable to issue) the Company is prevented from granting the Entitlements or issuing Shares under the Entitlement Offer in accordance with Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;
- (prosecution) any of the following occur:
 - a director of the Company is charged with an indictable offence;

- any government agency commences any public proceedings against the Company or any of the Directors in their capacity as a director of the Company, or announces that it intends to take such action; or
 - any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (fraud) a director, CEO or CFO of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Offer;
- (insolvency) the Company or any of its Subsidiaries is or becomes insolvent;
- (force majeure) there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- (market fall) the ASX/S&P 300 Index falls to a level that is 10% or more below its level at market close on the Business Day immediately preceding the date of this document and is at or below that level at the close of trading:
 - for 2 consecutive Business Days during any time after the date of this document until Completion; or
 - on the Business Day immediately prior to the Institutional Settlement Date or the Retail Settlement Date;
- (Finance Documentation) the Credit Approved Term Sheet dated 27 September 2018 provided to the Company by National Australia Bank Limited (**NAB**), pursuant to which NAB will provide a multi-option facility to the Company, subject to formal legal documentation and satisfaction of conditions precedent (**Finance Documentation**) is withdrawn or amended in a material respect without the prior written consent of the Underwriter, or the Underwriter reasonably believes that either:
 - formal legal documentation consistent with the Finance Documentation (Full Form Documents) will not be executed by all parties to it before the Retail Settlement Date; or
 - any conditions precedent to the provision of the multi-option facility contemplated in the Finance Documentation or contained in the Full Form Documents will not be satisfied or waived by the Retail Settlement Date;
- (Valentina Tripp) ceases to be employed by the Company for any reason or has given or received notice of termination or is on a period of gardening leave after which employment will end; or
- (consent) any person other than the Underwriter who has previously consented to the inclusion of its name in the Prospectus withdraws that consent

8.6.3 Termination events subject to materiality

The Underwriter may terminate the Underwriting Agreement, by notice to the Company, at any time after the date of the Underwriting Agreement until Completion of the Offer (or such earlier time as specified below) if any of the following events occur and, in the reasonable opinion of the Underwriter, the event: (i) has had, or could reasonably be expected to have a material adverse effect on the outcome of the Offer or the likely trading price of Shares, or the ability of the Underwriter to market or promote or settle the Offer; or (ii) give rise to a contravention by the Underwriter of, or liability for the Underwriter under, the Corporations Act or any applicable laws:

- (Prospectus and public information):
 - the Prospectus or other specified public information issued by the Company in relation to the Offer, or any statement, report, representation, matter or thing contained therein is or becomes misleading or deceptive or is likely to mislead or deceive; or
 - there is an omission from the Prospectus of material required to be included by the Corporations Act or any other applicable law;
- (new circumstance) a new circumstance arises which is a matter adverse to investors in Shares under the Entitlement Offer and which would have been required by the Corporations Act to be included in the Prospectus had the new circumstance arisen before the Prospectus was given to ASX;

- (adverse change) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and each of its Subsidiaries, from the position most recently disclosed to ASX by the Company before the date of the Underwriting Agreement, or otherwise fairly disclosed to the Underwriter prior to entry into the Underwriting Agreement;
- (future matters) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the Prospectus is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (changes to the Company) the Company:
 - varies any term of the Constitution; or
 - disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material Subsidiary),
 without the prior written consent of the Underwriter;
- (default) a default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs;
- (representations and warranties) a representation and warranty contained in the Underwriting Agreement on the part of the Company was or is not true or correct or becomes untrue or incorrect;
- (Certificate) a statement in a certificate delivered by the Company in accordance with the Underwriting Agreement is untrue or incorrect, or misleading or deceptive or contains omissions of any required information;
- (information) the report of the due diligence committee formed by the Company in connection with the Offer is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (disruption in financial markets) any of the following occurs:
 - a general moratorium on commercial banking activities in Australia the United States of America, the United Kingdom or Hong Kong, Singapore, the People's Republic of China or Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for more than 1 trading day;
- (change of law) there is introduced or there is a public announcement of a proposal to introduce:
 - into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or Government Agency, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement); or
 - into the laws of the United States of America, the United Kingdom or Hong Kong, Japan or the People's Republic of China a new law or a proposal to adopt a new law,
 any of which does or is likely to prohibit or adversely affect the regulation of the Company or the Offer, capital issues or stock markets or affects the taxation treatment of the Offer Securities;
- (hostilities) in respect of or involving any one or more of Australia, the United States of America, Hong Kong the United Kingdom, Japan or the People's Republic of China:
 - hostilities not presently existing commence;
 - a major escalation in existing hostilities occurs;
 - a declaration is made of a national emergency or war; or
 - a terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world; or
- (political or economic conditions) the occurrence of any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America, Hong Kong the United Kingdom, Japan or the People's Republic of China.

8.6.4 Indemnity

The Company agrees to indemnify each of the Underwriter and its respective affiliates and related bodies corporate and each of any of their respective directors, officers, partners, employees and representatives against all claims, losses, damages, proceedings, liabilities, costs and expenses of any kind, however arising, suffered or incurred directly or indirectly in relation to the Offer (subject to certain customary exclusions relating to, among other things, willful misconduct, gross negligence, recklessness and fraud of an indemnified party).

8.6.5 Representations, warranties and undertakings

The Company gives certain standard representations, warranties and undertakings to the Underwriter (as well as standard conditions precedent) under the Underwriting Agreement.

The representations and warranties given by the Company include, but are not limited to, matters such as power and authorisations, compliance with applicable laws and ASX Listing Rules, documents issued or published by or on behalf of the Company in respect of the Offer, the conduct of the Offer and the due diligence process, litigation and insolvency.

The Company provides undertakings under the Underwriting Agreement which include, but are not limited to, notifications of breach of any undertaking given by them under the Underwriting Agreement.

With the exception of the New Shares issued under the Offer and certain other limited exceptions, the Company also provides an undertaking that it will not, without the Underwriter's prior written consent (such consent not to be unreasonably withheld or delayed) and subject to certain standard exceptions, issue or agree to issue any Shares (or other securities in the capital of the Company) at any time after the date of the Underwriting Agreement until 90 days after the date of settlement of the Retail Entitlement Offer. The Company also provides undertakings that until Completion of the Offer, it will not alter the capital structure of the Company, or amend its constitution prior, in either case, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).

8.7 Not investment advice

This Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares. The New Shares offered under this Prospectus should be considered speculative. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Prospectus, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

8.8 Australian taxation – Entitlement Offer

The taxation implication of the Entitlement Offer will vary depending upon your particular circumstances. Neither the Company nor any of its Officers or employees, nor its advisers, accepts any liability or responsibility in this regard and recommends that you seek and rely upon your own professional advice in connection with the Entitlement offer.

This Section 8.8 does not constitute financial product advice as defined in the Corporations Act 2001 (Cth), is confined to taxation issues, and is only one of the matters investors need to consider when making a decision about their investments. Investors should seek advice from their own independent professional adviser before deciding whether to invest in Murray River Organics.

The following tax comments in this Section 8.8 are based on the tax law in Australia in force as at the Prospectus Date. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the New Shares by investors, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own independent professional advice on the taxation implications of receiving the Entitlement Offer, receiving the Retail Premium, holding or disposing of the New Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax (including Capital Gains Tax ("CGT")), Goods and Services Tax and Stamp Duty implications for Australian tax resident individuals, complying superannuation entities, trusts, partnerships and corporate investors that hold their existing and New Shares on capital account. These comments do not apply to non-resident investors, investors that hold their existing and New Shares on revenue account or as trading stock, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 (Cth).

8.8.1 Issue of Retail Entitlements

The issue of a Retail Entitlement under the Entitlement Offer should be treated for Australian income tax purposes as an issue of rights to acquire a New Share in the Company.

The issue of the Retail Entitlement will not of itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

8.8.2 Non-resident capital gains tax withholding

Murray River Organics will be issuing New Shares to investors pursuant to the Entitlement Offer. In accordance with subsection 14-225(1) of the Taxation Administration Act 1953 (Cth), the Company declares that, for the period from the Prospectus Date until the date of Completion of the Entitlement Offer, it will be a resident of Australia for tax purposes. Accordingly, investors should not have an obligation to withhold any portion of the price paid for the Shares under the Entitlement Offer.

8.8.3 Eligible Retail Shareholders that take up the Offer – Australian tax residents

The exercise by an Eligible Retail Shareholder (i.e. taking up) of its Retail Entitlement should not give rise to an income tax (including CGT) liability.

If an Eligible Shareholder takes up all or part of its Retail Entitlement, the shareholder will acquire New Shares in the Company with a cost base for CGT purposes of each New Share equal to the amount paid by the Shareholder for each New Share, plus certain non-deductible incidental costs incurred in acquiring those shares (if any).

New Shares will be taken to have been acquired on the day that the Entitlement Offer is exercised.

8.8.4 Dividends paid on Shares to Australian tax residents

8.8.4.1 Australian resident individuals and complying superannuation entities

Dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Subject to the comments below at Section 8.8.2.4, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investor should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, an individual investor will generally be taxed at his or her prevailing marginal rate on the dividend received (with no tax offset). Complying superannuation entities will generally be taxed at the prevailing rate for complying superannuation entities on the dividend received (with no tax offset).

8.8.4.2 Corporate investors

Corporate investors are also required to include both the dividend and, where a fully franked or partially franked dividend is received, the associated franking credit in their assessable income.

Subject to the comments below at Section 8.8.2.4, corporate investors should be entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate investor to pass on the franking credits to its investor(s) on the subsequent payment of franked dividends.

Excess franking credits received by corporate investors will not give rise to a refund entitlement for a company, but can be converted into carry forward tax losses instead.

8.8.4.3 Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities, which are dealt with in Section 8.8.2.1 above) or partnerships should include any dividends and any franking credit received in determining the net income of the trust or partnership. Where a fully franked or partially franked dividend is received, the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

8.8.4.4 Shares held at risk

The benefit of franking credits can be denied where an investor is not a "qualified person," in which case the investor will not need to include the amount of the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a "qualified person", two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold shares "at risk" for more than 45 days continuously within the primary qualification period (which is measured as the period commencing the day after the shares were acquired and ending on the 45th day after the shares become ex-dividend) in order to qualify for franking benefits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the shares at risk for the continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the shares become ex-dividend.

Investors should seek independent professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of "dividend washing" arrangements. Shareholders should consider the impact of these rules together with the broader integrity provisions that apply to the claiming of tax offsets, having regard to their own personal circumstances.

8.8.4.5 Eligible Retail Shareholders that do not take up the Offer – Australian tax residents

Pursuant to the Entitlement Offer, if an Australian tax resident Eligible Retail Shareholder takes no action or the application is not supported by cleared funds, the Shareholder will be deemed to have renounced its Entitlement and those renounced Entitlements will be transferred and potentially sold in the Retail Bookbuild on the Investors behalf. Any Retail Premium in respect of a renounced Entitlement will be paid on a pro-rata basis to Ineligible Retail Shareholders and Eligible Retail Shareholders who do not take up their full Entitlement. Entitlements will not be able to be traded on the ASX or another financial market, or otherwise privately transferred.

For those Shareholders holding their shares on capital account, any Retail Premium paid on a renounced Entitlement as a result of the sale (on an Investors behalf) of Retail Entitlements into the Retail Bookbuild should be taxable under the Australian CGT provisions. This is consistent with the Australian Taxation Office's position outlined in Taxation Ruling TR 2017/4 'Income tax: taxation of rights and retail premiums under renounceable rights offers where shares held on capital account', which views the Retail Premium as capital proceeds for the purposes of the CGT provisions.

Pursuant to TR 2017/4, Australian resident Shareholders who are individuals, complying superannuation entities or trustees that have held their existing Shares in the Company for at least 12 months prior to the date of the Entitlement Offer, should be entitled to the CGT discount (see below) in respect of any capital gain resulting from the receipt of a Retail Premium amount.

8.8.4.6 Disposal of Shares – Australian tax residents

Most Australian tax resident investors will be subject to Australian CGT on the disposal of their Shares. Some investors may hold their Shares on revenue account, as trading stock, or be subject to the Taxation of Financial Arrangements regime. Those investors should seek their own independent professional advice in respect of the consequences of a disposal of Shares.

An investor will derive a capital gain on the disposal of shares where the capital proceeds received on disposal exceeds the cost base of the shares. The cost base of the shares is broadly the amount paid to acquire the shares plus any transaction and incidental costs.

A CGT discount may be available on the capital gain for individual investors, trustee investors and investors that are complying superannuation entities provided the particular shares are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33⅓%. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled beneficiaries of the trust where the beneficiary would themselves be entitled to apply the CGT discount.

An investor will incur a capital loss on the disposal of their particular shares to the extent that the capital proceeds on disposal are less than the reduced cost base of the shares.

If an investor derives a net capital gain in a year, this amount is, subject to the following comments, included in the investor's assessable income. If an investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the investor satisfying certain rules relating to the recoupment of carried forward losses.

8.8.4.7 Tax file numbers

An investor is not required to quote their tax file number ("TFN") to the Company. However, if their TFN details (or certain exemption details) are not provided, Australian tax may be required to be deducted by the Company from dividends at the maximum marginal tax rate plus the Medicare levy.

An investor who holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

8.8.4.8 Stamp duty

On the basis that no investor, together with their associates, should exceed the landholder acquisition threshold for a listed entity (being 90%), no stamp duty should be payable by investors on the acquisition of the New Shares.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

8.8.4.9 Australian goods and services tax ("GST")

The acquisition, redemption or disposal of the New Shares by an Australian resident (who is registered or required to be registered for GST) will be an input taxed financial supply, and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to investors.

An Australian resident investor registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

8.9 Information availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer at <https://murrayriverorganicsoffer.thereachagency.com>.

A replacement Entitlement and Acceptance Form can also be requested during the period of the Offer by calling the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9.00am and 5.00pm Monday to Friday.

If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus on the MRG website will not include an Entitlement and Acceptance Form.

8.10 Legal proceedings

As at the date of this Prospectus, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental proceedings of a material nature in which the Company is directly or indirectly involved which is likely to have a material adverse impact on the business or financial position of the Company.

8.11 Consents

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in, or omissions from, this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement which is made in this Prospectus is based, other than as specified below:

- Clayton Utz;
- Computershare Investor Services Pty Limited;
- EM Advisory Pty Ltd;
- Ernst & Young as provider of due diligence services and auditor;
- Ernst & Young Transaction Advisory Services Limited as Investigating Accountant;
- Shaw and Partners Limited; and
- Thorney Investment Group.

8.12 Costs of the Offer

The costs of the Offer are expected to be approximately \$3.275 million (excluding GST). These costs will be borne by the Company from the proceeds of the Offer.

8.13 Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

8.14 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by the Company, or its related bodies corporate, in connection with the Offer. Except as required by law, and only to the extent so required, none of the Company, nor any other person, warrants or guarantees the future performance of MRG or any return on any investment made pursuant to this Prospectus or its content.

8.15 Statement of Directors

The issue of this Prospectus is authorised by each Director of the Company.

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC and the issue of the Prospectus and no Director of the Company has withdrawn that consent.

9. Independent Limited Assurance Report

9 Independent Limited Assurance Report (ILAR)

9 October 2018

The Board of Directors
Murray River Organics Group Limited
32 Crompton Way
Dandenong South VIC 3175

Dear Directors

PART 1 - INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Murray River Organics Group Limited ("MRG" or the "Company") to report on the historical financial information and pro forma historical financial information for inclusion in the Prospectus to be dated on or about 9 October 2018, and to be issued by MRG, in respect of the accelerated pro-rata renounceable entitlement offer of new fully paid ordinary shares to existing shareholders of the Company (the "Offer") and the issue of unquoted options over shares in the Company ("Advisor Options") to EM Advisory Pty Ltd.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gary Nicholson is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information of MRG:

- the historical consolidated statement of financial position as at 30 June 2018 as set out in Table 1 in Section 5.3 of the Prospectus.

(Hereafter the "Historical Financial Information").

The Historical Financial Information has been derived from the annual financial report of MRG for the year ended 30 June 2018, which was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion on the annual financial report, which included an emphasis of matter regarding a material uncertainty in relation to the Group's ability to continue as a going concern.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board ("AASB"), which are consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of MRG:

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2018 as set out in Table 1 in Section 5.3 of the Prospectus.

(Hereafter the "Pro Forma Historical Financial Information").

(the Historical Financial Information and Pro Forma Historical Financial Information is collectively referred to as the "Financial Information").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of MRG, and adjusted for the effects of pro forma adjustments described in Section 5.3 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS and (ii) the impact of certain transactions as if they occurred as at 30 June 2018.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

3. Directors' Responsibility

The directors of MRG are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- the historical consolidated statement of financial position as at 30 June 2018 as set out in Table 1 in Section 5.3 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Sections 5.2.1, 5.2.2 and 5.2.3 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2018 as set out in Table 1 in Section 5.3 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Sections 5.2.1, 5.2.2 and 5.2.3 of the Prospectus.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.2.1 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited



Gary Nicholson
Director and Representative

9 October 2018

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT
LIMITED ASSURANCE REPORT**

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$9,900 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Prospectus in section 7.3.4, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

<p>Contacting Ernst & Young Transaction Advisory Services</p> <p>AFS Compliance Manager</p> <p>Ernst & Young</p> <p>200 George Street</p> <p>Sydney NSW 2000</p> <p>Telephone: (02) 9248 5555</p>	<p>Contacting the Independent Dispute Resolution Scheme:</p> <p>Financial Ombudsman Service Limited</p> <p>PO Box 3</p> <p>Melbourne VIC 3001 Telephone: 1300 78 08 08</p>
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

10. Glossary.

10 Glossary

The below terms are defined as follows for the purposes of this Prospectus:

AASB or Australian Accounting Standards Board means the Australian Accounting Standards Board, an Australian Government agency under the Australian Securities and Investments Commission Act 2001 (Cth).

Advisor Options means the 3.825 million Options to be issued to EM Advisory pursuant to this Prospectus.

Applicant means a person who has subscribed for New Shares pursuant to the Offer.

Application Monies means the money paid by Applicants in respect of the New Shares they apply for under the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd ABN 49 008 504 532, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Ltd ABN 48 001 314 503.

Australian Accounting Standards means the Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group interpretations.

Banking Facilities has the meaning given in Section 5.5.1.

Board or **Board of Directors** means the board of directors of the Company from time to time

CARD Form means a confirmation of allocation and registration form.

Cluster is a dried vine fruit product where the dried fruit (i.e. raisin or sultana) is cut and sold attached to the vines

Constitution means the constitution of the Company.

Company means Murray River Organics Group Limited (ACN 614 651 473).

Completion of the Offer means completion in respect of the issue of New Shares pursuant to the Offer, in accordance with this Prospectus and the Underwriting Agreement.

Confirmation Letter means the confirmation letter sent by the Underwriter to Eligible Institutional Shareholders and Institutional Investors who subscribe for Offer Securities under the Institutional Entitlement Offer and Institutional Bookbuild.

Corporations Act means the Corporations Act 2001 (Cth).

CRN means the unique customer reference number allocated to each Eligible Shareholder.

Directors means each of the directors of the Company from time to time.

Eligible Institutional Shareholder means those persons who receive an offer from the Company through the Underwriter to subscribe for New Shares under the Institutional Entitlement Offer on the basis that it is an Institutional Investor, including where the offer is made to a person for whom the Shareholder holds Shares.

Eligible Retail Shareholder means those persons who:

- were not invited to participate (other than as nominee in respect of other underlying holdings) under the Institutional Entitlement Offer (unless the Underwriter has agreed, in its absolute discretion, that a Shareholder who was invited to participate in the Institutional Entitlement Offer, may defer their participation to the Retail Entitlement Offer), and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer;
- are registered as a holder of Shares as at the Record Date, being 7.00pm on 11 October 2018;
- have a registered address on the MRG share register in Australia, New Zealand, Hong Kong or Malaysia as at the Record Date;
- are not in the United States and is not, and is not acting for the account or benefit of, a U.S. Person; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligible Shareholder means an Eligible Retail Shareholder or an Eligible Institutional Shareholder, or both (as the context requires).

EM Advisory means EM Advisory Pty Ltd.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Entitlements means the entitlement of Eligible Shareholders to purchase 2.4 New Shares for every 1 existing Share held as at the Record Date at the Offer Price of \$0.10 per New Share.

Entitlement and Acceptance Form means the personalised form accompanying this Prospectus.

Fill Rate is a measure of manufacturing and warehousing efficiency

FMCG means fast moving consumer goods.

Group, Murray River Organics or MRG means the Company and each of its wholly-owned subsidiaries and, where relevant, means one or more of those subsidiaries as the context requires.

Historical Financial Information has the meaning given in Section 5.1.

IFRS has the meaning given in clause 5.2.1.

Ineligible Institutional Shareholder means a person who holds Shares that is, or the person for whom they hold Shares is an Institutional Investor that is a jurisdiction outside of Australia, New Zealand, Hong Kong or Malaysia.

Ineligible Retail Shareholder means a Shareholder who is not an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

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

Institutional Bookbuild means the bookbuild process undertaken by the Underwriter in respect of the Institutional Entitlement Offer and through which the Underwriter offer for sale the Entitlements of Renouncing Institutional Shareholders and the Entitlements that would have been attributable to Ineligible Institutional Shareholders if they were eligible to participate in the Offer.

Institutional Bookbuild Price has the meaning given in section 3.3.

Institutional Entitlement Offer means accelerated renounceable institutional entitlement offer of New Shares to Eligible Institutional Shareholders.

Institutional Investor means a person whom the Underwriter reasonably believes to be a person to whom offers for the issue of Shares may lawfully be made without the need for a lodged prospectus or other disclosure document or other lodgment, registration, filing with or approval by a Government Agency (other than one with which the Company is willing to comply) and excluding any person in the United States or any person that is, or is acting for the account or benefit of a U.S. Person.

Institutional Shortfall Shares means any Shares for which Valid Applications have not been received following the Institutional Entitlement Offer and the Institutional Bookbuild.

Institutional Premium means any proceeds in excess of the Offer Price per New Share that may be achieved under the Institutional Bookbuild as described at section 3.3.

Investigating Accountant means Ernst & Young Transaction Advisory Services Limited.

Management Team means the management team listed in Section 7.2.

MRG or Murray River Organics means Murray River Organics Group Limited (ACN 614 651 473.)

MRO means Murray River Organics' 'MRO' brand of conventional food products for the wholesale market.

New Shares means the Shares offered by Murray River Organics Limited pursuant to this Prospectus.

Nominee means the Shaw related entity - McNeil Nominees Pty Ltd ACN 003 207 592.

Offer means the Entitlement Offer.

Offer Price means \$0.10 per New Share.

Offer Ratio means 2.4 New Shares for every 1 existing Share held as at the Record Date.

Officer has the meaning given in section 9 of the Corporations Act.

Option means an option to acquire a Share.

Pro Forma Historical Financial Information has the meaning given in Section 5.1.

Prospectus means this prospectus (including the electronic form of this Prospectus) and any supplementary or replacement Prospectus in relation to this document.

Record Date means 7.00pm on Thursday, 11 October 2018.

Renouncing Institutional Shareholders means all Eligible Institutional Shareholders who do not take up some or all of their Entitlement

Renouncing Retail Shareholders means all Eligible Retail Shareholders who do not take up some or all of their Entitlement

Renouncing Shareholders means Renouncing Retail Shareholders and Renouncing Institutional Shareholders

Retail Bookbuild means the bookbuild process to be undertaken by the Underwriter to offer for sale the Entitlements of Renouncing Shareholders and the Entitlements that would have been attributable to Ineligible Retail Shareholders if they were eligible to participate in the Offer.

Retail Entitlement Offer means the renounceable retail entitlement offer of New Shares to Eligible Retail Shareholders.

Retail Premium means any proceeds in excess of the Offer Price per New Share that may be achieved under the Retail Bookbuild as described at section 3.5.

Retail Shortfall Shares means any Shares for which Valid Applications have not been received following the Retail Entitlement Offer and the Retail Bookbuild

Securities Act means the U.S. Securities Act of 1933, as amended from time to time.

Shortfall Shares means Institutional Shortfall Shares and Retail Shortfall Shares.

Shareholder means the registered holder of a Share.

Shares means fully paid ordinary shares of the Company as well as new ordinary shares in the Company.

Share Registry means Computershare Investor Services Pty Limited whose details are provided in the "Corporate Directory" section of this Prospectus.

SKU means Stock Keeping Unit.

Thorney Investment Group includes Thorney Opportunities Limited ACN 080 167 264, Tiga Trading Pty Ltd ACN 118 961 210 and Urban Land Nominees Pty Ltd ACN 113 254 112.

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter dated on or about 9 October 2018.

Underwriter means Shaw and Partners Limited.

US Persons has the meaning given in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933.

Valid Application means in respect of:

- the Institutional Entitlement Offer:
 - a duly completed Confirmation Letter by an Eligible Institutional Shareholder lodged with the Underwriter prior to 4.00pm on the closing date for the Institutional Entitlement Offer
- the Institutional Bookbuild:
 - a duly completed Confirmation Letter by a participant in the Institutional Bookbuild lodged with the Underwriter prior to 4.00pm on the closing date for the Institutional Entitlement Offer
- the Retail Bookbuild:
 - a duly completed Confirmation Letter by a participant in the Retail Bookbuild lodged with the Underwriter prior to 4.00pm on the date of the Retail Bookbuild
- the Retail Entitlement Offer:
 - a duly completed Entitlement and Acceptance Form by a Retail Securityholder and submitted to the Share Registry in accordance with this Prospectus with payment of the Offer Price in full and cleared funds for each of the New Shares in respect of which application is made; or

- payment of the Offer Price for each of the New Shares in respect of which application is made by BPAY (in which case completion of an Entitlement and Acceptance Form is not required),

by 5.00pm on the Retail Closing Date.

Voting Power has the meaning given in section 610 of the Corporations Act.

Corporate Directory

Company's Registered Office

Murray River Organics Group Limited

32 Crompton Way
Dandenong South, Victoria, 3175
Australia

Underwriter

Shaw and Partners

Level 15
60 Castlereagh Street
Sydney, New South Wales, 2000
Australia

Australian Legal Adviser

Clayton Utz

Level 18
333 Collins Street
Melbourne, Victoria, 3000
Australia

Auditor

Ernst & Young

8 Exhibition Street
Melbourne, Victoria, 3000
Australia

Investigating Accountant

Ernst & Young Transaction Advisory Services

8 Exhibition Street
Melbourne, Victoria, 3000
Australia

Financial Adviser

EM Advisory

Level 7
50 Market Street
Melbourne, Victoria, 3000
Australia

Share Registry

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford, Victoria, 3067
Phone: +61 3 9415 4000

MRG Information Line

Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)

Hours: 9.00am to 5.00pm Monday to Friday during the Entitlement Offer

Company Website

www.murrayriverorganics.com.au