



HRL Holdings Limited

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ASX Announcement

17 February 2017

Capital Raising Prospectus

Please find attached the Entitlement Offer Prospectus for the proposed issue of up to approximately 57,782,920 fully paid ordinary shares, in relation to a partially underwritten (to \$5,000,000 - 50,000,000 shares) non-renounceable entitlement offer of ordinary shares by the company, as advised to the market on 16 February 2017.

Paul Marshall
Company Secretary
HRL Holdings Ltd

Prospectus

HRL Holdings Limited ACN 120 896 371 (**Company**)

A non-renounceable rights issue to Eligible Shareholders of 4 New Shares for every 11 Shares held at an issue price of \$0.10 per New Shares to raise approximately \$5.8 million (**Offer**).

The Offer is partially underwritten to \$5.0 million.

Lead Manager and Underwriter Canaccord Genuity (Australia) Limited

This document is important and it should be read in its entirety

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (Sydney time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

Prospectus

Important Information

Offer statistics

Number of New Shares to be issued: up to approximately 57.8 million*
Issue Price:\$0.10

Key dates for investors

Record Date for determining entitlements under the Issue: 7:00pm Sydney 24 February 2017
Offer Opens: 9:00am Sydney 28 February 2017
Offer Expected to Close: 5:00pm Sydney 14 March 2017
Commencement of trading of New Shares on ASX: 22 March 2017
Expected Date for Despatch of New Shareholding statements: 23 March 2017

Further details regarding the timetable for the Offer are set out in section 1. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

This Prospectus is dated 17 February 2017 and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with Section 713 of the *Corporations Act*.

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

Foreign Shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

Prospectus

The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See Section 1 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

New Zealand

The New Securities 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 *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Monies by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the Internet at <http://www.hrlholdings.com>. If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 7 3149 2113.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on 1800 220 771 (within Australia) or +61 1800 220 771 (from outside Australia).

Deciding to Accept the Offer

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

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Section 1.5 of this Prospectus and set out in more detail in Section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other

Prospectus

publicly available information about the Company, including ASX announcements, which can be found at the Company's website: <http://www.hrlholdings.com>.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Definitions and Glossary in section 8.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward Looking Statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Prospectus

TABLE OF CONTENTS

- 1. Investment summary8
- 2. Details of the Offer13
- 3. How to apply.....17
- 4. Company Information22
- 5. Effect of the Offer on the Company.....28
- 6. Risk factors.....39
- 7. Additional information.....44
- 8. Definitions & glossary.....65

Prospectus

Chairman's letter

17 February 2017

Dear Shareholders,

It is my pleasure to present this Prospectus and to invite you to take up your Entitlement of New Shares in HRL Holdings Limited (**the Offer**)

As announced on 17 February 2017 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares under the Offer. The Offer is a non-renounceable rights issue of 4 New Shares for every 11 Shares held at an issue price of \$0.10 per New Share, to raise approximately \$5.8 million (before Offer costs). The issue price represents a 22.5% discount to the 30 day volume-weighted average Share price (being \$0.129) as at the close on Thursday 16 February 2017.

The Shareholders of HRL who have a registered address in Australia or New Zealand and who hold Shares in HRL at 7:00pm (AEST) on 24 February 2017 may participate in the Offer. It is proposed that the funds raised from the Offer and existing cash on hand will be used to;

- acquire Morrison Geotechnic;
- cover costs of the Offer;
- reduce existing debt; and
- to provide working capital.

It is intended that the Rights Issue will proceed on the basis that existing HRL shareholders may apply for more than their pro-rata entitlement to take up any shortfall.

As announced to the market on 16 February 2017, subject to shareholder approval which is intended to be sought on or about the 29 March 2017, the Company is also seeking to acquire Integrated Holdings Group Pty Ltd (**Integrated**) whose subsidiary is Octfolio Pty Ltd which specialises in providing an information management software solution for asbestos and hazardous materials compliance (**Octfolio**). To facilitate the acquisition of Integrated the Company is undertaking a Placement on or about 13 April 2017 in the amount of \$2.75 million which as disclosed, will result in a placement of shares to the vendors of Integrated, two of which are directors of the Company. Please note the Offer is not subject to the completion of the purchase of Integrated. Further information with respect to this proposed acquisition can be found in the announcement made on 16 February 2017 (including the Investor Presentation) and in section 4.6 of this Prospectus.

The Directors intentions with respect to their entitlement to New Shares are set out in 1.8.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Offer is partially underwritten to \$5.0 million, providing certainty of the Company's ability to acquire Morrison Geotechnic, cover costs of the Offer, reduce our existing debt balance and provide working capital.

A personalised Entitlement and Acceptance Form is attached to this Prospectus and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Monies by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription moneys for the New Shares must be received by the Company at

Prospectus

its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

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

Yours Sincerely

Kevin Maloney
HRL Chairman

Prospectus

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for the non-renounceable rights issue of approximately 4 New Shares at an issue price of \$0.10 per New Share, on the basis of 4 New Shares for every 11 Shares held by Eligible Shareholders as at the Record Date.

The issue price of \$0.10 per New Share represents a 22.5% discount to the 30 day volume-weighted average Share price for Shares (being \$0.129) as at the close on Thursday 16 February 2017.

The Offer is partially underwritten to \$5.0 million by Canaccord Genuity (Australia) Limited

The Offer is an offer to Eligible Shareholders only. Eligible Shareholders who do not take up all of their Entitlements will have their interest in HRL diluted.

Where fractions arise, they will be rounded up to the next whole number of New Shares.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 23 March 2017.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all Acceptance Monies (without interest) within 28 days of giving notice of such withdrawal.

1.2 Minimum subscription

There is no minimum subscription to the Offer.

1.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of:

- (a) acquire Morrison Geotechnic;
- (b) meet the costs of the Offer;
- (c) reduce existing debt; and
- (d) to provide working capital.

Prospectus

The proceeds from the Offer (assuming it is fully subscribed) are proposed to be allocated in the following manner:

Proposed use of funds	
Acquisition of Morrison Geotechnic	\$3.75 million
Reduce existing debt*	\$1.20 million
Estimated costs of the Issue (including legal fees, Lead Manager's fees, Underwriter's fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)**	\$0.44 million
Working capital	\$0.39 million
Total (maximum raising)	\$5.78 million

* If the Offer is not fully subscribed, the reduction of existing debt will be reduced accordingly noting that the Offer is partially underwritten to \$5.0 million.

**Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders

1.4 Investment Highlights

Acquisition of Morrison Geotechnic, a leading engineering and laboratory services firm providing services to the civil, engineering and construction industries, primarily across South East Queensland.

Opportunity to participate in new business development, including the Octfolio business, being acquired.

Strengthen the financial position of the Company through the paydown of bank debt.

1.5 Risk Factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action.

However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Integrated Acquisition Risk	Whilst the Company has agreed to acquire Integrated pursuant to an agreement dated 14 February 2017 (SSA), the acquisition is subject to various conditions, including obtainment of approval of shareholders at a meeting intending to be held on or about 29 March 2017 (EGM). The Offer is not subject to the successful completion of the acquisition of Integrated. No assurance can be given that shareholders will approve the acquisition at the EGM and failure to do so may result in the Company's business being materially and adversely affected.

Prospectus

Risk	Details
Regulatory risk and government policy	Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia (at Federal and State level), may have an adverse effect on the assets, operations and ultimately the financial performance of HRL.
Service sector risk	HRL provides specialised environmental services, and as such is subject to the demands of the sectors it provides and the strength of its competition. Any impact of the sectors to which HRL provides services will have an adverse effect on the Company.
Operational risks and costs	The operations of HRL may be disrupted by a variety of risks and hazards which are beyond the control of the company such as unforeseen weather events, natural disasters or accidents.
Additional requirements for capital	The Company may require additional funds in the future to achieve its objectives. There is no assurance that these funds will be available in the future, or if they are available, that they will be on commercially acceptable terms to the Company. If adequate additional funding is not available or acceptable on the Company's terms, the Company's business will be materially and adversely affected.

Further details regarding risks which may affect the Company in the future are set out in Section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.6 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in Section 7.3.

1.7 **Acceptance of Entitlement to New Shares**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Monies by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Monies should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

Prospectus

1.8 Directors Intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of HRL have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Name of Director	Current Shareholding	% shareholding	Rights Issue	% shareholding Post Rights Issue	Subscription Agreements	% shareholding Post completion of the Subscription Agreements
Kevin Maloney	47,459,491	29.87%	0#	21.90%	13,750,000	25.07%
Darren Anderson	16,589,064	10.44%	0#	7.66%	4,583,333	8.67%
Mark Elliott	2,848,634	1.79%	275,000*	1.44%	0	1.28%
John Taylor	923,077	0.58%	750,000*	0.77%	0	0.69%

neither Kevin Maloney nor Darren Anderson intend to subscribe for any shares in the Entitlement Offer as they will both be participants in the Placement of shares for which shareholder approval is being sought at an EGM to be held on 29 March 2017.

* both Mark Elliott and John Taylor have entered into sub-underwriting agreements in relation to the Offer on the same terms and conditions as other sub-underwriters. The maximum number of shares they have committed to underwriting are included in the table above. Neither Director intends to directly subscribe for their Entitlement under the Offer. Mark Elliott's Entitlement under the Offer is 1,035,867 and John Taylor's entitlement under the Offer is 335,664. Further information with respect to the sub underwriting agreements is set out in 7.8(c).

1.9 Lead Manager

Canaccord Genuity (Australia) Limited has been appointed Lead Manager to the Offer. Further details of the terms of appointment of the Lead Manager are set out in section 7.8.

1.10 Underwriter

Canaccord Genuity (Australia) Limited been appointed as the underwriter to the Offer. Further details of the terms of appointment of the underwriter are set out in section 7.8.

1.11 Applying for Additional New Shares

Entitlements not taken up under the Offer may become available as Additional New Shares. Eligible Shareholders may, in addition to their Entitlements, apply for Additional New Shares over and above their Entitlement at the Offer Price (regardless of the size of their present holding).

It is an express term of the Offer that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated to them, excess Application Money will be refunded without interest. The Company, in consultation with the Underwriter, reserves the right to scale back any applications for Additional New Share in their absolute discretion.

The Directors also reserve the right to issue any New Shares not allocated or under the terms of the underwriting under the Offer within 3 months following the Closing Date at a price not less than the Offer Price.

For further details regarding Additional New Shares and the Company's allocation policy for any Shortfall, please refer to Sections 2.4 and 3.4.

1.12 Shortfall and Dilution of Shareholder's Interests

The Offer is partially underwritten. Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise.

Prospectus

As identified in paragraph 1.11, entitlements not taken up may become available as Additional New Shares. Eligible Shareholders can apply for Additional New Shares in addition to their Entitlement at the Offer Price regardless of the size of their present holding.

Any Additional New Shares not taken up will fall to the Underwriter up to the underwritten amount.

The Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares still remaining after the allocation to the Underwriter, in their discretion (which may include to subscribers for Additional New Shares) so as to ensure a maximum amount of funds is raised.

Acceptance of Entitlements or the allocation of any Shortfall to other parties may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from acquiring a relevant interest in the Company of more than 20.0%, subject to a number of exemptions.

For completeness, the Company sets out below, the potential effect on Control that may arise with respect to its largest shareholder and the other vendors of Integrated as well as the other shareholders of the Company both post the Offer as well as post the Placement. .

Shareholders	Existing Holding	%	Post Rights Issue	%	Post Subscription Agreements	%
Tulla Property Partners Pty Ltd ACN 126 992 103 as trustees for the Tulla Property Partners Trust	47,459,491	29.87	47,459,491	21.90%	61,209,491	25.07%
Darren Anderson and Julie Anderson as trustees for the DG & JE Anderson Family Trust	16,589,064	10.44%	16,589,064	7.66%	21,172,397	8.67%
Craig Anderson and Amanda Anderson as trustees for the CA & AM Anderson Family Trust	6,577,525	4.14%	6,577,525	3.04%	11,160,858	4.57%
Greg Anderson and Nancy Anderson as trustees for the GJ & NJ Anderson Family Trust	6,354,377	4.00%	6,354,377	2.93%	10,937,711	4.48%
Other Shareholders	81,922,574	51.56%	139,705,494	64.47%	139,705,494	57.21%
Total	158,903,031	100%	216,685,951	100%	244,185,951	100%

The post rights issue percentage calculated in the table above has been calculated assuming that the rights issue is subscribed in full.

Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. The interests of a Shareholder in the Company may be diluted in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Prospectus

2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of HRL have approved a non-renounceable rights issue of approximately 57.8 million New Shares at \$0.10 per New Share to raise approximately \$5.8 million. Eligible Shareholders of HRL are entitled to subscribe for 4 New Shares for every 11 Shares held. Only those Shareholders shown on the share register at 7.00 pm (Sydney time) on the Record Date with a registered address in Australia and New Zealand will be entitled to participate in the Offer.

There are currently no Options on issue in the Company.

There are currently 3,088,667 unlisted performance shares on issue in the Company. Under the vesting conditions of the performance shares the earliest any of the performance shares can vest is 1 year from the plan commencement, which was 31 August 2016. As such, no performance shares can vest prior to the Record Date and accordingly cannot affect the number of Shares on issue as at the Record Date.

No stamp duty, brokerage or handling fees are payable by the applicant for New Shares offered by this Prospectus.

2.2 Important dates

Announcement of Issue	Thursday, 16 February 2017
Notice to security holders containing Appendix 3B information	Friday, 17 February 2017
Lodgement of Prospectus with ASIC	Friday, 17 February 2017
Shares commence trading on an ex rights basis	Thursday, 23 February 2017
Record Date for the Offer	Friday, 24 February 2017
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Tuesday, 28 February 2017
Opening Date of Offer (9am Sydney time)	Tuesday, 28 February 2017
Closing Date of Offer (5pm Sydney time)	5:00pm Tuesday, 14 March 2017
Advise ASX of any shortfall	Friday, 17 March 2017
Expected date of issue of New Shares	Tuesday, 21 March 2017
Commencement of trading of New Shares on ASX	Wednesday, 22 March 2017
Expected date of despatch of holding statements for New Shares	Wednesday, 22 March 2017

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time.

Prospectus

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

2.3 Additional New Shares

New Shares that are not acquired by Eligible Shareholders under the Offer will be placed in a pool of shares referred to as Additional New Shares. Eligible Shareholders are entitled to apply for Additional New Shares over and above their Entitlement at the Offer Price

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of the size of their present holding. It is possible that there may be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Shareholders. Eligible Shareholders wishing to apply for Additional Securities may indicate the number of Additional Securities for which they wish to apply in accordance with the instructions on Entitlement and Acceptance Form. The consideration for these Additional New Shares must be included with the payment for your Entitlement.

There is no guarantee that in the event that Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. The Company, in consultation with the Underwriter reserves the right to scale back any applications for Additional New Shares in its absolute discretion. It is an express term of the Offer that applicants for Additional New Shares accept a lesser number of Additional New Shares than applied for if allocated to them. If a lesser number is allocated to them, excess application money will be refunded without interest as soon as practicable after all Additional New Shares have been issued.

In the event that there is a Shortfall in subscriptions under the Offer, the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion (which may include to subscribers for Additional New Shares) so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall; hold a relevant interest in more than 19.99% of all of the Shares in HRL after completion of the Offer.

The Company will not allocate or issue Additional New Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional New Shares must consider whether or not the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

Directors of HRL (and any other related parties) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any.

For further details regarding Additional New Shares and the Company's allocation policy for any Shortfall, please refer to Section 3.4.

2.4 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

Allotment of New Shares under the Offer is expected to occur on Tuesday, 21 March 2017. From this date, applicants may call the Company's Share Registry to seek confirmation of this allocation. In respect of Additional New Shares, the allocation policy is set out in Section 3.4.

Prospectus

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors reserve the right, as contemplated within the ASX Listing Rules to issue any Shortfall at their discretion (see section 3.4). Any Shortfall will be issued within 3 months after the Closing Date at an issue price being not less than the Offer Price (or as otherwise permitted by the ASX).

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.5 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants and is expected to occur on or about Tuesday, 21 March 2017. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until official quotation is granted.

Should the New Shares not be granted official quotation on the ASX within 3 months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

2.6 Holding statements

Each successful applicant under the Offer will be provided with a holding statement which sets out the number of New Shares issued to that applicant under the Offer, and other information required by the Corporations Act.

Holding statements for the New Shares issued under the Offer are expected to be despatched on Wednesday 22 March 2017. It is the responsibility of applicants to be sure of their respective holdings of New Shares prior to trading in them. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

2.7 CHESS

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Sub register System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their Holder Identification Number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

Prospectus

2.8 No rights trading

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

2.9 Minimum subscription

There is no minimum subscription to the Offer.

2.10 Lead Manager

Canaccord Genuity (Australia) Limited has been appointed the Lead Manager to the Offer. Further details of the appointment of the Lead Manager are set out in section 7.8.

2.11 Underwriting

The Offer is partially underwritten by Canaccord Genuity (Australia) Limited. Further details of the appointment of the Underwriter are set out in section 7.8.

2.12 Overseas shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

2.13 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

Prospectus

2.14 Electronic prospectus

An electronic version of this Prospectus is available on the Internet at <http://www.hrlholdings.com>.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry or a financial adviser.

3. How to apply

3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

3.2 Eligible Shareholders may participate in the Offer as follows:

- (a) Take up your Entitlement in full and apply for Additional New Shares

If you are an Eligible Shareholder and you wish to take up all of your Entitlement and apply for Additional New Shares in excess of your Entitlement, please

- complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form; and
- forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5:00pm (Sydney time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency** should be made payable to HRL Holdings Ltd and crossed "not negotiable".

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Monies will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Prospectus

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5:00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take 1 or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

(b) Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form; and
- forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5:00pm (Sydney time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency** should be made payable to HRL Holdings Ltd and crossed "not negotiable".

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Monies will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5:00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take 1 or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

(c) Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency**, should be made payable to HRL Holdings Ltd and crossed "not negotiable".

Prospectus

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5:00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take 1 or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

(d) Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued to the Underwriter or other third parties in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

(e) General

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 733 154 (within Australia) or +61 1300 733 154 (from outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.10 per New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder elects to make payment using BPAY, they must contact their bank, credit union or building society to make payment of the Acceptance Monies from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Hand Delivery

HRL Holdings Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Postal Address

HRL Holdings Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Monies will be held in trust in a

Prospectus

subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Monies will be retained by the Company irrespective of whether allotment takes place.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Securities offered by this Prospectus.

3.3 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.4 Additional New Shares and allocation policy for Shortfall

New Shares from any Shortfall will only be allocated and issued if all Eligible Shareholders do not apply for their full Entitlements and the Offer is consequently undersubscribed. New Shares that are not acquired by Eligible Shareholders under the Offer will be placed in a pool of shares referred to as Additional New Shares.

Allocation of any Additional New Shares will be at the discretion of the Directors of HRL (or their delegate for this purpose) in accordance with the following policy:

- (a) The Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion (which may include to subscribers for Additional New Shares) so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall; hold a relevant interest in more than 19.99% of all of the Shares in HRL after completion of the Offer.
- (b) If HRL receives applications from Eligible Shareholders for Additional New Shares that would not result in the Offer being oversubscribed, HRL will, subject to the other terms of this policy, allocate those Additional New Shares to the Eligible Shareholders who applied for them.
- (c) If HRL receives applications for Additional New Shares that would result in the Offer being oversubscribed, HRL will not accept such oversubscriptions and will reject or

Prospectus

scale back applications in a manner that the Board determines will result in the Eligible Shareholders who applied for the Additional New Shares being allocated the number of Additional New Shares that best approximates a pro rata allocation of the Additional New Shares by reference to their respective Shareholdings on the Record Date, provided that any such allocation will be in the ultimate discretion of the Board and provided that no Eligible Shareholders are to be allocated more Additional New Shares than they applied for.

- (d) Additional New Shares will be issued at the same time as all other New Shares are issued under the Offer.
- (e) HRL will not allocate or issue any additional New Shares from a Shortfall where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional New Shares must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (f) Directors of HRL (and any other related parties of HRL) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, and/or participate as an underwriter as disclosed in this Prospectus.
- (g) If HRL does not receive applications for all of the Additional New Shares on any Shortfall, the Directors of HRL (or their delegate for this purpose) reserve the right if there are still Additional New Shares that have not been applied for to place or otherwise issue them at their discretion (but at not less than the price under the Offer).

There is no guarantee that Eligible Shareholders will be successful in being allotted any of the Additional New Shares that they may apply for. The Company may reject any application for Additional New Shares or allocate fewer New Shares than applied for by subscribers for Additional New Shares.

3.5 Return of surplus Acceptance Monies

Application Monies received but not applied towards subscriptions for Additional New Shares on a Shortfall will be refunded as soon as reasonably practicable following the allocation of the Additional New Shares. No interest will be paid on Acceptance Monies held and returned.

3.6 Acceptance

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by HRL on behalf of the applicants. Any interest earned on the Acceptance Monies will be retained by HRL irrespective of whether allotment takes place.

You should note that HRL is not required to issue any New Shares to a person accepting the Offer under this Prospectus unless:

- (a) Payment is made in Australian currency and cheques and BPAY® payments are drawn on an Australian bank, credit union or building society; and
- (b) the Share Registry receives a completed Entitlement and Acceptance Form and a cheque for the full amount due in respect of the New Shares by 5:00 pm (Sydney) on the Closing Date, and there are sufficient funds in the account on which the cheque is drawn so that the cheque clears in favour of when it is first presented for payment; or

Prospectus

- (c) payment is received via the BPAY® facility for the relevant number of New Shares by 5:00 pm (Sydney) on the Closing Date.

4. Company Information

4.1 Introduction

HRL Holdings Limited (“**HRL**” or “**Company**”) is an Australian public company listed on the Australian Securities Exchange. The Company engages in environmental technical services and specifically provides property contamination testing, environmental consulting, and hazardous materials analytical laboratory businesses in Australia and New Zealand.

HRL operates out of 9 branches across Australia and New Zealand:

- Brisbane
- Darwin
- Canberra
- Perth
- Christchurch
- Wellington
- Palmerston North
- Dunedin; and
- Auckland

HRL’s range of services include:

Hazardous Materials	Asbestos	Occupational Hygiene
Chemical Contamination	Auditing	Dust
Methamphetamine Testing	Sample Analysis	Indoor Air Quality
Lead-based Paint Testing	Surveys	Mould
Contaminated Land	Air Monitoring	Diesel Particulates
Solvents	Registers	Workplace Drug and Alcohol Testing
Manmade Mineral Fibres	Management Plans	Respirator Fit Testing

4.2 Company Update and Financial Result

The activities and financial results of the Company for the 6 months ended 31 December 2016 are detailed in the Half Year Financial Statements and summarised in the investor presentation ASX Announcement made on 16 February 2017, both available at www.hrlholdings.com or on the ASX website.

4.3 Morrison Acquisition

On 9 February 2017, HRL Holdings Limited (**HRL** or the **Company**) entered into a Share Sale Agreement with the shareholders of Morrison Geotechnic Holdings Pty Ltd (**Morrison**) to acquire all of the issued capital in Morrison.

Morrison provides engineering and laboratory services to the civil, engineering and construction industries, primarily across South East Queensland, with 3 branches in Brisbane, the Gold Coast and the Sunshine Coast. The Company has been established for over 17 years and has an extensive portfolio of over 12,000 completed projects.

Prospectus

Morrison provides a range of services and analysis including:

- Geotechnical investigations and studies;
- Temporary works designs and inspections;
- Construction phase verification;
- Earthworks supervision;
- Soil, concrete and aggregate testing in its NATA accredited laboratories; and
- Onsite mobile laboratory testing.

4.4 Strategic Rationale

HRL has identified the following key strategic reasons to acquire Morrison:

Established Performing Business	Strong Financial Performance
<p>High level of repeat revenues from existing major customers and referrers</p> <p>Blue-chip customer base</p> <p>Operated by an experienced and qualified management team who are continuing after acquisition</p> <p>Balanced portfolio of clients</p> <p>Diversified revenues sourced across NATA laboratory and engineering services over 3 locations</p> <p>Synergy achieved between services with large scale engineering work generating laboratory work</p>	<p>3-year average normalised EBITDA of \$1.3 million</p> <p>Consistent revenues in excess of \$7.5 million over the past 4 years</p> <p>Average gross profits margins of around 39% over the past 4 years</p> <p>Average EBITDA margins of around 12% over the last 4 years, growing to 17% in the last 2 years.</p> <p>Consistent and successful focus on high margin work</p> <p>Very low levels of bad debts due to repeat tier 1 client base</p> <p>Strong working capital position</p>
Significant Competitive Advantage	Tangible Opportunities for Growth
<p>Highly regarded brand - established 17 years</p> <p>Limited direct competition of comparable geotechnical firms with credible scale due to breadth of engineering and laboratory expertise</p> <p>Operate at scale with over 50 staff across 3 locations</p> <p>Exceptionally loyal and experienced workforce</p> <p>Portfolio of over 12,000 completed projects</p> <p>NATA and ISO9001 accredited</p> <p>Pre Qualified Contractor with QLD Dept. Housing and Public Works</p> <p>Standing Offer Arrangement with QLD Dept. Transport and Main Roads</p> <p>Client relationships shared amongst management team, i.e. not dependent on any single Owner</p>	<p>Recent project wins have increased the Business' pipeline for the next 12-24 months</p> <p>Recent ISO9001 accreditation will enable the Business to bid for a greater range of work</p> <p>Recent Pre Qualified Contractor status with Department of Housing and Public Works could generate new revenues</p> <p>Application of resources could enable the business to qualify for tier 1 contractors and developers</p> <p>Opportunity for regional expansion (such as Toowoomba) by increasing human resource and project management capability</p> <p>Investment in technologies to support field staff real-time data collection and sample registration</p>

Prospectus

4.5 Acquisition Details

In consideration for 100% of the share capital of Morrison, HRL will pay a maximum purchase price of up to \$4,500,000 to the vendors of Morrison.

The purchase price is broken down as follows:

- \$3,750,000 cash on completion of the Morrison acquisition; and
- Up to \$750,000 cash earn-out, based on financial performance of Morrison and tenure of the vendors.

The earn-out consideration is based on the Morrison business achieving a target earnings before interest and taxes (**EBIT**) for the 12 months after settlement, according to the schedule tabled below:

EBIT	Earn-Out Consideration
Less than \$1.1 million	Nil
\$1.1 to less than \$1.3 million	\$250,000
\$1.3m to less than \$1.5 million	\$500,000
\$1.5 million or above	\$750,000

If achieved, the earn-out consideration will be paid in two tranches:

- 50% after 12 months following settlement; and
- 50% in 12 equal monthly instalments thereafter.

Payment of the earn-out consideration is also contingent on the four vendors' continuing service with Morrison. The vendors will remain employed with Morrison for a minimum period of two years after acquisition. In the event where the vendors' employment is terminated prior to completing one year of service, no earn-out consideration is payable. If the vendors' employment is terminated after one year but before the minimum two-year period, the earn-out consideration will be reduced proportionately to the length of time not employed.

Completion of the Morrison acquisition is conditional on a number of events including:

- HRL receiving finance for payment of the purchase price;
- Morrison having a minimum working capital position of \$150,000 as at the date of completion; and
- Other conditions which are standard for a transaction of this nature.

4.6 Integrated Acquisition

On 14 February 2017, HRL entered into a Share Sale Agreement with the shareholders of Integrated Holdings Group Pty Ltd (**IHG or Integrated**) to acquire 100% of the issued capital in IHG. IHG is the holding entity of OCTFOLIO Pty Ltd (**OCTFOLIO**) and has no other operations or assets (**Integrated Acquisition**). The Integrated Acquisition is subject to Shareholder Approval.

The Offer being made under this Prospectus is not subject to completion of Integrated Acquisition and will proceed irrespective of whether shareholder approval for the Integrated Acquisition is obtained and the Integrated Acquisition completes. The information below is for general information purposes.

Prospectus

IHG is owned by:

- Tulla Property Partners Pty Ltd ACN 126 992 103 as trustees for the Tulla Property Partners Trust (an entity associated with Kevin Maloney); and
- Darren Anderson and Julie Anderson as trustees for the DG and JE Anderson Family Trust (an entity associated with Darren Anderson); and
- Craig Anderson and Amanda Anderson as trustees for the CM & AM Anderson Family Trust; and
- Gregory Anderson and Nancy Anderson as trustees for the GJ & NJ Anderson Family Trust,

(collectively **Integrated Vendors**).

4.7 Acquisition Details

In consideration for 100% of the share capital in IHG, HRL will pay a purchase price of up to \$3,500,000 to the vendors of IHG.

The purchase price is broken down as follows:

- \$2,750,000 cash on completion of the IHG acquisition; and
- Up to \$750,000 cash earn-out consideration, based on financial performance of OCTFOLIO.

The purchase price is subject to adjustments pursuant to the IHG Share Sale Agreement. As disclosed to the market on 16 February 2017, the Integrated Vendors will subscribe for Shares in the Company to the value of \$2,750,000 pursuant to the Placement and the net effect of the Placement will be that funds raised from the issue of the shares will be offset against the total amount that the Company owes to the Integrated Vendors on completion (excluding the cash earn out).

The earn-out consideration is based on the OCTFOLIO business achieving a target EBIT for the 24 months after settlement, according to the schedule tabled below:

Tranche 1

12 Months Post-Acquisition EBIT	Earn Out Consideration
Less than \$300,000	Nil
Not less than \$300,000	\$375,000

Tranche 2

13 Months to 24 Months Post-Acquisition EBIT	Earn Out Consideration
Less than \$450,000	Nil
Not less than \$450,000	\$375,000

Completion of the Integrated acquisition is conditional on a number of factors, including:

- all necessary ASX and ASIC approvals, waivers and confirmations being obtained by HRL;
- all necessary shareholder approvals being obtained by HRL;
- HRL receiving finance for payment of the Purchase Price;

Prospectus

- IHG having a minimum working capital position of \$50,000 as at the date of completion; and
- other conditions which are standard for a transaction of this nature.

The Company will shortly despatch meeting materials for the shareholders meeting intended to be held on or about 29 March 2017 including an independent expert report on the proposed transaction which will contain further detail in relation to the proposed transaction.

For further details with respect to the Integrated Acquisition, please refer to the announcement made to the market on 16 February 2017.

The Offer is not subject to the successful completion of the acquisition of OCTFOLIO.

The acquisition is subject to various conditions, including obtainment of approval of shareholders of the Company at the EGM. Investors are referred to Section 6 which further outlines the risks.

4.8 The Directors

The following persons are directors of the Company as at the date of this Prospectus:

Mr Kevin Maloney – Non-Executive Chairman

Mr Kevin Maloney is the founder and Chairman of Australian investment entity Tulla Group and has built an extensive career in retail banking, finance and resources.

One of Kevin's numerous career highlights was as founder and Executive Chairman of The MAC Services Group (The MAC), which was sold to Oil States International in 2010 for \$651million. Kevin was heavily involved in all stages of The MAC's growth, including its move into mining services accommodation in 1996.

Kevin has been involved with numerous public companies as both an executive and director. After spending 20 years with ANZ Bank, Kevin joined Elders Resources Finance Limited in 1981, progressing to hold numerous positions including Chief Executive Officer.

Kevin is currently the Chairman of ASX listed Altona Mining Limited and Integrated Holdings Group Pty Ltd which is the parent company for software vendor OCTFOLIO™ Pty Ltd and environmental services group OCTIEF Pty Ltd

Mr Darren Anderson- Executive Director

Mr Darren Anderson was formerly the Executive Director and Chief Operating Officer of Diversified Mining Services Ltd which is an unlisted public company that at its peak in mid-2012 had consolidated revenue in excess of \$200 million and 850 personnel.

Previous career highlights include 15 years spent as founder and Managing Director of the Anderson Group of Companies, which grew from a single person operation in Mackay to a company with in excess of 300 employees and 12 operating divisions across both Queensland and New South Wales that serviced the Australian and international coal industries.

Darren is currently Managing Director of Integrated Holdings Group Pty Ltd which is the parent company for software vendor OCTFOLIO™ Pty Ltd and environmental services group OCTIEF Pty Ltd.

Prospectus

Dr Mark Elliott Dip App Geol., PhD, FAICD, FAusIMM(CP), FSEG - Non- Executive Director

Dr Elliott is a Chartered Professional (CP) geologist with over 39 years' experience in economic geology, exploration, mining, project development and corporate management. He has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including energy.

He has a diploma in Applied Geology from the Ballarat School of Mines and a Doctor of Philosophy degree from the University of New South Wales. He is a Fellow of the Australian Institute of Company Directors, Australasian Institute of Mining and Metallurgy and Society of Economic Geologists.

Mr John Taylor LLB, Grad Dip ACG - Non- Executive Director

Mr Taylor was the founding partner of Taylors Solicitors, Mackay, a Senior Counsellor of the Queensland Law Society and has over 30 years' experience in commercial and property transactions and litigation.

John Taylor was, from 2006 to 2010, a director of ASX listed The MAC Services Group Limited, where he was Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee. He is also a former Chair of the Mackay Port Authority and a Board member of Tourism Mackay and Mackay Regional Economic Bureau.

4.9 Senior Management

The following persons form the senior management of the Company as at the date of this Prospectus:

Paul Marshall LLB, ACA – Company Secretary

Mr Marshall holds a Bachelor of Law degree, a post Graduate Diploma in Accounting and is a Chartered Accountant. He has more than thirty years' experience initially with Ernst & Young and subsequently twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

Steven Dabelstein BComm, CPA - Chief Executive Officer

Mr Dabelstein has a strong financial and operational background in various roles, including most recently as General Manager Commercial and QLD Mining/Maintenance Services with Diversified Mining Services Limited.

Mr Dabelstein's experience includes public practice accounting, manufacturing, service and the construction industries. Previous roles have provided exposure to large-scale international businesses reporting through and working with companies in the US, Asia and Europe.

Michael Harvey BBus, B AppSci, Grad Dip ICAA, Grad Dip CSA, CA, GAIA - Chief Finance Officer

Mr Harvey is a Chartered Accountant and Chartered Secretary. Mr Harvey holds Bachelor degrees in Business and Property Economics and post Graduate Diplomas in Accounting and Corporate Governance.

He has more than 15 years in the accountancy profession in Australia, having worked for PKF for eight years in audit, and subsequently over five years in commercial roles as financial

Prospectus

controller for a number of listed companies mainly in the property and resources sector. Mr Harvey has experience in all aspects of company financial reporting, internal control, corporate regulatory and governance areas, business acquisition and disposal, due diligence, and company secretarial responsibilities.

5. Effect of the Offer on the Company

5.1 Historical and Pro-forma Financial Information

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet and income statements has been prepared.

5.2 Historical Financial Information

The historical financial information HRL, Morrison and IHG set out below comprises:

- The audit reviewed consolidated Balance Sheet as at 31 December 2016 of HRL;
- The audit reviewed consolidated Income Statement for the six months ended 31 December 2016 of HRL;
- The unaudited Balance Sheets as at 31 December 2016 of Morrison and IHG;
- The unaudited Income Statements for the six months ended 31 December 2016 of Morrison and IHG;

The historical financial information does not include a Statement of Cash Flows.

5.3 Pro-Forma Financial Information

The pro-forma financial information for HRL set out below comprises:

- The unaudited amalgamated pro-forma Income Statement for HRL, Morrison and IHG for the 6 months ending 31 December 2016.
- The unaudited Pro-Forma Balance Sheet as at 31 December 2016 of HRL showing the impact of the proposed capital issues on HRL's consolidated Balance Sheet; and
- The unaudited Pro-Forma Balance Sheet as at 31 December 2016 of the Combined Entity showing the impact of the proposed capital issue and the effects of the acquisition.

Prospectus

5.4 Combined Pro-forma Income Statements

Combined Pro-Forma Income Statement For the 6 months ended 31 December 2016

	Notes	HRL Holdings \$	Morrison \$	IHG \$	Combined \$
Environmental services revenue		5,468,287	-	-	5,468,287
Geotechnical services revenue		-	4,826,206	-	4,826,206
Software services revenue		-	-	315,137	315,137
Interest revenue		997	8,426	116	9,539
Total revenue		5,469,284	4,834,632	315,253	10,619,129
Costs and consumables relating to provision of services		(863,801)	(407,733)	(18,928)	(1,290,462)
Employment and consultancy expenses		(2,959,579)	(2,846,935)	(109,419)	(5,915,933)
Operating depreciation and amortisation expenses		(133,840)	(120,268)	(1,869)	(255,977)
Finance costs		(52,914)	(15,146)	-	(68,060)
Rent and property expenses		(318,655)	(159,816)	(17,238)	(495,709)
Travel and business development expenses		(233,198)	(15,378)	(22,963)	(271,539)
Administration and other expenses		(722,822)	(478,004)	(13,061)	(1,213,887)
Total expenses		(5,284,809)	(4,043,280)	(183,478)	(9,511,567)
Operating profit before tax		184,475	791,352	131,775	1,107,602
<i>Discontinued operations and non-operating items</i>					
Amortisation of intangible assets arising from acquisitions	1	(189,401)	-	-	(189,401)
Management performance shares	1	(38,403)	-	-	(38,403)
Personal insurances paid by Morrison	1	-	(34,077)	-	(34,077)
Discontinued IHG head office operations	1	-	-	(88,309)	(88,309)
Profit/(loss) before income tax		(43,329)	757,275	43,466	757,412
Income tax (expense) / benefit		35,419	(227,183)	(13,040)	(204,804)
Profit/(loss) after income tax		(7,910)	530,093	30,426	552,608

Prospectus

5.5 Notes to the Table of Combined Pro-forma Income Statement

Note 1

In the opinion of the Directors, the following non-operating adjustments are considered to be non-cash and/or non-recurring in nature.

Amortisation of intangible assets arising from acquisitions

The excess purchase price over the value of the tangible assets acquired during the acquisitions of Octief Consulting & Laboratory Services Pty Ltd in June 2013, Precise Consulting and Laboratory Limited in April 2015, AAC Environmental Pty Ltd in September 2015 and RJJ & Associates in March 2016 has been allocated against specific identifiable intangible assets. These intangible assets are being amortised over a 2 – 3 year period.

Management performance shares

In August 2016 HRL introduced a long term incentive plan for key management. The plan will focus on long term shareholder wealth creation and retention of key personnel. These intangible assets are being amortised over a 2 – 3 year period. Key management were issued 3,088,667 performance shares. The value of these performance shares is being recognized as an expense in the income statement over the 3 year vesting period.

Personal Insurances

Morrison has historically paid for the personal insurance policies for several of its shareholders. This arrangement will cease after acquisition by HRL.

Discontinued IHG head office operations

IHG has historically incurred borrowing costs in relation to loans owing to other related parties of IHG. Under the share sale agreement, these borrowings will be settled prior to acquisition and therefore not applicable after acquisition. The amount of borrowing costs for the 6 months ended 31 December 2016 was \$67,175.

IHG has historically incurred accounting and other compliance costs, primarily in relation to its tax obligations. IHG and OCTFOLIO will become members of the HRL tax consolidated group after acquisition and accordingly these costs will no longer be applicable.

Prospectus

5.6 Pro-forma Combined Balance Sheet

The Pro-Forma Balance Sheets have been derived from the reviewed Balance Sheet as at 31 December 2016 adjusted for the following transactions as if they had occurred at 31 December 2016 (pro-forma transactions):

- (a) the issue of approximately 57,782,290 Shares pursuant to the Prospectus at the Offer Price of \$0.10 per Share to raise \$5,778,292 cash before expenses. All ordinary shares issued pursuant to this Prospectus will be issued as fully paid.
- (b) the issue of approximately 27,500,000 Shares pursuant to this Placement at a price of \$0.10 per Share to raise \$2,750,000 cash before expenses of the Offer. All ordinary shares will be issued as fully paid.
- (c) total costs expected to be incurred in connection with the Offers of approximately \$464,000;
- (d) total costs expected to be incurred in connection with the acquisition of Morrison and IHG of approximately \$50,000;
- (e) the effects of the Morrison and IHG acquisitions; and
- (f) the paydown of \$1,200,000 of bank debt.

Prospectus

Historical and pro-forma financial information

31 December 2016		HRL Historical Balance Sheet	HRL Capital Issues	Morrison Historical	Pre-acquisition adjustments	Impact of Acquisition	IHG Historical Balance Sheet	Pre-acquisition adjustments	Impact of Acquisition	HRL Debt Reduction	Combined Entity Pro-Forma
	Notes	A	B	C	D	E	F	G	H	I	J
		\$	\$	\$		\$	\$	\$	\$		\$
CURRENT ASSETS											
Cash and cash equivalents	7	481,300	8,014,292	1,229,774	-	(5,367,854)	193,707	-	(2,977,924)	(1,200,000)	373,295
Trade and other receivables		1,599,213	-	1,616,932	-	-	133,902	-	-	-	3,350,047
Other current assets		71,363	-	23,184	-	-	3,307	-	-	-	97,854
TOTAL CURRENT ASSETS		2,151,876	8,014,292	2,869,890	-	(5,367,854)	330,916	-	(2,977,924)	(1,200,000)	3,821,196
NON-CURRENT ASSETS											
Trade and other receivables		111,366	-	-	-	-	-	-	-	-	111,366
Plant and equipment	2,4	791,250	-	879,735	(103,077)	-	54,395	(43,548)	-	-	1,578,755
Deferred tax assets		456,028	-	230,297	-	-	-	-	-	-	686,325
Intangibles	3,5	6,184,569	-	-	-	3,558,283	-	-	3,094,153	-	12,837,005
TOTAL NON-CURRENT ASSETS		7,543,213	-	1,110,032	(103,077)	3,558,283	54,395	(43,548)	3,094,153	-	15,213,451
TOTAL ASSETS		9,695,089	8,014,292	3,979,922	(103,077)	(1,809,571)	385,311	(43,548)	116,229	(1,200,000)	19,034,647
CURRENT LIABILITIES											
Trade and other payables	5	711,528	-	334,379	-	-	52,992	-	375,000	-	1,473,899
Short-term provisions		124,497	-	456,119	-	-	-	-	-	-	580,616
Income tax payable		188,698	-	311,538	-	-	-	-	-	-	500,236
Interest bearing liabilities		840,471	-	-	-	-	-	-	-	-	840,471
TOTAL CURRENT LIABILITIES		1,865,194	-	1,102,036	-	-	52,992	-	375,000	-	3,395,222
NON-CURRENT LIABILITIES											
Deferred tax liabilities	3,5	55,266	-	-	-	525,000	-	-	30,000	-	610,266
Interest bearing liabilities	2,4,6	1,016,389	-	541,064	(100,826)	-	2,043,159	(2,043,159)	-	(1,200,000)	256,627
TOTAL NON-CURRENT LIABILITIES		1,071,655	-	541,064	(100,826)	525,000	2,043,159	(2,043,159)	30,000	(1,200,000)	866,893
TOTAL LIABILITIES		2,936,849	-	1,643,100	(100,826)	525,000	2,096,151	(2,043,159)	405,000	(1,200,000)	4,262,115
NET ASSETS		6,758,240	8,014,292	2,336,822	(2,251)	(2,334,571)	(1,710,840)	1,999,611	(288,771)	-	14,772,532
EQUITY											
Contribution Equity	1	8,220,282	8,064,292	2,000	-	(2,000)	21	2,017,656	(2,017,677)	-	16,284,574
Reserves		(84,513)	-	3,770	-	(3,770)	-	-	-	-	(84,513)
Accumulated (losses)/profits		(1,377,529)	(50,000)	2,331,052	(2,251)	(2,328,801)	(1,710,861)	(18,045)	1,728,906	-	(1,427,529)
NET ASSETS		6,758,240	8,014,292	2,336,822	(2,251)	(2,334,571)	(1,710,840)	1,999,611	(288,771)	-	14,772,532

Prospectus

5.7 Notes to the Pro-forma Combined Balance Sheet

Note 1

Assumes the issue of approximately 57,782,920 Shares pursuant to this prospectus at the Offer Price of \$0.10 per Share to raise \$5,778,292 cash before expenses of the Offer. All ordinary shares issued pursuant to this Prospectus will be issued as fully paid.

Assumes the issue of approximately 27,500,000 Shares pursuant to the Placement at a price of \$0.10 per Share to raise \$2,750,000 cash before expenses of the Offer. All ordinary shares will be issued as fully paid.

Assumes total costs expected to be incurred in connection with the Offers of \$464,000.

Reconciliation of movements in HRL's pro-forma contributed equity

	Number of shares #	Contributed equity \$
HRL reviewed Balance Sheet 31 December 2016 (A)	158,903,031	8,220,282
Issue of shares pursuant to the prospectus (B)	57,782,920	5,778,292
Issue of shares pursuant to the IHG placement (B)	27,500,000	2,750,000
Total costs expected to be incurred in connection with the offers (B)	-	(464,000)
HRL pro-forma Balance Sheet 31 December 2016	244,185,951	16,284,574

Note 2

The vendors of Morrison have agreed prior to acquisition to:

Sell motor vehicles with a book value of \$103,077 and payout the finance leases (\$84,430) associated with the vehicles;

Payout amount remaining on equipment finance leases of \$16,396.

Note 3

Under the terms of the Share Sale Agreement, the vendors of Morrison have the ability to payout pre-acquisition profits to the extent that at least \$150,000 in working capital remains. The pro-forma balance sheet as at 31 December 2016 has been adjusted to reflect such a payout as follows.

	\$
Morrison working capital as per Balance Sheet 31 December 2016	1,767,854
Less notional pre-acquisition dividend to vendors	(1,617,854)
Revised working capital of \$150,000	150,000
Notional pre-acquisition dividend to vendors paid as follows:	
Cash payment	1,617,854

Prospectus

The proposed acquisition of Morrison represents a business combination under AASB 3 and has been consolidated in the pro-forma balance sheet as follows:

Pro-forma details of purchase consideration and net assets acquired

	\$
Upfront purchase consideration	3,750,000
Estimated contingent consideration *	-
Total consideration	<u>3,750,000</u>
 <u>Fair value of net assets acquired</u>	
Cash and cash equivalents (net of pre-acquisition dividend to vendors)	(388,080)
Trade and other receivables	1,616,932
Other assets	23,184
Plant and equipment	776,658
Deferred tax assets	230,297
Trade and other payables	(334,379)
Short term provisions	(456,119)
Income tax payable	(311,538)
Deferred tax liability	(525,000)
Interest bearing liabilities (finance leases)	(440,238)
	<u>716,717</u>
Purchase price excess attributed to identifiable intangible assets and goodwill	<u>3,558,283</u>

* Contingent consideration is subject to Morrison achieving certain profit targets in the 12 months after acquisition and the 4 key vendors completing 2 years of service after acquisition. – refer to Section 7.8. As the earn-out consideration is contingent on key vendor's ongoing service, the principles and guidance as set out in AASB 3 require that any earn-out consideration be expensed as an employment cost in the relevant period the service was provided. Consequently, there is no impact on the 31 December 2016 pro-forma combined balance sheet.

Note 4

The vendors of IHG have agreed prior to acquisition to:

- (a) Sell a motor vehicle with a book value of \$43,548 and payout the finance lease (\$25,504) associated with the vehicle;
- (b) Settle an interest-bearing loan owed to related parties of IHG by capitalizing the amounts owing (\$2,017,655) into equity.

Prospectus

Note 5

Under the terms of the Share Sale Agreement, the vendors of IHG have the ability to return capital amounts to the extent that at least \$50,000 in working capital remains. The pro-forma balance sheet as at 31 December 2016 has been adjusted to reflect such a payout as follows.

	\$
IHG working capital as per Balance Sheet 31 December 2016	277,924
Less notional capital return to vendors	(227,924)
Revised working capital of \$50,000	<u>50,000</u>
Notional capital return to vendors paid as follows:	
Cash payment	<u>50,000</u>

The proposed acquisition of IHG represents a provisional business combination under AASB 3 and has been consolidated in the pro-forma balance sheet as follows:

Pro-forma details of purchase consideration and net assets acquired

	\$
Upfront purchase consideration	2,750,000
Estimated contingent consideration *	375,000
Total consideration	<u>3,125,000</u>
<u>Fair value of net assets acquired</u>	
Cash and cash equivalents (net of pre-acquisition return to vendors)	(34,217)
Trade and other receivables	133,902
Other assets	3,307
Plant and equipment	11,847
Trade and other payables	(52,992)
Deferred Tax liabilities	<u>(30,000)</u>
	<u>30,847</u>
Purchase price excess attributed to identifiable intangible assets	<u>3,094,153</u>

* Contingent consideration is subject to IHG achieving certain profit targets in the 24 months after acquisition. For the purposes of this report, HRL have assumed that IHG will achieve one of the earn out targets resulting in an additional \$375,000 paid to the vendors. This balance is shown as a payable in the pro-forma combined balance sheet.

Note 6

HRL intends to use any surplus funds to repay a portion of its existing bank debt. For the purposes of this report, HRL have assumed a debt repayment of \$1,200,000.

Prospectus

Note 7

Reconciliation of movements in pro-forma cash and cash equivalents

	Cash and cash equivalents \$
HRL Balance Sheet 31 December 2016 (A)	481,300
Issue of shares pursuant to the offers (B)	8,528,292
Total costs expected to be incurred in connection with the capital raise (B)	(464,000)
Costs expected to be incurred in connection with the acquisitions (B)	(50,000)
Morrison Balance Sheet 31 December 2016 (C)	1,229,774
Pre-acquisition dividend to be paid to Morrison vendors (E)	(1,617,854)
Upfront purchase price paid to Morrison vendors (E)	(3,750,000)
IHG Balance Sheet 31 December 2016 (F)	193,707
Pre-acquisition return to be paid to IHG vendors (H)	(227,924)
Upfront purchase price paid to IHG vendors (H)	(2,750,000)
Repayment of debt (I)	(1,200,000)
Pro-forma Balance Sheet 31 December 2016 (J)	<u>373,295</u>

Prospectus

5.8 Capital structure

The share capital structure of HRL immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Shares	
	Number	%
Ordinary Shares on issue at the date of this Prospectus	158,903,031	73%
Maximum number of New Shares under Prospectus ¹	57,782,920	27%
Total	216,685,951	100%

As at the date of this Prospectus, the Company has no Options on issue.

As at the date of this Prospectus, the Company has 3,088,667 performance shares on issue. Details with respect to the Performance Shares on issue are included in section 2.1 of this Prospectus.

5.9 Potential effect of the Offer on control

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

For Completeness, the Company sets out below, the potential effect on Control that may arise with respect to its largest shareholder and the other vendors of Integrated Holdings Group as well as the other shareholders of the Company both post the Offer as well as post the Placement.

Shareholders	Existing Holding	%	Post Rights Issue	%	Post Subscription Agreements	%
Tulla Property Partners Pty Ltd ACN 126 992 103 as trustees for the Tulla Property Partners Trust	47,459,491	29.87	47,459,491	21.90%	61,209,491	25.07%
Darren Anderson and Julie Anderson as trustees for the DG & JE Anderson Family Trust	16,589,064	10.44%	16,589,064	7.66%	21,172,397	8.67%
Craig Anderson and Amanda Anderson	6,577,525	4.14%	6,577,525	3.04%	11,160,858	4.57%

Prospectus

as trustees for the CA & AM Anderson Family Trust						
Greg Anderson and Nancy Anderson as trustees for the GJ & NJ Anderson Family Trust	6,354,377	4.00%	6,354,377	2.93%	10,937,711	4.48%
Other Shareholders	81,922,574	51.56%	139,705,494	64.47%	139,705,494	57.21%
Total	158,903,031	100%	216,685,951	100%	244,185,951	100%

The post rights issue percentage calculated in the table above has been calculated assuming that the rights issue is subscribed in full.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

Prospectus

6. Risk factors

6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary Shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this Section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Prospectus.

6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company provides environmental services including testing, sampling, inspection, compliance monitoring and environmental auditing to industries that are speculative and subject to substantial competition, as well as retaining interests in the geothermal energy industry which is highly speculative, and as such no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

- (a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted (see section 6 for further details). Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the

Prospectus

Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from acquiring a relevant interest in the Company of more than 20.0%, subject to a number of exemptions.

Shareholders should also note that there is a potential risk that if they do not participate in the Offer, their holding may be further diluted as a result of the issue of Shares pursuant to the Placement, details of which are set out in section 7.8 of this Prospectus.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company.

(e) Legislative Change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

Prospectus

(f) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

(g) Demand

As the provider of environmental services, HRL's business is influenced by the general state of the sectors it serves. Any downturn or reduction in spending in those sectors may affect the performance of the Company.

(h) Service sector risk

There is substantial competition for the services that HRL (through Octief and Precise Consulting) provides. If competitors become more effective or numerous and HRL cannot adapt to these changes, HRL's business will be adversely affected.

(i) Taxation

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(j) Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

6.3 Risks Specific to an Investment in the Company

In addition to the general market and economic risks noted in Section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) Integrated Holdings and Morrison Acquisition Risk

In addition to this, HRL has entered into SSAs, the terms of which are summarised in the Notice of Extraordinary General Meeting which is available from <http://www.hrlholdings.com>. Pursuant to the SSA, the Company is to acquire 100% of the shares on issue in Integrated Holdings and Morrison Geotechnic from the shareholders of those companies, subject to the fulfilment of a number of conditions precedent, many of which are outside the control of the Company.

Significantly, completion of the Integrated Holdings SSA is dependent upon shareholders approving the transaction. As such, in the event that shareholder approval is not given, the acquisition of the shares in Integrated Holdings and continuation of the transaction will not be permitted.

The Offer is not subject to the successful completion of the acquisition of Integrated Holdings or Morrison Geotechnic. Despite the Directors having recommended approval of the acquisition of Integrated to shareholders, no assurance can be given that shareholders will approve the acquisition at the EGM and failure to do so, may result in the Company's business being materially and adversely affected.

Prospectus

(b) Regulatory risk and government policy - environmental services

The provision of environmental services is affected by both general and industry-specific legal and regulatory controls. Any alteration in these controls will have a corresponding effect on the business of HRL. Any major shift in regulatory policy that cannot be adapted to by HRL will have an impact on the Company's financial performance.

(c) Insurance Risk

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(d) Environmental risks

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

(e) Contractual and joint venture risk

HRL's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by HRL and its subsidiaries in this regard. As in any contractual relationship the ability for HRL to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for HRL to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by HRL that a legal remedy will ultimately be granted on appropriate terms.

The Company may wish to develop its projects or future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants. Further, the ability of HRL to achieve its stated objectives will depend on the performance by the counterparties to these contracts of their respective obligations. If any of them default in the performance of their obligations, the Share Sale Agreement may be terminated. In the event that legal action is required to be instituted as the result of any breach and in seeking legal remedy, this could be very costly.

(f) Reliance on key personnel

In providing its environmental services and formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management.

These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas.

Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's

Prospectus

prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged.

Although the key personnel have a considerable amount of experience and have previously been successful in their pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company.

(g) Employees

The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

(h) Contractors

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(i) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the outcome of the Company's exploration programs, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

6.4 Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement

Prospectus

7. Additional information

7.1 Transaction specific prospectus

HRL is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under Section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the 3 months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC 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 asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) audited financial statements for the Company for the period ending 30 June 2016;
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2016 and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX Information and Share Information

The ASX Announcements that the Company has made since the date of lodgement of the audited financial statements for the Company for the year ended 30 June 2016 are set out in the following table.

(ASX Announcements)

Date	Title of Announcement
26.08.2016	Results Presentation
26.08.2016	Appendix 4G
31.08.2016	Key Management LTI Plan and Appendix 3B
19.09.2016	Major Contract to Perform Hazardous Material Surveys
20.09.2016	Investor Roadshow Presentation
11.10.2016	Notice of Annual General Meeting/Proxy Form
31.10.2016	Appendix 4C - quarterly
17.11.2016	Results of Meeting
07.12.2016	Response to Appendix 4C query
31.01.2017	Appendix 4C - quarterly

Prospectus

Date	Title of Announcement
10.02.2017	Trading Halt
14.02.2017	Suspension from Official Quotation
16.02.2017	Business Acquisition and Capital Raising
16.02.2017	Investor Presentation
16.02.2017	Appendix 3B
16.02.2017	Reinstatement to Official Quotation

Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: <http://www.hrlholdings.com>.

The highest and lowest prices of shares in the Company on the ASX in the 6 month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High	Low	Volume weighted average
	(cents)	(cents)	(cents)
One month	14.5	12	12.6
Three months	14.5	12	12.9
Six months	15	11.5	13.3

The last market sale price of Shares as at the close on Thursday, 16 February was \$0.12.

The issue price of \$0.10 represents a discount of 22.5% to the 30 day volume-weighted average Share price as at the close on Thursday, 16 February, being the last trading day before lodgement of this Prospectus.

7.3 Rights and liabilities attaching to new shares

There is only one class of Share on issue in the Company, being fully paid ordinary Shares. The New Shares will be part of this class of Shares.

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours..

The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

Prospectus

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

Generally, the Shares and Options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares or Options but only where permitted to do so under its Constitution or the ASX Listing Rules.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) Future increases in Capital

The allotment and issue of any new shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of new shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) Sale of Non-Marketable Holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

(h) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary fully paid shares in the Company, investors should refer to the Constitution of the Company.

Prospectus

7.4 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last 2 years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Offer.

Director	Number of Shares	Number of Options
Kevin Maloney	47,459,491	-
Darren Anderson	16,589,064	-
Mark Elliott	2,848,634	-
John Taylor	923,077	-
Frederick Kempson	-	-

Prospectus

7.5 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past 2 financial years:

	Salary/ Director fees	Short Term Benefits Consulting fees	Non- monetary benefits	Long Term Benefits Leave benefits	Post Employment Benefits Superannuation	Equity based Benefits Options	Total
2016							
Directors							
Kevin Maloney	43,668	-	-	-	31,332	-	75,000
Darren Anderson	228,417	-	28,895	(5,769)	21,583	-	273,126
Mark Elliott	40,000	5,850	-	-	-	-	45,850
John Taylor	40,000	-	-	-	-	-	40,000
Alternate Director							
Frederick Kempson	-	17,150	-	-	-	-	17,150
	Salary/ Director fees	Short Term Benefits Consulting fees	Non- monetary benefits	Long Term Benefits Leave benefits	Post Employment Benefits Superannuation	Equity based Benefits Options	Total
2015							
Directors							
Kevin Maloney	23,694	-	-	-	35,681	-	59,375
Darren Anderson	180,746	-	42,713	22,837	17,170	-	263,466
Mark Elliott	39,167	17,500	-	-	-	-	56,667
John Taylor	24,000	-	-	-	-	-	24,000
Alternate Director							
Frederick Kempson	-	23,800	-	-	-	-	23,800

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required. Details of the intention of Directors to participate in the Offer are set out in section 1.8.

Prospectus

7.6 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial holder	Number of Shares	%	Number of Options
Tulla Property Partners Pty Ltd	47,459,491	29.87	0
J P Morgan Nominees Australia Limited	19,435,861	12.23	0
Darren Anderson & Julie Anderson	8,896,756	5.60	0

Please refer to Section 5 for further details of the effect of the Offer on the control of the Company.

7.7 Related Party Transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of directors' fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arm's length" or reasonable remuneration basis. The transactions are:

- (a) proposed capital issues to Directors or interests associated with Directors;
- (b) Property rental leases with related parties;
- (c) Software services with related parties;
- (d) employment agreements with related parties; and
- (e) payment of Directors' fees to Non-executive Directors.

7.8 Material Contracts

A summary of the material contracts to which the Company is a party relevant to the offer and not otherwise disclosed to ASX is set out below:

- (a) Mandate Agreement

The Company has entered a mandate with Canaccord Genuity (Australia) Limited (**Canaccord**) pursuant to which Canaccord has been appointed as Lead Manager to the Offer (**Mandate Agreement**). The Lead Manager will provide a number of services to the Company in respect of the Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company. The Lead Manager has agreed to provide the following services:

Prospectus

- (1) lead managing and marketing the Offer (including overall project management and development and management of the Offer timetable in conjunction with the Company);
- (2) managing the book build process;
- (3) managing the allocation process;
- (4) in conjunction with the Company's legal and other professional advisers, advising on the structuring of the Offer;
- (5) assisting the company with coordinating settlement processes between the company, its share registry and subscribers to the Offer;
- (6) in conjunction with the Company's legal and other professional advisers, assisting with dealings with ASX and ASIC in relation to the Offer;
- (7) assisting the Company with its due diligence processes for the Offer; and
- (8) assisting with the communications strategy in relation to the Offer.

The Company has agreed to pay the Lead Manager and Underwriter the following fees:

- (1) Management and Selling fee of 5.0% on the Gross Proceeds raised under the Offer;
- (2) Underwriting fee of 0.5% on the underwritten amount of the Offer; and

a Management fee of 3.0% on the Placement. The Company has agreed to reimburse Canaccord in respect of expenses incurred incidental to the Offer, and further indemnify Canaccord and related persons against losses, liabilities and claims in respect of the Offer.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company.

The Lead Manager may terminate the Mandate Agreement at any time by notice to the Company.

The Company may terminate the Mandate Agreement at any time prior to lodgement of the Prospectus and after lodgement of the Prospectus in the event of a material default of the Lead Manager which has not been remedied after seven days' notice or if the Company withdraws the Prospectus or Offer or announces it will not proceed with the Offer or any similar capital raising.

(b) Underwriting Agreement

HRL has entered into an Underwriting Agreement with Canaccord Genuity (Australia) Limited (**the Underwriter**) on 16 February 2017 to partially underwrite the Offer (**Underwriting Agreement**).

Set out below is a summary of the material terms of the Underwriting Agreement.

The Underwriter will be paid fees as set out above.

The Underwriting Agreement contains a number of conditions precedent relating to official quotation, shortfall notifications, due diligence, placement agreement with the Integrated Vendors as well as the agreement for the Integrated Acquisition being

Prospectus

signed and remaining on foot and that the Underwriter obtain proxy votes for the meeting of members at which the resolution to proceed with the Integrated Acquisition will be put to the vote.

The Company has agreed to indemnify the Underwriter in respect of all costs of and incidental to the Offer, and indemnify the Underwriter and its related parties against all liabilities, losses, damages, costs or expenses arising out of this prospectus and associated documents to the Offer or the Offer.

The Underwriting Agreement provides that the Underwriter may terminate its obligations to underwrite the Offer upon the happening of the following events of termination:

(1) Part 1 Termination Events

- (A) **(SPA)** The share purchase agreement with Integrated is terminated, withdrawn or rescinded, or varied, altered or amended in a material adverse respect, or is breached or failed to be complied with by any party in a material respect.
- (B) **(Listing)** The Company ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on ASX (which, for the avoidance of doubt, does not include any voluntary suspension implemented on or prior to the announcement date in connection with the Offer or otherwise implemented with the consent of the Lead Manager).
- (C) **(Insolvency)** The Company or a Subsidiary is Insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a Subsidiary becoming Insolvent.
- (D) **(withdrawal)** The Company indicates that it does not intend to proceed with all or any part of the Offer or withdraws the Prospectus.
- (E) **(withdrawal of consent)** Any person:
 - (i) gives a notice under section 733(3) in relation to the Prospectus; or
 - (ii) (other than the Lead Manager) who has previously consented to the inclusion of their name or any statement in the Prospectus or any supplementary prospectus withdraws that consent;
- (F) **(regulatory action in relation to directors or certain executives)**
 - (i) a director or the chief financial officer of the Company is charged with an indictable offence;
 - (ii) any director of the Company is disqualified under the Corporations Act from managing a corporation; or
 - (iii) any regulatory body commences any public action against the Company, or any director or the chief financial officer of the Company, or publicly announces that it intends to take any such action.

Prospectus

- (G) **(supplementary prospectus)**
- (i) the Company lodges a supplementary prospectus without the prior written consent of the Lead Manager (not to be unreasonably withheld or delayed); or
 - (ii) the Lead Manager forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC under section 719;
- (H) **(Market fall)** The S&P/ASX 300 Index closes for two consecutive Business Days during the Offer, or, closes on the Business Day prior to the Settlement Date, at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of this agreement.
- (I) **(ASIC action)**
- (i) ASIC:
 - applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, the issue of the Offer Shares or any Information Document;
 - holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of the Offer Shares or any Offer Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth);
 - prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against the Company or any of its officers, employees or agents, the issue of the Offer Shares or any Information Document,
 - except where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become publicly available and it has been withdrawn by the date that is the earlier of:
 - the Business Day immediately preceding the Settlement Date; or
 - the date that is 3 Business Days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received; or
 - (ii) ASIC makes a determination under section 708A(2) that it is satisfied that the Company has, within the previous 12 months, contravened any of the provisions listed in such section.
- (J) **(Certificate)** The Certificate required to be furnished by the Company under this agreement is not furnished when required or a statement in the Certificate is untrue, incorrect or misleading or deceptive in any material respect (including by omission).
- (K) **(ASX approval)** Unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on

Prospectus

the success or settlement of the Offer) by ASX for official quotation of the Offer Shares is refused or is not granted by the time required to conduct the Offer in accordance with the Timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn.

- (L) **(Lodgement)** The Company does not lodge:
- (i) the ASX Release and an Appendix 3B with ASX by 10.00am on the announcement date (being 16 February 2017) (or any later time approved in writing by the Lead Manager); or
 - (ii) the Prospectus (in form and substance acceptable to the Lead Manager, acting reasonably) with ASIC and ASX by 10.00am on the 17 February 2017 (or any later time approved in writing by the Lead Manager).
- (M) **(section 730 notice)** A person other than the Lead Manager gives a notice to the Company under section 730 that is in the reasonable opinion of the Lead Manager materially adverse from the point of view of an investor.
- (N) **(Timetable)** Any event specified in the timetable is delayed for more than 2 Business Days without the prior written approval of the Lead Manages (such approval may be withheld in its absolute discretion).
- (O) **(Information Documents)**
- (i) any adverse new circumstance arises or becomes known which, if known at the time of issue of any of the Information Documents, would have been included in the Information Documents;
 - (ii) any statement in an Information Document is or becomes false, misleading or deceptive or likely to mislead or deceive; or
 - (iii) any Information Document does not contain all information required to comply with all applicable laws.
- (2) Part 2 Termination Events
- (A) **(breach)** The Company fails to perform or observe any of its obligations under this agreement.
 - (B) **(change in management)** There is a change (or a change is announced) in the directors, chief executive officer or chief financial officer of the Company, other than one which has already been disclosed to ASX or in any Public Information or disclosed to the Lead Manager before the date of this agreement.
 - (C) **(representation and warranties)** A representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive.
 - (D) **(adverse change)** There is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the Group (in so far as the

Prospectus

position in relation to any entity in the Group affects the overall position of the Company).

- (E) **(Information Documents)** the Company:
- (i) issues an information document (which includes the prospectus and other additional documents) **(Information Document)** without the prior approval of the Lead Manager (such approval not to be unreasonably withheld); or
 - (ii) varies an existing Information Document without the prior approval of the Lead Manager (such approval not to be unreasonably withheld).
- (F) **(change in law in Australia)** There is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of this agreement).
- (G) **(disruption in financial markets)** Any of the following occurs:
- (i) a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Hong Kong, Japan, Germany or China 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
 - (ii) trading in all securities quoted or listed on the ASX, the New York Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange or the London Stock Exchange is suspended or limited in a material respect; or
 - (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States, the United Kingdom, Hong Kong, Japan, Germany or China or any change or development involving a prospective adverse change in any of those conditions or markets.
- (H) **(hostilities)** major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States, the United Kingdom, China or Russia or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world; or
- (I) **(Prescribed Occurrence)** A Prescribed Occurrence in respect of the Company occurs during the Offer period, other than:
- (i) as contemplated by this agreement or
 - (ii) pursuant to the Placement; or

Prospectus

(iii) as permitted by the Lead Manager.

If an Event of Termination occurs the Underwriter may immediately terminate the Underwriting Agreement at any time prior to 10.00am on the settlement date by giving notice to the Company if one of the Part 1 termination events occurs.

If an Event of Termination occurs the Underwriter may terminate the Underwriting Agreement at any time prior to 10.00am on the settlement date by giving notice to the Company if one of the Part 2 termination events occurs and where the Underwriter reasonably believes that it has or is likely to have a material adverse effect on:

- (1) the success of the offer;
- (2) willingness of persons to apply or subscribe for or settle obligations with respect to the offer;
- (3) The ability of the Underwriter to market or effect settlement of the Offer;
- (4) The market price of shares on the ASX;
- (5) Has given or could reasonably be expected to give rise to a contravention by, or liability of the Underwriter under any law or regulation.
- (6) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

(c) Sub Underwriting Agreements

Canaccord Genuity (Australia) Limited has entered into Sub-underwriting Agreements with multiple Sub-Underwriters including Mr John Taylor and Mrs Sharon Taylor and Elliott Nominees Pty Ltd being entities associated with John Taylor and Mark Elliott respectively who are Directors of the Company as at the date of this Offer Document.

Set out below is a summary of the material terms of the Sub-underwriting Agreements. It is noted that the Company is not a party to the Sub-underwriting Agreements.

- (1) The Sub-underwriters noted above have agreed to sub-underwrite a combined maximum of 975,000 New Shares, representing a maximum sub-underwritten amount of \$97,500.
- (2) In the event of a shortfall (as defined in the Sub-underwriting Agreements), the Sub-underwriters are required to subscribe (or procure subscriptions) for New Shares in accordance with a specified formula which is comprised of a priority pool being in respect of the first approximately 16,000,000 securities of the underwritten amount and then a general pool being the securities representing the underwritten amount less any securities issued under the priority pool. The Sub-underwriting agreements for the above mentioned directors fall within the general pool.
- (3) Any Valid Applications submitted with respect to any Entitlement of a Sub-Underwriter or its associates will relieve the obligation of the relevant Sub-Underwriter to subscribe for New Shares in accordance with the formula.
- (4) The Sub-underwriters noted above will not be paid a fee by the Underwriter.
- (5) The Sub-underwriters have no right to terminate the Sub-Underwriting Agreement. The Sub-underwriting Agreement will terminate if the Offer does not proceed or the Underwriting Agreement is terminated.

Prospectus

The above information relates only to the Sub-Underwriting Agreements with related parties of the Company. In addition, Canaccord Genuity (Australia) Limited may offer the issuance of the Shortfall Shares to other unrelated sub-underwriters.

(d) Morrison Share Sale Agreement

HRL Holding Limited ACN 120 896 317 (**HRL**), Morrison Geotechnic Holdings Pty Ltd ACN 140 016 931 (MGH) and Kan Lah Pty Ltd ACN 111 367 821 as trustee for the Riley Family Trust, Quality Testing Services Pty Ltd ACN 075 386 748 as trustee for the Masman Family Trust, Gary Taylor as trustee for the Gary Taylor Trust and Soil Surveys Holdings Pty Ltd ACN 061 576 396 as trustee for the Michael Morrison Trust (together the **Sellers**) have entered into an agreement for the sale and purchase of all of the MGH's shares (**Shares**) dated 9 February 2017 (**MGH Agreement**).

Purchase Price

Under the MGH Agreement, the Sellers have agreed to sell the Shares to the Buyer for the Purchase Price. The Purchase Price is up to \$4,500,000, comprising of \$3,750,000 (the **Completion Consideration**) and \$750,000 (the **Earn-Out Consideration**), subject to adjustments for working capital at completion.

Conditions Precedent

Completion of the MGH Agreement (**Completion**) is subject to the satisfaction of a number of conditions precedent, as summarised below:

- (1) the Buyer being satisfied, in its absolute discretion, with the results of their own due diligence on the MGH (**Due Diligence Condition**);
- (2) execution by key employees (as identified by HRL) of the Prescribed Employment Agreement with the MGH;
- (3) the Buyer obtaining all authorisations and any other statutory approvals required to carry out the transactions contemplated by the MGH Agreement;
- (4) the Sellers providing to the Buyer all third party consents necessary as a result of any "change of control" provisions under any material contract;
- (5) approval from the Board of the Buyer to the terms and conditions of the MGH Agreement;
- (6) MGH has at least the Minimum Working Capital (\$150,000) and certain prescribed assets;
- (7) there has been no material adverse breach of the Sellers' Warranties;
- (8) that there has been no material adverse change in the MGH that is provided for under the MGH Agreement;
- (9) the Seller providing the head contract referred to in the agreement between BMD Urban Pty Ltd (**BMD**) and Morrison Geotechnic Pty Ltd ACN 009 878 899 (**MGPL**) and/or (to be determined by the Buyer) evidence satisfactory to the Buyer that the MGH Agreement and the proposed sale of all of the shares in the MGH will not have a material effect on the contract between BMD and MGPL;
- (10) the Seller providing evidence satisfactory to the Buyer that all employees of the MGH have current and valid employment agreements with the MGH;

Prospectus

- (11) the Buyer obtaining finance on terms satisfactory to the Buyer to be used to satisfy the Completion Consideration;
- (12) the Seller providing evidence satisfactory to the Buyer that all encumbrances over the entities in the Morrison Group will be clear on or before Completion; and
- (13) the directors of the MGH prior to Completion providing a written acknowledgement (in a form satisfactory to the Buyer acting reasonably) that the indemnity provided by the MGH to the directors will cease as at Completion,

(Conditions Precedent).

The Due Diligence Condition and certain of the other Conditions Precedent have been satisfied as at the date of this Prospectus.

Completion

Completion will occur on the later of 31 March 2017 or ten business days after the Conditions Precedent are satisfied or waived (or such other date agreed by the parties in writing) (**Completion Date**).

The MGH Agreement provides that until the Completion Date, the Sellers and MGH carry on the business of MGH in the usual and ordinary course and substantially in the same manner and imposes prohibitions on MGH from engaging in certain conduct without the express consent of the Buyer, which are usual for an agreement of this nature.

The MGH Agreement imposes obligations of confidentiality on the parties which are standard for an agreement of this nature.

Payment of Completion Consideration

On Completion, the Buyer is required to pay to the Sellers by immediately available funds the Completion Consideration (subject to adjustments). On Completion, the title and rights in respect of the Shares are to pass to the Buyer unencumbered, and the Buyer will be entitled to appoint a nominee director to the board of the MGH and have all other directors resign.

Payment of Earn-Out Consideration

The Buyer will be required pay to the Sellers having regard to the 12 months post Completion EBIT achieved by MGH and its wholly owned subsidiary Morrison Geotechnic Pty Ltd ACN 009 878 899 (**Morrison Group**) all or part of the Earn-out Consideration by immediately available funds on the following basis:

12 months post-Completion EBIT	Earn-out Consideration
Less than \$1.1 million	Nil
\$1.1 million to less than \$1.3 million	\$250,000
\$1.3 million to less than \$1.5 million	\$500,000
\$1.5 million or above	\$750,000

Prospectus

50% of the Earn-Out Consideration will be payable approximately 12 months after Completion. The remaining 50% of the total Earn-Out Consideration will be paid in 12 equal monthly instalments after the Initial Earn-Out Payment.

The obligation of the Buyer to pay the Earn-out Consideration is subject to:

- (1) each of Michael Morrison, Denis Riley, Ian Masman and Gary Taylor (**Key Persons**) remaining in the employment of the MGH for 24 months following from Completion (subject to certain exceptions); and
- (2) the Sellers not being in material breach of any of the Sellers' Warranties or any other provision of the MGH Agreement (**Breach Event**).

If termination of a Key Person or a Breach Event occurs within the first 12 months after Completion, the Earn-out Consideration will be forfeited in its entirety. If termination of any Key Person or a Breach Event occurs within 12 to 24 months of Completion, in respect of Key Person termination the Earn-Out Consideration payable will be reduced in proportion to the length in time of the Key Person was not employed Post-Completion to the 24 month period and in respect of a Breach Event, the Buyer shall cease to have any obligation to pay any further unpaid Earn-out Consideration from that time.

Consequences of Buyer breach

If the Buyer fails to comply with any of the provisions of the MGH Agreement then (in addition to any other remedy available to the Sellers), the Sellers may:

- (1) terminate the MGH Agreement and exercise all rights as the holder of shares;
- (2) sue the Buyer for breach of contract; and
- (3) resell the Shares and recover a loss on the sale price or retain any profit.

The Buyer must indemnify the Sellers against any claim against the Sellers as a result of the Buyer's default.

Warranties

Each Seller gives to the Buyer, severally, at the date of the agreement and immediately prior to Completion, warranties which are standard for an agreement of this type (**Sellers Warranties**). There are exceptions to the Sellers Warranties which are standard for an agreement of this type.

The Buyer gives to the Seller as at the date of the agreement and immediately prior to Completion, warranties which are standard for an agreement of this type (**Buyers Warranties**).

Limitation of liability

The minimum threshold for the Sellers to be liable for any claims arising from the MGH Agreement is \$50,000 in aggregate. The liability of each Seller for claims is limited to the amount of the Purchase Price actually paid to that Seller by the Buyer.

Restraint

There is a restraint on the Sellers from carrying on the business of the MGH, any business that is similar or any business that competes against the business of the MGH for a maximum of three years after the Completion Date.

Prospectus

General

The governing law and jurisdiction of the MGH Agreement is Queensland.

The MGH Agreement contains other clauses which are standard for an agreement of this nature

(e) Integrated Share Sale Agreement

HRL Holdings Limited ACN 120 896 371 (**HRL** or **Buyer**), Integrated Holdings Group Pty Ltd ABN 69 163 669 118 (**I**), and Craig Anderson and Amanda Anderson as trustees for the CA & AM Anderson Family Trust, Gregory Anderson and Nancy Anderson as trustees for the GJ & NJ Anderson Family Trust, Tulla Property Partners Pty Ltd ACN 126 992 103 as trustees for the Tulla Property Partners Trust and Darren Anderson and Julie Anderson as trustees for the DG & JE Anderson Family Trust (collectively the **Sellers**) have entered into an agreement for the sale and purchase of all of IHG's shares (**Shares**) dated 14 February 2017 (**IHG Agreement**).

Purchase Price

Under the IHG Agreement, the Sellers have agreed to sell the Shares to the Buyer for the Purchase Price. The Purchase Price is up to \$3,500,000, comprising of \$2,750,000 (the **Completion Consideration**) and \$750,000 (the **Earn-Out Consideration**), subject to adjustments for working capital at completion and tax.

Conditions Precedent

Completion of the IHG Agreement (**Completion**) is subject to the satisfaction of a number of conditions precedent, as summarised below:

- (1) the Buyer being satisfied, in its absolute discretion, with the results of their own due diligence on IHG (**Due Diligence Condition**);
- (2) the Buyer obtaining all authorisations and any other statutory approvals required to carry out the transactions under the IHG Agreement;
- (3) the Sellers providing to the Buyer all third party consents necessary as a result of any "change of control" provisions under any material contract;
- (4) the directors of IHG prior to completion providing a written acknowledgement that the indemnity provided by IHG to the directors will cease at completion;
- (5) IHG has at least the minimum working capital (\$50,000) and prescribed assets;
- (6) that there has been no material adverse breach of the Sellers' warranties;
- (7) that there has been no material adverse change in IHG except as provided for under the IHG Agreement;
- (8) the Buyer obtaining finance on terms satisfactory to the Buyer to be used to satisfy the Completion Consideration;
- (9) the Buyer being satisfied, in its absolute discretion, with the results of an independent expert report required to section 611, item 7 of the Corporations Act; and
- (10) the Buyer obtaining required shareholder approvals,

(**Conditions Precedent**).

Prospectus

Completion

Completion will occur on the later of 13 April or ten business days after the Conditions Precedent are satisfied or waived (or such other date agreed by the parties in writing) (**Completion Date**).

The IHG Agreement provides that until the Completion Date, the Sellers and IHG must carry on the business of IHG in the usual and ordinary course and substantially in the same manner and imposes prohibitions on IHG from engaging in certain conduct without the express consent of the Buyer, which are usual for an agreement of this nature.

The IHG Agreement imposes obligations of confidentiality on the parties which are standard for an agreement of this nature.

Payment of Completion Consideration

On Completion, the Buyer is required to pay to the Sellers by immediately available funds the Completion Consideration (subject to adjustments). On Completion, the title and rights in respect of the Shares are to pass to the Buyer unencumbered, and the Buyer will be entitled to appoint a nominee director to the board of IHG and have all other directors resign.

Payment of Earn-Out Consideration

The Buyer is required to pay to the Sellers all or part of the Earn-Out Consideration by immediately available funds on the following basis:

Completion to first anniversary of Completion EBIT	Earn-Out Consideration
Less than \$300,000	Nil
Not less than \$300,000	\$375,000

First anniversary of Completion to second anniversary of Completion EBIT	Earn-Out Consideration
Less than \$450,000	Nil
Not less than \$450,000	\$375,000

The Earn-out Consideration will be paid within 55 Business Days (unless there is a dispute regarding the EBIT calculation) after the relevant Earn-Out Period.

Consequences of Buyer breach

If the Buyer fails to comply with any of the provisions of the IHG Agreement then (in addition to any other remedy available to the Sellers), the Sellers may:

- (1) terminate the IHG Agreement and exercise all rights as the holder of shares;
- (2) sue the Buyer for breach of contract; and
- (3) resell the Shares and recover a loss on the sale price or retain any profit.

Prospectus

The Buyer must indemnify the Sellers against any claim against the Sellers as a result of the Buyer's default.

Warranties

Each Seller gives to the Buyer, severally, at the date of the agreement and immediately prior to Completion, warranties which are standard for an agreement of this type (**Sellers Warranties**). There are exceptions to the Sellers Warranties which are standard for an agreement of this type.

The Buyer gives to the Seller as at the date of the agreement and immediately prior to Completion, warranties which are standard for an agreement of this type (**Buyers Warranties**).

Limitation of liability

The minimum threshold for the Sellers to be liable for any claims arising from the IHG Agreement is \$20,000 in aggregate. The liability of each Seller for claims is limited to the amount of the Purchase Price actually paid to that Seller by the Buyer.

Restraint

There is a restraint on the Sellers from carrying on the business of IHG, any business that is similar or any business that competes against the business of IHG for a maximum of three years after the Completion Date.

General

The governing law and jurisdiction of the IHG Agreement is Queensland.

The IHG Agreement contains other clauses which are standard for an agreement of this nature.

(f) Subscription Agreements

The Company has entered into subscription agreements with the Integrated Vendors on or about 16 February 2017. The Integrated Vendors will subscribe for Shares in the Company to the value of \$2,750,000 pursuant to the Placement and the net effect of the Placement will be that funds raised from the issue of the shares will be offset against the total amount that the Company owes to the Integrated Vendors on completion (excluding the cash earn out). The issue price per share under the subscription agreements will be the same price under this Offer.

The Placement and issue of shares pursuant to the Subscription Agreements is subject to shareholder approval at the extraordinary general meeting to be held on or around 29 March 2017. Additional details will be set out in the notice of meeting and explanatory memorandum.

7.9 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) the formation or promotion of the Company;

Prospectus

- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Canaccord Genuity (Australia) Limited is the Lead Manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.8 above.

Canaccord Genuity (Australia) Limited is the Underwriter to the Offer, in respect of which it is entitled to receive fees and commission under the Underwriting Agreement as set out in section 7.8 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, costs associated with acquisition and placement matters, the Company estimates that it will pay approximately \$90,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

Link Market Services Limited is acting as Share Registry to the Offer but has performed no work in relation to the Prospectus

7.10 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.11 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

7.12 Privacy

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link Market Services

Prospectus

Limited to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in HRL group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company, except in limited circumstances. If you wish to access, update or correct your personal information held by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.13 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$464,000.

7.14 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Canaccord Genuity (Australia) Limited has given and has not withdrawn its consent to be named in this Prospectus as the Lead Manager in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Canaccord Genuity (Australia) Limited has given and has not withdrawn its consent to be named in this Prospectus as the Underwriter in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Prospectus

BDO Audit Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Mr John Taylor and Mrs Sharon Taylor has given and has not withdrawn their consent to be named in this Prospectus as a sub underwriter of the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Elliott Nominees Pty Ltd being an entity associated with Mark Elliott has given and has not withdrawn its consent to be named sub underwriter of the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

7.15 **Directors' statement**

This Prospectus is issued by HRL Holdings Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of HRL Holdings Limited by

Mark Elliott
Director

Prospectus

8. Definitions & glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Monies	The Offer Price multiplied by the number of New Shares accepted for
Additional New Shares	has the meaning given in section 2.3 of this Prospectus
Applicant	A person who submits an Entitlement and Acceptance Form
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
Closing Date	The date by which valid acceptances must be received by the Share Registry being 5:00pm 14 March 2017 or such other date determined by the Board.
Company, HRL Holdings Limited or HRL	HRL Holdings Limited ACN 120 986 371
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Directors or Board	The board of directors of from time to time
Eligible Shareholder	A shareholder of the Company that holds Shares in the Company on the Record Date
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Prospectus
Entitlements	The entitlement to accept New Shares under this Prospectus
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus

Prospectus

Group	The Company and each of its wholly owned subsidiaries
Ineligible Shareholders	Shareholders as at the Record Date who are not Eligible Shareholders
Integrated or IHG	Integrated Holdings Group Pty Ltd
Integrated Vendors	the shareholders of Integrated as set out in section 4.6
Law	The Corporations Act or any relevant and applicable law in Australia
Morrison Geotechnic	Morrison Geotechnic Holdings Pty Limited
New Shares	The Shares offered under this Prospectus
Octfolio	Octfolio Pty Ltd
Offer or Issue	The offer and issue of New Shares in accordance with this Prospectus
Offer Price	\$0.10 for each New Share applied for
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	9:00am (AEST) on 28 February 2017
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Placement	The Placement of shares to Integrated Vendors with a total value of \$2,750,000 pursuant to the Subscription Agreements
Prospectus	This Prospectus dated 17 February 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	7:00pm (Sydney) on 24 February 2017
Register	Company Register of HRL.
Securities	Has the same meaning as in Section 92 of the Corporations Act

Prospectus

Share Registry	Link Market Services Limited
Shares	The ordinary shares on issue in HRL from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
SSAs	Share Sale Agreements between the Company and Integrated dated 14 February 2017 and the Company and Morrison Geotechnic dated 9 February 2017
Subscription Agreements	has the meaning given in section 7.8(f)
US Securities Act	The US Securities Act of 1933, as amended.

Prospectus

Corporate Directory

Directors	Solicitors to the Offer	Auditors
<p>Mr Kevin Maloney Non-Executive Chairman</p> <p>Mr Darren Anderson Executive Director</p> <p>Dr Mark Elliott Non-Executive Director</p> <p>Mr John Taylor Non-Executive Director</p>	<p>HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.HopgoodGanim Lawyers.com.au</p>	<p>BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane, QLD 4000 Australia Tel: +61 7 3237 5999 Fax: +61 7 3221 9227 http://www.bdo.com.au/</p>
Registered Office and Administration	Share Registry	Stock Exchange Listing:
<p>C/- HopgoodGanim Lawyers Lawyers 1 Eagle Street Brisbane QLD 4000 Phone: + 61 7 3105 5960 http://www.hrlholdings.com</p>	<p>Link Market Services Limited Level 15 324 Queen Street Brisbane QLD 4000 Phone: +61 1300 554 474 Fax: +61 2 9287 0303</p>	<p>Australian Securities Exchange Limited ASX Code: HRL</p>