



telezon



## Prospectus for Offer of Ordinary Shares & Options

For an offer of 48,000,000 Shares at an issue price of \$0.125 each with one free attaching option for every one Share purchased (Attaching Options) to raise \$6,000,000, and the right to accept oversubscriptions by the issue of up to a further 8,000,000 Shares together with Attaching Options to raise up to an additional \$1,000,000.

SIM VSE Code: TLZ  
ACN 009 151 277

### **IMPORTANT INFORMATION**

This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional adviser/s without delay.



## About this Prospectus

Telezon Limited (the "Company") is offering 48,000,000 Shares at an issue price of AUD\$0.125 each with one free Attaching Option for every one Share purchased (Attaching Options) to raise \$6,000,000, and the right to accept oversubscriptions by the issue of up to a further 8,000,000 Shares together with Attaching Options to raise up to an additional \$1,000,000.

The Offer is open to existing shareholders, institutional investors, its shareholders and certain retail investors.

Telezon Limited is a disclosing entity listed on the SIM Venture Securities Exchange ("SIM VSE"), and this Prospectus is issued under Section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the SIM VSE by Telezon. This Prospectus does not contain, by itself, all information relevant to a decision to invest in Telezon.

**This Prospectus does not constitute an offer of Shares to any person outside Australia where it would be unlawful to do so.**



## IMPORTANT INFORMATION

### PROSPECTUS

This Prospectus is to provide disclosure only in connection with an issue of ordinary Shares and Options to existing shareholders, institutional investors, its shareholders and certain retail investors.

This Prospectus is dated 7 June 2012. A copy of the Prospectus was lodged with ASIC on that date. ASIC and SIM VSE take no responsibility for the contents of this Prospectus.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Comprehensive information in relation to the Company and the ordinary Shares offered under this Prospectus is contained within the Company's Information Memorandum dated 13 September 2011, as lodged with SIM VSE, and subsequent announcements to SIM VSE. These documents are available free of charge from SIM VSE at its website, or upon request to the Company – see Section 5.8.

### DISCLAIMER

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. It is important that you read this Prospectus carefully and in full, as well as the instructions on the accompanying Application Form, before deciding whether or not to invest. In particular, you should consider the risk factors described in Sections 2.2 and 2.3 of this Prospectus that could affect the financial and operating performance of the Company. You should carefully consider these risk factors in light of your personal circumstances, including financial and taxation issues, and consult your financial adviser and/or other professional adviser before deciding whether to invest.

Except as required by law, neither Telezon, its directors, nor any other person warrants the future performance of the Company, or any return on any investment made under this Prospectus. In particular, there is no assurance that the future market price of Ordinary Shares will exceed the Exercise Price of the Options.

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 not contained in this Prospectus may not be relied on as having been authorised by Telezon in connection with the Offer.

### ELECTRONIC PROSPECTUS

The Offer constituted by the electronic version of this Prospectus is only available to Australian residents accessing, downloading or printing the electronic version of this Prospectus in Australia. Persons who access the electronic version of this Prospectus should download and read the entire Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or included in a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

### FORWARD LOOKING STATEMENTS

This Prospectus contains certain "forward looking statements". Forward looking statements should or can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" or other similar expressions. Indications of, a guidance or outlook on, future earnings, distributions of financial position or performance are also forward looking statements. The forward looking statements in this Prospectus involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Telezon's business strategies. The success of these strategies is subject to uncertainties and contingencies beyond Telezon's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits will be realised in the period for which the forward looking statements may have been prepared or otherwise. Investors are cautioned not to place undue reliance on forward looking statements and Telezon assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this Prospectus should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that Telezon will achieve, or is likely to achieve, any particular result.

### PRIVACY DISCLOSURE STATEMENT

Telezon Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting our Share Registry at the address or telephone number shown on the Application Form.

### INTERPRETATION AND TERMINOLOGY

Definitions of certain terms used in this Prospectus appear in the Glossary in Section 6.

### TIMES

All references to time in this Prospectus are to Eastern Standard Time.

### AMOUNTS

Unless otherwise stated, references to currency in this Prospectus are references to Australian dollars.

**This Prospectus is important and should be read in full.**

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**TIMETABLE**

<b>Prospectus lodged with ASIC</b>	<b>7 June 2012</b>
<b>Opening date of Offer</b>	<b>8 June 2012</b>
<b>Shareholder meeting to approve Offer</b>	<b>4 July 2012</b>
<b>Close of Priority Offer</b>	<b>25 July 2012</b>
<b>Close of Offer</b>	<b>8 August 2012</b>
<b>Holding statements for new Shares and Options dispatched</b>	<b>15 August 2012</b>
<b>Expected date for SIM VSE trading of new Shares and Options</b>	<b>22 August 2012</b>

All dates are indicative only and may change. The Company reserves the right to vary these dates without prior notice including, subject to the Corporations Act and the Listing Rules, to extend the Offer, close the Offer early or accept late Applications, either generally or in particular cases, without notifying you. If any of these dates are changed, subsequent dates may also be changed.

You are encouraged to submit your Application as soon as possible.

## CHAIRMAN'S LETTER TO POTENTIAL INVESTORS

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to offer you the opportunity to take up shares in Telezon Limited ("Telezon" or "the Company").

The Offer detailed in this Prospectus invites subscriptions for 48 million ordinary shares at an offer price of AUD\$0.125 per share each with a free Attaching Option to raise \$6,000,000 with a minimum subscription of \$1,500,000. The Prospectus also details the right of the Company to accept oversubscriptions with the issue of up to 8,000,000 Shares together with Attaching Options to raise up to an additional \$1,000,000.

Telezon is a SIM Venture Securities Exchange (SIM VSE) listed entity, a clean technologies' focussed exchange and prior to that was listed on the Australian Securities Exchange (ASX). The Company focuses on the development and commercialisation of plastic-based needles and solutions for the global market, in comparison to steel needles. These plastic needles and solutions have been developed to deliver a positive impact on the environment, the financial bottom line and human lives.

Our Company has made several significant achievements in the last few months. The most significant being the signing of two international commercial agreements which have demonstrated the commercial proof of concept of our SoloFlow® and CoreIT® technology as well as the strong market interest for future orders, which would in turn deliver revenue to the Company and its Shareholders. As such, the Company plans to accelerate the commercialisation of several patented products/technologies with funds raised, including:

- SoloFlow® Medical Transfer Cannula (or Needle);
- Blunt SoloFlow® Soft Transfer Cannula (or Needle);
- CoreIT® Moulding Technology; and its
- PolyDermic® Injection Needle.



Additionally, the Board will continue to strengthen the Company's presence in the international market by building on its existing strategic partnerships, with the intention of increasing value in the Company and Shareholder returns. The Board has extensive experience in commercialisation, marketing, the medical industry and plastics development which it continues to leverage with support of its Chief Engineer and trusted partners.

This Prospectus includes details of the Company, its assets and proposed operations, together with a statement of risks associated with investing in Telezon. We recommend that you study this document carefully and, if interested in investing, seek independent professional advice.

Once again, on behalf of the Directors, I invite you to subscribe for Shares in the Company and become part of what we believe to be an exciting time for Telezon and for its existing and future Shareholders.

Sincerely,

Mr Trevor Nye

Chairman, Telezon Ltd

## DETAILS OF THE OFFER

### 1.1 Overview

The Offer is being conducted by the Company to raise approximately \$6,000,000 and comprises an offer of 48,000,000 new ordinary Shares each with one free Attaching Option, and the right to accept oversubscriptions with the issue of up to 8,000,000 Shares together with Attaching Options to raise up to an additional \$1,000,000. The minimum subscription required by the Company to proceed with the issue under the Offer is \$1,500,000. Both Shares and Options will be quoted on SIM VSE. The Offer is conditional on the Company obtaining shareholder approval for the purpose of the Listing Rules, which will be sought at a General Meeting scheduled to be held on July 4 2012.

Under the Offer, successful applicants will receive one Option at no additional cost for every ordinary Share purchased. Once issued, the Options may be sold or transferred separately from the ordinary Shares. The Offer will not be conducted on a pro rata basis – refer to Section 1.5 for an overview of the allocation policy.

The Offer price is AUD\$0.125 per Share (plus one free Attaching Option per Share purchased).

If the Company receives oversubscriptions, it may in its discretion accept applications for up to a further 8,000,000 Shares together with Options to raise up to an additional \$1,000,000.

The minimum application for Shares is 10,000 and thereafter in multiples of 1,000.

The Offer is open for acceptance from 9:00am (EST time), 8 June 2012 and closes 5:00pm, 8 August 2012 (subject to variation at the Company's discretion). If shareholder approval is not obtained for the Offer and/or the minimum of \$1,500,000 is not achieved, then the Offer will not proceed and all Application Monies will be returned (without interest).

### 1.2 Effect of the Offer

The principal effects of the Offer, if successful, will be:

- the number of Shares on issue will increase by up to 56,000,000 (just over a 100% increase in the Company's current issued share capital);
- the number of Options on issue will increase by up to 56,000,000; and
- cash reserves (net of Offer costs) will increase by up to approximately \$6,500,000.

The number of Shares and the increase in cash reserves do not include the potential effect of exercise of Options issued in connection with the Offer in the future. If all Options issued in connection with the Offer were exercised, resulting in the issue of 56,000,000 Shares, an additional \$11,200,000 would be raised.

The purpose of this Offer is to raise funds to enable the continued and accelerated commercialisation of the Company's products and technologies, in particular:

- to continue to fulfil commitments under commercial agreements signed with Hindustan Syringes and Medical Devices Ltd (HMD) and Serum Institute of India (SII) (leaders in their respective fields);
- to significantly increase production volumes;
- to establish an income stream from commercialised products and technologies;
- to vigorously pursue other potential discussions with organisations globally; and
- to identify and, if feasible, develop potential international strategic partnerships to further promote the Company's presence in the international market.

In addition to larger production volumes to deliver economies of scale, certification and validation processes that are required for the medical industry demand substantial capital investment. Note, given that the Company's patented CoreIT® Technology is the cornerstone of the majority of this investment and has multi-industry application potential, this cash injection will also enable the Company to approach industries outside that of the medical industry.

The key funding risk is not having sufficient capital to enable necessary commercialisation processes to deliver to commitments. The Board of Directors has estimated that the proposed capital raising of approximately \$6,000,000 will provide sufficient funding for several processes to be automated and larger production volumes to be realised over the next 2-3 years.

If only the \$1,500,000 minimum is raised, the Company would inevitably need to raise additional capital to implement and complete all work and expenditure commitments of the next 18-24 months. The requirement to raise additional capital will (possibly) result in the shareholdings in the Company being diluted. For more detail on risks, refer to Sections 2.2 and 2.3.

### 1.3 Use of Proceeds

The Company intends to raise aggregate gross proceeds of up to \$6,000,000 (not including any proceeds from oversubscriptions). This does not include any amount that may be received on the future exercise of Options issued in connection with the Offer.

The Company intends to use the proceeds received from the Offer as follows:

Product/Technology	Activity	Estimated Capital
SoloFlow® Medical Transfer Cannula	High volume production line & necessary certification	\$2,100,000
Blunt SoloFlow® Soft Transfer Cannula	Production solution & necessary certification	\$430,000
PolyDermic® Injection Needle	Pre-production & validation; production solution; Stage I high volume production & necessary certification	\$1,800,000
DuoDraw® Multi-Application Solution		\$420,000
Expenses related to this Offer:		
Legal Fees		\$50,000
Broker Fees/Commission		\$400,000
ASIC		\$2,137
Printing, posting, Share Registry and other misc. Offer costs		\$2,863
General operating expenses (2012) –Salaries, rent, legal fees, patent renewal, accountant fees, & other outgoings		\$495,000
Friedman Capital 2012 payments		\$300,000
<b>Total</b>		<b>\$6,000,000</b>

If oversubscriptions are received resulting in additional funds to the Company (i.e. more than \$6,000,000), additional funds are intended for working capital and general corporate purposes.

However, if only the \$1,500,000 minimum is received, the Company intends to allocate the funds as follows:

<b>Product/Technology</b>	<b>Activity</b>	<b>Estimated Capital</b>
SoloFlow® Medical Transfer Cannula	Automation, higher volume production line & necessary certification	\$500,000
Blunt SoloFlow® Soft Transfer Cannula	Production solution	\$75,000
PolyDermic® Injection Needle	Pre-production & validation	\$120,000
Expenses related to this Offer:		
Legal Fees		\$40,000
Broker Fees/Commission		\$60,000
ASIC		\$2,137
Printing, posting, Share Registry and other misc. Offer costs		\$2,863
General operating expenses (2012) –Salaries, rent, legal fees, patent renewal, accountant fees, & other outgoings		\$400,000
Friedman Capital 2012 payments		\$300,000
<b>Total</b>		<b>\$1,500,000</b>

#### 1.4 Capital Structure

The capital structure of the Company, following completion of the Offer, will be as follows (assuming 56,000,000 ordinary Shares and 56,000,000 Options are issued under the Offer which includes the full oversubscribed amount):

<b>Security</b>	<b>Number before the Offer</b>	<b>Number after the Offer</b>
Shares (fully paid ordinary)	47,962,667	103,962,667
Options (quoted)	0	56,000,000
Options (unquoted)	1,000,000	1,000,000

Details of the key rights attaching to the Shares and Options are set out in Section 5.1 and 5.2 respectively.

## 1.5 Allocation Policy

- **Applications for Shares:** Applications must be for a minimum of 10,000 Shares (\$1,250) and thereafter in multiples of 1,000 Shares. To apply for Shares, the Application Form attached to or accompanying this Prospectus should be completed. A cheque for Application Monies must accompany the completed Application Form and be sent to Advanced Share Registry. The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number applied for.
- **Priority Offer:** Eligible shareholders, who are registered at 5.00pm EST on the date of this Prospectus, will be offered in priority 8,000,000 shares (excluding the oversubscription amount).
- Eligible Shareholders may apply for as many Shares as they wish under the Priority Offer (subject to compliance with the takeovers provisions of the Corporations Act and the requirements referred to in this Section 1.5 of this Prospectus).
- Applications under the Priority Offer will be allotted at the sole discretion of the Board. The priority given to Shareholders will be in respect of Shares applied for by each qualifying Applicant, for the amount stated above, i.e. 8,000,000 Shares.
- Should Applications from eligible shareholders exceed 8,000,000 Shares available under the Priority Offer, they will be considered as part of the Public Offer.
- Any Shares not subscribed for under the Priority Offer will be available under the Public Offer.
- **Public Offer:** Of the 48,000,000 Shares being offered (excluding the oversubscription amount), 40,000,000 Shares (as well as Shares not subscribed for under the Priority Offer) will be available to the general public under the Public Offer. The oversubscribed Shares may also be allocated in the Public Offer depending on the level of demand. Applications for Shares by general investors must be made on the Application Form attached to this Prospectus and this must be received on or before the Closing Date.

## 1.6 Related party participation

Subject to Shareholder approval, Directors and related parties (as per the definition in the Corporations Act, 2001) can participate in the Offer and will have equal rights with any other shareholder.

## 1.7 No other offer of Options

The Options can only be acquired in conjunction with the Offer. There is no separate offer of Options, and no application for Options will be accepted on the basis of this Prospectus alone.

## 1.8 Offer not underwritten

This Offer is not underwritten.

## 1.9 SIM VSE quotation

Application for quotation of Shares issued under the Offer will be made no later than seven days after the date of this Prospectus. Subject to approval, it is expected that normal trading of Shares and Options issued under the Offer will commence on 22 August 2012. If SIM VSE does not grant approval for official quotation of the Shares and Options within three months after the date of this Prospectus, none of the Shares and Options offered under the Offer will be issued.

Holding Statements are expected to be dispatched to successful applicants by 15 August 2012. It is the responsibility of each Applicant to confirm their holding and address details with Advanced Share Registry before trading Shares or Options. Any Applicant who sells Shares or Options before receiving confirmation of their holding in the form of their Holding Statement will do so at their own risk. The Company disclaims all liability, whether in negligence or otherwise (and to the maximum extent permitted by law), to persons who trade in Shares or Options before receiving their Holding Statement, whether on the basis of confirmation of the allocation provided by the Company or its Share Registry.

#### **1.10 Application Money and interest**

Subject to the minimum subscription to the Offer being reached, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Application Money received from an Applicant will be, until Shares in respect of the Application Monies are issued, held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares at their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

#### **1.11 Withdrawal of Offer**

The Company reserves the right to withdraw the Offer at any time, in which case all Application Monies will be refunded (without interest).

## KEY INVESTMENT HIGHLIGHTS AND RISKS

### 2.1 Key investment highlights

Over the last six (6) months, Telezon has achieved several significant milestones:

- Commercial agreement signed with Serum Institute of India, the largest vaccine provider globally, to sell and supply SoloFlow® Medical Transfer Cannula
- Commercial agreement signed with Hindustan Syringes and Medical Devices Ltd to sell and supply SoloFlow® Medical Transfer Cannula
- One-piece SoloFlow® Medical Transfer Cannula commercialised – our patented draw-up needle is now being used in SII clinical trials
- CoreIT® Advanced Moulding Technology commercialised – our patented moulding technology produces our SoloFlow® cannula as well as our Blunt SoloFlow®
- 5000 Blunt SoloFlow® Soft Transfer Cannula marketing samples produced – this cannula has been developed to be used for withdrawing fluid from glass and plastic ampoules. Greater numbers of hospitals globally are seeking alternatives to blunt **steel** needles to make the practice of resheathing a needle safer. For more information refer to the related announcement:  
[http://www.telezon.com/sites/default/files/027894183\\_5000%20Blunt%20SoloFlow.PDF](http://www.telezon.com/sites/default/files/027894183_5000%20Blunt%20SoloFlow.PDF)
- PolyDermic® Hypodermic Needle and DuoDraw® Multi-Application Solution are two more of the Company's patented products that have received strong market interest and are in development stages.

For more information on any of the above information, please refer to our website or the SIM VSE Company Announcements page.

### 2.2 Key investment risks relating to the Telezon Business

The risks set out in this section are not necessarily exhaustive.

The business operations of the Company are subject to risks which may impact adversely on its future performance, including the value of any shares in the Company. An investment in the Company is not guaranteed by the Company. Risks associated with the Company include:

- **investment risks generally:** investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, as is the case with the Company.
- **risks related to investment in medical development:** research and/or development of medical products, particularly products that are designed for the human market (the area of the Company's activities) are subject to high levels of risk due to industry regulations.
  - In order to commence human clinical trials, the Company will need to obtain regulatory and other approvals, which the Company may be unable to obtain, or achieving such approvals could be delayed which could significantly impact its ability to achieve its timeline for the PolyDermic® Injection Needle.
  - Telezon cannot predict the outcome of required human clinical trials. If the PolyDermic® Injection Needle does not meet the required clinical specifications or causes adverse or unexpected events, then the Company may need to further modify the technology. The Company may not be able to address the issues arising from these trials which may significantly impair the prospects for its PolyDermic® Injection Needle.

- **sufficiency of funding:** if additional capital is not raised then the Company's operations will not be able to be funded, with the result that shareholdings may significantly decrease in value. The total amount of capital required is dependent on the Company's pursuit of proposed operations and activities.
- **raising of additional capital:** if the minimum subscription is achieved, the Company will inevitably need to raise additional capital to implement and complete all work and expenditure commitments over the next 18-24 months. The requirement to raise additional capital will (possibly) result in shareholdings in the Company being diluted.
- **no historical profits:** The Company has a history of net losses and may never achieve or maintain profitability.
- **operational risk:** certain products and technology of the Company are being used in manufacturers' machines. As such, there are risks associated with unexpected mechanical failure or equipment breakdown resulting in loss of production and additional expense generally and unexpected delay in achieving key milestones.
- **key personnel:** the Company's success is dependent on the retention of key employees. The Company's business activities, results of operations and/or financial conditions could be affected by the Company's inability to retain and motivate key employees, or the inability to attract, retain and motivate additional appropriately-skilled and experienced employees required for the expansion of the Company's activities.
- **intellectual property rights:** the Company regards its trademarks, domain names, trade secrets, patents and similar intellectual property as important to its success. While the Company will use all reasonable endeavours to protect its intellectual property rights, unauthorised use or disclosure of its intellectual property may have an adverse effect on the operating, marketing and financial performance of the Company.

### 2.3 General risks

The risks set out in this section are not necessarily exhaustive.

Applicants should be aware that there are risks associated with any share investment. The prices at which the Shares may trade in the secondary market may be above or below the Offer Price. The market price may be influenced by factors unrelated to the operating performance of the Company, such as regional economic conditions, investor sentiments, regional and international stock market conditions, changes in regional and international industrial, fiscal, monetary or regulatory policy, international conflicts and changes in interest rates and the rate of inflation.

There are (at the date of this Prospectus) seven broking firms listed on the SIM VSE broker directory. These brokers facilitate and support trading on SIM VSE.

Some factors that may affect the value of shares in the Company include:

- **general economic conditions:** apart from exchange risks, there are a wide range of other macro economic and political factors beyond the control of the Company which will affect the Company's operations;
- **investor perception/sentiment:** these risks include those such as changes in levels of consumer confidence and investor perception or sentiment;
  - market for shares: the Company's share price may be volatile due to a wide range of factors, including the risk factors identified in this Section, some of which are beyond the Company's control. The Company cannot predict the extent to which the trading market will develop in the Shares or how liquid that market might become. The Offer Price might not be indicative of prices that will prevail in

the trading market and investors may not be able to resell the Shares at or above the price they paid.

- **liquidity:** there is no guaranteed liquidity for shares in the Company or that the price of Shares will increase. Low trading volumes in the shares on SIM VSE coupled with the fact that the SIM VSE is a new exchange mean there can be no assurance as to the depth of this market (if any) in the shares, which could affect their liquidity and market price.
- **changes to domestic and international share markets:** shareholders should recognise that the prices of shares fall as well as rise, often for reasons unrelated to the actual operations of the Company;
- **certain economic factors (such as interest rates or taxation):** many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment; and
- **company performance:** the business operations of the Company are subject to risks which may impact adversely on its future performance. These risks may adversely affect the value of any shares in the Company.

## OVERVIEW OF GLOBAL MARKET AND TELEZON

### 3.1 Overview of Global Market

The world market for needles is substantial and conservatively estimated to be worth US\$20 Billion annually, with 16 Billion injections given each year, and 1.3 million deaths caused by unsafe injections annually, according to the World Health Organisation (WHO). Increasingly, governments and medical institutions are demanding safer injection practises to minimise needle-stick injuries and disease transfer. In January 2012, the WHO recognised that the Company's SoloFlow® Transfer Cannula offered a reduced risk of needle stick injury in comparison to steel needles as well as the benefit of recyclability. As such, WHO is now planning to create a sub-category that is based on the SoloFlow® cannula, enabling the Company to introduce its products to international organisations already listed/have pre-qualified devices within the WHO system, such as Becton Dickinson.

### 3.2 Telezon history and current operations

Telezon is an Australian plastic needle and technology development company with a unique suite of exclusive and world-patented plastic needles (draw-up and hypodermic), injection systems and technologies.

The Company has focused its research and development on their CoreIT® manufacturing technology and key products such as:



*SoloFlow® Cannula*



*DuoDraw® Cannula*



*PolyDermic® Injection Needle*

Telezon's polymer needles and manufacturing technology offer significant cost, environmental and social advantages over traditional steel needles. For instance, the PolyDermic® Injection Needle has been developed using the Company's uniquely patented technologies. Its core feature is its distinctive side port and tip which enables the medical professional to burn the needle tip to close off the bore, which in turn, eradicates the risk of fluid or disease transfer, delivering a more accessible solution to some of the human challenges facing the Developing World.

Since its incorporation in 1985, the Company has seen great changes in both its management and development of technologies. SSB Technology Pty Limited ("SSB Technology"), acquired by the Company in 2005, is a medical research and development company, with several worldwide patents and technologies. SSB Technology is wholly owned by the Company and Dr. Michelle Carr is its sole director.

More recently, the Company has focused on **commercialising** its core products, namely the SoloFlow® Transfer Cannula, CoreIT® Technology, and prototype development for its PolyDermic® Needle. Telezon has developed its profile globally and subsequently been acknowledged by the World Health Organisation and signed commercial agreements with Serum Institute of India and HMD, India, two of the largest players in their respective fields.

The Company is continuing to pursue strong strategic partnerships in key markets for its products. Current market size, opportunities and internal research suggest that the Company's product portfolio is well-placed to meet the growing demand for safer injection units, more cost-effective technologies and more efficient end-to-end processes.

### **3.3 Board of Directors**

#### **TREVOR NYE DipT(Prim), BA, BEd, GradDipMgt, MEdAdmin, TSTC. MACE**

##### *Chairman and Director*

Mr. Nye previously worked in merchant banking with a particular focus on marketing and commercialisation of intellectual property. He has directed the development of the Company's technologies since the acquisition in 2005 of intellectual properties and technologies such as the Company's PolyDermic® Injection Needle. Mr Nye has extensive experience in corporate strategy, administration and the commercialisation of intellectual property on the world market.

He holds a bachelor's degree from Deakin University, and a graduate diploma and a master's degree in educational administration.

Current remuneration: \$40,000 p.a. (refer also to Section 5.5 for details of Mr. Nye's interests in the Company's securities)

#### **MICHELLE CARR B.A. (Jt.Hons.), M.I.B., Ph.D.**

##### *Director and Company Secretary*

Dr. Carr has extensive experience in domestic and international marketing. She has worked in senior executive and account director roles in marketing and market research organisations as well as working as a former university lecturer in international marketing. In these roles, Dr Carr has provided strategic advice to public and private companies to guide their project management, research analysis, organisational development and international marketing departments across several industries including manufacturing and new product development. Dr. Carr holds a B.A. (Jt.Hons.) (NUI), a master's degree in International Business (Murd.), and a doctorate in International Marketing from the University of Western Australia.

Current remuneration: \$40,000 p.a. (refer also to Section 5.5 for details of Dr. Carr's interests in the Company's securities)

#### **ELAINE CARR BSc., GradDip., MTeach.**

##### *Director*

Ms. Carr has significant corporate and project management experience across a number of disciplines and industries, as well as in several successful capital raisings and IPO's. Ms Carr brings to the board her strong account management, administration and corporate governance skills. She has held directorships and company secretary positions on a number of publicly listed companies. In addition to her corporate management responsibilities, she has an active interest and involvement in not for profit ventures. Ms. Carr holds a Science degree (double major) from Murdoch University, and a graduate diploma and a master's degree in teaching.

Current remuneration: \$40,000 p.a. (refer also to Section 5.5 for details of Ms. Carr's interests in the Company's securities)

## PRO FORMA BALANCE SHEET

The Company's pro forma historical statement of financial position as at 31 December 2011 is set out in this Section below.

The pro forma financial information in this Section is presented for illustrative purposes only. If the Offer had occurred in the past, the Company's financial information would likely have been different from that presented here.

The pro forma financial information in this Section is based on the Company's reviewed financial information for the half year ended 31 December 2011. It has been prepared in accordance with the recognition and measurement principles of AIFRS. The pro forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The unaudited pro forma summary of financial information of the Company has been compiled according to the following assumptions:

- That the Offer is not withdrawn (that is, a minimum subscription is achieved, i.e. \$1,500,000)
- **Column A:** The minimum issue of 20,000,000 Ordinary Shares is achieved, at an issue price of AUD\$0.125 per Share pursuant to this Prospectus raising \$1,500,000 of new equity.
- No amount has been raised from the exercise of Options.
- The application of proceeds from the Offer to the costs associated with the Offer of approximately \$105,000
- **Column B:** The maximum issue of 56,000,000 Ordinary Shares is achieved, at an issue price of \$0.125 per Share pursuant to this Prospectus raising \$7,000,000 of new equity.
- No amount has been raised from the exercise of Options.
- The application of proceeds from the Offer to the costs associated with the Offer of approximately \$500,000.

The pro forma historical statement of financial position illustrates the Company's financial position as at 31 December 2011, adjusted only for:

- completion of the Offer based on the above assumptions, and
- completion of the private placement of 6,156,000 Shares in March 2012 which raised an approximate amount of \$650,000 net of costs.

The pro forma adjusted balance sheet does not reflect the trading of the Company since 31 December 2011. Investors should note that the Balance Sheet that will arise following the Offer will be based on actual assets and liabilities as at the date of publishing of the audited full-year financial statements, which will occur after the end of 2012 financial year. Accordingly, the actual Balance Sheet will differ to the indicative position set out below.

#### 4.1 Condensed Consolidated Statement of Financial Position

##### As at 31 December 2011

(For full financial report, refer: Half-Year Financial Report for the half-year ended 31 December 2011 – release date 6th March 2012 – released to SIM VSE website & Telezon website)

	<b>Consolidated Group</b>	<b>Column A</b>		<b>Column B</b>	
	<b>31 Dec 2011 Half year Actual</b>	<i>Adjustment (min. subscription: \$1.5M)</i>	<b>Pro Forma 31 Dec 2011</b>	<i>Adjustment (max. subscription: \$7M)</i>	<b>Pro Forma 31 Dec 2011</b>
	\$	\$	\$	\$	\$
<b>Current Assets</b>					
Cash and cash equivalents	350,658	1,500,000	1,850,658	7,000,000	7,350,658
Trade and other receivable	8,874		8,874		8,874
Other assets	-		-		-
Financial assets	36,270		36,270		36,270
<b>Total Current Assets</b>	<b>395,802</b>	<b>1,500,000</b>	<b>1,895,802</b>	<b>7,000,000</b>	<b>7,395,802</b>
<b>Non-Current Assets</b>					
Intangibles	2,568,531		2,568,531		2,568,531
Plant and equipment	11,501		11,501		11,501
<b>Total Non-Current Assets</b>	<b>2,580,032</b>		<b>2,580,032</b>		<b>2,580,032</b>
<b>Total Assets</b>	<b>2,975,834</b>	<b>1,500,000</b>	<b>4,475,834</b>	<b>7,000,000</b>	<b>9,975,834</b>
<b>Current Liabilities</b>					
Trade and other payables	162,936		162,936		162,936
Share application monies	308,100		308,100		308,100
Provisions	8,058		8,058		8,058
Costs associated with Offer			105,000		500,000
<b>Total Current Liabilities</b>	<b>479,094</b>		<b>584,094</b>		<b>979,094</b>
<b>Total Liabilities</b>	<b>479,094</b>		<b>584,094</b>		<b>979,094</b>
<b>Net Assets</b>	<b>2,496,740</b>	<b>1,500,000</b>	<b>3,891,740</b>	<b>7,000,000</b>	<b>8,996,740</b>
<b>Equity</b>					
Issued capital	25,043,690	1,500,000	26,543,690	7,000,000	32,043,690
Reserves	629,575		629,575		629,575
Accumulated losses	(23,176,525)		(23,281,525)		(23,676,525)
<b>Total Equity</b>	<b>2,496,740</b>		<b>3,891,740</b>		<b>8,996,740</b>

## **ADDITIONAL INFORMATION**

### **5.1 Description of Shares, including Attaching Option**

The Shares issued under the Offer will be fully paid ordinary shares and will rank equally in all respects with the existing Shares currently on issue. The rights attaching to the Shares are primarily set out in the Constitution of the Company, and are also affected by the Corporations Act and SIM VSE Listing Rules. The following is a broad summary of the rights and liabilities which attach to Shares. It is not intended to be an exhaustive or definitive summary.

#### *Meetings and accounts*

All Shares in the Company confer on the holders of those Shares the right to receive notices, reports and accounts and to attend general meetings of the Company.

#### *Voting*

All Shares in the Company confer one vote per share or, if a Share is partly paid, a fraction of a vote for each partly paid share equivalent to the proportion which the amount paid, ignoring any amounts paid in advance of a call.

#### *Dividends*

All Shares in the Company confer the right to participate in any dividends declared on those shares. There is no specific dividend policy in relation to the Shares being offered.

#### *Winding up*

In a winding up, any assets available for distribution to shareholders will, subject to the rights of the holders of shares issued on special terms and conditions, the Constitution, the Corporations Act and the Listing Rules, be distributed amongst the shareholders to return capital paid up on their shares and distribute any surplus in proportion to the amount paid up (not credited) on shares held by them.

#### *Variation of rights*

Under the Company's Constitution (and subject to the Listing Rules and the Corporations Act), the Company may vary or cancel all or any of the rights and privileges attached to Shares with either:

- the written consent of holders of at least 75% of the Shares issued; or
- with the approval of a special resolution passed at a meeting of holders of the Shares.

#### *Transfer of Shares*

Subject to the Constitution, the Corporations Act, and the Listing Rules, Shares in the Company are freely transferable.

### **5.2 Description of Options**

The following outlines the full terms of the Options:

#### *Exercise price*

Each Option will entitle the holder to subscribe for one ordinary Share on payment of the sum of 20 cents (AUD\$0.20) per Option to the Company.

#### *Notice of Exercise*

Each Option may be exercised by notice in writing to the Company accompanied by payment in full at any time before the date of expiry. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

*Expiry date*

The expiration date for exercise of the Options is 5.00pm (EST time) on 8 June 2015. Options not exercised by this date will lapse.

*Quotation*

Application will be made to SIM VSE for official quotation of the Options. It is expected that the trading code for the Options will be TLZO, subject to confirmation from SIM VSE. Options are transferrable.

*Participation Rights or Entitlements*

An Option will not entitle the holder to participate in a new issue of ordinary Shares or other securities of the Company unless the Option has been exercised before the record date for that new issue.

*Participation Rights or Entitlements on Shares Issued on Exercise of Options*

Shares allotted pursuant to the exercise of Options will be allotted following receipt of all relevant documents and payments and will rank equally with all other shares on issue.

*Adjustments*

If the Company undergoes a reorganisation of capital (other than a bonus issue or issue for cash), the number and exercise price of the Options will be adjusted to the extent necessary to comply with the SIM VSE Listing Rules at the time of the reorganisation; or if no such rules apply, then in accordance with the requirements of SIM VSE.

*Bonus Issues*

If there is a bonus issue to the holders of Shares, the number of shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue.

**5.3 Form of Securities**

The Company participates in CHESS. Ordinary Shares and Options that are traded on SIM VSE will be settled via CHESS and may not be held in certificated form.

**5.4 Substantial Shareholders**

The following table sets out persons known to the Company (through substantial shareholder notices filed with the SIM VSE) to hold voting power (as defined in the Corporations Act) of more than 5% of its Shares as of the date of this Prospectus.

<b>Shareholder</b>	<b>Number of shares</b>	<b>Percentage of class before the Offer</b>
Mrs Susan Carr	7,050,000	14.69%
Iron Mountain Pty Limited	6,408,139	13.36%
Link Traders (Aust) Pty Limited	2,773,507	5.78%
Dr Michelle Carr	2,752,425	5.73%
Ms Elaine Carr	2,752,425	5.73%
Fulllong Investments Pty Limited	2,607,818	5.43%

## 5.5 Directors' Interests

The following table sets out the relevant interests of each of the Directors of the Company in the Shares and Options of the Company as of the date of this Prospectus:

Director	Number of Shares	Number of Options	Percentage of Shares before the Offer
Mr. Trevor Nye	337,455	300,000	0.70%
Dr. Michelle Carr	2,752,425	400,000	5.73%
Ms. Elaine Carr	2,752,425	Nil	5.73%

## 5.6 Share price history

The Company's shares have traded on SIM VSE in a range of \$0.12 (on 24 May 2012) to \$0.145 (on 2 March 2012) since its listing. The last sale price on 24 May 2012, before this Prospectus was lodged, was \$0.12.

## 5.7 Quotation of Securities

An application for quotation of the Shares and Attaching Options issued under the Offer will be made to the SIM VSE within seven days of the date of this Prospectus.

## 5.8 Available Information

The Company is a disclosing entity for the purposes of the Corporations Act and has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses for continuously quoted securities. This Prospectus is intended to be read in conjunction with information previously publicly disclosed by the Company.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require immediate disclosure to the market of any information of which the Company is aware which a reasonable person might expect to have a material impact on the price of value of its Shares, subject to limited exceptions for certain confidential information.

SIM VSE maintains detailed records of company announcements for all companies listed on SIM VSE. Announcements are available from SIM VSE and can be viewed at [www.simvse.com.au](http://www.simvse.com.au).

ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at the office of ASIC.

The Company will provide free of charge to any person who requests it during the application period under this Prospectus, a copy of:

- the Company's financial statements for the financial year ended 30 June 2011, lodged with SIM VSE on 28 November 2011;
- the Company's financial statements for the half year-ended 31 December 2011, lodged with SIM VSE on 6 March 2012; and
- documents released to SIM VSE under the Company's continuous disclosure obligations, under the Listing Rules and the Corporations Act since the lodgement of the Company's financial statements for the financial year ended 30 June 2011.

The following is a list of such releases since 28 November 2011 that are available:

<b>Date</b>	<b>Announcement</b>
21 May 2012	Settlement Negotiated between Telezon Ltd and Friedman Capital Pty Ltd
10 May 2012	Form 603 – Notice of Initial Substantial Holder
10 May 2012	Form 603 – Notice of Initial Substantial Holder
10 May 2012	Annexure 3D - Change of Director's Interest Notice
10 May 2012	Annexure 3D - Change of Director's Interest Notice
10 May 2012	Form 604 - Notice of Change in Interests of Substantial Holder
30 April 2012	Memorandum of Understanding to Sell & Supply SoloFlow® Cannula
28 March 2012	Marketing Samples Successfully Produced for BLUNT SoloFlow® Cannula
13 March 2012	Serum Institute of India's Clinical Trials Use SoloFlow® Cannula
8 March 2012	Form 603 - Notice of Initial Substantial Holder
6 March 2012	Half Year Financial Report
6 March 2012	Annexure 3A - Half Yearly Disclosure
2 March 2012	Form 604 - Change of Interests in Substantial Holder
1 March 2012	Annexure 3D - Change of Director's Interest Notice
1 March 2012	Annexure 3D - Change of Director's Interest Notice
1 March 2012	Annexure 3D - Change of Director's Interest Notice
1 March 2012	Annexure 2A & 3B
1 March 2012	Notice Under s708A Cleansing Statement
1 March 2012	Telezon Completes Private Placement
9 February 2012	4-Fold Mould Produces Another Batch of SoloFlow®
8 February 2012	Details of Private Share Placement
6 February 2012	Private Share Placement
30 January 2012	SoloFlow® Shipped to India
24 January 2012	International Recognition by World Health Organisation for SoloFlow
23 January 2012	SoloFlow - Successful Completion of First Commercial Batch
29 November 2011	Commencement of Quotation - 1 <sup>st</sup> December 2011
28 November 2011	Top 20 Shareholders & Share Distribution
28 November 2011	Initial Director's Interest
28 November 2011	Annual Report - 30 June 2011
28 November 2011	Annual Report - 30 June 2010
28 November 2011	Annual Report - 30 June 2009
28 November 2011	Constitution
28 November 2011	Information Memorandum
28 November 2011	Application to list

Requests for documents should be directed to Dr. Michelle Carr, Company Secretary at the Company (telephone +61 3 9763 8605). These documents may also be available free of charge on the Company's website: [www.telezon.com](http://www.telezon.com).

## **5.9 International Offer Restrictions**

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Shares and the Options or to otherwise permit a public offering of the Shares and the Options in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares and the Options have not been and will not be offered or sold in Hong Kong other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

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

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

### **United States**

This Prospectus and any Application Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Prospectus nor related documents may be distributed or released in the United States unless it is attached to an international Offering Circular. The Shares and the Options have not been, nor will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Shares (or any Option Shares issued upon conversion of Options) may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and the applicable securities laws of any state or other jurisdiction in the United States.

## **5.10 Litigation**

In 2005, the Company commenced proceedings in the Supreme Court of Western Australia against Friedman Capital Pty Limited seeking a declaration that the Company is not indebted to Friedman Capital Pty Limited. The Charge was executed and registered by

Friedman Capital Pty Limited when the Company was the subject of a deed of company arrangement. The funds advanced by Friedman Capital Pty Limited were advanced to the administrator to enable the administrator to satisfy the creditors of the Company.

Friedman Capital Pty Limited claims the sum of \$520,000 plus interest at 15% per annum from May 2002 was owed by the Company and that such debt was secured by the registered charge. The Company disputed that Friedman Capital Pty Limited was entitled to have a charge registered and further denies that there was any amount owing by it to Friedman Capital Pty Limited.

The Company commenced a Supreme Court action seeking a declaration that there is no amount owing to Friedman Capital Pty Limited and that the charge be removed.

Following lengthy discussions with Friedman Capital Pty Ltd, the Company announced in May 2012 that the two companies had reached a negotiated settlement and as a result, the proceedings against Friedman Capital have been discontinued. The 'charge' held by Friedman Capital is now formally discharged, released and de-registered.

In a mutually agreed commercial arrangement, Telezon has agreed to pay Friedman Capital \$800,000 in staged installments over two and a half years to Friedman Capital. This negotiated settlement is not an admission by Telezon of the debt claimed by Friedman Capital, but rather an avoidance of the costs and uncertainty of continued litigation.

#### 5.11 Interests of directors and others

Telezon has fee arrangements in place with the directors for services rendered as set out in the table below.

Director	Outstanding consultancy fees	Director fees
Mr. Trevor Nye	N/A	\$40,000 p.a.
Dr. Michelle Carr	\$8,800	\$40,000 p.a.
Ms. Elaine Carr	N/A	\$40,000 p.a.

The fees that would normally be paid to Directors for directors' and consultancy fees have been put on hold for a period of 12 months, and will become effective again on or about August 2012.

#### 5.12 Interests of advisers

No person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company, or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Baker & McKenzie has acted as legal adviser to the Company in connection with the Offer. In aggregate, the Company expects to pay Baker & McKenzie approximately \$40,000 (plus GST and disbursements) for these services. Further amounts may be paid to Baker & McKenzie in accordance with its normal time based charges.

### **5.13 No Other Material Information**

The Company and its Directors are not aware of any new information of the kind specified in section 713(5) of the Corporations Act as at the date of this Prospectus.

### **5.14 Consents and Disclaimers of Responsibility**

Baker & McKenzie has not made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is said to be based, other than as specified below. Baker & McKenzie, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name and a statement or report included in this Prospectus with its consent, as specified below.

Baker & McKenzie has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to being named in this Prospectus in the form and context in which it is named.

### **5.15 References to publications**

References are made in this Prospectus to material that is attributed to various sources. These references are based on statements already published in public documents or a book, journal or comparable publication. These organisations did not prepare those materials specifically for this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

### **5.16 Privacy**

The Application Form requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The Privacy Act regulates the way the Company collects, uses, disposes, keeps secure and gives people access to personal information. The Company is committed to respecting the privacy of your personal information. The Company (and the Share Registry on its behalf) will collect, hold and use that personal information in order to process your Application, service your needs as an investor, provide services and facilities that you request and carry out appropriate administration. Your personal information may also be provided to the Company's related bodies corporate and/or the Company's agents and services providers on the basis that they each deal with such information in accordance with the Company's privacy policy. If you do not provide the information requested in the Application Form, the Company may not be able to process your Application for Shares and Options.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by writing to:

Company Secretary  
Telezon Limited  
PO Box 485  
South Melbourne VIC 3205

### **5.17 Governing Law**

This Prospectus, the Offer and the contracts formed on acceptance of applications under the Offer are governed by the laws applicable in New South Wales, Australia. Each Offeree submits to the exclusive jurisdiction of the courts of that state.

### **5.18 Directors' authorisation**

All Directors have consented to the lodgement and issue of this Prospectus, and have not withdrawn that consent prior to lodgement of this Prospectus, in accordance with Section 720 of the Corporations Act.

Dated 7 June 2012

Signed for and on behalf of the Directors:

A handwritten signature in blue ink, appearing to read "M Carr", is written on a light-colored rectangular background.

Dr Michelle Carr  
Director and Company Secretary

## GLOSSARY

In this Prospectus, unless the context requires otherwise:

**Application** means an application for Shares and Options under this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the securities market which it operates, as the context requires.

**Company** means Telezon Limited (ACN 009 151 277).

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of the Company.

**Exercise Price** means AUD\$0.20 per Option.

**Listing Rules** means the official listing rules of SIM VSE as amended from time to time.

**Offer** means the offer of up to 56,000,000 Ordinary Shares and 56,000,000 Options by the Company to existing shareholders, institutional investors, its shareholders and certain retail investors under this Prospectus.

**Offer Price** means AUD\$0.125 per Ordinary Share, which includes one Option at no additional cost.

**Offerees** means existing shareholders, institutional investors, its shareholders and certain retail investors.

**Option or Attaching Option** means one Option which, upon its exercise and payment of the Exercise Price, entitles the holder to be issued one ordinary Share.

**Option Share** means an ordinary Share issued upon exercise of an Option.

**Ordinary Shares or Shares** means fully paid ordinary shares in the Company.

**Prospectus** means this prospectus, as lodged with ASIC.

**SIM VSE** means the SIM Venture Securities Exchange (ACN 087 708 898).

Registry Use Only

Broker Code

Adviser Code

Fill out this Application Form if you wish to apply for Shares in Telezon Ltd.  
Print clearly in CAPITAL letters using black or blue pen only.

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act 2001, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

**A** Number of Shares you are applying for

x \$0.125 per Share

Minimum of **10,000** Shares to be applied for, and thereafter in multiples of **1,000** Shares.

**B** Total amount payable (Application Monies)

A\$

**C** Write the name(s) in which you wish to register the Shares (refer naming standards overleaf for correct forms of registrable title(s))

Title or Company Name	Given Name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Joint Applicant 2 or Account Designation

<input type="text"/>	<input type="text"/>
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Joint Applicant 3 or Account Designation

<input type="text"/>	<input type="text"/>
----------------------	----------------------

**D** Write your postal address here

Unit	Street Number	Street Name or PO Box /Other Information
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text"/>	<input type="text"/>
----------------------	----------------------

City / Suburb / Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

**E** Write your contact details here

Contact Name

Telephone Number Business Hours / After Hours

**F** CHESSE Participant/Issuer holder **NB:** If you are an existing TLZ shareholder, complete this box with your Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

Please note that if you supply a CHESSE HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESSE, your application will be deemed to be made without the CHESSE HIN, and any securities issued as a result of the Prospectus will be held on the Issuer Sponsored subregister.

**G** Payment details – Enter details of the cheque that accompanies this Application Form. Please use a paperclip to attach your cheque (do not staple).

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>



Make your cheque or bank draft payable to “Telezon Limited Share Offer” and crossed “Not Negotiable”

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

# How to complete this form

**A Shares Applied for**  
Enter the number of Shares you wish to apply for (not less than 10,000 and then in multiples of 1,000).

**B Application Monies**  
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

**C Applicant Name(s)**  
Enter your **full name** (initials are not acceptable for first names). This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

**D Postal Address**  
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

**E Contact Details**  
Enter your contact details. These are not compulsory but will assist us if we need to contact you.

**F CHES/Issuer Holder**  
Telezon Limited (the Company) participates in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company operates an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

**G Payment**  
Make your cheque or bank draft payable to "Telezon Limited Share Offer" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.** Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Telezon Limited is upon and subject to the terms of the prospectus and the Constitution of Telezon Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign or otherwise execute the Application Form.

## Lodgement of Application

The Offer closes on 8<sup>th</sup> August 2012. Application Forms must be received by Advanced Share Registry Services (Perth) at least 3 business days before the Close of Offer date. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached (do not staple) to:

Postal: Advanced Share Registry Services (Perth) or Hand-delivery: Advanced Share Registry Services (Perth)  
PO Box 1156 Unit 2/150 Stirling Hwy  
Nedlands WA 6009 Nedlands WA 6009

Neither Advanced Share Registry Services nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

## Privacy Statement

Personal information is collected on this form by Advanced Share Registry Services ("ASW"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining the registers of securityholders, facilitating distribution of payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on this form or email [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au).

## Correct forms of registrable title(s)

Note that only legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s) Do not use the name of the trust	Ms Nicola Smith <Nicola Smith Family A/C>	Nicola Smith Family Trust
Deceased Estates Use executor(s) personal name(s) Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships Use partners personal name(s) Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s) Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of trustee of the fund Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



## **CORPORATE DIRECTORY**

### **BOARD OF DIRECTORS**

Mr Trevor Nye

Dr Michelle Carr

Ms Elaine Carr

### **COMPANY SECRETARY**

Dr Michelle Carr

### **REGISTERED OFFICE AND HEAD OFFICE**

Caribbean Business Park

1 Dalmore Drive

Scoresby VIC 3179

### **WEBSITE**

[www.telezon.com](http://www.telezon.com)

### **SHARE REGISTRY**

Advanced Share Registry Services

150 Stirling Highway

Nedlands WA 6009

### **LEGAL ADVISER**

Baker & McKenzie

Level 27, AMP Centre

50 Bridge Street

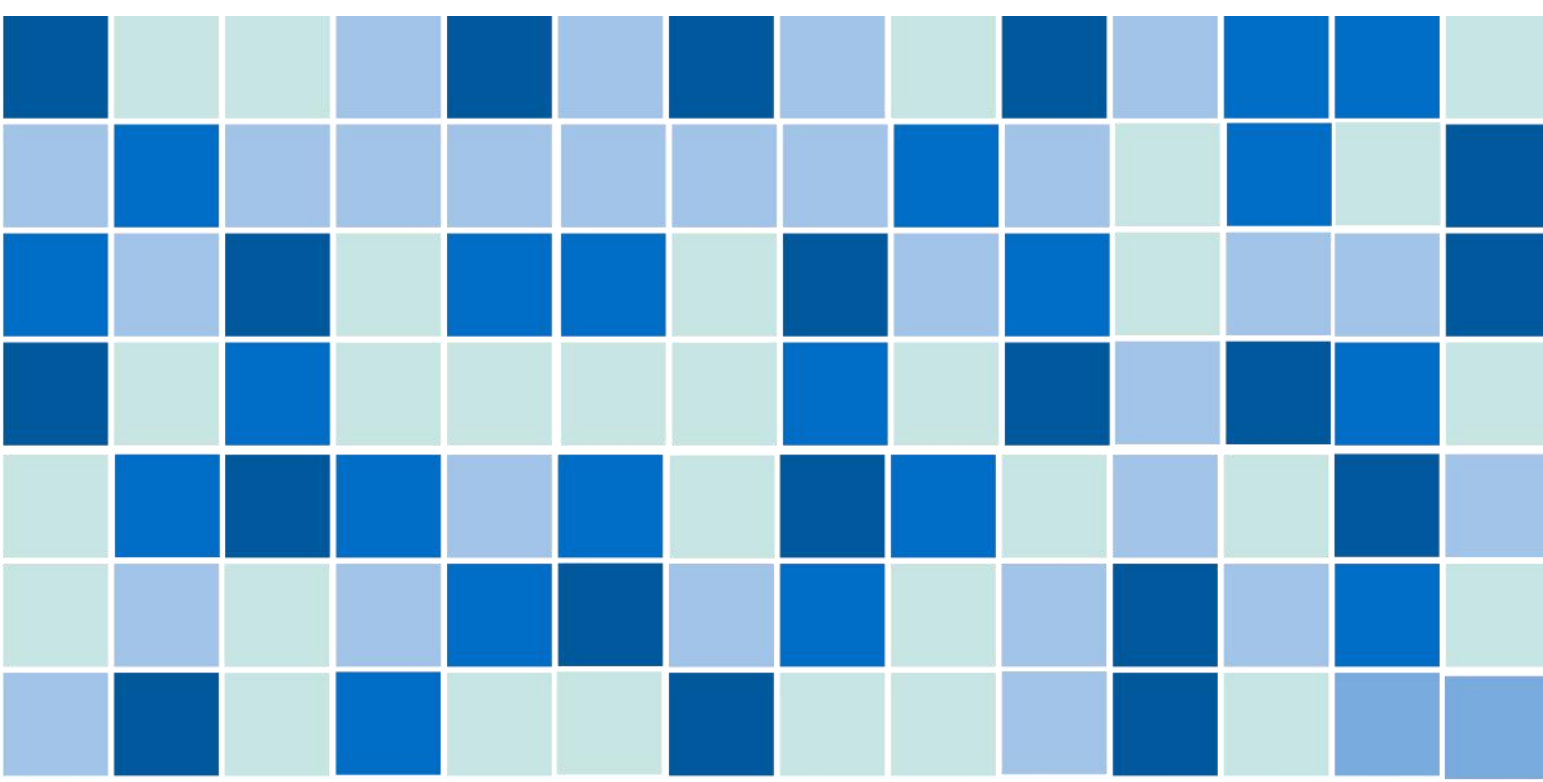
Sydney, NSW 2000

### **STOCK EXCHANGE LISTING**

The Company is listed on the SIM Venture Securities Exchange (SIM VSE).

Ticker: TLZ





telezon

1 Dalmore Drive  
Caribbean Business Park  
Scoresby, VIC 3179

PO Box 485  
South Melbourne  
Victoria 3205