



ABN 98 084 370 669

YOWIE GROUP LTD

ABN 98 084 370 669

PROSPECTUS

For the offer of up to 20,588,235 Shares in the capital of the Company at an issue price of \$0.17 per Share to raise up to \$3,500,000 (before costs).

The Offer is not underwritten.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	1
2.	CORPORATE DIRECTORY	3
3.	DETAILS OF THE OFFER.....	4
4.	UPDATE ON ACTIVITIES AND PURPOSE AND EFFECT OF THE OFFER.....	8
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	12
6.	RISK FACTORS	14
7.	ADDITIONAL INFORMATION	16
8.	DIRECTORS' AUTHORISATION	21
9.	DEFINITIONS	22

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with the ASIC and ASX	18 November 2013
Opening Date	19 November 2013
Closing Date*	16 December 2013

*The Company reserves the right to extend the Closing Date or close the Offer early without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 18 November 2013 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

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

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. 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.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.yowiegroup.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 6 of this Prospectus.

2. CORPORATE DIRECTORY

Directors

Mr Wayne Loxton
Executive Chairman

Mr Mark Avery
Executive Director

Ms Patricia Fields
Non-Executive Director

Company Secretary

Mr Neville Bassett

Registered Office

Level 9
190 St George's Terrace
PERTH WA 6000

Telephone: (08) 9486 7066

Facsimile: (08) 9486 8066

Principal Place of Business

Level 9
190 St George's Terrace
PERTH WA 6000

Telephone: (08) 9486 7066

Facsimile: (08) 9486 8066

General Enquiries:

Telephone: (08) 9486 7066

Facsimile: (08) 9486 8066

Website: www.yowiegroup.com

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Share Registry*

Link Market Services Limited
Ground Floor
178 St Georges Terrace
PERTH WA 6000

Telephone: 1300 554 474

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company invites investors to apply for a total of 20,588,235 Shares in the capital of the Company at an issue price of \$0.17 per Share to raise up to \$3,500,000 (before costs).

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

Please refer to Section 5 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares offered pursuant to this Prospectus.

3.2 Objectives

The Company is seeking to raise \$3,500,000 under this Prospectus in order to fund further business development and growth, and advance the ongoing market roll-out of the Company's Yowie products, particularly into the US market. Details of the proposed use of funds is set out further in Section 4.2 of this Prospectus.

3.3 Opening and Closing Dates of the Offer

The Opening Date of the Offer will be 19 November 2013 and the Closing Date will be 16 December 2013 at 5:00pm WST. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be) in their absolute discretion, should it be considered by them necessary to do so.

3.4 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.17 per Share.

Completed Application Forms must be mailed or delivered to:

By Post

PO Box 7315
Perth WA 6850

By Hand

Level 9
190 St George's Terrace
Perth WA 6000

Payment for the Shares can be made by any of the two options outlined below:

(a) Option 1: Pay by Cheque

Applicants may pay by cheque by completing the Application Form and accompanying cheque and posting it to the address outlined above.

Cheques should be made payable to "**YOWIE GROUP LTD**" and crossed "**Not Negotiable**". Completed Application Forms must reach the address set out above by no later than the Closing Date.

(b) Option 2: Pay by Direct Deposit

Applicants may pay by direct deposit by:

- (i) completing the Application Form and posting it to the Company at the address outlined above; and
- (ii) transferring the funds equal to the number of the Shares specified in the Application Form multiplied by \$0.17 to the Company's bank account as follows:

Bank Account Name: Yowie Group Ltd
Account Number: 432 772
BSB: 036 051
Swift code: WPACAU2A
Ref*: {quote name on application}

*Please ensure that the reference provided is consistent with the name on your Application Form to ensure that the Company can easily match your deposit to the Application Form received.

3.5 Minimum Subscription

The minimum subscription to be raised pursuant to this Prospectus is \$1,500,000. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Shares will be issued to any of the Applicants, all application monies will be returned and all applications will otherwise be dealt with in accordance with the Corporations Act.

3.6 Underwriter

The Offer is not underwritten.

3.7 Issue

Subject to the minimum subscription to the Offer being reached, issue of Shares offered by this Prospectus will take place on a progressive basis during the period of the Offer and for any Applications received and accepted on the Closing Date, as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be 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 recipients of the issued Shares in 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 issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

3.8 Australian Securities Exchange Listing

The Company will apply to ASX for Official Quotation of the Shares offered under this Prospectus within seven (7) days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this

Prospectus within 3 months after the date of this Prospectus (or such period as varied by the ASIC), all applications will be dealt with in accordance with the Corporations Act and applicants will be entitled to a refund of their application money, in accordance with section 724(2) of the Corporations Act.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.9 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

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

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

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

3.11 Commissions payable

The Company reserves the right to pay a commission of 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of Shares, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

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

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

3.13 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Mr Neville Bassett, on (08) 9486 7066.

4. UPDATE ON ACTIVITIES AND PURPOSE AND EFFECT OF THE OFFER

4.1 Update on Activities

The Company completed the acquisition of Yowie Enterprises Pty Ltd on 14 December 2012 and was reinstated to trading on ASX on 21 December 2012.

The Company intends to exploit its intellectual property through outsourcing the manufacture and assembly of its chocolate/toy combination products.

All key components for the commencement of manufacturing production in Florida are on schedule.

Yowie chocolate has been delivered to the Florida manufacturing facility following successful consumer testing and evaluation by over 1000 US adults and children. The natural, ethically and sustainably sourced and certified chocolate is a core ingredient of the Yowie confectionery product.

Also delivered into Port Jacksonville, Florida is the first shipment of Yowie capsules, containing Yowie limited edition collectables and information leaflets. Following customs clearance the shipment will be received into the manufacturing facility at St Augustine.

The Series 1 Yowie creature inclusions have been each individually designed and crafted under scientific supervision to create as near to an exact replica of the wildlife creature as found in its natural habitat. The information leaflet that accompanies the Yowie inclusion details the conservation status of each creature, its vulnerability as common, potentially threatened, threatened, endangered or at risk as rare and under extinction. High standard specification ensures the Yowie standard of uncompromised attention to detail, quality and safety remains firmly in place.

Twenty-four (24) inclusions will feature in the first Yowie series including all six (6) Yowie characters (Rumble, Boof, Crag, Ditty, Squish and Nap), a Galapagos Tortoise (*Chelonoidis nigra*), an American Bison (*Bison bison*) and a superbly crafted and detailed Alpaca (*Vicugna pacos*). The Series 1 Yowie launch series will be a limited edition once only release, emulating the vulnerability of the creatures themselves many of whom exist today under threat or at risk of extinction.

A confectionery experienced Yowie North America sales, marketing and logistics team have been recruited and negotiations with retail traders commenced in September 2013 at ECRM Marketgate in New Orleans. A leading South Carolina based advertising and marketing agency has been appointed to handle all Yowie advertising, promotional, digital and social media aspects of promoting the Yowie brand and confectionery product, including the launch of Yowie World into the US market.

The Company remains committed to plans for further expansion into South East Asia where brand awareness remains strong.

Yowie planned progress towards the launch of the Yowie brand in the US market remains on schedule together with Yowie's strategy and commitment to becoming a respected and successful global brand company.

4.2 Purpose of the Offer

The Company intends to use the funds received under the Offer towards further business development and the roll-out of Yowie products. Funds raised will be applied to:

- (a) the manufacture of Yowie products, including increasing inventory levels to facilitate the ongoing and expanded roll-out of Yowie products;
- (b) funding the marketing campaign associated with the roll-out of its products in the US, Australia and New Zealand, including the development of the multi-media platform and games application;
- (c) expenses of the offer; and
- (d) providing general working capital.

Funds raised from this Prospectus are intended to be used in the manner set out in the table below³:

Use of funds	Assuming Full Subscription (\$)	%	Assuming Minimum Subscription (\$)	%
Manufacture and inventory	2,275,000	65.00%	825,000	55.00%
Marketing and development	525,000	15.00%	300,000	20.00%
Expenses of the Offer ¹	197,205	5.63%	92,810	6.19%
Working Capital	502,795	14.37%	282,190	18.81%
TOTAL	\$3,500,000	100.00%	\$1,500,000	100.00%

Notes

1. Refer to Section 7.6 of this Prospectus for details of the estimated expenses of the Offer.
2. Funds raised in excess of the Minimum Subscription will first be applied to the additional expenses of the Offer and then equally to the manufacture of Yowie products (inclusive of the increase of inventory), the Company's purchase of chocolate foil, cartons and trays and rolling out the Company's marketing strategy, including the development of the multi-media platform and games application. Excess funds will then be allocated to working capital.
3. The use of funds described above represents the current intention of the Company. Intervening events and developments within the Company may alter how these funds are ultimately used and applied.

4.3 Effect of Offer on capital structure

The principal effect of the Offer on the capital structure of the Company, assuming no existing Options are exercised and assuming the Offer is fully subscribed, is set out below.

Shares

	Maximum Subscription (Number)
Shares currently on issue	83,310,988
Shares offered pursuant to the Offer	20,588,235
Total Shares on issue after the Closing Date	103,899,223

Options

	Maximum Subscription (Number)
Options currently on issue ¹	37,499,052
No options offered under this Offer	Nil
Total Options on issue after the Closing Date	37,499,052

Notes

- Options on issue comprise:
 - 29,799,052 Options exercisable at \$0.20 per Option on or before 15 December 2015;
 - 3,500,000 Options exercisable at \$0.23 per Option on or before 15 December 2015; and
 - 4,200,000 Options exercisable at \$0.285 per Option on or before 30 June 2017.

4.4 Financial effect

- The Offer will have an effect on the Company's financial position. Set out below is the consolidated (management, unaudited) balance sheet of the Company as at 30 September 2013 and the consolidated balance sheet of the Company (pro-forma, unaudited) as at 30 September 2013, incorporating the effect of the Offer including issue costs.
- The pro-forma consolidated balance sheet (as appears on the following page) has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited Management Consolidated 30 September 2013	Unaudited Pro-forma Consolidated 30 September 2013 Minimum subscription	Unaudited Pro-forma Consolidated 30 September 2013 Full subscription
AUD	\$	\$	\$
Assets			
Cash	3,825,096	5,232,286	7,127,891
Other current assets	771,466	771,466	771,466
Total current assets	4,596,562	6,003,752	7,899,357
Property, plant and equipment	935,863	935,863	935,863
Intangible assets	650,149	650,149	650,149
Total non-current assets	1,586,012	1,586,012	1,586,012
Total assets	6,182,574	7,589,764	9,485,369
Liabilities			
Trade and other payables	379,313	379,313	379,313
Total current liabilities	379,313	379,313	379,313
Total liabilities	379,313	379,313	379,313
Net assets	5,803,261	7,210,451	9,106,056
Equity			
Share capital	6,772,972	8,180,162	10,075,767
Reserves	2,425,081	2,425,081	2,425,081
Retained earnings	(3,394,792)	(3,394,792)	(3,394,792)
Total equity	5,803,261	7,210,451	9,106,056

The Unaudited Pro-forma Consolidated Balance Sheet as at 30 September 2013 represents the unaudited management Consolidated Balance Sheet as at 30 September 2013 based on the following assumptions and adjusted to account for the following:

- (a) the Offer was effective as at 30 September 2013;
- (b) no further Shares are issued (including by way of exercise of Options);
- (c) completion of the Offer to raise \$3,500,000 (full subscription) and \$1,500,000 (minimum subscription), before expenses of the Offer; and
- (d) expenses of the Offer of approximately \$197,205 (full subscription) and \$92,810 (minimum subscription) which have been offset against proceeds of the issue.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

5.1 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(b) General meetings

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

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(d) Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to

the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(e) **Winding-up**

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

(f) **Transfer of Shares**

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

(g) **Future increase in capital**

The allotment and issue of any new shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorized by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

6.1 General

The Shares offered under this Prospectus should be considered speculative.

- (a) Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Industry specific

(a) **Global Food Activism**

Food activism may not be restricted to targeting a particular product. Some advocate groups may be able to influence future governments to increase regulation surrounding the chocolate toy combination markets.

(b) **Competitors**

Competitors acting illegally or unethically can have profound impacts on all companies operating within a particular industry. The chocolate industry has been known to be extremely aggressive in some of its marketing of products to children.

(c) **Sugar and Cocoa Prices**

As two of the main ingredients in chocolate, the price of sugar and cocoa can be a major factor in the success of chocolate confectionary production. Rising sugar and cocoa prices can reduce sales if chocolate producers raise product prices to protect profits. This, in turn, may negatively affect industry sale and profits.

6.3 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;

- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and retail-based stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may be required to source additional financing. 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 development and research programmes as the case may be. There is however 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.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. Current senior management has confirmed all key contractors and suppliers in Hong Kong, America, England and Australia. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.4 Investment speculative

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

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

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

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
11/11/2013	Yowie Gears Up for US Production
01/11/2013	Change of Registered Office and Contact Details
01/11/2013	Appointment/Resignation of Company Secretary
25/10/2013	September 2013 Quarterly Activities and Cashflow Report
21/10/2013	Annual Report to Shareholders
21/10/2013	Notice of Annual General Meeting
04/10/2013	Yowie Inclusions in Transit to Florida Chocolate Factory

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website www.yowiegroup.com.

7.2 Directors' Interests

Other than as set out in this Prospectus, no Director holds or has held within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be and no benefits have been given or agreed to be given to a Director:

- (a) as an inducement to become, or to qualify him as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Listed Options ¹	Unlisted Options ²
Wayne Loxton	5,290,667	3,050,000	2,400,000
Mark Avery	1,350,000	675,000	2,400,000
Patricia Fields	300,000	150,000	2,400,000

Notes

- Listed Options are exercisable at \$0.20 per Option on or before 15 December 2015.
- Each Director holds:
 - 1,000,000 Options vesting immediately, exercisable at \$0.23 per Option on or before 15 December 2015; and
 - 1,400,000 Options vesting on 30 June 2014 and exercisable at \$0.285 per Option on or before 30 June 2017.

Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The maximum aggregate remuneration for non-executive Directors has been set at no more than \$200,000.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The following table shows the total annual remuneration paid to directors.

Director	Year End 30 June 2012 \$	Year End 30 June 2013 \$	1 July 2013 to date of this Prospectus \$
Wayne Loxton	Nil	112,531 ¹	100,000
Mark Avery	Nil	105,434 ¹	80,000
Patricia Fields	Nil	76,047 ¹	60,000

Notes

- Remuneration of each Director for the year end 30 June 2013 includes a share-based payment of \$27,047.

7.3 Interests of Experts and Advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held, within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

7.4 Consent

The party referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

BDO Audit (WA) Pty Ltd has given its written consent to being named as the Company's auditor in this Prospectus. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.5 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

7.6 Estimated Expenses of Offer

The total expenses of the Offer are estimated to be approximately \$232,205 (excluding GST) (assuming full subscription), and are expected to be applied towards the items set out in the table below:

Expenses of the Offer	Minimum Subscription \$	Maximum Subscription \$
ASIC lodgement fee	2,225	2,225
ASX quotation fees	5,585	9,980
Professional fees	5,000	5,000
Brokerage costs (based on 5% commission)	75,000	175,000
Printing, distribution and other expenses	5,000	5,000
Total	92,810	197,205

7.7 Market Price of Shares and listed Options

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

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest	\$0.24	29 October 2013 & 11 November 2013
Lowest	\$0.16	22, 23, 26 & 30 August 2013; 2, 3, 6, & 30 September 2013; and 4, 7, 8 & 9 October 2013
Last	\$0.21	15 November 2013

7.8 Financial Forecasts

The Directors have considered the matters set out in the ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable estimate forecast or projection.

7.9 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on (08) 9486 7066 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.yowiegroup.com.

8. DIRECTORS' AUTHORISATION

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 18 November 2013.



**Mr Wayne Loxton
Executive Chairman
Signed for and on behalf of
YOWIE GROUP LTD**

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a Business Day.

Closing Date means the date specified in Section 1 of this Prospectus (unless extended or closed earlier).

Company or **Yowie** means Yowie Group Ltd (ABN 98 084 370 669).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of Shares the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Prospectus means this prospectus.

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

Shareholder means the holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 18 NOVEMBER 2013 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on (08) 9486 7066 or your professional adviser. The Form must be received by the Company no later than 5.00pm (WST) on 16 December 2013 (or such earlier date as directed by the Company).

A. Name of Applicant / Joint Applicants or Account Designation

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected. If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

B. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

C. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

D. TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

E. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN and the name and address as recorded in the CHESS system. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

F. Cheque Details

Make cheques payable to **Yowie Group Ltd** in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

If a Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

By post:

**Yowie Group Ltd
PO Box 7315
PERTH WA 6850**

By hand:

**Yowie Group Ltd
Level 9
190 St George's Terrace
PERTH WA 6000**

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
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>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund