



**Stanfield Funds Management Limited
(Subject to Deed of Company Arrangement)
ACN 006 222 395**

Notice of Annual General Meeting

**Annual General Meeting to be held at
283 Rokeby Road, Subiaco, WA 6008 on
30 April 2015 commencing at 10.30am (WST).**

Important

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

The Administrator (including in its capacity as Deed Administrator) has not independently verified any of the information contained in this Notice. The Administrator and its servants, agents and employees do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from, this Notice. Notwithstanding this, the Administrator consents to convene the Annual General Meeting and the issue and dispatch of this Notice.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) ACN 006 222 395 (**Company**) will be held at 283 Rokeby Road, Subiaco, WA 6008 on 30 April 2015, commencing at 10.30am (WST).

Important: Each Specified Resolution is subject to, and conditional on, each of the other Specified Resolutions being passed. Accordingly, the Specified Resolutions should be considered collectively as well as individually.

In considering the Resolutions, Shareholders should bear in mind the current financial circumstances of the Company. If the Specified Resolutions are passed and the Offers are completed, the Company will be in a position to seek reinstatement of its securities to quotation on the ASX. ASX Reinstatement will be subject to compliance with the regulatory requirements of the Listing Rules and the Corporations Act.

If Shareholders reject the Specified Resolutions (and, therefore, the Recapitalisation Proposal), it is probable that the Company will proceed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. The Specified Resolutions are therefore important and will affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Statement.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2014, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1 – Approval of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as **advisory only resolutions**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2014 be adopted.”

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

Resolutions 2 – Re-election of Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for all purposes, William Ng, who retires by rotation in accordance with clause 74 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”

Resolutions 3(a), (b), (c) and (d) – Appointment of Directors

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

- (a) *“That, for all purposes, Carlyle Clump, who was appointed as Director by the Board pursuant to clause 80 of the Constitution and is eligible for election, be elected as a Director.”*
- (b) *“That, for all purposes, Paul Doropoulos, who was appointed as Director by the Board pursuant to clause 80 of the Constitution and is eligible for election, be elected as a Director.”*
- (c) *“That, for all purposes, Xavier Kris, who was appointed as Director by the Board pursuant to clause 80 of the Constitution and is eligible for election, be elected as a Director.”*
- (d) *“That, for all purposes, James Pearson, who was appointed as Director by the Board pursuant to clause 80 of the Constitution and is eligible for election, be elected as a Director.”*

Resolutions 4(a), (b) and (c) – Issue of Shares and Noteholders Options to Related Investors pursuant to the conversion of Class A Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 10.11, and for all other purposes, approval be given for the issue of:

- (a) *240,000 Shares and 480,000 Noteholder Options to Carlyle Clump (and/or his nominee);*
- (b) *540,000 Shares and 1,080,000 Noteholder Options to Xavier Kris (and/or his nominee); and*
- (c) *460,000 Shares and 920,000 Noteholder Options to James Pearson (and/or his nominee),*

pursuant to the conversion of Class A Notes, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement (Carlyle Clump)

The Company will disregard any votes cast on a Resolution above by Carlyle Clump and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (Xavier Kris)

The Company will disregard any votes cast on a Resolution above by Xavier Kris and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (James Pearson)

The Company will disregard any votes cast on a Resolution above by James Pearson and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Issue of Shares and Noteholders Options to Exempt Investors pursuant to the conversion of Class A Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of 1,080,000 Shares and 2,160,000 Noteholder Options to the following Exempt Investors (and/or their nominees): pursuant to the conversion of Class A Notes, on the terms and conditions set out in the Explanatory Statement:

- 800,000 Shares and 1,600,000 Noteholder Options to Loosemore (and/or their nominee);*
- 120,000 Shares and 240,000 Noteholder Options to Phenish Pty Ltd (and/or their nominee);*
- 120,000 Shares and 240,000 Noteholder Options to Philaton Pty Ltd (and/or their nominee); and*
- 40,000 Shares and 80,000 Noteholder Options to Earthsciences Pty Ltd (and/or their nominee),*

pursuant to the conversion of Class A Notes, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 6(a), (b) and (c) – Issue of Shares and Noteholders Options to Related Investors pursuant to the conversion of Class B Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 10.11, and for all other purposes, approval be given for the issue of:

- (a) 40,000 Shares and 80,000 Noteholder Options to Paul Doropoulos (and/or his nominee);*
- (b) 40,000 Shares and 80,000 Noteholder Options to Xavier Kris (and/or his nominee); and*
- (c) 80,000 Shares and 160,000 Noteholder Options to Thomas Sargent (and/or his nominee),*

pursuant to the conversion of Class B Notes, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement (Paul Doropoulos)

The Company will disregard any votes cast on a Resolution above by Paul Doropoulos and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (Xavier Kris)

The Company will disregard any votes cast on a Resolution above by Xavier Kris and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (Thomas Sargant)

The Company will disregard any votes cast on a Resolution above by Thomas Sargant and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7 – Issue of Shares and Noteholders Options to Exempt Investors pursuant to the conversion of Class B Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of 1,920,000 Shares and 3,840,000 Noteholder Options to the following Exempt Investors (and/or their nominees):

- 80,000 Shares and 160,000 Noteholder Options to Aredebeco Pty Ltd (and/or their nominee);*
- 800,000 Shares and 1,600,000 Noteholder Options to RFARRIS FAMILY FUND A/C (and/or their nominee);*
- 80,000 Shares and 160,000 Noteholder Options to Low Family A/C (and/or their nominee);*
- 80,000 Shares and 160,000 Noteholder Options to Tagney Family A/C (and/or their nominee);*
- 40,000 Shares and 80,000 Noteholder Options to Earthsciences Pty Ltd (and/or their nominee);*
- 40,000 Shares and 80,000 Noteholder Options to Greg John & Kathryn Linda Loughridge (and/or their nominees);*
- 40,000 Shares and 80,000 Noteholder Options to Saltini Pty Ltd (and/or their nominee);*

- (h) 600,000 Shares and 1,200,000 Noteholder Options to Loosemore (and/or their nominee);
- (i) 80,000 Shares and 160,000 Noteholder Options to Ms Dodie Phillips (and/or her nominee); and
- (j) 80,000 Shares and 160,000 Noteholder Options to Boss Capital (and/or their nominee),

pursuant to the conversion of Class B Notes, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 8 – Issue of Shares and Noteholders Options to an Exempt Investor pursuant to the conversion of the Class C Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of 344,548 Shares and 640,000 Noteholder Options to Eleven O’Clock Pty Ltd, an Exempt Investor (and/or its nominees) pursuant to the conversion of the Class C Notes, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 9 – Issue of Shares and Creditor Options to the Unsecured Creditors

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of up to 909,665 Shares to the Unsecured Creditors (and/or their nominees) together with 1 free attaching Creditor Option for each Share issued, on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 10(a), (b), (c) and (d) – Issue of Shares to the Related Creditors

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as **ordinary resolutions**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 10.11, and for all other purposes, approval be given for the issue of:

- (a) 65,174 Shares to Carlyle Clump (and/or his nominee);*
- (b) 274,982 Shares to Paul Doropoulos (and/or his nominee);*
- (c) 285,572 Shares to Xavier Kris (and/or his nominee); and*
- (d) 114,129 Shares to James Pearson (and/or his nominee),*

in consideration of services provided to the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement (Carlyle Clump)

The Company will disregard any votes cast on a Resolution above by Carlyle Clump and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (Paul Doropoulos)

The Company will disregard any votes cast on a Resolution above by Paul Doropoulos and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or

it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (Xavier Kris)

The Company will disregard any votes cast on a Resolution above by Xavier Kris and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusion statement (James Pearson)

The Company will disregard any votes cast on a Resolution above by James Pearson and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 11 – Issue of Shares to the Unrelated Creditor

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of 30,143 Shares to Kim Walker, the Unrelated Creditor (and/or her nominees) in consideration of services provided to the Company, on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 12 – Issue of Shares to the Underwriter

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to all other Specified Resolutions being passed, in accordance with Listing Rule 7.1, and for all other purposes, approval be given for the issue of up to 900,000 Shares to CPS Capital Group Pty Ltd (and/or its nominees) at an issue price of \$0.01 each pursuant to the Underwriting Agreement, on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 13 – Appointment of auditor

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company.”

Resolution 14 – Approval of aggregate director remuneration

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 76 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the Company approves the maximum aggregate amount that may be paid to Directors as remuneration for their services in each financial year of \$300,000 which may be divided among the Directors in the manner determined by the Board from time to time.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a Director and any of their associates.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, the Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

Resolution 15 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Paul Doropoulos

Director

Stanfield Funds Management Limited

(Subject to Deed of Company Arrangement)

1 April 2015

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) ACN 006 222 395 (**Company**) in connection with Resolutions 1 to 15 to be considered at the Annual General Meeting to be held at 283 Rokeby Road, Subiaco, WA 6008 on 30 April 2015, commencing at 10.30am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

Important: Each Specified Resolution is subject to, and conditional on, each of the other Specified Resolutions being passed. Accordingly, the Specified Resolutions should be considered collectively as well as individually.

In considering the Resolutions, Shareholders should bear in mind the current financial circumstances of the Company. If the Specified Resolutions are passed and the Offers are completed, the Company will be in a position to seek reinstatement of its securities to quotation on the ASX. ASX Reinstatement will be subject to compliance with the regulatory requirements of the Listing Rules and the Corporations Act.

If Shareholders reject the Specified Resolutions (and, therefore, the Recapitalisation Proposal), it is probable that the Company will proceed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. The Specified Resolutions are therefore important and will affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Statement.

This Notice should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Administrator

The Administrator (including in its capacity as Deed Administrator) has not independently verified any of the information contained in this Notice. The Administrator and its servants, agents and employees do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from, this Notice. Notwithstanding this, the Administrator consents to convene the Annual General Meeting and the issue and dispatch of this Notice

Interpretation

Capitalised terms which are not otherwise defined in this Explanatory Statement have the meanings given to those terms in Section 5 of this Explanatory Statement.

References to "\$", "AUD", "dollars" and "cents" in this Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Explanatory Statement relate to the time in Perth, Western Australia.

1. VOTING

1.1 Annual General Meeting

In order to proceed with the Recapitalisation Proposal, the Company must convene an annual general meeting of Shareholders for the purposes of passing the Resolutions in accordance with the requirements of the Listing Rules and Corporations Act.

The Resolutions are set out at the front of this booklet. Shareholders are encouraged to attend the Annual General Meeting and vote in favour of each of the Resolutions.

If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form at the back of this booklet and return it to the Company in accordance with the instructions by no later than 10.30am (WST) on 28 April 2015.

1.2 Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

1.3 Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolutions 1, 10(a), 10(b), 10(c) and 10(d) and 14 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key

Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolutions 1, 10(a), 10(b), 10(c) and 10(d) and 14.

If a Shareholder intends to appoint the Chair as their proxy for Resolutions 1, 10(a), 10(b), 10(c) and 10(d) and 14, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolutions 1, 10(a), 10(b), 10(c) and 10(d) and 14 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolutions 1, 10(a), 10(b), 10(c) and 10(d) and 14 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to the Company at 283 Rokeby Road, Subiaco, WA 6008;
- facsimile to the Company on +61 9218 8875; or
- email to the Company Secretary at stephen@tridentcapital.com.au,

so that it is received by no later than 10.30am (WST) on 28 April 2015. Proxy Forms received later than this time will be invalid.

1.4 Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.30am (WST) on 28 April 2015. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

2. RECAPITALISATION PROPOSAL

2.1 Background

The Company was incorporated on 7 December 1983 and listed on the ASX on 30 June 1994. The Company is a strategic, cross-border, Asia focused investment and management services company. Its current focus is to leverage the growth and social changes underway in Asia which have been driven by increases in the population and personal wealth in the region.

At the date of this Notice, the key assets of the Company consist of the following investment holdings:

- **Aquaint Capital Holdings Limited (ASX:AQU)**

The Company holds 833,500 shares in AQU which are subject to ASX imposed escrow that expires on 11 November 2015. The closing price of shares in AQU on 27 February 2015 was \$0.30. AQU's activities consist of investment and a management business focusing on property related assets, providing loans to property development businesses, and operating a coaching and seminar business.

- **Mariner Corporation Limited (ASX:MCX)**

The Company holds 1,889,521 shares in MCX. The closing price of shares in MCX on 27 February 2015 was \$0.21. MCX has recently invested in a 90% stake of a portfolio of plant and equipment rental assets for approximately \$11.36 million. These rental assets have a positive cash flow and residual value.

The Company has no other material assets and it will retain these existing assets through its administration and DOCA phase. The Board will review and evaluate these investments following ASX Reinstatement to determine whether to liquidate or retain them.

2.2 Administration and the DOCA

Following a period of negative performance as a result of difficult market conditions, on 12 August 2014, the Company voluntarily appointed Mathew Gollant and Timothy Holden to act as joint and several administrators of the Company pursuant to section 436A(1) of the Corporations Act. As a result, the Company's securities were immediately suspended from quotation on the ASX and have remained suspended since that date.

At a meeting of creditors held on 16 September 2014 pursuant to section 439A(1) of the Corporations Act, the creditors resolved pursuant to section 439C of the Corporations Act that the Company enter into a deed of company arrangement in respect of, and for the purposes of giving effect to, the Recapitalisation Proposal.

Timothy Holden resigned as a joint and several administrator of the Company effective 1 October 2014, leaving Mathew Gollant as the sole administrator of the Company (**Administrator**).

On 6 October 2014, the Company, the Administrator and the Proponent entered into a deed of company arrangement (**DOCA**) under which the Administrator became the

administrator of the DOCA (**Deed Administrator**). Minor amendments were made to the DOCA on or about 9 January 2015. A summary of the DOCA (as amended) is set out in Section 2.5.

2.3 Recapitalisation Proposal

In addition to governing the affairs of the Company whilst it is subject to the DOCA and the entitlements of creditors, the DOCA sets out the process for the Company's proposed reconstruction and recapitalisation. Under the recapitalisation proposal (**Recapitalisation Proposal**), and in certain cases subject to Shareholders approving the Specified Resolutions, it is proposed that:

- the Company will raise approximately \$2,369,148 (before costs) via the following capital raisings:
 - \$580,000 from the issue of 58 Class A Notes convertible into 2,320,000 Shares and 4,640,000 Noteholder Options;
 - \$520,000 from the issue of 52 Class B Notes convertible into 2,080,000 Shares and 4,160,000 Noteholder Options;
 - \$80,000 from the issue of 8 Class C Notes convertible into 344,548 Shares and 640,000 Noteholder Options;
 - \$1,180,148 from the issue of 4,720,594 shares via a non-renounceable, fully underwritten entitlement offer to Shareholders on a 1 for 1 basis at an issue price of \$0.25 each (**Entitlement Offer**);
 - \$9,000 from the issue of 900,000 Shares to the Underwriter;
- the Company will make the following payments:
 - \$907,622 in cash to the Deed Administrator for distribution by the Deed Administrator in accordance with the DOCA (including for the payment of the Deed Administrator's fees) (n.b. this amount has been paid to the Deed Administrator using funds raised pursuant to the Notes);
 - the issue of up to 909,665 Shares and 909,665 Creditor Options to the Unsecured Creditors;
 - the issue of 770,000 Shares to the Related Creditors and Unrelated Creditor;
- the DOCA will be fully effectuated and terminated, the Deed Administrator will retire and the Company will be fully released and discharged from all creditor claims; and
- the Company's securities will be reinstated to trading on the ASX.

As part of the Recapitalisation Proposal, the Company restructured its Board on 6 October 2014 with John Pereira and Jason Tao ceasing to be Directors, and Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson joining William Ng and Thomas Sargant on the Board.

At the date of this Notice, the Company has received \$580,000 from the issue of 58 Class A Notes, \$520,000 from the issue of 52 Class B Notes, and \$80,000 from the issue of the 8 Class C Notes. The Company has used \$907,622 of these funds to pay the full amount payable to the Deed Administrator in accordance with the DOCA. The balance of the funds raised via the Notes has or will be used by the Company in accordance with the table set out in Section 2.8.

On 4 March 2015, the Company lodged a prospectus with ASIC for the purposes of undertaking the Offers. A supplementary prospectus was lodged with ASIC on 13 March 2015. The prospectus and supplementary prospectus (**Prospectus**) were sent to Shareholders on 13 March 2015.

2.4 Business plan and strategy

The Company's focus will be to continue its existing mandate being to leverage the growth in Asia and invest directly into Asian markets via strategically acquired investments and, potentially, via funds management platforms. Initially, the Company's primary focus will be in the technology and services industries. The Company's investment plans will enable shareholders to participate in the growth and social changes underway in Asia. The Directors consider Asia to be the preferred region for investment given the nature of its developing economies and their potential for growth

According to a report by United Nations Department of Economic and Social Affairs titled World Economic Situation and Prospects 2015, East Asia is currently the world's fastest growing region, with Gross Domestic Product (GDP) growth estimated at 6.1% in 2014. The region is projected to remain the fastest growing in the world, with stable growth 6.1% estimated in 2015 and 6.0% in 2016. Economic growth in South Asia is also expected to gradually pick up from an estimated 4.9% in 2014 to 5.4% in 2015 and 5.7% in 2016.

The Company will leverage the knowledge, experience and networks of its team to deliver on its direct and indirect investment strategies. The Company's investment and acquisition decisions will initially be determined by the Board. Going forward, the Company may engage additional personnel (whether or not as Directors) as required to assist with the investment decisions of the Company. By investing in short and long-term opportunities, the Company aims to maximise the value of its asset portfolio, earn dividends from its assets, realise the value of its assets from disposals and, ultimately, maximise the value of its Shares.

In addition, the Company will seek to provide management services alongside its investments through the provision of operational guidance and support. By leveraging the Company's networks and strategic and operational know-how, the Company considers that this will provide the best opportunity for its investments to realise their full potential.

2.5 Deed of Company Arrangement

The Company, the Administrator and NVNG Investments as trustee for the NVNG Investments Trust (**Proponent**) entered into the DOCA on 6 October 2014. The DOCA is comprised of 4 parts – 'Preliminary matters', 'Reconstruction', 'Administration' and 'General'. The key terms of the DOCA are as follows:

Preliminary matters

- (a) The DOCA was conditional upon the restructure of the Board such that:
- (i) John Pereira and Jason Tao ceased to be Directors; and
 - (ii) Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson were appointed as Directors to join existing Directors, William Ng and Thomas Sargant, on the Board.

These changes to the Board took effect on 6 October 2014.

- (b) The Proponent has paid a non-refundable deposit of \$100,000 to the Deed Administrator.

Reconstruction

- (c) Completion of the DOCA (**Completion**) is subject to the following conditions (**Conditions**) being satisfied or waived by 30 June 2015 (unless otherwise extended):
- (i) the Company entering into a convertible note agreement with the Proponent to raise \$580,000 (before costs) by the issue of 58 Class A Notes (n.b. this Condition has been satisfied);
 - (ii) the Company and the Proponent entering into a general security deed to secure the amount owing in respect of the Class A Notes (n.b. this Condition has been satisfied);
 - (iii) the Deed Administrator paying \$550,000 of the amount raised pursuant to the Class A Notes to the Secured Creditors (n.b. this Condition has been satisfied);
 - (iv) the Company raising \$257,622 via a capital raising (n.b. this Condition has been satisfied using the amount raised pursuant to the Class B Notes and Class C Notes);
 - (v) ASX confirming that it will not require the Company to re-comply with chapters 1 and 2 of the Listing Rules for the purposes of the Recapitalisation Proposal and that, subject to conditions that are reasonably satisfactory to the Company and the Proponent, there is no reason why the securities of the Company will not be reinstated to official quotation on the ASX (n.b. this Condition has been satisfied);
 - (vi) the Company entering into an underwriting agreement pursuant to which the underwriter will underwrite the Entitlement Offer up to \$1,180,148 in total (n.b. this Condition has been satisfied);
 - (vii) the Deed Administrator determining the entitlements payable to the Unsecured Creditors (n.b. this Condition has been satisfied);
 - (viii) Shareholders approving the Specified Resolutions;
 - (ix) the Company closing the Offers; and

- (x) the Company being reasonably satisfied that it has complied with, or will be able to comply with, any conditions to ASX Reinstatement that ASX has imposed on the Company.
- (d) The Proponent will coordinate the following capital raisings on behalf of the Company:
 - (i) the raising of \$580,000 pursuant to the Class A Notes;
 - (ii) the raising of \$600,000 pursuant to the Class B Notes and Class C Note; and
 - (iii) the raising of \$1,180,148 pursuant to the Entitlement Offer.
- (e) Completion will occur 3 business days after the Conditions are satisfied or waived, at which the Company will issue all securities to be issued under the Offers.

Administration

- (f) The Deed Administrator will use \$550,000 of the amount raised pursuant to the Class A Notes to pay out the Secured Creditors in full.
- (g) The Deed Administrator will establish a fund (**Deed Fund**) which will comprise of the following:
 - (i) the \$100,000 deposit;
 - (ii) \$257,622 of the amount raised pursuant to the Class B Notes and Class C Notes;
 - (iii) any leftover balance of the amount raised pursuant to the Class A Notes;
 - (iv) any cash on hand or at bank;
 - (v) any realisations of receivables of the Company; and
 - (vi) any other monies or property transferred by the Company into the Deed Fund.
- (h) The Deed Fund will be held on trust for the benefit of creditors.
- (i) The Deed Administrator will determine the validity of claims. Unsecured Creditors will be paid a maximum dividend of 25% of the amount of their claim.
- (j) As soon as reasonably practicable after Completion, the Deed Administrator must distribute the Deed Fund to the Deed Administrator, any employees of the Company, the Unsecured Creditors and, if there is any remaining balance, to the Company.
- (k) Creditors must accept their entitlements under the Deed Fund in full satisfaction and discharge of their claims against the Company, and the Company will be fully released from such claims.

- (l) Upon the distribution of the Deed Fund and the issue of securities at Completion, the DOCA will be wholly effectuated and the Deed Administrator must notify ASIC accordingly.

General

- (m) Subject to Completion occurring, the Company must reimburse the Proponent for its costs incurred in fulfilling its obligations under the DOCA.

The DOCA contains other provisions considered standard for documents of this nature.

2.6 Capital Raisings and Offers under the Prospectus

As part of the Recapitalisation Proposal, the Company will undertake the Capital Raisings and Offers described below.

Class A Notes

The Company has entered into a convertible note agreement under which it has issued 58 Class A Notes to raise \$580,000 (before costs) as follows:

Investor	Class A Notes	Amount advanced
Carlyle Clump	6	\$60,000
Xavier Kris	13.5	\$135,000
James Pearson	11.5	\$115,000
Exempt Investors	27	\$270,000
Total	58	\$580,000

Each of the Related Investors is a related party of the Company as they are directors of the Company. Accordingly, the issue of Shares and Noteholder Options to the Related Investors pursuant to the conversion of the Class A Notes is subject to the approval of Shareholders for the purposes of Listing Rule 10.11.

In accordance with the convertible note agreement, the Company received \$580,000 from the Related Investors and Exempt Investors upon the DOCA being executed. Of these funds, \$30,000 was to be paid to the Proponent for its services, however the Proponent has waived these fees and the funds will instead be retained by the Company.

The balance of \$550,000 has been paid by the Company to the Deed Administrator. The Deed Administrator has used these funds to pay out the Secured Creditors in full and to procure the removal of the Secured Creditors' respective security interests registered on the PPSR over the assets of the Company. The balance will be applied by the Deed Administrator in accordance with the DOCA.

The funds advanced are secured by a first-ranking general security interest in favour of the Proponent (on behalf of the Related Investors and Exempt Investors) over the Company's assets.

The key terms of the Class A Notes are as follows:

- (a) Each Class A Note has a face value of \$10,000.
- (b) The Class A Notes have a maturity date of 6 months from issue.
- (c) Conversion of the Class A Notes into securities is subject to the Company obtaining all necessary Shareholder approvals.
- (d) The holder may elect to:
 - (i) convert any or all of the Class A Notes into securities, with each Class A Note being convertible into 40,000 Shares and 80,000 Noteholder Options; and/or
 - (ii) redeem any or all of the Class A Notes for cash, with each Class A Note accruing interest at a rate of 16% per annum.
- (e) Shares issued on conversion will rank equally in all respects with existing Shares on issue.
- (f) The funds advanced are secured by a first-ranking general security interest in favour of the Proponent (on behalf of the Related Investors and Exempt Investors) over the Company's assets.
- (g) The Class A Notes do not entitle holders to any Shareholder information or rights to attend or vote at Annual General Meetings of Shareholders.
- (h) The holder can at any time assign its rights under a Class A Note to another person.

The Company has since entered into letter agreements with the Related Investors and Exempt Investors pursuant to which the Class A Notes will be converted into securities via an offer under the Prospectus (**Conversion Offer A**). Accordingly, all Class A Notes will be fully discharged prior to ASX Reinstatement.

Class B Notes

The Company has entered into convertible note agreements under which it has issued 52 Class B Notes to raise \$520,000 (before costs) as follows:

Investor	Class B Notes	Amount advanced
Paul Doropoulos	1	\$10,000
Xavier Kris	1	\$10,000
Thomas Sargant	2	\$20,000
Exempt Investors	48	\$480,000
Total	52	\$520,000

Each of the Related Investors is a related party of the Company as they are directors of the Company. Accordingly, the issue of Shares and Noteholder Options to the Related Investors pursuant to the conversion of the Class B Notes is subject to the approval of Shareholders for the purposes of Listing Rule 10.11.

The Company has received \$520,000 from the Related Investors and Exempt Investors in accordance with the agreements. Of this amount, \$180,000 has been paid to the Deed Administrator in accordance with the DOCA.

The key terms of the Class B Notes are as follows:

- (a) Each Class B Note has a face value of \$10,000.
- (b) The Class B Notes have a maturity date of 12 months from issue.
- (c) Conversion of the Class B Notes into securities is subject to the Company obtaining all necessary Shareholder approvals.
- (d) The Company may elect to:
 - (i) convert a Class B Note into securities, with each Class B Note being convertible into 40,000 Shares and 80,000 Noteholder Options; and/or
 - (ii) redeem a Class B Note for cash, with each Class B Note accruing interest at a rate of 16% per annum.
- (e) Shares issued on conversion will rank equally in all respects with existing Shares on issue.
- (f) The Class B Notes are unsecured.
- (g) The Class B Notes do not entitle holders to any Shareholder information or rights to attend or vote at Annual General Meetings of Shareholders.
- (h) The holder cannot assign its rights under a Class B Note to another person without the prior consent of the Company.

The Company has since entered into, or will enter into, letter agreements with the Related Investors and Exempt Investors pursuant to which the Class B Notes will be converted into securities via an offer under the Prospectus (**Conversion Offer B**). Accordingly, all Class B Notes will be fully discharged prior to ASX Reinstatement.

Class C Notes

The Company has entered into a convertible note agreement under which it has issues 8 Class C Notes to an Exempt Investor to raise \$80,000 (before costs).

The Company has received \$80,000 from the Exempt Investor in accordance with the agreement. Of this amount, \$77,622 has been paid to the Deed Administrator in accordance with the DOCA, and the balance of \$2,378 has been retained by the Company for use in accordance with Section 2.8.

The key terms of the Class C Notes are as follows:

- (a) Each Class C Note has a face value of \$10,000.

- (b) The Class C Notes have a maturity date of 6 months from issue.
- (c) Each Class C Note accrues interest at a rate of 16% per annum.
- (d) Conversion of the Class C Notes into securities is subject to the Company obtaining all necessary Shareholder approvals.
- (e) The holder may elect to convert a Class C Note into securities, with each Class C Note being convertible into 40,000 Shares and 80,000 Noteholder Options. In addition, accrued interest will also convert into Shares at \$0.25 per Share.
- (f) Subject to any conversion into securities, the Company may redeem a Class C Note (including accrued interest) for cash.
- (g) Shares issued on conversion will rank equally in all respects with existing Shares on issue.
- (h) The Class C Notes can be secured by a general security interest over the Company's assets, however any such security will rank behind the security registered by the Proponent in connection with the Class A Notes.
- (i) The Class C Notes do not entitle holders to any Shareholder information or rights to attend or vote at Annual General Meetings of Shareholders.
- (j) The holder cannot assign its rights under a Class C Note to another person without the prior consent of the Company.

The Company has since entered into a letter agreement with the Exempt Investor pursuant to which the Class C Notes will be converted into securities via an offer under the Prospectus (**Conversion Offer C**). Accordingly, all Class C Notes will be fully discharged prior to ASX Reinstatement. The agreement also confirms the number of Shares to be issued to the Exempt Investor in respect of accrued interest on the Class C Notes.

Entitlement Offer

Under the Prospectus, the Company is undertaking a non-renounceable, pro rata entitlement offer of Shares to Shareholders at an issue price of \$0.25 each on the basis of 1 new Share for every 1 Share held at the Record Date to raise approximately \$1,180,148 (before costs) (**Entitlement Offer**). The Entitlement Offer is fully underwritten by CPD Capital Group Pty Ltd.

The Entitlement Offer gives Shareholders an opportunity to participate in the recapitalisation of the Company and enables Shareholders to increase their respective stakes in the Company.

Funds raised under the Entitlement Offer will be used in accordance with the table set out in Section 2.8.

The Entitlement Offer opened on 13 March 2015 and is expected to close on 24 March 2015.

Creditor Offer A

Under the Prospectus, the Company will offer 909,665 Shares to the Unsecured Creditors for nil cash consideration, together with 1 free attaching Creditor Option for each Share issued, in accordance with the DOCA (**Creditor Offer A**).

Each Unsecured Creditor will be entitled to subscribe for 3 Shares for every \$1.00 owed to it by the Company. The amounts owing to the Unsecured Creditors have been determined by the Deed Administrator in accordance with the DOCA.

Each Creditor Option will vest 3 months after being issued, provided that the holder has retained ownership of the Shares it receives under Creditor Offer A. In addition, each Creditor Option will have an exercise price of \$0.20, an expiry date 1 year from issue, and will otherwise be issued on the terms set out in Annexure C.

Although no funds will be raised under Creditor Offer A, the offer will discharge a significant portion of the claims of the Unsecured Creditors and will, as a result, facilitate the Company's release from the DOCA.

Creditor Offer A is expected to open on 24 April 2015 and close on 1 May 2015 to coincide with the Conversion Offers, Creditor Offer B and the Broker Offer.

Creditor Offer B

Under the Prospectus, the Company will offer 770,000 Shares to the Related Creditors and Unrelated Creditor in consideration of corporate services provided to the Company (**Creditor Offer B**).

Creditor	Shares	Amount discharged
Carlyle Clump	65,174	\$16,294
Paul Doropoulos	274,982	\$68,745
Xavier Kris	285,572	\$71,393
James Pearson	114,129	\$28,532
Unrelated Creditor	30,143	\$7,536
Total	770,000	\$192,500

Each of the Related Creditors is a related party of the Company as they are directors of the Company. Accordingly, the issue of Shares to the Related Investors pursuant to the conversion of the Class A Notes is subject to the approval of Shareholders for the purposes of Listing Rule 10.11

Each Share issued under Creditor Offer B will discharge \$0.25 of debt owing by the Company, giving the Shares an implied issue price of \$0.25 each. By paying these creditors in Shares instead of cash the Company will be able to preserve much needed cash reserves.

Creditor Offer B is expected to open on 24 April 2015 and close on 1 May 2015 to coincide with the Conversion Offers, Creditor Offer A and the Broker Offer.

Broker Offer

Under the Prospectus, the Company will offer 900,000 Shares to the Underwriter at a nominal issue price of \$0.01 each, in accordance with the Underwriting Agreement (**Broker Offer**).

The Shares are being offered to the Underwriter at a nominal issue price in partial consideration of underwriting and lead manager services provided by the Underwriter to the Company in relation to the Entitlement Offer.

The Company will enter into escrow agreements with the recipients of the Shares. Each recipient's Shares will be subject to the following escrow periods:

- 25% will be escrowed for a period of 6 months from the date of ASX Reinstatement; and
- 75% will be escrowed for a period of 12 months from the date of ASX Reinstatement.

Funds raised under the Broker Offer will be used in accordance with the table set out in Section 2.8.

The Broker Offer is expected to open on 24 April 2015 and close on 1 May 2015 to coincide with the Conversion Offers and Creditor Offers.

2.7 Indicative timetable

Set out in the table is the expected timing for completion of the Recapitalisation Proposal and the matters contemplated by the Resolutions, subject to compliance with

all regulatory requirements. These dates are indicative only and are subject to change. The Directors reserve the right to amend the timetable without notice.

Indicative timetable	
Prospectus lodged with ASIC and ASX	4 March 2015
Entitlement Offer	
Record Date	12 March 2015
Prospectus sent to Shareholders	12 March 2015
Opening date for the Entitlement Offer	13 March 2015
Closing date for the Entitlement Offer (5.00pm WST)	24 March 2015
Issue of Shares under the Entitlement Offer	27 March 2015
Notice of Meeting sent to Shareholders	1 April 2015
Conversion Offers, Creditor Offers and Broker Offer	
Opening date for the Conversion Offers, Creditor Offer and Broker Offer	24 April 2015
Annual General Meeting of Shareholders	30 April 2015
Closing date for the Conversion Offers, Creditor Offer and Broker Offer	1 May 2015
Issue of securities under the Conversion Offers, Creditor Offers and Broker Offer	7 May 2015
DOCA effectuated and Deed Administrator retire	7 May 2015
Expected date for Shares to be reinstated to trading on ASX	12 May 2015

2.8 Proposed use of funds

The Company intends to use the funds raised from the Capital Raisings as follows:

Use of funds	Amount	%
Payments to the Deed Administrator in accordance with the DOCA	\$907,622	36.0%
Costs associated with the Recapitalisation Proposal	\$460,000	18.3%
Review of existing assets	\$150,000	6.0%
Review and evaluation of new assets and investments	\$600,000	23.8%
Working capital	\$401,526	15.9%
Total	\$2,519,148	100.00%

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

2.9 Pro forma capital structure

Assuming the Resolutions are passed and implemented, and the Offers are fully subscribed, the pro forma capital structure of the Company is as follows:

Capital structure	Pre-completion	Post-completion
Existing Shares	4,720,594	4,720,594
Shares issued under the Entitlement Offer ¹	-	4,720,594
Shares issued under Conversion Offer A ²	-	2,320,000
Shares issued under Conversion Offer B ³	-	2,080,000
Shares issued under Conversion Offer C ⁴	-	344,548
Shares issued under Creditor Offer A ⁵	-	909,665
Shares issued under Creditor Offer B ⁶	-	770,000
Shares issued under Broker Offer ⁷		900,000
Total Shares	4,720,594	16,765,401
Noteholder Options ⁸	-	9,440,000
Creditor Options ⁹	-	909,665
Fully diluted share capital	4,720,594	27,115,066

Notes:

- Shares offered to Eligible Shareholders on a 1 for 1 basis under the Entitlement Offer. The Entitlement Offer is fully underwritten by CPD Capital Group Pty Ltd
- Shares issued pursuant to the conversion of the Class A Notes. See Section 2.6 for the key terms of the Class A Notes.
- Shares issued pursuant to the conversion of the Class B Notes. See Section 2.6 for the key terms of the Class B Notes.
- Shares issued pursuant to the conversion of the Class C Notes. See Section 2.6 for the key terms of the Class C Notes.
- Shares issued to the Unsecured Creditors in accordance with the DOCA. See Section 2.5 for the key terms of the DOCA.
- Shares issued to the Related Creditors and Unrelated Creditor in consideration of services provided to the Company. See Section 2.6 for further details.
- Shares issued to the Underwriter (and/or its nominees) in accordance with the Underwriting Agreement. See Section 2.6 for further details.
- Each Noteholder Option will have an exercise price of \$0.25 and an expiry date 3 years from issue. See Annexure B for full terms of the Noteholder Options.
- Each Creditor Option will have an exercise price of \$0.20 and an expiry date 1 year from issue. See Annexure C for full terms of the Creditor Options.

2.10 Pro forma statement of financial position

Assuming the Resolutions are passed and implemented, and the Offers are fully subscribed, the pro forma statement of financial position of the Company is set out in Annexure A.

2.11 ASX Reinstatement

The Company was admitted to the official list of ASX on 30 June 1994. However, trading in the Company's Shares has been suspended since suspended on 12 August 2014. For the purposes of completing the Recapitalisation Proposal, the Company will apply to ASX for ASX Reinstatement of its securities to quotation on ASX.

ASX Reinstatement to quotation is at the discretion of ASX and will be subject to the Company complying with ASX's conditions to ASX Reinstatement, as well as the Listing Rules and Corporations Act generally. At the date of this Notice, ASX has indicated to the Company that, on the basis of the information provided to ASX, the Recapitalisation Proposal will not adversely affect the Company's ability to achieve ASX Reinstatement.

2.12 Advantages of the Recapitalisation Proposal

The Directors are of the view that the following non-exhaustive list of advantages of the Recapitalisation Proposal may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) The Company is currently subject to a deed of company arrangement. If the DOCA is not fully effectuated and terminated in accordance with the terms of the DOCA then it is probable that the Company will be placed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. Completion of the Recapitalisation Proposal will give the Company an opportunity to avoid liquidation and continue operating.
- (b) By completing the Recapitalisation Proposal, the Company will be fully released from all claims of creditors and the DOCA will be terminated. Upon termination of the DOCA, control of the Company will pass back to the Board and the Company will be in a position to continue operating, which it intends to do so in accordance with its business plan and strategy set out in Section 2.4.
- (c) By completing the Recapitalisation Proposal, the Company's securities will be reinstated to quotation on the ASX which will give Shareholders an opportunity to trade their Shares for value.
- (d) The Recapitalisation Proposal will significantly strengthen the Company's balance sheet by providing the Company with approximately \$2,369,148 in capital and removing the liabilities owing to creditors. A stronger balance sheet will make the Company more attractive to investors which may improve the Company's ability to raise further funds as and when required via equity and debt markets.
- (e) The funds raised will provide the Company with sufficient capital moving forward to effectively evaluate and invest in new assets with a view to increasing the value of Shares.

- (f) A larger market capitalisation and enhanced Shareholder base resulting from the Recapitalisation Proposal may provide a more liquid market for the Company's Shares than that which existed prior to the Company entering administration.

2.13 Potential disadvantages of the Recapitalisation Proposal

The Directors are of the view that the following non-exhaustive list of disadvantages of the Recapitalisation Proposal may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) Assuming that the Offers are fully subscribed and all Options and Convertible Notes are converted into Shares, the Recapitalisation Proposal will result in Shareholders' interests in the Company being diluted by approximately 287%.
- (b) Assuming no Shareholders subscribe for Shares under the Entitlement Offer, all other Offers are fully subscribed, and all Options and Convertible Notes are converted into Shares, the Recapitalisation Proposal will result in Shareholders being diluted by approximately 574%.
- (c) In order to avoid being diluted to the extent set out in Section 2.13(b), Shareholders will be required to take up their entitlements under the Entitlement Offer by paying to the Company \$0.25 per Share.
- (d) Shareholders may believe that there is a possibility for a superior proposal to emerge in the foreseeable future to recapitalise and re-list the Company. As at the date of this Notice, no superior proposal has been received by the Company. While it is possible that a superior proposal would emerge, at the date of this Notice, the Directors have no reason to believe that a superior proposal is likely to be forthcoming. If the Recapitalisation Proposal is unsuccessful and the DOCA does not complete then the Company would likely be placed into liquidation with no return to Shareholders.

3. REGULATORY INFORMATION

3.1 Annual Report

The Annual Report of the Company for the financial year ended 30 June 2014, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Report and the management of the Company.

A representative of the Company's auditor, Grant Thornton Audit Pty Ltd, is anticipated to be in attendance to respond to any questions raised of the auditor of on the Auditor's Report in accordance with section 250T of the Corporations Act.

3.2 Resolution 1: Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 2014, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would go up for re-election.

The Directors encourage all Shareholders to vote on Resolution 1.

3.3 Resolutions 3: Re-election of Director

In accordance with clause 74 of the Constitution, at every annual general meeting, an election of Directors must be held whereby one or more Directors retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

William Ng retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election. A brief background on Mr Ng is set out in Section 4.2.

Directors' recommendations

Other than Mr Ng, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

3.4 Resolutions 3(a), (b), (c) and (d): Appointment of Directors

As part of the Recapitalisation Proposal, on 6 October 2014, Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson were appointed as Directors in accordance with clause 80 of the Constitution. Under this clause, the Board may at any time appoint a person to be a Director to fill a casual vacancy, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director appointed under clause 80 of the Constitution holds office only until the next annual general meeting and is then eligible for re-election under clause 74 of the Constitution.

Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson, having not been elected at an annual general meeting previously, and being eligible, offer themselves for election at the Annual General Meeting. A brief background on each Director is set out in Section 4.2.

Directors' recommendations

Other than Mr Clump, who does not make any recommendation in relation to his own election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3(a).

Other than Mr Doropoulos, who does not make any recommendation in relation to his own election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3(b).

Other than Mr Kris, who does not make any recommendation in relation to his own election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3(c).

Other than Mr Pearson, who does not make any recommendation in relation to his own election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3(d).

3.5 Resolutions 4(a), (b) and (c): Issue of Shares and Noteholders Options to Related Investors pursuant to the conversion of Class A Notes

Subject to the passing of all other Specified Resolutions, Resolutions 4(a), (b) and (c) are ordinary resolutions which seek approval to the issue of Shares and Noteholder Options to Related Investors pursuant to the conversion of Class A Notes.

The Shares and Noteholder Options are to be issued in accordance with a convertible note agreement pursuant to which the Related Investors have advanced a total of \$305,000 to the Company. The amounts advanced by, and the number of securities to be issued to, each Related Investor is set out below.

Related Investor	Class A Notes	Amount advanced	Shares	Noteholder Options
Carlyle Clump	6	\$60,000	240,000	480,000
Xavier Kris	13.5	\$135,000	540,000	1,080,000
James Pearson	11.5	\$115,000	460,000	920,000
Total	31	\$310,000	1,240,000	2,480,000

Each Class A Note is convertible into 40,000 Shares and 80,000 Noteholder Options. Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be issued on the terms set out in Annexure B. Other key terms of the Class A Notes are set out in Section 2.6.

The Company has entered into letter agreements with the Related Investors pursuant to which the Class A Notes will be converted into securities via Conversion Offer A.

Carlyle Clump, Xavier Kris and James Pearson are related parties of the Company for the purposes of section 228 of the Corporations Act as they are directors of the Company. Each of the Related Investors joined the Board on 6 October 2014 as part of the Recapitalisation Proposal.

As the Related Investors are related parties of the Company, the Company is seeking the approval of Shareholders to Resolutions 4(a), (b) and (c) for the purposes of Listing Rule 10.11.

Section 208 of the Corporations Act

The Board has determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of securities to the Related Investors under Resolutions 4(a), (b) and (c) due to the “arm’s length” exception in section 210. In forming this view, the Board considers that the terms of the Class A Notes:

- were negotiated on an arm’s length basis;
- are the same for non-related holders of Class A Notes; and
- are reasonable in the circumstances if the Company were dealing at arm’s length.

In addition, the Board believes that there are benefits to the Company in its Directors holding securities in the Company as this will help to incentivise the performance of the Directors and, in doing so, further align the interests of the Directors with those of Shareholders.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a “related party” without the approval of holders of ordinary securities. Further, Exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, the Related Investors are related parties of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares and Noteholder Options to the Related Investors pursuant to the conversion of the Class A Notes.

If Resolutions 4(a), (b) and (c) are approved, the Shares and Noteholder Options issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2 and Exception 7 in Listing Rule 10.12, the Company will not be required to obtain further Shareholder approval for the exercise of any Noteholder Options into Shares.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 4(a), (b) and (c):

(a) **Names of the persons**

Carlyle Clump, Xavier Kris and James Pearson (and/or their nominees).

(a) **Maximum number of securities to be issued**

40,000 Shares and 80,000 Noteholder Options will be issued for each Class A Note that is converted into securities. The maximum number of Shares and Noteholder Options that may be issued to each Related Investor is as follows:

Related Investor	Shares	Noteholder Options
Carlyle Clump	240,000	480,000
Xavier Kris	540,000	1,080,000
James Pearson	460,000	920,000
Total	1,240,000	2,480,000

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Noteholder Options will be issued to the Related Investors on or about 7 May 2015. In any event, no Shares or Noteholder Options will be issued later than 1 month after the Meeting, unless permitted by ASX.

(c) **Relationship that requires Shareholder approval**

Carlyle Clump, Xavier Kris and James Pearson are related parties of the Company under section 228(2) of the Corporations Act by virtue of being Directors.

(d) **Issue price of the securities**

The Class A Notes are convertible into Shares at a conversion price of \$0.25 each. The Noteholder Options are free attaching and, therefore, have an issue price of nil.

(e) **Terms of the issue**

The key terms of the Class A Notes are set out in Section 2.6.

Shares issued upon any conversion of the Class A Notes will rank equally in all respects with existing Shares on issue.

Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be on the terms set out in Annexure B. Shares issued upon any conversion of the Noteholder Options will rank equally in all respects with existing Shares on issue.

(f) **Intended use of funds raised**

Funds raised from the issue of the Class A Notes have been paid to the Deed Administrator in accordance with the DOCA. The Deed Administrator has applied these funds towards paying out the amounts owed to the Secured Creditors.

The proceeds from any future exercise of the Noteholder Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Noteholder Options at the discretion of the Board.

Directors' recommendations

Mr Clump has a material personal interest in the outcome of Resolution 4(a) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 4(a). No other Director has a material personal interest in the outcome of Resolution 4(a). Other than Mr Clump, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4(a).

Mr Kris has a material personal interest in the outcome of Resolution 4(b) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 4(b). No other Director has a material personal interest in the outcome of Resolution 4(b). Other than Mr Kris, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4(b).

Mr Pearson has a material personal interest in the outcome of Resolution 4(c) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 4(c). No other Director has a material personal interest in the outcome of Resolution 4(c). Other than Mr Pearson, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4(c).

3.6 Resolution 5: Issue of Shares and Noteholders Options to Exempt Investors pursuant to the conversion of Class A Notes

Subject to the passing of all other Specified Resolutions, Resolution 5 is an ordinary resolution which seeks approval to the issue of 1,080,000 Shares and 2,160,000 Noteholder Options to Exempt Investors pursuant to the conversion of Class A Notes.

The Shares and Noteholder Options are to be issued in accordance with a convertible note agreement pursuant to which the Exempt Investors have advanced a total of \$270,000 to the Company.

Each Class A Note is convertible into 40,000 Shares and 80,000 Noteholder Options. Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be issued on the terms set out in Annexure B. Other key terms of the Class A Notes are set out in Section 2.6.

The Company has entered into letter agreements with the Exempt Investors pursuant to which the Class A Notes will be converted into securities via Conversion Offer A.

The Company is seeking the approval of Shareholders to Resolution 5 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 5 seeks approval for the issue of Shares and Noteholder Options pursuant to the conversion of Class A Notes, for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 5 is approved, the Shares and Noteholder Options issued pursuant to Resolution 5 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2, the Company will not be required to obtain further Shareholder approval for the exercise of any Noteholder Options into Shares.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 5:

(a) **Maximum number of securities the entity is to issue**

40,000 Shares and 80,000 Noteholder Options will be issued for each Class A Note that is converted into securities. The maximum number of Shares and Noteholder Options that may be issued to the Exempt Investors is as follows:

Investor	Shares	Noteholder Options
Exempt Investors	1,080,000	2,160,000

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Noteholder Options will be issued to the Exempt Investors on or about 7 May 2015. In any event, no Shares or Noteholder Options will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Class A Notes are convertible into Shares at a conversion price of \$0.25 each. The Noteholder Options are free attaching and, therefore, have an issue price of nil.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares and Noteholder Options will be issued to sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act (and/or their nominees). None of the Exempt Investors are related parties of the Company.

(e) **Terms of the securities**

The key terms of the Class A Notes are set out in Section 2.6

Shares issued upon any conversion of the Class A Notes will rank equally in all respects with existing Shares on issue.

Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be on the terms set out in Annexure B. Shares issued upon any conversion of the Noteholder Options will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Of the funds raised from the issue of the Class A Notes, \$30,000 will be retained by the Company to be used in accordance with the table set out in Section 2.8. The remaining \$240,000 has been paid to the Deed Administrator in accordance with the DOCA, who has in turn applied these funds towards paying out the amounts owed to the Secured Creditors.

The proceeds from any future exercise of the Noteholder Options are intended to be applied towards meeting working capital requirements of the Company

relevant at, or about, the time of the exercise of the Noteholder Options at the discretion of the Board.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

3.7 Resolutions 6(a), (b) and (c): Issue of Shares and Noteholders Options to Related Investors pursuant to the conversion of Class B Notes

Subject to the passing of all other Specified Resolutions, Resolutions 6(a), (b) and (c) are ordinary resolutions which seek approval to the issue of Shares and Noteholder Options to Related Investors pursuant to the conversion of Class B Notes.

The Shares and Noteholder Options are to be issued in accordance with convertible note agreements pursuant to which the Related Investors have advanced a total of \$40,000 to the Company. The amounts advanced by, and the number of securities to be issued to, each Related Investor is set out below.

Related Investor	Class B Notes	Amount advanced	Shares	Noteholder Options
Paul Doropoulos	1	\$10,000	40,000	80,000
Xavier Kris	1	\$10,000	40,000	80,000
Thomas Sargant	2	\$20,000	80,000	160,000
Total	4	\$40,000	180,000	320,000

Each Class B Notes is convertible into 40,000 Shares and 80,000 Noteholder Options. Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be issued on the terms set out in Annexure B. Other key terms of the Class B Notes are set out in Section 2.6.

The Company has entered into letter agreements with the Related Investors pursuant to which the Class B Notes will be converted into securities via Conversion Offer B.

Paul Doropoulos, Xavier Kris and Thomas Sargant are related parties of the Company for the purposes of section 228 of the Corporations Act as they are directors of the Company. Mr Doropoulos and Mr Kris joined the Board on 6 October 2014 as part of the Recapitalisation Proposal, and Mr Sargant joined the Board on 3 September 2013.

As the Related Investors are related parties of the Company, the Company is seeking the approval of Shareholders to Resolutions 6(a), (b) and (c) for the purposes of Listing Rule 10.11.

Section 208 of the Corporations Act

The Board has determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of securities to the Related Investors

under Resolutions 6(a), (b) and (c) due to the “arm’s length” exception in section 210. In forming this view, the Board considers that the terms of the Class B Notes:

- were negotiated on an arm’s length basis;
- are the same for non-related holders of Class B Notes; and
- are reasonable in the circumstances if the Company were dealing at arm’s length.

In addition, the Board believes that there are benefits to the Company in its Directors holding securities in the Company as this will help to incentivise the performance of the Directors and, in doing so, further align the interests of the Directors with those of Shareholders.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a “related party” without the approval of holders of ordinary securities. Further, Exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, the Related Investors are related parties of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares and Noteholder Options to the Related Investors pursuant to the conversion of the Class B Notes.

If Resolutions 6(a), (b) and (c) are approved, the Shares and Noteholder Options issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2 and Exception 7 in Listing Rule 10.12, the Company will not be required to obtain further Shareholder approval for the exercise of any Noteholder Options into Shares.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 6(a), (b) and (c):

(a) **Names of the persons**

Paul Doropoulos, Xavier Kris and Thomas Sargent (and/or their nominees).

(b) **Maximum number of securities to be issued**

40,000 Shares and 80,000 Noteholder Options will be issued for each Class B Note that is converted into securities. The maximum number of Shares and Noteholder Options that may be issued to each Related Investor is as follows:

Related Investor	Shares	Noteholder Options
Paul Doropoulos	40,000	80,000
Xavier Kris	40,000	80,000
Thomas Sargant	80,000	160,000
Total	160,000	320,000

(c) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Noteholder Options will be issued to the Related Investors on or about 7 May 2015. In any event, no Shares or Noteholder Options will be issued later than 1 month after the Meeting, unless permitted by ASX.

(d) **Relationship that requires Shareholder approval**

Paul Doropoulos, Xavier Kris and Thomas Sargant are related parties of the Company under section 228(2) of the Corporations Act by virtue of being Directors.

(e) **Issue price of the securities**

The Class B Notes are convertible into Shares at a conversion price of \$0.25 each. The Noteholder Options are free attaching and, therefore, have an issue price of nil.

(f) **Terms of the issue**

The key terms of the Class B Notes are set out in Section 2.6

Shares issued upon any conversion of the Class A Notes will rank equally in all respects with existing Shares on issue.

Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be on the terms set out in Annexure B. Shares issued upon any conversion of the Noteholder Options will rank equally in all respects with existing Shares on issue.

(g) **Intended use of funds raised**

Funds raised from the issue of the Class B Notes to the Related Investors have been paid to the Deed Administrator for distribution in accordance with the DOCA.

The proceeds from any future exercise of the Noteholder Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Noteholder Options at the discretion of the Board.

Directors' recommendations

Mr Doropoulos has a material personal interest in the outcome of Resolution 6(a) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 6(a). No other Director has a material personal interest in the outcome of Resolution 6(a). Other than Mr Doropoulos, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6(a).

Mr Kris has a material personal interest in the outcome of Resolution 6(b) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 6(b). No other Director has a material personal interest in the outcome of Resolution 6(b). Other than Mr Kris, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6(b).

Mr Sargant has a material personal interest in the outcome of Resolution 6(c) as the recipient of Shares and Noteholder Options and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 6(c). No other Director has a material personal interest in the outcome of Resolution 6(c). Other than Mr Sargant, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6(c).

3.8 Resolution 7: Issue of Shares and Noteholders Options to Exempt Investors pursuant to the conversion of Class B Notes

Subject to the passing of all other Specified Resolutions, Resolution 7 is an ordinary resolution which seeks approval to the issue of 1,920,000 Shares and 3,840,000 Noteholder Options to Exempt Investors pursuant to the conversion of Class B Notes.

The Shares and Noteholder Options are to be issued in accordance with a convertible note agreement pursuant to which the Exempt Investors have advanced a total of \$480,000 to the Company.

Each Class B Note is convertible into 40,000 Shares and 80,000 Noteholder Options. Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be issued on the terms set out in Annexure B. Other key terms of the Class B Notes are set out in Section 2.6.

The Company has entered into, or will enter into, letter agreements with the Exempt Investors pursuant to which the Class B Notes will be converted into securities via Conversion Offer B.

The Company is seeking the approval of Shareholders to Resolution 7 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 7 seeks approval for the issue of Shares and Noteholder Options pursuant to the conversion of Class B Notes, for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 7 is approved, the Shares and Noteholder Options issued pursuant to Resolution 7 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2, the Company will not be required to obtain further Shareholder approval for the exercise of any Noteholder Options into Shares.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 7:

(a) **Maximum number of securities the entity is to issue**

40,000 Shares and 80,000 Noteholder Options will be issued for each Class B Note that is converted into securities. The maximum number of Shares and Noteholder Options that may be issued to the Exempt Investors is as follows:

Investor	Shares	Noteholder Options
Exempt Investors	1,920,000	3,840,000

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Noteholder Options will be issued to the Exempt Investors on or about 7 May 2015. In any event, no Shares or Noteholder Options will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Class B Notes are convertible into Shares at a conversion price of \$0.25 each. The Noteholder Options are free attaching and, therefore, have an issue price of nil.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares and Noteholder Options will be issued to sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act (and/or their nominees). None of the Exempt Investors are related parties of the Company.

(e) **Terms of the securities**

The key terms of the Class B Notes are set out in Section 2.6

Shares issued upon any conversion of the Class B Notes will rank equally in all respects with existing Shares on issue.

Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be on the terms set out in Annexure B. Shares issued upon any conversion of the Noteholder Options will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Of the funds raised from the issue of the Class B Notes to Exempt Investors, \$140,000 has been paid to the Deed Administrator for distribution in accordance with the DOCA and the balance will be retained by the Company for use in accordance with the table set out in Section 2.8.

The proceeds from any future exercise of the Noteholder Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Noteholder Options at the discretion of the Board.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

3.9 Resolution 8: Issue of Shares and Noteholders Options to an Exempt Investors pursuant to the conversion of the Class C Notes

Subject to the passing of all other Specified Resolutions, Resolution 8 is an ordinary resolution which seeks approval to the issue of 344,548 Shares and 640,000 Noteholder Options to an Exempt Investors pursuant to the conversion of the Class C Notes.

The Shares and Noteholder Options are to be issued in accordance with a convertible note agreement pursuant to which the Exempt Investor has advanced \$80,000 to the Company.

Each Class C Note is convertible into 40,000 Shares and 80,000 Noteholder Options, and accrued interest at 16% per annum is convertible into Shares at \$0.25 per Share. Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be issued on the terms set out in Annexure B. Other key terms of the Class C Notes are set out in Section 2.6.

The Company has entered into a letter agreement with the Exempt Investor pursuant to which the Class C Notes will be converted into securities via Conversion Offer C. The agreement also confirms the number of Shares to be issued to the Exempt Investor in respect of accrued interest on the Class C Notes.

The Company is seeking the approval of Shareholders to Resolution 8 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities,

when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 8 seeks approval for the issue of Shares and Noteholder Options pursuant to the conversion of the Class C Notes, for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 8 is approved, the Shares and Noteholder Options issued pursuant to Resolution 8 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2, the Company will not be required to obtain further Shareholder approval for the exercise of any Noteholder Options into Shares.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 8:

(a) **Maximum number of securities the entity is to issue**

40,000 Shares and 80,000 Noteholder Options will be issued for each Class C Note that is converted into securities, plus accrued interest at 16% per annum will convert into Shares at \$0.25 per Share. The maximum number of Shares and Noteholder Options that may be issued to the Exempt Investor is as follows:

Investor	Shares	Noteholder Options
Exempt Investor	344,548	640,000

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Noteholder Options will be issued to the Exempt Investor on or about 7 May 2015. In any event, no Shares or Noteholder Options will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Class C Notes (including accrued interest) are convertible into Shares at a conversion price of \$0.25 each. The Noteholder Options are free attaching and, therefore, have an issue price of nil.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares and Noteholder Options will be issued to a sophisticated and/or professional investor for the purposes of section 708 of the Corporations Act (and/or its nominees). The Exempt Investor is not a related party of the Company.

(e) **Terms of the securities**

The key terms of the Class C Notes are set out in Section 2.6

Shares issued upon any conversion of the Class C Notes will rank equally in all respects with existing Shares on issue.

Each Noteholder Option will have an exercise price of \$0.25, an expiry date 3 years from issue, and will otherwise be on the terms set out in Annexure B. Shares issued upon any conversion of the Noteholder Options will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Of the funds raised from the issue of the Class C Notes, \$77,622 has been paid to the Deed Administrator for distribution in accordance with the DOCA. The balance of \$2,378 has been retained by the Company for use in accordance with Section 2.8.

The proceeds from any future exercise of the Noteholder Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Noteholder Options at the discretion of the Board.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

3.10 Resolution 9: Issue of Shares and Creditor Options to the Unsecured Creditors

Subject to the passing of all other Specified Resolutions, Resolution 9 is an ordinary resolution which seeks approval to the issue of up to 909,665 Shares and 909,665 Creditor Options to the Unsecured Creditors for nil cash consideration in accordance with the DOCA.

The issue will be made by way of Creditor Offer A under the Prospectus, pursuant to which each Unsecured Creditor will be entitled to apply for 3 Shares for every \$1.00 owed to it by the Company. In addition, each Unsecured Creditor will receive 1 free attaching Creditor Option for each Shares issued under Creditor Offer A. The entitlements of the Unsecured Creditors have been determined by the Deed Administrator in accordance with the DOCA.

Creditor Offer A will discharge a significant portion of the claims of the Unsecured Creditors and, as a result, will facilitate the Company's release from the DOCA.

The Company is seeking the approval of Shareholders to Resolution 9 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and

which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 9 seeks approval for the issue of Shares and Creditor Options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 9 is approved, the Shares and Creditor Options issued pursuant to Resolution 9 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

In addition, pursuant to Exception 4 of Listing Rule 7.2, the Company will not be required to obtain further Shareholder approval for the exercise of any Creditor Options into Shares.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 9:

(a) **Maximum number of securities the entity is to issue**

The maximum number of Shares and Creditor Options that will be issued to the Unsecured Creditors is as follows:

Creditor	Shares	Creditor Options
Unsecured Creditors	909,665	909,665

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares and Creditor Options will be issued to the Unsecured Creditors on or about 7 May 2015. In any event, no Shares or Creditor Options will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Shares will be issued for nil cash consideration, however they have an implied value of \$0.25 each based on the amount of debt each Share will discharge. The Creditor Options are free attaching and, therefore, have an issue price of nil.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares and Creditor Options will be issued to the Unsecured Creditors (and/or their nominees), as determined by the Deed Administrator in accordance with the DOCA. None of the Unsecured Creditors are related parties of the Company.

(e) **Terms of the securities**

The Shares issued will rank equally in all respects with existing Shares on issue.

Each Creditor Option will vest 3 months after being issued, provided that the holder has retained ownership of the Shares it receives under Creditor Offer A. In addition, each Creditor Option will have an exercise price of \$0.20, an expiry date 1 year from issue, and will otherwise be issued on the terms set out in Annexure C. Shares issued upon any conversion of the Creditor Options will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

No funds will be raised from the issue of Shares and Creditor Options under Resolution 9 as they are being issued to discharge a proportion of the claims of the Unsecured Creditors for the purpose of effectuating the DOCA.

The proceeds from any future exercise of the Creditor Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Creditor Options at the discretion of the Board.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

3.11 Resolutions 10(a), (b), (c) (d): Issue of Shares to the Related Investors

Subject to the passing of all other Specified Resolutions, Resolutions 10(a), (b), (c) and (d) are ordinary resolutions which seek approval to the issue of Shares to the Related Creditors in consideration of corporate services provided to the Company via Boardroom Capital.

The number of Share to be issued to each Related Creditor, and the amounts of debt discharged, are set out below.

Creditor	Shares	Amount discharged
Carlyle Clump	65,174	\$16,294
Paul Doropoulos	274,982	\$68,745
Xavier Kris	285,572	\$71,393
James Pearson	114,129	\$28,532
Total	739,857	\$184,964

The issue will be made by way of Creditor Offer B under the Prospectus. Each Share issued under Creditor Offer B will discharge \$0.25 of debt owing by the Company, giving the Shares an implied issue price of \$0.25 each. By paying the Related

Creditors in Shares instead of cash the Company will be able to preserve much needed cash reserves.

Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson are related parties of the Company for the purposes of section 228 of the Corporations Act as they are directors of the Company. Each of the Related Investors joined the Board on 6 October 2014 as part of the Recapitalisation Proposal.

As the Related Creditors are related parties of the Company, the Company is seeking the approval of Shareholders to Resolutions 10(a), (b), (c) and (d) for the purposes of Listing Rule 10.11.

Section 208 of the Corporations Act

The Board has determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Shares to the Related Creditors under Resolutions 10(a), (b), (c) and (d) due to the “arm’s length” exception in section 210. In forming this view, the Board considers that:

- the debt is being discharged at a conversion price that is equal to the offer price for Shares under the Entitlement Offer;
- the repayment terms for the debt are the same for the Unrelated Creditor who is not a related party of the Company;
- the consideration payable for the services provided is reasonable in the circumstances if the Company were dealing at arm’s length; and
- by paying the consideration via the issue of securities, the Company will be able to preserve its much needed cash reserves.

In addition, the Board believes that there are benefits to the Company in its Directors holding securities in the Company as this will help to incentivise the performance of the Directors and, in doing so, further align the interests of the Directors with those of Shareholders.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a “related party” without the approval of holders of ordinary securities. Further, Exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, the Related Investors are related parties of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to the Related Creditors in consideration of services provided to the Company.

If Resolutions 10(a), (b), (c) and (d) are approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 10(a), (b), (c) and (d):

(a) **Names of the persons**

Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson (and/or their nominees).

(b) **Maximum number of securities to be issued**

The maximum number of Shares that may be issued to each Related Creditor is as follows:

Creditor	Shares	Amount discharged
Carlyle Clump	65,174	\$16,294
Paul Doropoulos	274,982	\$68,745
Xavier Kris	285,572	\$71,393
James Pearson	114,129	\$28,532
Total	739,857	\$184,964

(c) **Date by which the entity will issue the securities**

It is anticipated that the Shares will be issued to the Related Creditors on or about 7 May 2015. In any event, no Shares will be issued later than 1 month after the Meeting, unless permitted by ASX.

(d) **Relationship that requires Shareholder approval**

Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson are related parties of the Company under section 228(2) of the Corporations Act by virtue of being Directors.

(e) **Issue price of the securities**

The Shares will be issued for nil cash consideration, however they have an implied value of \$0.25 each based on the amount of debt each Share will discharge.

(f) **Terms of the issue**

The Shares issued will rank equally in all respects with existing Shares on issue.

(g) **Intended use of funds raised**

No funds will be raised from the issue of Shares under Resolutions 10(a), (b), (c) and (d) as they are being issued in consideration of corporate services provided to the Company.

Directors' recommendations

Mr Clump has a material personal interest in the outcome of Resolution 10(a) as the recipient of Shares and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 10(a). No other Director has a material personal interest in the outcome of Resolution 10(a). Other than Mr Clump, the Directors unanimously recommend that Shareholders vote in favour of Resolution 10(a).

Mr Doropoulos has a material personal interest in the outcome of Resolution 10(b) as the recipient of Shares and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 10(b). No other Director has a material personal interest in the outcome of Resolution 10(b). Other than Mr Doropoulos, the Directors unanimously recommend that Shareholders vote in favour of Resolution 10(b).

Mr Kris has a material personal interest in the outcome of Resolution 10(c) as the recipient of Shares and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 10(c). No other Director has a material personal interest in the outcome of Resolution 10(c). Other than Mr Kris, the Directors unanimously recommend that Shareholders vote in favour of Resolution 10(c).

Mr Pearson has a material personal interest in the outcome of Resolution 10(d) as the recipient of Shares and, accordingly, expresses no opinion and makes no recommendation in respect of Resolution 10(d). No other Director has a material personal interest in the outcome of Resolution 10(d). Other than Mr Pearson, the Directors unanimously recommend that Shareholders vote in favour of Resolution 10(d).

3.12 Resolution 11: Issue of Shares to the Unrelated Creditor

Subject to the passing of all other Specified Resolutions, Resolution 11 is an ordinary resolution which seeks approval to the issue of 30,143 Shares to the Unrelated Creditor in consideration of corporate services to the value of \$7,536 being provided to the Company via Boardroom Capital.

The issue will be made by way of Creditor Offer B under the Prospectus. Each Share issued under Creditor Offer B will discharge \$0.25 of debt owing by the Company, giving the Shares an implied issue price of \$0.25 each. By paying the Unrelated Creditor in Shares instead of cash the Company will be able to preserve much needed cash reserves.

The Company is seeking the approval of Shareholders to Resolution 11 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 11 seeks approval for the issue of Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 11 is approved, the Shares issued pursuant to Resolution 11 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 11:

(a) **Maximum number of securities the entity is to issue**

The maximum number of Shares that will be issued to the Unrelated Creditor is as follows:

Creditor	Shares	Amount discharged
Unrelated Creditor	30,143	\$7,536

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares will be issued to the Unrelated Creditor on or about 7 May 2015. In any event, no Shares will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Shares will be issued for nil cash consideration, however they have an implied value of \$0.25 each based on the amount of debt each Share will discharge.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares will be issued to a consultant who is employed by Boardroom Capital (and/or its nominees) who has provided corporate services to the Company. The Unrelated Creditor is not a related party of the Company.

(e) **Terms of the securities**

The Shares issued will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

No funds will be raised from the issue of Shares under Resolution 11 as they are being issued in consideration of corporate services provided to the Company.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11.

3.13 Resolution 12: Issue of Shares to the Underwriter

Subject to the passing of all other Specified Resolutions, Resolution 12 is an ordinary resolution which seeks approval to the issue of up to 900,000 Shares to the Underwriter (and/or its nominees) at a nominal issue price of \$0.01 each in accordance with the Underwriting Agreement.

The Shares are being offered to the Underwriter at a nominal issue price in partial consideration of the underwriting and lead manager services provided by the Underwriter to the Company in relation to the Entitlement Offer. The issue will be made by way of the Broker Offer under the Prospectus.

The Company will enter into escrow agreements with the recipients of the Shares. Each recipient's Shares will be subject to the following escrow periods:

- 25% will be escrowed for a period of 6 months from the date of ASX Reinstatement; and
- 75% will be escrowed for a period of 12 months from the date of ASX Reinstatement.

The Company is seeking the approval of Shareholders to Resolution 12 for the purposes of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 12 seeks approval for the issue of Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 12 is approved, the Shares issued pursuant to Resolution 12 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 12:

(a) Maximum number of securities the entity is to issue

The maximum number of Shares that will be issued to the Underwriter is 900,000.

(b) **Date by which the entity will issue the securities**

It is anticipated that the Shares will be issued to the Underwriter on or about 7 May 2015. In any event, no Shares will be issued later than 3 months after the Meeting, unless permitted by ASX.

(c) **Issue price of the securities**

The Shares will be issued for nominal consideration of \$0.01 in partial consideration of services provided under the Underwriting Agreement.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares will be issued to CPS Capital (and/or its nominees). CPS Capital is not a related party of the Company.

(e) **Terms of the securities**

The Shares issued will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

The total funds raised of \$9,000 under the Broker Offer will be used for working capital in accordance with the table set out in Section 2.8.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12.

3.14 Resolution 13: Appointment of auditor

Grant Thornton Audit Pty Ltd has given notice of its intention to resign as auditor of the Company under section 329(5) of the Corporations Act. This resignation is subject to receipt of the consent of ASIC and shareholder approval of this Resolution 13 for the appointment of BDO Audit (WA) Pty Ltd as auditor. Resolution 13 is an ordinary resolution.

Subject to ASIC consenting to the resignation of Grant Thornton Audit Pty Ltd, and Grant Thornton Audit Pty Ltd submitting a resignation to the Company, it is proposed that the Company appoint BDO Audit (WA) Pty Ltd as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit (WA) Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached as annexure D.

BDO Audit (WA) Pty Ltd has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 2. If Resolution 2 is passed, the appointment of BDO Audit (WA) Pty Ltd as the Company's auditor will take effect at the close of the Annual General Meeting.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13.

3.15 Resolution 14: Approval of aggregate director remuneration

Resolution 14 is an ordinary resolution which seeks the approval of Shareholders to set the maximum aggregate annual amount that may be paid to Directors as remuneration for their services.

Clause 76 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of Executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors determine or, failing to agree, in equal shares.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of Director's fees payable by it or any of its child entities without the approval of Shareholders. This rule does not apply to the salaries of Executive Directors.

The current maximum aggregate amount that is payable to Directors in any year is not known to the existing Directors. Accordingly, this Resolution seeks the approval of Shareholders to set the maximum aggregate annual remuneration for all Non-Executive Directors at \$300,000.

The total amount of Directors' fees payable includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice on a pre-tax basis.

The Directors believe that the proposed maximum aggregate remuneration of \$300,000 is appropriate for the Company and is in line with the remuneration paid by ASX-listed companies of similar size and nature. They also note that it is important that the Company sets a maximum aggregate amount to provide certainty for what the Company can pay to Directors in the future.

The Directors note that it is proposed that directors' fees of \$4,000 per month will be paid to the Chairman and \$3,000 per month will be paid to other Directors commencing from the date of ASX Reinstatement. Based on the current Board structure, this amounts to \$228,000 per annum. Additional payment capacity gives the Company flexibility to appoint additional Non-Executive Directors who the other Directors think can deliver additional skills to the Board.

Although it is not known to the existing Directors, if the current maximum is \$100,000 then setting the maximum to \$300,000 pursuant to Resolution 14 would represent an increase of 200% to the maximum payable. Alternatively, if the current maximum is \$200,000 then setting a new maximum of \$300,000 would represent an increase of 50% to the maximum payable.

The aggregate remuneration payable to Non-Executive Directors in financial year 2014 was \$148,409. Setting a new maximum of \$300,000 would represent an increase of approximately 102% to the actual aggregate remuneration payable in financial year 2014.

For the purposes of Listing Rule 10.17, the Company confirms that no securities have been issued to a Non-Executive Director with Shareholder approval under Listing Rule 10.11 or 10.14 during the 3 years prior to the date of this Notice.

3.16 Resolution 15: Approval of 10% Placement Facility

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.15(c) below).

The Board believes that Resolution 15 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its 4,720,594 Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note: "A" has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.16(c) above).

(e) **Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 15 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares (which is based on the offer price under the Entitlement Offer) and the number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 assuming that the Recapitalisation Proposal has completed and the Offers are fully subscribed.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue upon completion of the Recapitalisation Proposal, assuming that the Offers are fully subscribed. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future

specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.125 50% decrease in Market Price	\$0.25 Current Market Price	\$0.50 100% increase in Market Price
Current Variable A 16,765,401	10% Voting Dilution	1,676,540 Shares	1,676,540 Shares	1,676,540 Shares
	Funds raised	\$209,567	\$419,135	\$838,270
50% increase in current Variable A 25,148,101	10% Voting Dilution	2,514,810 Shares	2,514,810 Shares	2,514,810 Shares
	Funds raised	\$314,351	\$628,702	\$1,257,405
100% increase in current Variable A 33,530,802	10% Voting Dilution	3,353,080 Shares	3,353,080 Shares	3,353,080 Shares
	Funds raised	\$419,135	\$838,270	\$1,676,540

Notes:

- Assumes the Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- The market price is \$0.25 being the proposed offer price of Shares under the Entitlement Offer.
- The Current Variable A assumes that the Recapitalisation Proposal has completed and the Offers are fully subscribed.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 15 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the review of its existing assets and/or for the review and evaluation of new assets and investments (including expenses associated with acquisitions) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

- (f) During the 12 months preceding the date of the Annual General Meeting, the Company has issued 319,118 Shares, representing 7.1% of the total number of Equity Securities on issue at the commencement of that period. Details of all issues of Equity Securities during that period are as follows:

Date of issue	16 June 2014
Number issued	319,118 Shares
Class of security	Ordinary fully paid shares
Summary of terms	Shares issued to an Exempt Investor, Blizzard Winds Pty Ltd, pursuant to a placement
Persons who received securities	Blizzard Winds Pty Ltd
Price	\$0.11 per Share
Discount to market	8.33%

Total cash consideration	\$135,103
Amount of cash spent	All
Use of cash	General working capital purposes (including costs and expenses associated with day-to-day operations of the Company etc. Day-to-day costs include general office expenses, office supplies, utilities such as telephone and internet, insurances, accounting expenses and rental costs)
Intended use of remaining cash	N/A

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 15.

4. OTHER INFORMATION

4.1 Scope of disclosure

The law requires that this Explanatory Statement sets out all other information that is reasonably required by the Existing Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders by the Company by notification to the ASX.

4.2 Director profiles

A brief profile of each Director is set out below.

Carlyle Clump

Non-Executive Chairman

Until July 2014, Carl Clump was the chairman of the cards and payment division of a European Private Bank. He is currently a special advisor to Jacanda Capital – a boutique advisory company headquartered in Sydney. In addition, Carl is currently advising an Asia-Pacific organisation on the launch of a specialist payment product, and working with other companies in Singapore, Malaysia, Indonesia and UK.

In 2000, Carl founded Retail Decisions, an international card issuing and fraud prevention company, with many of the world's leading brands as customers. Its customers include banks, payment service providers, retailers and airlines. Carl was the Chief Executive Officer from 2000 until 2011. The Company was listed on the London Stock Exchange until 2006, when Carl took the company private. He retired as the company's Group Chairman in March 2013.

Prior to Retail Decisions, Carl was the Chief Executive of Card Clear plc., an AIM listed company involved in payments, card issuing, loyalty, currency exchange and fraud prevention.

From 1993 to 1998, Carl served as the Group Managing Director of the Harpur Group, an issuer of specialist payment cards.

Based in France, he was the President-Directeur General of TEPAR – a consortium of European card issuing companies – from 1989 to 1993. He spent some 13 years with Texaco, where he served as European Marketing Coordinator, Manager of the UK's Marketing and Planning Division, as well as a series of roles in retail management, logistic, finance and economics.

Carl has a Master of Business Administration from the Cranfield School of Management, a post-graduate diploma in Management Studies and a University of London Degree in Physics.

Carl was appointed as a Director on 6 October 2014. Although Carl is engaged by the Company in a Non-Executive capacity, he also provides corporate services to the Company from time to time via a Services Agreement between the Company and Boardroom Capital.

Paul Doropoulos

Executive Director and Chief Financial Officer

Paul Doropoulos has approximately 20 years of combined experience in an Executive Consultant capacity to ASX listed companies in the oil, gas and mining services sectors. Further, Paul has acquired experience in the hospitality industry through various start-up companies.

Paul was closely involved in the successful ASX listings of junior gold explorer Metaliko Resources Ltd in 2010 and junior energy explorer Kinetiko Energy Limited in 2011. In addition, Paul simultaneously held the position of Chief Financial Officer in both companies.

Paul established, and is the Chief Financial Officer of Cirrena Pty Ltd – a software solutions business with offices in Perth and Manila. Paul also advises the board of Ageus Limited – an enterprise developer.

Paul is a founding participant of the philanthropic Jackman Furness Foundation for the Performing Arts in Western Australia.

In 2014, Paul was appointed as an Executive Advisor to Boardroom Capital Pty Ltd – a boutique corporate advisory firm based in Perth, Western Australia.

Paul holds a Bachelor of Business Degree with a Finance Maths minor.

Paul was appointed as a Director on 6 October 2014. Paul is also engaged as the Chief Financial Officer of the Company via the Services Agreement between the Company and Boardroom Capital.

Xavier Kris

Non-Executive Director

Xavier Kris has over 20 years of experience as a director of service based information technology businesses in the UK, France, USA, South East Asia and Australia. Xavier specialises in providing acquisition, integration and business development services for companies seeking to expand their operations internationally.

Xavier has led multiple international businesses within transactional processing companies including the Harpur Group, International Card Services and Motorcharge Australia.

In 2001, Xavier joined London Stock Exchange listed data and information technology firm, Retail Decisions Ltd, as part of the small executive management team, initially as Head of Global Business Development based in London and subsequently as Chief Executive Officer of the Americas based in Palo Alto, California.

Xavier is currently a director of PLUS 8 – a hospitality labour hire and management consulting group. In addition, Xavier is a founding director and owner of Boardroom Capital Pty Ltd – a boutique corporate advisory firm based in Perth, Western Australia.

Xavier holds an English Law and French Degree, as well as a Master of Business Administration.

Xavier was appointed as a Director on 6 October 2014. Although Xavier is engaged by the Company in a Non-Executive capacity, he also provides corporate services to

the Company from time to time via the Services Agreement between the Company and Boardroom Capital (which he controls and owns).

James Pearson

Non-Executive Director

James Pearson has approximately 29 years of experience in the stockbroking and wealth management industries in London, Hong Kong and Australia.

Initially a Private Client Advisor in London and Hong Kong, James then took the position of Institutional Sales for Hartley Poynton in Perth and Melbourne before joining Patersons Securities on their Institutional Sales Desk, providing corporate and execution services for a wide variety of boutique wholesale clients.

James utilises his extensive experience and wide range of contacts in the Australian stockbroking industry to specialise in providing high quality investor relations solutions and business development services to listed and unlisted Australian companies.

James was appointed as a Director on 6 October 2014. Although James is engaged by the Company in a Non-Executive capacity, he also provides corporate services to the Company from time to time via the Services Agreement between the Company and Boardroom Capital.

William Ng

Non-Executive Director

William has been advising international and Chinese companies over the past decade through his own consulting practice with offices in Hong Kong and China. Prior to that, William worked for Hong Kong publicly listed companies and Western multi-national companies in the Greater China region from 1988. William was educated in Australia, and obtained degrees from Monash University in Engineering and Business Information Systems. Williams speaks English, Cantonese, Mandarin, Malay and Indonesian.

William was appointed as a Director on 14 February 2013.

Thomas Sargant

Non-Executive Director

Thomas is currently a management consultant providing services to Government and private sector clients in major infrastructure transactions and business strategy. Prior to this, Thomas has had an extensive career in Government managing the States' rail assets and in the construction industry contributing to some of Victoria's largest infrastructure projects. Thomas holds degrees in Civil Engineering and Business Administration. He is a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.

Thomas was appointed as a Director on 3 September 2013

4.3 Interests of the Directors

The table below sets out the Relevant Interests of the Directors in the Shares of the Company as at the date of this Notice, and the anticipated Relevant Interests of the Directors in the securities of the Company upon completion of the Offers and assuming all of the Specified Resolutions are passed.

Director	Existing	Conversion Offer A ¹		Conversion Offer B ²		Creditor Offer B ³	Total	
	Shares	Shares	Options ⁴	Shares	Options ⁵	Shares	Shares	Options ⁶
Carlyle Clump	106,372	240,000	480,000	Nil	Nil	65,174	411,546	480,000
Paul Doropoulos	Nil	Nil	Nil	40,000	80,000	274,982	314,982	80,000
William Ng	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Sargant	Nil	Nil	Nil	80,000	160,000	Nil	80,000	160,000
Xavier Kris	106,372	540,000	1,080,000	40,000	80,000	285,572	971,944	1,160,000
James Pearson	106,374	460,000	920,000	Nil	Nil	114,129	680,503	920,000
Total	319,118	1,240,000	2,480,000	160,000	320,000	739,857	2,458,975	2,800,000

Notes:

1. Carlyle Clump holds 6 Class A Notes, Xavier Kris holds 13.5 Class A Notes and James Pearson holds 11.5 Class A Notes. These Directors have agreed with the Company to fully convert their Class A Notes into securities under Conversion Offer A. A summary of the terms of the Class A Notes is set out in Section 2.6.
2. Paul Doropoulos holds 1 Class B Note, Xavier Kris holds 1 Class B Note and Thomas Sargant holds 2 Class B Notes. These Directors have agreed with the Company to fully convert their Class B Notes into securities under Conversion Offer B. A summary of the terms of the Class B Notes is set out in Section 2.6.
3. Carlyle Clump (via Boardroom Capital) is owed \$16,294 by the Company, Paul Doropoulos (via Boardroom Capital) is owed \$68,745 by the Company, Xavier Kris (via Boardroom Capital) is owed \$71,393 by the Company and James Pearson (via a services agreement with Boardroom Capital) is owed \$28,532 by the Company. These Directors have agreed to fully convert these debts into Shares at a conversion price of \$0.25 each in full satisfaction of these debts. These Shares comprise part of the Shares being offered under Creditor Offer B.
4. Each of these Options is a Noteholder Option. Each Noteholder Option has an exercise price of \$0.25 and an expiry date 3 years from issue. Full terms and conditions of the Noteholder Options are set out in Annexure B.
5. Each of these Options is a Noteholder Option.
6. Each of these Options is a Noteholder Option.
7. The above table assumes that no Director applies for Shares under the Entitlement Offer.

4.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions, other than to the extent that a Director abstains from expressing an opinion or making a recommendation due to having a material personal interest in the relevant Resolution, as disclosed in this Notice.

4.5 Voting intentions of the Chair

The Chair intends to vote all available proxies in favour of all Resolutions.

4.6 Taxation

The Recapitalisation Proposal and the passing of the Resolutions may give rise to income tax implications for the Company and Shareholders.

Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position. Neither the Company, nor any Director or adviser to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Recapitalisation Proposal or the Resolutions.

4.7 ASIC and ASX's Role

The fact that the Notice of Meeting, Explanatory Statement and other relevant documentation has been received by ASX and ASIC is not to be taken as an indication of the merits of the Resolutions or the Company. ASIC, ASX and their respective officers take no responsibility for any decision a Shareholder may make in reliance on any of those documents.

5. DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility	has the meaning given in Section 3.16.
10% Placement Period	has the meaning given in Section 3.16.
Administrator	Mathew Gollant of Rodgers Reidy Chartered Accountants in his capacity as administrator of the Company.
Annexure	an annexure to this Explanatory Statement.
Annual Report	the annual report of the Company for the financial year ended 30 June 2014.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
ASX Reinstatement	reinstatement of the Company's securities to official quotation on the ASX.
BDO Audit (WA) Pty Ltd	BDO Audit (WA) Pty Ltd ABN 79 112 284 787.
Board	the board of Directors.
Boardroom Capital	Boardroom Capital Pty Ltd ACN 168 482 219.
Broker Offer	the offer under the Prospectus of 900,000 Shares to the Underwriter (and/or its nominees) at a nominal issue price of \$0.01 each in accordance with the Underwriting Agreement.
Capital Raisings	the capital raisings to be undertaken by the Company for the purposes of the Recapitalisation Proposal, including via the Notes and the Entitlement Offer.
Chair	the chairperson of the Meeting.
Class A Note	a convertible note issued by the Company on the terms set out in Section 2.6.
Class B Note	a convertible note issued by the Company on the terms set out in Section 2.6.
Class C Note	a convertible note issued by the Company on the terms set out in Section 2.6.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependent of that member or of that member's spouse;

- (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- (e) a company that is controlled by that member; or
- (f) any other person prescribed by the regulations.

Company	Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) ACN 112 291 960.
Constitution	the constitution of the Company.
Conversion Offer A	the offer under the Prospectus of 2,320,000 Shares to the holders of Class A Notes, together with 2 free attaching Noteholder Options for each Share issued, pursuant to the conversion of the Class A Notes.
Conversion Offer B	the offer under the Prospectus of 2,080,000 Shares to the holders of Class A Notes, together with 2 free attaching Noteholder Options for each Share issued, pursuant to the conversion of the Class B Notes.
Conversion Offer A	the offer under the Prospectus of 344,548 Shares to the holder of the Class C Notes, together with 640,000 Noteholder Options, pursuant to the conversion of the Class C Notes.
Conversion Offers	Conversion Offer A, Conversion Offer B and/or Conversion Offer C, as the context requires.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Creditor Offer A	the offer under the Prospectus of up to 909,665 Shares to the Unsecured Creditors for nil cash consideration, together with 1 free attaching Creditor Option for each Share issued in accordance with the DOCA.
Creditor Offer B	the offer under the Prospectus of 770,000 Shares to the Related Creditors and Unrelated Creditor in consideration of services provided to the Company.
Creditor Offers	Creditor Offer A and/or Creditor Offer B, as the context requires.
Creditor Option	an Option on the terms set out in Annexure C.
Deed Administrator	Mathew Gollant of Rodgers Reidy Chartered Accountants in his capacity as administrator of the DOCA.
Director	a director of the Company.
Entitlement Offer	the non-renounceable, pro rata entitlement offer under the Prospectus of Shares to Shareholders at an issue price of \$0.25 each on the basis of 1 new Share for every 1 Share held at the Record Date to raise approximately \$1,180,148 (before costs).
Equity Securities	has the meaning given in the Listing Rules.

Exempt Investor	a sophisticated and/or professional investor to whom securities may be offered by the Company without disclosure under section 708 of the Corporations Act.
Explanatory Statement	this explanatory statement incorporated in this Notice.
Grant Thornton Audit Pty Ltd	Grant Thornton Audit Pty Ltd ACN 130 913 594.
Key Management Personnel	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the official Listing Rules of ASX.
Meeting or Annual General Meeting	the Annual General Meeting of Shareholders to be held on 30 April 2015 at 10.30am (WST).
Noteholder Option	an Option on the terms set out in Annexure B.
Notes	the Class A Notes, Class B Notes and/or Class C Notes, as the context requires.
Notice or Notice of Meeting	the notice of Annual General Meeting incorporating this Explanatory Statement.
Offers	the Entitlement Offer, the Conversion Offers, the Creditor Offers and/or the Broker Offer, as the context requires.
Option	an option to acquire a Share.
PPSR	the Personal Property Securities Register established under the <i>Personal Property Securities Act 2009</i> (Cth).
Proponent	NVNG Investments Pty Ltd ACN 600 403 398 as trustee for the NVNG Investments Trust.
Prospectus	the prospectus issued by the Company dated 4 March 2015 and the supplementary prospectus issued by the Company dated 13 March 2015.
Recapitalisation Proposal	the proposal for the reconstruction and recapitalisation of the Company described in Section 2.3.
Record Date	12 March 2015.
Related Creditors	Carlyle Clump, Paul Doropoulos, Xavier Kris and James Pearson.
Related Investors	in relation to the Class A Notes means Carlyle Clump, Xavier Kris and James Pearson, and in relation to the Class B Notes means Paul Doropoulos, Xavier Kris and Thomas Sargant.
Remuneration Report	the section of the Annual Report entitled 'Remuneration Report'.
Resolution	a resolution contained in the Notice.
Secured Creditor	a creditor who had a claim against the Company at the time it was placed into administration which was secured

	by a security interest registered on the PPSR over the Company's assets.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of one or more Shares.
Specified Resolutions	Resolutions 4(a) to 12 (inclusive).
Trading Day	has the meaning given in the Listing Rules.
Underwriter	CPS Capital Group Pty Ltd ABN 73 088 055 636.
Underwriting Agreement	the underwriting agreement between the Company and the Underwriter pursuant to which the Underwriter agrees to fully underwrite the Entitlement Offer.
Unrelated Creditor	an employee of Boardroom Capital who has provided corporate services to the Company.
Unsecured Creditor	a creditor (and/or their nominee) who has a claim against the Company (as determined by the Deed Administrator in accordance with the DOCA) which is not secured by any registered security as listed in Annexure E.
VWAP	volume weighted average price.
WST	Western Standard Time, being the time in Perth, Western Australia.

ANNEXURE A – PRO FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Audited as at 30-Jun-14 \$	Subsequent events \$	Pro forma adjustments \$	Pro forma after Offer \$
CURRENT ASSETS					
Cash and cash equivalents	2	180,582	272,378	720,148	1,173,108
Other current assets	3	16,254	61,151	-	77,405
Assets classified as available for sale		28,343	-	-	28,343
TOTAL CURRENT ASSETS		225,179	333,529	720,148	1,278,856
NON CURRENT ASSETS					
Available for sale financial assets		450,090	-	-	450,090
TOTAL NON CURRENT ASSETS		450,090	-	-	450,090
TOTAL ASSETS		675,269	333,529	720,148	1,728,946
CURRENT LIABILITIES					
Trade and other payables	4	344,160	245,941	(419,916)	170,185
Borrowings	5	403,352	(403,352)	-	-
TOTAL CURRENT LIABILITIES		747,512	(157,411)	(419,916)	170,185
NON CURRENT LIABILITIES					
Borrowings	6	-	1,180,000	(1,180,000)	-
TOTAL NON CURRENT LIABILITIES		-	1,180,000	(1,180,000)	-
TOTAL LIABILITIES		747,512	1,022,589	(1,599,916)	170,185
NET ASSETS/(LIABILITIES)		(72,243)	(689,060)	2,320,064	1,558,761
EQUITY					
Issued capital	7	17,211,882	-	2,320,064	19,531,946
Reserves		109,852	-	-	109,852
Accumulated losses	8	(17,393,977)	(689,060)	-	(18,083,037)
TOTAL EQUITY		(72,243)	(689,060)	2,320,064	1,558,761

The pro-forma statement of financial position after the Offers is as per the statement of financial position before the Offers adjusted for any subsequent events and the transactions relating to the issue of securities pursuant to the Prospectus. The statement of financial position is to be read in conjunction with the following notes 2 to 8.

	Audited 30-Jun-14	Pro forma after Offer
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	180,582	1,173,108
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		180,582
<i>Subsequent events:</i>		
Funds received from the issue of Class A Convertible Notes		580,000
Funds received from the issue of Class B Convertible Notes		520,000
Funds received from the issue of Class C Convertible Notes		80,000
Repayment of Secured Creditors during the period by Deed Administrator*		(549,999)
Repayment of Unsecured Creditors during the period by Deed Administrator*		(75,805)
Payment of Administrator fees during the period*		(281,818)
		<u>272,378</u>
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued pursuant to the Entitlement Offer		1,180,148
Costs of the Offers		(460,000)
		<u>720,148</u>
Pro-forma Balance		<u><u>1,173,108</u></u>
*These balances total to \$907,622 which are the payments to the Deed Administrators in accordance with the DOCA		

	Audited 30-Jun-14	Pro forma after Offer
NOTE 3. OTHER CURRENT ASSETS	\$	\$
Other current assets	16,254	77,405
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		16,254
<i>Subsequent events:</i>		
GST refund to be received		61,151
		<u>61,151</u>
Pro-forma Balance		<u><u>77,405</u></u>

	Audited 30-Jun-14 \$	Pro forma after Offer \$
NOTE 4. TRADE AND OTHER PAYABLES		
Trade and other payables	344,160	170,185
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		344,160
<i>Subsequent events:</i>		
Repayment of Secured Creditors during the period by Deed Administrator		(52,700)
Repayment of Unsecured Creditors during the period by Deed Administrator		(75,805)
Additional trade creditors incurred during the period		374,446
		245,941
<i>Pro-forma adjustments:</i>		
Securities issued pursuant to the Creditor Offer A to satisfy trade creditors		(227,416)
Securities issued pursuant to the Creditor Offer B to satisfy trade creditors		(192,500)
		(419,916)
Pro-forma Balance		170,185

	Audited 30-Jun-14 \$	Pro forma after Offer \$
NOTE 5. BORROWINGS - CURRENT		
Borrowings - Current	403,352	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		403,352
<i>Subsequent events:</i>		
Interest charges accrued on borrowings		93,947
Repayment of Secured Creditors during the period by Deed Administrator		(497,299)
		(403,352)
Pro-forma Balance		-

	Audited 30-Jun-14	Pro forma after Offer
NOTE 6. BORROWINGS - NON CURRENT	\$	\$
Borrowings - Non current	-	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		-
<i>Subsequent events:</i>		
Issue of Class A Convertible Notes		580,000
Issue of Class B Convertible Notes		520,000
Issue of Class C Convertible Notes		80,000
		<u>1,180,000</u>
<i>Pro-forma adjustments:</i>		
Conversion of Class A Convertible Notes		(580,000)
Conversion of Class B Convertible Notes		(520,000)
Conversion of Class C Convertible Notes		(80,000)
		<u>(1,180,000)</u>
Pro-forma Balance		<u>-</u>

	Audited 30-Jun-14	Pro forma after Offer
NOTE 7. CONTRIBUTED EQUITY	\$	\$
Contributed equity	17,211,882	19,531,946
	Number of shares	\$
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014	4,720,594	17,211,882
<i>Pro-forma adjustments:</i>		
Shares issued pursuant to the Entitlement Offer	4,720,594	1,180,148
Costs of the Offers	-	(460,000)
Securities issued pursuant to the Creditor Offer A to satisfy trade creditors	909,665	227,416
Securities issued pursuant to the Creditor Offer B to satisfy trade creditors	770,000	192,500
Conversion of Class A Convertible Notes	2,320,000	580,000
Conversion of Class B Convertible Notes	2,080,000	520,000
Conversion of Class C Convertible Notes	344,548	80,000
Shares issued to CPS for services relating to the Entitlement Offer	900,000	225,000
Shares issued to CPS considered costs of the Offers	-	(225,000)
	<u>12,044,807</u>	<u>2,320,064</u>
Pro-forma Balance	<u>16,765,401</u>	<u>19,531,946</u>

Following completion of the Offers, the Company will have the following options on issue:

Options on issue at completion of Offers	Number
Creditor Options exercisable at \$0.20 expiring 1 year from date of issue	909,665
Noteholder Options exercisable at \$0.25 expiring 3 years from date of issue	9,440,000
Total	10,349,665

	Audited 30-Jun-14	Pro-forma after Offer
NOTE 8. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(17,393,977)	(18,083,037)
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Stanfield at 30 June 2014		(17,393,977)
<i>Subsequent events:</i>		
Interest charges accrued on borrowings		(93,947)
Additional trade creditors incurred during the period		(374,446)
Payment of Administrator fees during the period		(281,818)
GST refund to be received		61,151
		(689,060)
Pro-forma Balance		(18,083,037)

ANNEXURE B – TERMS OF NOTEHOLDER OPTIONS

The Noteholder Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) **Entitlement**

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

(b) **Expiry Date**

Each Noteholder Option will expire at 5.00pm (WST) on the date that is 3 years after the date that the Noteholder Option is issued (**Expiry Date**).

(c) **Exercise Price**

Each Noteholder Option will have an exercise price equal to \$0.25 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i), Noteholder Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Noteholder Options will automatically lapse.

(e) **Exercise Notice and payment**

Noteholder Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Noteholder Option being exercised. Any Exercise Notice for a Noteholder Option received by the Company will be deemed to be a notice of the exercise of that Noteholder Option as at the date of receipt. Cheques paid in connection with the exercise of Noteholder Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) **Shares issued on exercise**

Shares issued on exercise of Noteholder Options will rank equally in all respects with existing Shares on issue.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Noteholder Options.

(h) **Timing of issue of Shares**

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Noteholder Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Noteholder Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Noteholder Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Noteholder Options.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Noteholder Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Noteholder Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Noteholder Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Noteholder Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Noteholder Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Noteholder Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Noteholder Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Noteholder Options the opportunity to exercise their Noteholder Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Noteholder Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Noteholder Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Noteholder Options on ASX.

(o) **Transferability**

Noteholder Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

ANNEXURE C – TERMS OF CREDITOR OPTIONS

The Creditor Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) **Entitlement**

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

(b) **Expiry Date**

Each Creditor Option will expire at 5.00pm (WST) on the date that is 1 year after the date that the Creditor Option is issued (**Expiry Date**).

(c) **Exercise Price**

Each Creditor Option will have an exercise price equal to the lower of \$0.20 (**Exercise Price**).

(d) **Vesting, exercise period and lapsing**

Creditor Options will vest 3 months after issue provided that the holder has retained legal and beneficial ownership of the Shares to which the Creditor Option attached to when issued. Subject to clause (i), Creditors Options may be exercised at any time after the date of vesting and prior to the Expiry Date. After this time, any unexercised Creditor Options will automatically lapse.

(e) **Exercise Notice and payment**

Creditor Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Creditor Option being exercised. Any Exercise Notice for a Creditor Option received by the Company will be deemed to be a notice of the exercise of that Creditor Option as at the date of receipt. Cheques paid in connection with the exercise of Creditor Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) **Shares issued on exercise**

Shares issued on exercise of Creditor Options will rank equally in all respects with existing Shares on issue.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued pursuant to the exercise of the Creditor Options.

(h) **Timing of issue of Shares**

Subject to clause (i), within 5 business days after receipt of an Exercise Notice the Company will allot and issue the Shares pursuant to the exercise of the Creditor Options. The Company makes no representation that the Shares will be freely tradeable upon issue and the holder acknowledges that the Shares may be subject to the on-sale restrictions

contained in sections 706 and 707 of the Corporations Act. In these circumstances, the holder agrees not to trade the Shares for so long as the Shares are subject to such restrictions.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Creditor Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Creditor Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Creditor Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Creditor Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Creditor Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Creditor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Creditor Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Creditor Options the opportunity to exercise their Creditor Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Creditor Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Creditor Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Creditor Options on ASX.

(o) **Transferability**

Creditor Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

ANNEXURE D – SHAREHOLDER NOMINATION LETTER

23 March 2015

The Company Secretary
Stanfield Funds Management Limited
(Subject to Deed of Company
Arrangement)
PO Box 1027
Osborne Park DC WA 6916

Dear Sir

Nomination of BDO Audit (WA) Pty Ltd as Auditor of Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) (ACN 006 222 395) ("the Company")

I, Xavier Jean Robert Kris, being a shareholder of the Company, hereby nominate BDO Audit (WA) Pty Ltd of 128 Hay Street, Subiaco, Western Australia 6008 for appointment as auditor of the Company at its next Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Annual General Meeting for the next Annual General Meeting of the Company as required by section 326B(3) of the *Corporations Act 2001 (Cth)*.

Yours faithfully



Xavier Kris

CH173509

ANNEXURE E – UNSECURED CREDITORS

Unsecured Creditors

A.Georgiou & Associates
Aquaint Capital
ASIC
ASX Operations
Auburn Services Pty Ltd
Australia India Business Council
Australian Taxation Office
Bloomberg Finance LP USD Currency
Bridgewater Capital Pty Ltd
Bryson Legal
Cannon Australia Pty Ltd
Computershare Investor Services
Corporate Revival Ltd
Darren Olney- Fraser
David & Rosemary Morton Geer
David Carruthers
Daytec Australia P/L
Earthlink Design
Glenn Reindel
Grant Thornton Audit Pty Ltd
Hanson Porter Curzon
Investa Asset Management Pty Ltd
JB Capital
John Pereira
Mardo Group Pty Ltd
Mertons Coporate Services Pty Ltd
Mondrian
Norbury Lawyers
Nottingham Funds Management Pty
Penfold
Property Management Group Pty Ltd
Ranfurlie Consulting Group Pty Ltd
Regus
Stanfield Enterprises Asia Ltd
TCA Advisors
Telstra
Tristar
United Office Choice
Wai Liam Ng

PROXY FORM

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) ACN 112 291 960

I/We

of

being a member of Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) ACN 112 291 960 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10.30am (WST) on 30 April 2015 at 283 Rokeby Road, Subiaco, WA 6008, and at any adjournment thereof.

The Chair intends to vote all available proxies in favour of all Resolutions. If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

Important: Each Specified Resolution (Resolutions 4(a) to 12) is subject to, and conditional on, each of the other Specified Resolutions being passed. Accordingly, the Specified Resolutions should be considered collectively as well as individually.

OR

Voting on business of the Annual General Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of William Ng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3(a)	Appointment of Carlyle Clump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3(b)	Appointment of Paul Doropoulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3(c)	Appointment of Xavier Kris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3(d)	Appointment of James Pearson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(a)	Issue of Shares and Noteholder Options to Carlyle Clump pursuant to the conversion of Class A Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(b)	Issue of Shares and Noteholder Options to Xavier Kris Clump pursuant to the conversion of Class A Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(c)	Issue of Shares and Noteholder Options to James Pearson pursuant to the conversion of Class A Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares and Noteholder Options to Exempt Investors pursuant to the conversion of Class A Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6(a)	Issue of Shares and Noteholder Options to Paul Doropoulos pursuant to the conversion of Class B Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6(b)	Issue of Shares and Noteholder Options to Xavier Kris Clump pursuant to the conversion of Class B Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6(c)	Issue of Shares and Noteholder Options to Thomas Sargent pursuant to the conversion of Class B Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 7	Issue of Shares and Noteholder Options to Exempt Investors pursuant to the conversion of Class B Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares and Noteholder Options to an Exempt Investor pursuant to the conversion of the Class C Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares and Creditor Options to Unsecured Creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(a)	Issue of Shares to Carlyle Clump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(b)	Issue of Shares to Paul Doropoulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(c)	Issue of Shares to Xavier Kris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(d)	Issue of Shares to James Pearson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Shares to the Unrelated Creditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Shares to the Underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval of aggregate director remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- post to the Company at 283 Rokeby Road, Subiaco, WA 6008; or
- facsimile to the Company on +61 9218 8875; or
- email to the Company Secretary at stephen@tridentcapital.com.au,

so that it is received by no later than 10.30am (WST) on 28 April 2015.

Proxy Forms received later than this time will be invalid.