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**QUINTESSENTIAL RESOURCES LIMITED**  
**(TO BE RENAMED “YONDER & BEYOND GROUP LIMITED”)**  
**ACN 149 278 759**  
**NOTICE OF GENERAL MEETING**

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**TIME:** 8:30 AM (WST)

**DATE:** Monday, 15 December 2014

**PLACE:** Level 4, 66 Kings Park Road  
WEST PERTH WA 6005

*The Independent Expert has concluded that the acquisition of Yonder & Beyond, being the subject of Resolution 1 outlined in this Notice of Meeting, is FAIR AND REASONABLE to Shareholders.*

*All Shareholders should refer to the Independent Expert’s Report enclosed with this Notice of Meeting.*

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 8 6141 3500.*

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### TIME AND PLACE OF MEETING

Notice is given that the Meeting will be held at 8:30 AM (WST) on Monday, 15 December 2014 at Level 4, 66 Kings Park Road, West Perth WA 6005.

### YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important. The Board reserves the right not to implement any resolution although it may be passed by Shareholders.

### VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 9 December 2014.

### VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- ▶ each Shareholder has a right to appoint a proxy;
- ▶ the proxy need not be a Shareholder of the Company; and
- ▶ a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- ▶ if proxy holders vote, they must cast all directed proxies as directed; and

- ▶ any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### *Proxy vote if appointment specifies way to vote*

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- ▶ the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- ▶ if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- ▶ if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- ▶ if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### *Transfer of non-chair proxy to chair in certain circumstances*

Section 250BC of the Corporations Act provides that, if:

- ▶ an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- ▶ the appointed proxy is not the chair of the meeting; and
- ▶ at the meeting, a poll is duly demanded on the resolution; and
- ▶ either of the following applies:
  - ▶ the proxy is not recorded as attending the meeting; or
  - ▶ the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**INDICATIVE TIMETABLE\***

KEY MILESTONE	DATE
Despatch Notice of Meeting and Independent Expert's Report	14 November 2014
Lodgement of the Prospectus with ASIC and ASX	19 November 2014
Offer under Prospectus opens	20 November 2014
Capital Raising offer under Prospectus closes	10 December 2014
General Meeting	15 December 2014
Suspension of trading in the Company's securities	15 December 2014
Consolidation commences	15 December 2014
Consolidation record date	19 December 2014
Completion of Acquisition and issue of Shares under the Capital Raising	24 December 2014
Consolidation completed	30 December 2014
Expected date for re-quotation of the Company's Shares on the ASX	2 January 2015

\*Note: this timetable is indicative only and is subject to change. The Directors of the Company reserve the right to amend the timetable.

**1. RESOLUTION 1 – APPROVAL FOR THE ACQUISITION OF YONDER & BEYOND**

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of ASX Listing Rule 11.1.2, and for all other purposes, approval is given for the Company to acquire all of the issued capital in Yonder & Beyond and make a significant change in the nature and scale of its activities as set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a shareholder, if this Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting 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.

**2. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF SECURITIES TO SHASHI FERNANDO**

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of Section 611 (Item 7) of the Corporations Act, ASX Listing Rule 10.1, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of:*

- (i) 20,246,379 Consideration Shares (on a post-Consolidation basis) to Mr Shashi Fernando (or his nominee);*
- (ii) 11,025,000 Replacement Management Options (on a post-Consolidation basis) to Mr Shashi Fernando (or his nominee); and*
- (iii) any Shares issued as a result of the exercise of any Replacement Management Options held by Mr Fernando upon completion of the Acquisition,*

*which may result in his voting power in the Company increasing up to approximately 37.82%, and otherwise on the terms and conditions in the Explanatory Statement.”*

**Expert’s Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Section 611 Item 7 of the Corporations Act and ASX Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

**Voting Exclusion (ASX Listing Rules):** Under ASX Listing Rule 10.1 and 10.11, the Company will disregard any votes cast on this Resolution by or on behalf of either or both of the following parties:

- (a) a party to the transaction (being the Acquisition); and
- (b) Mr Shashi Fernando (or his nominee),

and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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 (Corporations Act):** Under Item 7 of Section 611 of the Corporations Act, no votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Mr Fernando and any of his associates.

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### 3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of Section 254H of the Corporations Act, ASX Listing Rule 7.20 and for all other purposes, approval is given for the issued capital of the Company to be consolidated on the basis that:*

- (a) every 20 Shares be consolidated into one (1) Share; and*
- (b) all Options on issue be adjusted in accordance with ASX Listing Rule 7.22.1,*

*where this Consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder, the Directors be authorised to round that fraction up to the nearest whole Share or Option.”*

**Short Explanation:** The Company must consolidate its capital in order to satisfy Chapters 1 and 2 of the ASX Listing Rules and as a condition of the Company’s securities recommencing trading on the ASX following completion of the Acquisition.

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### 4. RESOLUTION 4 – ISSUE OF CONSIDERATION SECURITIES TO THE VENDORS

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to:*

- (a) 17,628,621 Shares (on a post-Consolidation basis);*
- (b) 23,975,000 Replacement Management Options (on a post-Consolidation basis); and*
- (c) 1,500,000 Replacement Adviser Options (on a post-Consolidation basis),*

*to the Vendors (or their nominees) (excluding Shashi Fernando), as part consideration for the acquisition of 100% of the Y&B Shares and Y&B Options, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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 holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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### 5. RESOLUTION 5 – APPROVAL FOR ISSUE OF ADVISER OPTIONS

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 3,000,000 Adviser Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** 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 holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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## 6. RESOLUTION 6 – APPROVAL FOR ISSUE OF OPTIONS TO WOLFSTAR

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Introduction Fee Options (on a post-Consolidation basis) to Wolfstar Group Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Wolfstar Group Pty Ltd (or their nominee) and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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..

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## 7. RESOLUTION 7 – CAPITAL RAISING

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 40,000,000 Shares (on a post-Consolidation basis), on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** The Company must issue a Prospectus in order to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules and as a condition of the Company's securities recommencing trading on the ASX following the Acquisition. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** 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 holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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## 8. RESOLUTION 8 – PARTICIPATION OF JAY STEPHENSON IN CAPITAL RAISING

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 300,000 Shares (on a post-Consolidation basis) to Jay Stephenson (or his nominee) 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 Jay Stephenson (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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## 9. RESOLUTION 9 – PARTICIPATION OF JULIA BECKETT IN CAPITAL RAISING

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 93,750 Shares (on a post-Consolidation basis) to Julia Beckett (or his nominee) 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 Julia Beckett (and her nominee) and any of her associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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#### 10. RESOLUTION 10 – PARTICIPATION OF JOHN BELL IN CAPITAL RAISING

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 250,000 Shares (on a post-Consolidation basis) to John Bell (or his nominee) 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 John Bell (and his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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#### 11. RESOLUTION 11 – APPOINTMENT OF MR JOHN BELL AS A DIRECTOR

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

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purposes of clause 11.7 of the Constitution and for all other purposes, Mr John Bell is appointed as a Director of the Company, to take effect on and from final settlement of the Acquisition.”*

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#### 12. RESOLUTION 12 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to and conditional upon the passing of the Transaction Resolutions, for the purpose of Section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Yonder & Beyond Group Limited, effective from completion of the Acquisition.”*

**Short Explanation:** The Company proposes to change its name to more accurately reflect the proposed future activities of the Company, subject to the Acquisition proceeding.

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#### 13. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,842,000 Shares (on a pre-Consolidation basis) to sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

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**Dated:** Friday, 14 November 2014

**BY ORDER OF THE BOARD**

**JAY STEPHENSON**

Non-Executive Chairman / Company Secretary



## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

### 1. OVERVIEW OF CHANGE OF ACTIVITIES

#### 1.1 Background

QRL is a public company listed on the official list of ASX (ASX code: QRL) with a principal focus on exploration for gold and copper in Papua New Guinea. The Company was admitted to the official list of the ASX on 10 August 2011.

In addition to its principal business activities, the Company has been actively seeking to identify and evaluate new opportunities in related or non-related industries that may increase shareholder value.

#### 1.2 Background to Change in Nature and Scale of Activities

As announced on 24 July 2014 and 31 October 2014, the Company has entered into a binding terms sheet (**Terms Sheet**) with **Yonder & Beyond** which sets out the terms and conditions that the Company may acquire 100% of the issued capital of **Yonder & Beyond**, an Australian public company (**Acquisition**).

**Yonder & Beyond** is a technology incubation company that provides a collection of resources and expertise at group level to start-up companies in the sector, particularly in mobile, technology and entertainment. This includes full-time senior executives who specialise in areas that are often costly and inaccessible for start-ups, such as Digital Strategies, Business Development, Finance and Human Resources. This model ensures high growth and an excellent probability of success to **Yonder & Beyond's** investments.

As **Yonder & Beyond's** business it is not in the same business as the existing business operations of the Company, Resolution 1 seeks approval from Shareholders for, amongst other things, a change in the nature and scale of the activities of the Company to include online education.

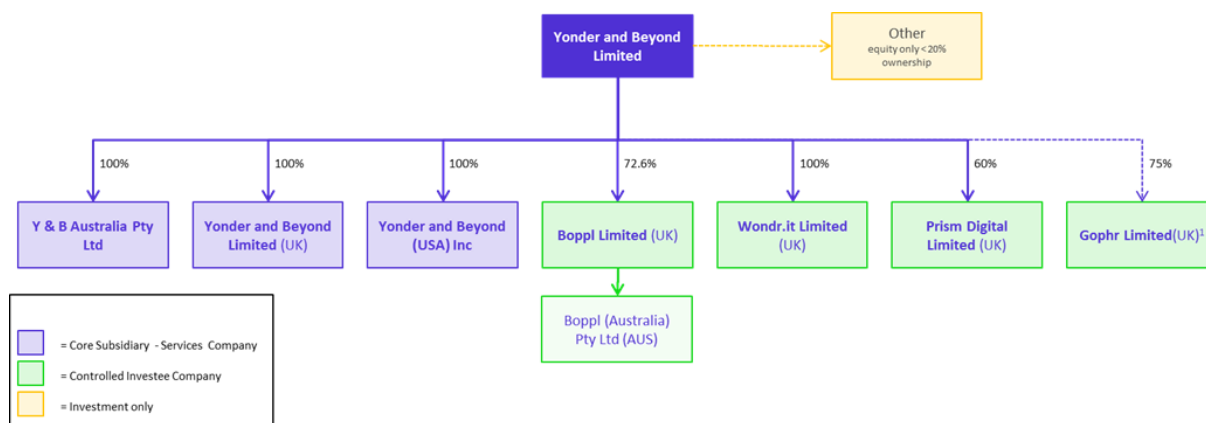
Other information considered material to the Shareholders' decision on whether to pass Resolution 1 (and the other Resolutions) is set out in this Explanatory Statement, and Shareholders are advised to read this information carefully.

#### 1.3 Yonder & Beyond

##### Overview of Yonder & Beyond

The **Yonder & Beyond Group** is comprised of:

- (a) **Yonder & Beyond**, an Australian unlisted public company. **Yonder & Beyond** is the head company and holds 100% of the share capital of Yonder and Beyond Limited (UK), Y & B Australia Pty Ltd, and Yonder and Beyond (USA) Inc.
- (b) Y & B Australia Pty Ltd (ACN 167 305 866), an Australian private company. This entity is proposed to provide services to Investee Companies within Australia.
- (c) Yonder and Beyond Limited (UK) (Company No. 8831712), a company incorporated under the laws of England and Wales. This company was established to provide services to the Investee Companies and employs the UK-based executive management team.
- (d) Yonder and Beyond (USA) Inc, a company incorporated under the laws of California. This company was established to employ the USA-based executive management team and provide services in the USA.
- (e) Investee Companies the **Yonder & Beyond Group** currently has an interest in are referred to below.



<sup>1</sup> Note: Gophr shall become a 75% investee company on completion of the capital raising and subsequent investment Gophr by Yonder.

### **Background and proposed strategy**

**Yonder & Beyond** provides a professional and experienced management team (refer to section 0 of the Explanatory Statement for details of proposed Directors) to develop and accelerate start-up companies in the technology and media sectors. Members of the management team have a track record of delivering world class technology solutions and growing businesses from start up to exit. In addition to the stable of current products, the management team shall identify new opportunities and implement the structure, processes and strategies to successfully develop their business.

- (a) The concept was created in November 2012 with a small team led by Shashi Fernando, and has made several investment in the following months.
- (b) **Yonder & Beyond** has:
  - (i) purchased Shashi Fernando's investments, together with the shareholdings in Boppl Limited owned by certain other shareholders; and
  - (ii) expanded its concept on a larger scale by taking on additional investments, with an expanded management team composed of successful and experienced technology executives with deep industry knowledge and access to an enviable industry network of contacts and advisers.
- (c) Due to the highly disruptive growth of mobile, big data and new technologies, the management team believes there is a unique opportunity to deploy capital and expertise in a larger portfolio of promising companies and management teams using an innovative model where, in addition to capital, the management team injects time and expertise on a daily basis, and forms part of each Investee Company's management team.
- (d) The management team is already involved with an existing portfolio of high growth technology assets, sharing infrastructures and expertise. The management team has also identified a substantial pipeline of proprietary transactions, with most identified opportunities sharing common characteristics including:
  - (i) a willingness to add industry experts in their capital and governance structure; and
  - (ii) a strategy to leverage on a day-to-day basis the unique experience and network of the management team.
- (e) To capture this opportunity, **Yonder & Beyond** intends to invest in a portfolio of high growth technology assets with potential for cross-company synergies.
- (f) **Yonder & Beyond** intends to create and invest in high potential new and early stage companies and help them grow to their full potential. **Yonder & Beyond** will seek to accelerate this growth through its highly experienced team of professionals who have "been there before" in each stage of the business lifecycle, from start up to exit.

The management team is able to make quick commercial decisions with respect to the viability of a product, thereby assisting capital preservation of **Yonder & Beyond**. **Yonder & Beyond's** ability to affect decisions about products within Investee Companies will depend on the level of control **Yonder & Beyond** has over the particular Investee Company.

## Yonder & Beyond Businesses

The initial companies owned by Y&B as at the date of this document are as follows:

Company	Ownership Shareholding %
Boppl Limited	72.60
Wondr.it Limited	100.00
Prism Digital Limited	60.00

Immediate targets for investment by Y&B will be as follows:

Company	Notes	Proposed Shareholding %
PlayMeet Inc.	1	10.00
Gophr Limited	2	75.00

Notes:

1. Yonder & Beyond are in negotiations to acquire a 10% interest in PlayMeet for an investment of \$1,000,000 staged across two tranches of \$500,000 due in 30 days from legal close, and \$500,000 due in 90 days from legal close. The Company has not yet entered into any oral or verbal agreement in relation to the acquisition of PlayMeet.
2. Y&B and Gophr have signed a non-binding term sheet where Y&B shall acquire a 75% stake in Gophr.

### (a) **Boppl Limited**



#### Background

Yonder & Beyond has acquired a 72.6% fully diluted interest in Boppl Limited (UK) (Company No. 8462167) (**Boppl**) from Shashi Fernando (50%) and other shareholders of Boppl (22.6%).

Boppl is a mobile ordering platform focused on the hospitality industry that allows users to order and pay for food and drinks using an application on their mobile device. Since first conceptualising the idea in May 2013, Boppl has launched on both iOS and Android operating systems as well as deployed into a number of locations including bars and takeaway outlets.

Boppl, the app that makes food and drink ordering simple, has been shortlisted as one of Mobile Entertainment magazine's Top 50 Mobile Innovators for 2013. Since inception, Boppl has already been named as 'App of the Day' by Mobile Entertainment magazine, and announced as one of five winners sharing a prize worth £1 million from Judo Payments, given to British based start-up companies who build apps for Android and Apple smartphones. Boppl also recently won the award for Best Design for App in the UK in 2014.

Boppl takes orders, payments and provides real time reporting to venues on sales and stock control.

#### Target venues

Boppl provides owners of bars, restaurants, cafés and hotels with a range of benefits and solutions such as purchase behaviour data. It is a sophisticated back end that provides merchants with stock control and real time reporting.

The Boppl platform can be integrated with existing electronic point of sale systems, or run as a standalone ordering and payment system. It can be deployed anywhere from a large high traffic restaurant or bar through to a one person street vendor that wants to take card payments and keep track of their stock. Boppl boasts one of the most sophisticated and user friendly electronic point of sale (**ePOS**) systems on the market.

Over the past few months Boppl has been working to make the operational function of the product seamless to ensure the venue on-boarding experience is swift and scalable.

With a number and variety of venues expected to go live over the coming months, Boppl's focus is on integrating with existing Point-of-Sale systems and driving consumer uptake, whilst maintaining its ambition of signing up as many venues as possible through direct and re-sale effort.

#### **Target customers**

Boppl provides flexibility and convenience to customers who are on the go and want to pre-order food and drinks or merely do not want to go to the bar to order their drinks, instead choosing to order from a table in a venue.

Boppl prides itself on creating the best experience for its customers. The management team believes that what differentiates Boppl from competitors is its extensive selection of modifiers, which provides more personal orders, including the ability to pre-order food for a set time and be notified when it's ready.

Boppl will also collect data about what customers are ordering. This can potentially be used by outlets to conduct targeted marketing or loyalty promotions.

#### **Integration with ePOS systems**

Boppl has integrated with a number of point of sale (POS) providers including the announced integration and strategic partnership with Swiss POS company iKentoo, and intends to deploy among their POS clients.

Boppl has agreed with several POS systems providers to integrate the Boppl mobile service as a complementary and differentiating factor. By integrating at the technology layer within the ePOS system already present in venues, Boppl is removing a significant barrier to entry on its market by making the adoption of Boppl seamless for the venue owner.

Furthermore such integration allows Boppl to be able to be implemented within the existing installed base.

#### **Ongoing deployment**

Boppl has agreed the principle of deploying in venues in South Africa and France, and is in advanced discussions for deployment in Switzerland in September and October 2014. Boppl has also recently agreed to deployment across several new venues in London.

Boppl's early focus was on acquiring venues in the hospitality sector who wish to allow their customers to order and pay via mobile. The platform has since been designed in such a way that it may be used as a stand-alone cloud based POS system for any business, that can be used with an ordinary smart phone or mobile device.

#### **New functionality**

Boppl has plans to introduce a more social experience to its applications, with plans to integrate gaming and social interactions such as buying a Boppl member a drink.

#### **Big data**

Boppl can provide previously unknown data to venues, brands and wholesalers about the sales of their products and the people that are consuming them. This data is in itself a potential significant source of value for the retail and the food industries.

Global drinks manufacturers have expressed an interest in accessing the data from Boppl's service to assist in direct marketing and product developments. As such, Boppl anticipates it could over time derive additional revenue from monetisation of its proprietary data.

(b) **Wondr.it Limited**



Yonder & Beyond has acquired a 100% interest in Wondr.it Limited (UK) (Company No. 8903618) (**Wondr**) from Shashi Fernando.

Wondr is a dedicated media sharing application which allows users to organise media by categories and ad hoc sharing circles created around those categories. A category can be an event, type of media, or even a simple communication channel and can be stored anywhere and include new and existing contacts. Many media sharing functions in traditional social networks assume users want to share media with a group of contacts that the user is permanently connected to. Traditional distributions are based on repository directories, and permissions are set on directories. Wondr allows users to retain control and ownership of their content.

Unlike many other social media services, Wondr allows users to retain control and ownership of their content.

Development is ongoing and a working application will be available within eight to twelve weeks after closure of the prospectus for the Capital Raising.

**Benefits for target host**

Wondr will allow hosts complete control over media sharing for a specific event that they have created. Wondr will allow integration with existing application programming interfaces (**APIs**), white labelling as well as in app purchases (e.g. ticket sales or merchandise).

Social media has drastically changed how people communicate. An event in Wondr can be created prior to the actual event occurring and does not extinguish once an event has occurred. This means that marketing for a specific event can occur for an extended period of time. It shall provide a forum for managing communication and social media prior to an event and allows attendees the option to access media after the event as well as being a platform for marketing for future events.

**Benefits for target user**

Wondr shall allow the user to share and build albums, capture the whole event from start to finish and comment using the group chat. Media is organised chronologically and provides the ability to engage with an event in real time. Photos can efficiently be shared between large groups and displayed in a panoramic montage, capturing special moments with Wondr's feature - "Moment in Time".

Wondr will be built to incorporate special privacy settings including the ability for events to be public or private. This will address growing concerns in the broader population about privacy and data sharing via social networks.

Wondr will collect user information including age, gender, location and interests. This information will allow companies to market appropriate events and streamline information depending on the user.

(c) **Prism Digital Limited (Prism)**



Yonder & Beyond owns a 60% interest in Prism Digital Limited (UK) (Company No. 8275274) (**Prism**).

Recruitment can be very costly to any business and may be a distraction from other core business functions. This is especially true for start-ups which have few employees and restricted capital. Shashi founded Prism to ensure recruitment for the Y&B start-ups was efficient and the costs associated with the recruitment process remained within the Y&B portfolio. Prism is a recruitment consultancy focussed on development and infrastructure hiring within the technology industry.

Shashi co-founded Prism with two senior recruitment professionals, Nick Pedersen and Alex Dover. Prism is focused on specific technical areas such as back-end and front-end development, having proficient understanding of programming languages, such as Ruby, PHP and Python as well as mobile technology such as iOS, Android and Windows 8, databases and tech support. Prism has grown to a total headcount of eight people, each focussed on a specific vertical technology.

Whilst it is proposed that Prism will support all of the Investee Companies in terms of hiring, it is also a growing business in its own right and has secured clients such as Salesforce.com, play.com, Rackspace, Boticca and DXI.

(d) **Gophr Limited ("Gophr")**



**Background**

Yonder & Beyond and Gophr Limited have signed a term sheet where Yonder & Beyond have agreed to acquire a 75% stake in Gophr Limited.

Y&B Australia Pty Ltd and Seb Robert executed Term Sheet on 23 February 2014 that sets out the terms upon which Y&B Australia Pty Ltd or its nominated affiliates will act as lead equity investors in Gophr Limited, a company wholly owned by Seb Robert. Whilst the terms of investment are not legally binding, both Seb Robert and Gophr Limited have agreed to exclusively deal with Y&B Australia Pty Ltd until 31 December 2014, and to inform Y&B Australia Pty Ltd immediately if any third party contacts Gophr Limited in relation to a potential sale of any shares in Gophr Limited or any part of its business.

Gophr is a courier application in the early stages of development, created to improve the courier experience for customers and couriers alike. Gophr will enable customers to book jobs directly with a courier, track the progress of a delivery and review the performance of a specific courier.

Courier companies currently operate often on gross margins of 30% and upwards. Gophr will take a smaller gross margin allowing the courier to have more earning potential whilst providing the customer with a cheaper service and with the ease of being able to book through a smart phone.

Gophr has partnered with individuals who have extensive knowledge of the courier industry. The key leadership individuals have been identified to take the helm of the product and company with guidance from the Management Team.

**The customer**

Recently the Copenhagen School of Economics published a report titled A study of the state of play of EU parcel markets which reports that over 85% of European e-shoppers identified flexible and transparent delivery as a key priority in a positive delivery experience. Gophr intends to provide this delivery service by allowing customers to quickly book and directly communicate with couriers as well as providing courier rating and feedback to the network of Gophr users thereby providing a lean and efficient service.

**The courier**

Gophr will build a web and app framework for professional couriers that allow them to:

- (i) Take bookings directly from paying customers without having to go through a courier delivery/dispatch office, plan and organise their own pickups and deliveries, tap into a network of customers as opposed to just the one courier company that they work for.
- (ii) Reduce their dependence on dispatch offices for work, Gophr enables courier operators to work at any time and thereby expands the courier market by increasing the hours that couriers are operational. Gophr aims to be a best in class service for anyone who needs a delivery; for both business and end customer, growing the courier industry incrementally, while taking market share from leading courier companies.

By providing the courier themselves with incentives and advantages it promotes uptake and usage of the app.

### **Route to market**

Gophr shall spread out incrementally both in terms of vehicle and location.

Gophr has identified the cycle courier community as an efficient testing ground for the app and the business model. Gophr shall leverage the existing infrastructure and equipment of the cycle couriers to minimize set-up costs. Deploying with this type of courier first allows Gophr to test the app at relatively low risk with a responsive community who have an interest in its success.

After cycle couriers, Gophr will aim to build up to larger courier vehicles like motorcycles, cars and vans.

### **The Gophr team**

Seb Robert, CEO of Gophr, has a strong social media background working for newly acquired agency - "We are Social". He has a proven track record of growing incomes year on year. Current clients include Heineken Group (Heineken, Bulmers, Tiger), Merlin Entertainment, Kimberly-Clark, Beats by Dre, Orange (France) and Netflix and a number of other household brands.

#### **(e) PlayMeet**



Yonder & Beyond has entered into negotiations to acquire a 10% stake in PlayMeet, a US-based social media service which is a music-based social network that aims to revolutionise the way people connect through music. PlayMeet has been developed in partnership between a leading music label and the eminent music identity John McClain. PlayMeet is an unrelated party of the Company and Yonder & Beyond.

The Company has not yet entered into any legally binding document in relation to the acquisition of PlayMeet.

The consideration currently being negotiated by Yonder & Beyond for the acquisition in PlayMeet is \$500,000 within 30 days of legal close and a further \$500,000 within 90 days of legal close.



### **Yonder & Beyond Benefits and Strengths**

Yonder & Beyond's core strength lies in its management team who have a track record of working together to deliver operating and financial results. The management team brings experience and relationships across the technology and entertainment landscape which, coupled with a model of daily interactions and involvement with the Investee Companies to encourage transaction opportunities to originate.

Yonder & Beyond provides operational and financial expertise to the Investee Companies and the experience of having being involved in companies throughout the entire company lifecycle. The management team's relationships provide the Investee Companies access to an existing network of partners and clients. Yonder & Beyond expect this will deliver faster and more effective deployment and distribution for each of the Investee companies.

The management team has already identified a pipeline of proprietary and promising transactions to assess and analyse in the imminent future, and will focus on leveraging its existing relationships and sector expertise to originate and assess new transactions.



**The Yonder & Beyond Management Team**

Yonder & Beyond's Management Team is highly experienced in the deployment of world class on-line and mobile solutions and has a track record of developing start-up businesses into high value propositions.

(a) **Shashi Fernando** - *Chairman and Chief Executive Officer*

As a former board member of HTC Corporation, one of the world's leading smartphone manufacturers, and the founder and former CEO of Saffron Digital Ltd which raised £2 million in 2007 and was acquired in 2011 for £30 million, Shashi is a proven performer in the delivery of world-class mobile solutions.

Mr Fernando delivered Saffron into the heart of the mobile and entertainment industry by securing clients such as Vodafone, T-Mobile, Samsung USA, Paramount and Disney to name but a few of the 40 plus global relationships that were established over his time there.

Having been named twice in the top 50 in Mobile Entertainment, Mr Fernando led Saffron to multiple industry accolades over the period, delivering a profitable business and 100% growth for three years.

Following Saffron Digital, Shashi was appointed to the board of HTC Corporation where he served as the Chief Content Officer responsible for delivering all media related technologies for HTC.

Since his time at HTC, Shashi has been an angel investor and moved to bring to market three new digital start-ups that he now intends to contribute to Yonder & Beyond.

(b) **John Bell** - *Chief Financial Officer*

Mr Bell is a Chartered Accountant and business professional with international business and financial management expertise and a record of creating value and managing business. John's experience ranges from corporate advisory, as director of Barringtons Corporate to executive management, where as CFO of Saffron Digital (ranked in the Deloitte Fast 50 in 2010 as one of Europe's fastest growing technology companies), he was part of the management team responsible for the transformation and growth from small start up to multinational, and for managing the sale to HTC, one of the world's leading mobile handset manufacturers in 2011.

Mr Bell combines technical and commercial understanding with experience in operations, financial management, corporate transition and capital raising. He has negotiated contracts with major handset manufacturers and digital content licenses with all major film studios. His key skills are based on his philosophy that value creation requires an understanding of business fundamentals, rather than just historical performance.

(c) **Stephane Oury** - *Chief Investment Officer*

Mr Oury has extensive principal investments and advisory experience in media, technology, internet and telecom across Europe, North America, Asia and Middle East, having worked on over 60 transactions across development stages (\$500,000 to \$41 billion) representing a cumulative enterprise value in excess of \$160 billion.

Mr Oury joined Yonder & Beyond from Anton Capital, an investment company focused on media and intellectual property, and investing in businesses that create or distribute premium or niche content in film, video games, music, publishing and television, where he was Principal in a team having invested in global properties such as The Hunger Games: Catching Fire, Rush, Non Stop, Paddington, RoboCop or Inside Llewyn Davis.

Previously, Mr Oury has covered media and technology for top ranking telecommunications, media and technology (TMT) teams at Moelis & Company and Citi Investment Banking after spending almost six years working with Vivendi Universal and Ernst & Young; in particular spending almost two years working on the merger between NBC and Universal Studios to form NBC Universal.



Mr Oury holds an MBA from Columbia Business School, a Ms (Diplome d'Ingenieur) and a Ms Research (Diplome d'Etudes Approfondies) from IN Polytechnique, a MA (Diplome de l'IEP) from Institut d'Etudes Politiques and a Ms (Diplome d'Etudes Superieures Specialisees) from IAE.

(d) **Mahmood Dhalla** - *Chief Product Officer*

Mr Dhalla has over a decade of experience in product and program management in large scale and global software and services development, ranging from core platform pieces of the Windows Operating System at Microsoft to user facing software/services including mobile software and services strategy and implementation.

Mr Dhalla was previously the Director of Program Management with HTC working with the Global Content Team to deliver HTC digital media solutions. He has worked in program management with Microsoft Corporation and has been part of the design and delivery of several versions of Windows as well as Bing Search. While at Microsoft he was also involved in strategic prototyping of future technologies and has several technology patents to his name.

Mr Dhalla is highly skilled in core software design, development lifecycle and principles, team building, management and mentoring. He is experienced and passionate about organising development strategies and teams (including geo-located segmentation) which enable the most efficient development in terms of costs while maintaining centres of excellence.

(e) **Pasa Mustafa** - *Chief Strategy Officer*

Mr Mustafa has spent over 20 years as a digital executive helping businesses grow into new, innovative sectors and transforming traditional businesses to the digital world. He spent ten years at the world's largest production company Endemol as Global Head of Digital. Mr Mustafa has been nominated for a Bafta award and has an Emmy nomination. He also won awards at the Webby's, Mobile Marketing and Broadcast Digital awards.

Most recently Mr Mustafa has spent 15 months helping the UK government push the Tech City Initiative in London.

With close connections in the music industry, Mr Mustapha has worked with companies such as Spotify, EMI, Universal, Sony and PRS for Music. He created the first online music show called Beat, sponsored by Samsung which pushed music programming across social networks further than ever before, gaining much respect from the large music brands and labels who all integrated into the show.

(f) **Peter Sedeffow** - *Chief Technology Officer (Joining in January 2015)*

Mr Sedeffow has numerous patents either granted or pending around the delivery, transcoding and compression of video and data to mobile devices. Peter is an expert in digital rights management and has developed proprietary CMS solutions.

As the former Chief Technology Officer of Saffron Digital, Mr Sedeffow was responsible for the development and delivery of some of the worlds most advanced mobile video services including products for Vodafone, T-Mobile, Sony Ericsson, Nokia, HTC, LG, Samsung, Motorola, Paramount, Sky and KDDI in Japan to name a few.

Mr Seddefow developed the world first pause and resume on a second device with T-Mobile UK for their VOD Plus service, and was the architect and developer of the Samsung Media Hub service in the USA for Saffron Digital.

Mr Seddefow has performed numerous carrier grade integrations throughout the USA, UK, Europe and Asia and has a long experience in developing and delivering world class solutions.

#### 1.4 Key Terms of the Terms Sheet

The Company has entered into the Terms Sheet with Yonder & Beyond to acquire 100% of the issued capital in Yonder & Beyond, in consideration for:

- (a) 37,875,000 Shares (on a post-Consolidation basis) to the shareholders of Yonder & Beyond for the acquisition of 100% of their Yonder & Beyond Shares;
- (b) 35,000,000 Replacement Management Options (on a post-Consolidation basis) to be issued to key management of Yonder & Beyond. The Replacement Management Options are separated into three tranches with varying terms and vesting conditions as set out in Schedule 1. The Replacement Management Options will be issued on a post-Consolidation basis on identical terms to Y&B Management Options currently held by key management of Yonder & Beyond, and will be issued one for one for those Y&B Management Options; and
- (c) 1,500,000 Replacement Adviser Options (on a post-Consolidation basis) to Advisers of Yonder & Beyond that currently hold Y&B Adviser Options with identical terms. The Replacement Adviser Options are being issued as a like for like swap of the Y&B Adviser Options.

Yonder & Beyond acknowledges that in the event that the Company undertakes a consolidation of its issued capital prior to settlement of the Terms Sheet, then any Consideration Securities quoted on a pre-consolidation basis shall be adjusted for in the same manner as Company securities under the consolidation.

#### Conditions Precedent

Completion of the Acquisition is subject to (amongst other things) satisfaction or waiver of the following conditions precedent on or before 27 February 2015:

- (a) Finalisation of mutual due diligence on Yonder & Beyond and QRL;
- (b) Yonder & Beyond and QRL obtaining all necessary shareholder and regulatory approvals, including approval under the Transaction Resolutions;
- (c) Yonder & Beyond presenting budgets and financial forecasts in a form deemed satisfactory by QRL and its advisers;
- (d) QRL completing a post Consolidation capital raising of at least \$5,000,000 and no more than \$8,000,000;
- (e) QRL changing its name to Yonder & Beyond Group Limited;
- (f) QRL entering into agreements with each of Wolfstar Corporate Management Pty Ltd and Barringtons Corporate for the provision of corporate and accounting services, on terms acceptable to Yonder & Beyond;
- (g) QRL entering into formal share sale agreements with the shareholders of Yonder & Beyond; and
- (h) QRL re-complying with chapters 1 and 2 of the ASX listing Rules and receiving conditional approval from ASX to have its securities re-admitted to trading.

#### General Terms

The Acquisition also includes the appointment of Shashi Fernando as CEO and John Bell as CFO and Executive Director (Resolution 11 relates to the appointment of John as Director). Subject to completion of the Acquisition, Julia Beckett will resign as a Director.

In addition to the Consideration Securities, QRL has also agreed to issue 4,000,000 unlisted Options at a subscription price of \$0.0001 per Option (post-Consolidation basis), as follows:

- (a) 3,000,000 Options exercisable at \$0.25 each within 3 years of the date of issue, to be issued to advisers assisting with the Capital Raising (Resolution 5); and
- (b) 1,000,000 Options exercisable at \$0.20 within 3 years of the date of issue as an introduction fee in relation to the Acquisition (Resolution 6).

The Consideration Securities to be issued to the Y&B Shareholders and Y&B Optionholders shall be subject to voluntary escrow varying from 3 months to 12 months, subject to any longer escrow period that ASX may impose.

### 1.5 Consolidation of Capital

As required by the ASX Listing Rules, the Company will undertake a consolidation of its issued capital on the basis of one (1) Share for every twenty (20) Shares held (**Consolidation**) so that the Company's Shares are valued at a minimum of \$0.20 each following the Consolidation.

### 1.6 Capital Raising

In order to fund the Acquisition, to re-comply with Chapters 1 and 2 of the ASX Listing Rules and meet the conditions of the Terms Sheet, the Company will conduct a capital raising of \$5,000,000 (being the minimum subscription) via the issue of Shares at an issue price of no less than \$0.20 (following the Consolidation as defined above), with oversubscriptions of up to a further \$3,000,000 (before costs) for a maximum raising of \$8,000,000 (**Capital Raising**). The Capital Raising will be conducted under a full form prospectus to be prepared by the Company.

Approval for the issue of Shares pursuant to the Capital Raising is the subject of Resolution 7.

### 1.7 Pro forma balance sheet

An unaudited pro forma balance sheet of the Company following completion of the Acquisition contemplated by this Notice of Meeting is set out in Schedule 5.

### 1.8 Pro forma capital structure

The pro-forma capital structure of the Company following completion of the Acquisition and Consolidation is set out below:

Equity Component	Note	Number on issue (pre-Consolidation)	Number on issue (post-Consolidation)
<b>SHARES</b>			
Existing Shares on issue	1	175,858,267	8,792,919
Consideration Shares to be issued	2		37,875,000
Shares to be issued under the Capital Raising	3		40,000,000
<b>TOTAL SHARES</b>		<b>175,858,267</b>	<b>86,667,919</b>
<b>OPTIONS</b>			
Existing Options on issue	4,5	15,850,000	792,500
Consideration Options to be issued	6		36,500,000
Adviser Options	7		3,000,000
Introduction Fee Options	8		1,000,000
<b>TOTAL OPTIONS</b>		<b>15,850,000</b>	<b>41,292,500</b>

#### Notes

- <sup>1</sup> Assumes no other Securities are issued prior to completion of the Acquisition other than the Securities set out in the table.
- <sup>2</sup> Shareholder approval is being sought for the issue of the Consideration Shares under Resolution 2 and 4.
- <sup>3</sup> This assumes the Capital Raising is fully oversubscribed (\$8,000,000). The Capital Raising will not proceed unless the Consolidation occurs.
- <sup>4</sup> This figure comprises 10,000,000 unlisted Options exercisable at \$0.20 on or before 31 December 2014, 3,250,000 unlisted Options exercisable at \$0.14 on or before 31 October 2015, 2,000,000 unlisted Options exercisable at \$0.37 on or before 30 July 2015, and 600,000 unlisted Options exercisable at \$0.36 on or before 4 April 2015.
- <sup>5</sup> This figure comprises 500,000 unlisted Options exercisable at \$4.00 on or before 31 December 2014, 162,500 unlisted Options exercisable at \$2.80 on or before 31 October 2015, 100,000 unlisted Options exercisable at \$7.40 on or before 30 July 2015, and 30,000 unlisted Options exercisable at \$7.20 on or before 4 April 2015.
- <sup>6</sup> Shareholder approval is being sought for the issue of the Consideration Options under Resolution 4. The Consideration Options comprise 35,000,000 Replacement Management Options and 1,500,000 Replacement Adviser Options.
- <sup>7</sup> Shareholder approval is being sought for the issue of the Adviser Options under Resolution 5.
- <sup>8</sup> Shareholder approval is being sought for the issue of the Introduction Fee Options under Resolution 6.

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## 2. RESOLUTIONS 1 AND 2 – APPROVAL OF ACQUISITION OF YONDER & BEYOND

### 2.1 General

Resolutions 1 and 2 seeks Shareholder approval for:

- (a) The acquisition of all of the issued capital in **Yonder & Beyond**, which will result in a change in the nature and scale of the Company's activities.
- (b) The acquisition of a substantial asset, being 304,260,967 shares in **Yonder & Beyond**, from Shashi Fernando (a related party of the Company).
- (c) The issue of 20,246,379 Shares (on a post-Consolidation basis), 11,025,000 Replacement Management Options (on a post-Consolidation basis), and any additional Shares that may be issued as a result of an exercise of the 11,025,000 Replacement Management Options (on a post-Consolidation basis), to Shashi Fernando (or his nominee) that may result in his relevant interest in Shares increasing up to 37.82%.

As outlined in Section 1.4 of this Explanatory Statement, the Company has entered into the Terms Sheet with **Yonder & Beyond** to acquire 100% of the issued share capital in **Yonder & Beyond**. In consideration for the acquisition of all **Y&B** Shares, the Company has agreed to issue the **Y&B** Shareholders a total of 37,875,000 Shares (**Consideration Shares**). In consideration for the acquisition of all **Y&B** Options, the Company has agreed to issue the **Y&B** Optionholders a total of 36,500,000 Consideration Options.

The Company has agreed to issue Mr Fernando with 20,246,379 Shares (on a post-Consolidation basis) and 11,025,000 Replacement Management Options (on a post-Consolidation basis) in consideration for the transfer of his interest in 304,456,832 **Y&B** Shares and 11,025,000 **Y&B** Options.

A detailed description of the proposed acquisition of **Yonder & Beyond** is outlined in Section 1 above.

Resolutions 1 and 2 are conditional on Shareholders approving all the Transaction Resolutions.

### 2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the Acquisition, it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Details of **Yonder & Beyond**'s assets and the proposed changes to the structure and operations of the Company are set out throughout this Explanatory Statement.

The Company's securities will be subjected to a trading halt or suspension and thereby cease trading on ASX prior to market open on the day of the Meeting.

If the Transaction Resolutions are approved at the Meeting, it is expected that the Company's securities will remain suspended from quotation until the Company has completed the Acquisition and re-complied with Chapters 1 and 2 of the ASX Listing Rules, including by satisfaction of conditions precedent to reinstatement imposed by ASX.

If the Transaction Resolutions are not approved at the Meeting, it is expected that the Company's securities will be reinstated to quotation on ASX after the Company announces the results of the Meeting in accordance with the ASX Listing Rules and Corporations Act.

## 2.3 ASX listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to a related party of the Company without obtaining approval from its Shareholders.

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

Mr Shashi Fernando is a related party of the Company by virtue of being a Director, and is also the majority shareholder of [Yonder & Beyond](#).

Based on the Company's audited consolidated statement of financial position for the period ending 30 June 2014, the Company's total equity interests equated to \$12,281,777. As a result, an asset will be deemed to be 'substantial' for the purposes of the Company if its value is at least 5% of this amount. The total Shares issued by the Company to Mr Shashi Fernando is 20,246,379 Shares (on a post-Consolidation basis), 11,025,000 Replacement Management Options (on a post-Consolidation basis). The Shares and Replacement Management Options have been given a preferred value as follows:

- (a) \$4,049,250 (using a pre-consolidated share price of 1.0 cents)
- (b) \$472,500 (4,725,000 Tranche 1 Management Options),
- (c) \$84,375 (3,150,000 Tranche 2 Management Options) and
- (d) \$23,310 (3,150,000 Tranche 3 Management Options) respectively.

Therefore the total Shares and Options issued to Mr Shashi Fernando as consideration for the Acquisition equates to a total value of \$4,629,435, which clearly exceeds this amount. Refer to Section 8.5 of the Independent Expert's Report for further details.

Accordingly, Shareholder approval is being sought for the purposes of ASX Listing Rule 10.1 as the acquisition of the [Y&B](#) Shares and [Y&B](#) Options held by Mr Shashi Fernando (and the value of the Consideration Securities to be issued by the Company to Mr Shashi Fernando), represents the purchase of a 'substantial asset' from a related party of the Company.

ASX Listing Rule 10.1 provides that Shareholder approval sought for the purpose of ASX Listing Rule 10.1 must include a report on the proposed acquisition or disposal from an independent expert. In accordance with ASX Listing Rule 10.1, accompanying this Notice at Annexure A is an Independent Expert's Report providing a detailed analysis of the proposed Acquisition. The report concludes that the acquisition of the [Y&B](#) Shares and [Y&B](#) Options from Shashi Fernando is **FAIR AND REASONABLE** to the non-associated Shareholders. Please refer to the Independent Expert's Report for further details, and in particular the advantages and disadvantages of the Acquisition.

## 2.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors (other than Mr Shashi Fernando who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Consideration Securities to Mr Shashi Fernando as the terms of the Acquisition were negotiated on an arm's length basis and are being issued to the other Y&B Shareholders and Y&B Optionholders that are not related parties of the Company on identical terms.

## **2.5 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

For this reason, the issue of Consideration Securities to Shashi Fernando requires Shareholder approval pursuant to ASX Listing Rule 10.11. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **2.6 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the Shares and Replacement Management Options will be issued to Mr Shashi Fernando (or his nominee);
- (b) the maximum number of Shares to be issued is 20,246,379 Shares (on a post-Consolidation basis), and the maximum number of Replacement Management Options to be issued is 11,025,000 (on a post-Consolidation basis);
- (c) the Shares and Replacement Management Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Consideration Shares and Replacement Management Options will be issued for nil cash consideration, in consideration for the transfer of the Y&B Shares and Y&B Options held by Mr Fernando;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the terms and conditions of the Replacement Management Options are set out in Schedule 1. Mr Fernando will be issued 4,725,000 tranche 1 Replacement Management Options, 3,150,000 tranche 2 Replacement Management Options and 3,150,000 tranche 3 Replacement Management Options; and
- (g) there will be no funds raised from the issue of the Consideration Securities to Mr Shashi Fernando.

## **2.7 ASX Listing Rule 7.1**

ASX Listing Rule 7.2 (Exception 14 and 16) provides an exception to Listing Rule 7.1 whereby if Shareholder approval is obtained under ASX Listing Rule 10.11 or Item 7 of Section 611 of the Corporations Act (that is, approval for the issue of the Consideration Securities to Shashi Fernando), then separate shareholder approval under Listing Rule 7.1 is not required. Accordingly, if Shareholders approve Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and any additional 10% annual capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

## **2.8 Item 7 of Section 611 of the Corporations Act**

Resolution 2 also seeks Shareholder approval, for the purpose of Item 7 of Section 611 of the Corporations Act, to allow the Company to issue 20,246,379 Consideration Shares (on a post-Consolidation basis), and 11,025,000 Shares upon exercise of any Replacement Management Options, to Mr Shashi Fernando, which may result in his voting power in the Company increasing to up to 37.82%.

(a) **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

**(Prohibition).**

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Entitlements in the Company**

Mr Shashi Fernando does not currently hold any Shares or Options in the Company. Following settlement of the Acquisition, Mr Fernando's relevant interest in Shares (on a post-Consolidation basis) and resulting voting power in the Company is as follows:

		Number
Current Shares on Issue	1	8,792,919
Shares to be issued to Shashi	2	31,271,379
Total Shares on issue on completion of the Acquisition	3	82,692,919
<b>Voting Power (%)</b>		<b>37.82%</b>

Notes:

- 1 Refer to Section 1.8 of the Explanatory Statement for full details of the pro-forma capital structure of the Company.
- 2 This includes 20,246,379 Consideration Shares (on a post-Consolidation basis) to be issued to Shashi and 11,025,000 Shares (on a post-Consolidation basis) upon exercise of the Replacement Management Options to be issued to Shashi.
- 3 This assumes minimum subscription of \$5,000,000 is raised under the Capital Raising, all Consideration Shares are issued, and 11,025,000 Shares (on a post-Consolidation basis) are issued to Shashi on exercise of the Replacement Management Options.
- 4 This table assumes Mr Fernando does not apply for Shares under the Capital Raising.

(d) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (i) (pursuant to Section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
  - (A) a body corporate the first person controls;
  - (B) a body corporate that controls the first person; or
  - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.



Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

No associates of Mr Fernando hold, or will hold upon completion of the Acquisition, any interest in Shares.

Upon completion of the Acquisition Shashi Fernando will be the only Y&B Shareholder that has a relevant interest in Shares above 20%.

**(e) Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%;
- (ii) a body corporate that the person controls.

No associates of Mr Fernando currently have or will have a relevant interest in the Company.

**(f) Control**

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- (i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company.
- (ii) Under section 9 of the Corporations Act, a relevant agreement includes an agreement, arrangement or understanding whether written or oral, formal or informal and whether or not having legal or equitable force.

**2.9 Reason Section 611 Approval is required**

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Accordingly, this Resolution 2 seeks Shareholder approval for the purpose of Section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Shares, and Shares upon exercise of 11,025,000 Replacement Management Options, to Mr Shashi Fernando (or his nominee).

**2.10 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74**

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Stantons International Securities Pty Ltd annexed to this Explanatory Statement.

**(a) Identity of the Acquirer**

It is proposed that the Y&B Shareholders and Y&B Optionholders will be issued the Consideration Securities in accordance with the terms of the Terms Sheet as set out in Section 1.4 of this Explanatory Memorandum. Mr Shashi Fernando is the only person whose relevant interest in Shares will increase above 20% as a result of the Acquisition, or exercise of the Y&B Options.



**(b) Relevant Interest and Voting Power**

**(i) Relevant Interest**

The relevant interests of Mr Fernando (and his associates) in voting Shares in the capital of the Company (both current, and following Settlement) are set out in the table in section 2.8(c).

**(ii) Voting Power**

The approximate voting power of Mr Fernando (and his associates) following the issue of the Consideration Shares, exercise of Replacement Management Options, and settlement of the Acquisition) is 37.82%. Refer to the table in section 2.8(c) for further details relating to Mr Fernando voting power.

**(iii) Assumptions**

Note that the following assumptions have been made in calculating the relevant interest and voting power of Mr Fernando:

- (A) the Company currently has 8,792,919 Shares on issue, being the post-Consolidation figure;
- (B) minimum subscription (\$5,000,000) is raised under the Capital Raising;
- (C) all Consideration Securities are issued;
- (D) the Company does not issue any additional Shares;
- (E) No Options are exercised other than the 11,025,000 Replacement Management Options to be issued to Mr Fernando; and
- (F) Mr Fernando does not acquire any additional Shares.

**(c) Reasons for the proposed issue of securities**

As set out in Section 2.1 of this Explanatory Statement, the reason for the issue of the Consideration Shares to Mr Fernando is to provide consideration for the transfer of his Y&B Shares under the terms of the Acquisition. The reason for the issue of an additional 11,025,000 Shares is in the event that Mr Fernando wishes to exercise any Replacement Management Options issued to him under the Acquisition.

**(d) Date of proposed issue of securities**

The Consideration Securities the subject of this Resolution 2 will be issued on completion of the Acquisition. The Shares to be issued on exercise of the Replacement Management Options may be issued at any time prior to their expiry date.

**(e) Material terms of proposed issue of securities**

As set out in section 2.1 of this Explanatory Statement the Company is proposing to issue 20,246,379 Shares (on a post-Consolidation basis) and 11,025,000 Replacement Management Options (on a post-Consolidation basis), to Mr Fernando in consideration for the transfer of his Y&B Shares and Y&B Options.

**(f) Mr Fernando's Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Mr Shashi Fernando:

- (i) has no present intention of making any significant changes to the business of the Company (other than as described in this Notice of Meeting);
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property between the Company and himself or any of their associates; and

- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Mr Fernando at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

**(g) Capital Structure**

The capital structure of the Company will be affected by the issue of the Consideration Shares pursuant as set out in Section 1.8 of this Explanatory Statement.

## **2.11 Advantages of the Acquisitions**

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

- (a) between the Y&B Shareholders there are individuals that have specific expertise which will assist the Company by providing an experienced and proven management team, new projects, and appropriate levels of funding with the core objective to increase Shareholder value;

- (b) The following benefits in relation to the Acquisition:

- (i) **More certain return to shareholder value creation**

The Board are mindful of the current state of the Australian share market with regard to junior exploration companies and continued low investor sentiment. The Board is concerned with maintaining adequate cash on hand, however the Board will consider good investment opportunities when presented. In the current share market environment the Board considers there is greater likelihood of restoring shareholder value by progressing the proposed acquisition of Yonder & Beyond than if the Company were to continue its current operations as a junior mineral explorer listed on ASX.

- (ii) **Transaction provides shareholders with exposure to existing growing business**

The Acquisition provides Shareholders with exposure to an expanding business involved in the Information Technology (IT) market and mobile applications (Apps) market, both locally and overseas. Upon completion of the Acquisition, the new business will be well capitalised following the minimum \$5,000,000 Capital Raising. Existing and new funds will be directed to accelerate growth by funding additional sales and marketing activities as well as continuing product and service development to maintain market leadership.

- (iii) **Increased investor interest and market liquidity**

Until recently, trading in Shares has been relatively low volume. The Board considers that the recent increase in Share trading volume can most likely be attributed to the 24 July 2014 announcement of the proposed Acquisition. It is not unreasonable to anticipate improved liquidity going forward post completion of the Acquisition.

- (c) successful completion of the Acquisitions will enable the Company to meet the re-listing requirements imposed by ASX on the Company, allowing the Company's shares to trade on the ASX; and
- (d) Stantons International Securities Pty Ltd has concluded that the issue of the Consideration Shares is **FAIR AND REASONABLE** to the non-associated Shareholders.

## **2.12 Disadvantages of the Acquisitions**

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

- (a) It is very likely that the Company, upon completion of the Acquisition, will move out of the mineral exploration business and focus on IT. This may be seen as a disadvantage to Shareholders that wanted to invest in a pure mineral exploration company.

- (b) The opportunity costs associated with the Company potentially being offered a more attractive acquisition;
- (c) the issue of the Consideration Shares, and issue of Shares upon exercise of the Replacement Management Options, to Mr Shashi Fernando may result in him, and his associates, having voting power of up to approximately 37.82% (assuming minimum subscription of \$5,000,000 under the Capital Raising), reducing the voting power of non-associated Shareholders in aggregate from 100% to 62.18%; and
- (d) there is no guarantee of the value of the Company's Shares upon completion of the Acquisition.
- (e) The proposed Acquisition has required the Company to engage a number of Advisers, lawyers and experts to facilitate and report on the proposal. This work includes preparation of the Terms Sheet and associated share sale agreements, this Notice of Meeting, the Independent Experts Report and the Prospectus to ensure compliance with ASX Listing Rules and other statutory requirements and approvals. These costs are predominantly sunk costs but necessary costs to proceed with the Acquisition.

The Directors believe the advantages of the Acquisition substantially outweigh the disadvantages.

## 2.13 Key Risk Factors

Below is a list of the key risk factors which will be faced by the Company upon completion of the Acquisition.

### Company Specific Risks

#### (a) Conditions of the Acquisition and re-quotation of securities on ASX

The Acquisition is dependent upon a number of conditions, which include (but are not limited to) completion of the Capital Raising, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and Shareholder approval and completion of a number of Resolutions under this Notice. Further conditions of the Acquisition are detailed at Section 1.5.

As the Acquisition constitutes a significant change in the nature and scale of the Company's activities, the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Trading in the Company's securities will be suspended following the General Meeting and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. It is anticipated that this will occur on or around late December 2014 which is anticipated by the Company to be when the issue of Shares under the Capital Raising is completed.

#### (b) Achievement of objective / funding risk

The ultimate success and financial viability of the Company depends on the successful completion of the Acquisition (or any alternative transaction) and on the continuing management of the new business, plus to a lesser extent, on realising sufficient value for its existing projects if divested. The Company cannot guarantee that the Company's current projects or any new opportunities, following completion of the Acquisition, can be profitably exploited and/or divested, where appropriate.

The Company may not be successful in either realising sufficient value for its existing projects if divested, or in satisfactorily completing the Acquisition. Full details of the Acquisition will be provided to investors in a prospectus to be released at a future date.

The raising of additional funds, particularly via the Capital Raising to enable completion of the Acquisition, may not be possible or not on sufficiently acceptable terms. No assurance can be given that future funding will be available to the Company on favourable terms, or at all. There is a risk that the Company may not be able to complete the Acquisition or Capital Raising which may result in the Company's securities not being re-listed on ASX.

## Technology Industry Specific Risks

### (a) Reliance on the Company's ability to innovate

Due to the rapidly expanding nature of the industry, the success of the Company will heavily rely on the Company's capacity to grow and innovate in response to changing technology. Failure to do so could result in impaired Company growth.

### (b) Reliance on attracting and retaining skilled labour

Success of the Company's activities will rely substantially on its ability to attract and retain skilled staff to conduct business, innovation and projects. Market competition for such labour is intense, shortages in skilled information technology labour are common, and the potential to employ undesirable staff is high. If the Company, or an investee company, is unable to attract skilled staff, this could potentially have adverse consequences to the Company's profitability.

### (c) No market for shares of Investee Companies

There is no established market for trading the shares of the Investee Companies and Yonder & Beyond may find it difficult to dispose of its shareholding in certain Investee Companies at any particular time.

### (d) Speculative Investment

The key investments of Yonder & Beyond are in its Investee Companies, which are start-ups or early stage companies. Start-ups and early stage companies are, by their nature, inherently speculative investments, which may result in the total loss of capital invested.

### (e) Reliance on Key Personnel

Yonder & Beyond's ability to pick investee companies and manage the growth of their businesses is dependent largely on the skills of Yonder & Beyond's management team (Refer to Section 1.3). Changes in the management team may require appointment of new members, who have not yet been identified.

### (f) Operating risks

The Company has entered into the Terms Sheet to acquire Yonder & Beyond. If the Acquisition is completed, the Company's main business will be that of a technology development with specific focus on mobile, technology and entertainment. The prospects of the Company must be considered in light of the future demand for these services, which depends on a wide variety of matters including, changes in consumer behaviour and changes in the nature of technology.

The operations of Yonder and Beyond are the subject of a number of specific risks and hazards including changes in management, ability to attract and retain skilled labour, competitors in the market, reliance on the internet and systems, regulatory system changes and programming errors in products.

Should the Company complete the Acquisition then the occurrence of any of these risks could have an adverse effect on the Company's financial position and performance. Any damage sustained to third parties as a result of such events may also give rise to claims or actions against the Company. Internet and mobile technology based operations are generally considered high-risk undertakings.

On completion of the Acquisition the Company's business plan will be radically changed and this is likely to require significant expenditure, particularly capital expenditure on information technology during the transition phase. Profit from the Company's proposed technology Advisory business will be dependent upon the successful generation of revenue from the Company's relevant projects following completion of the Acquisitions.

**(g) Competition**

The online technology industry and mobile application industry are highly competitive industries. Yonder & Beyond's competitors range from venture capital firms to technology incubators.

Yonder & Beyond's financial performance or operating margins could be adversely affected if existing competitors engage in more aggressive marketing or pricing behaviour, or if new competitors enter the market.

**(h) Downturn in the mobile technology industry**

The performance of Yonder & Beyond will be influenced by the performance of the overall mobile technology industry. The mobile technology industry is influenced by the general condition of the Australian economy, which by its nature is cyclical and subject to change. A reduction in the level of economic activity in Yonder & Beyond's key markets will reduce the total level of turnover in the mobile technology industry and in turn have a negative impact on the total revenue generated by Yonder & Beyond's operations.

**(i) Management Experience and Limited History**

The Company's current Directors and management team have significant experience in the resources industry and specialist management, financial services and legal expertise. However, they have no direct experience in the internet travel and leisure industry.

It is proposed that on completion of the Acquisition at least two of the principals of Yonder & Beyond will join the Board. These individuals will have experience in the mobile technology industry. The Company is dependent on its Directors' and managers' abilities to implement the Company's strategy. Failure to establish a sufficiently experienced Board or departure of Directors or senior management of the Company could adversely affect the Company's ability to implement its strategy, including implementation of the new business.

Currently the Company has no operating history in the mobile technology industry and accordingly no meaningful historical financial information or track record in that field. The Company's prospects must be considered in light of the risks, expenses and difficulties encountered by companies with assets in the early stages, including the risk that the Acquisition do not complete or are not successful.

**(j) Lack of intellectual property protection**

Yonder & Beyond's business is substantially reliant on its ability to protect and maintain its intellectual property interests. The ability of the Company to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties will therefore be an integral part of the Company's business in the event that the Acquisition proceeds. The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company or its partners.

Competition in obtaining and sustaining protection of intellectual property, together with the complex nature of intellectual property, can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. Any breach of the Company's patents will not necessarily be notified to the Company and, in any event, the Company may not be in a financial position to pursue the necessary remedial action in the event of such a breach.

As a result, no guarantee can be given that the patents will give the Company commercially significant protection of its intellectual property.

## **Mining Specific Risks**

### **(a) Exploration success**

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

### **(b) Operations in Papua New Guinea**

All of the Company's projects are located in Papua New Guinea and the Company is subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include but are not limited to, terrorism, the risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits or contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from a particular jurisdiction.

Changes, if any, in mining or investment policies, or shifts in political attitude, in Papua New Guinea may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decision based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Papua New Guinea, the Directors may reassess investment decisions and commitments to assets in Papua New Guinea.

### **(c) Environmental Risks**

The operations and proposed activities of the Company are subject to the laws and regulation of all jurisdictions in which the Company is operating concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### **(d) Title Risks**

Interests in tenements are governed by the respective legislation in the jurisdiction in which the Company's tenements are located, and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

### **General Risks**

#### **(a) Economic**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- (i) general economic conditions in Australia and its trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (ii) financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- (iii) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (iv) industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

#### **(b) Force Majeure**

The Company's facilities may be vulnerable to, among other factors, interruptions caused by system failures, power losses, fire, malicious damage, natural disasters and other events beyond the Company's control. Any interruption in the operation of this equipment or damage to facilities may have an adverse impact on current and future operations and the financial condition of the Company.

#### **(c) Future Capital Requirements**

The Company's activities will require substantial expenditures. There can be no assurances that the Company will have sufficient capital resources, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **(d) Speculative nature of investment**

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

### **2.14 Independent Expert's Report**

The Independent Expert's Report assesses whether the issue of the Shares outlined in Resolution 2 is fair and reasonable to the Shareholders who are not associated with the Y&B Shareholders.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed issue of the Consideration Shares the subject of Resolution 2. This assessment is designed to assist all Shareholders in reaching their voting decision.

The Independent Expert has provided the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in Resolution 2 is **FAIR AND REASONABLE** to the Shareholders of the Company not associated with the Y&B Shareholders. It is recommended that all Shareholders read the Independent Expert's Report in full.



The Independent Expert's Report is enclosed with this Notice of Meeting at Annexure A.

#### **2.15 Pro forma balance sheet**

A pro forma balance sheet of the Company post the completion of the Acquisition is set out in Schedule 5.

#### **2.16 Intentions if Acquisition is not approved**

If the Transaction Resolutions are not passed or the Acquisition does not complete for some other reason, the Company will continue with its existing Papua New Guinea operations.

#### **2.17 Recommendations of Directors**

The Directors (other than Mr Fernando) do not have any material personal interests in the outcome of Resolution 2 and unanimously recommend that Shareholders vote in favour of Resolution 2 as they consider the proposed Acquisition and associated issue of Shares to be in the best interests of Shareholders as after assessment of the advantages and disadvantages referred to in Sections 2.11 and 2.12 the Directors are of the view that the advantages outweigh the disadvantages.

#### **2.18 No other material information**

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 and 2.

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### **3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL**

#### **3.1 Background**

Resolution 3 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a one (1) for 20 basis (**Consolidation**). The current Options on issue in the Company will be consolidated on the same Consolidation Ratio, and the exercise price of the Options will increase by the inverse of the Consolidation Ratio.

The Consolidation is a requirement in order for the Company to re-comply with ASX Listing Rules 1 and 2 (which, as set out in Section 1.5 above, is necessary in order for the Acquisition to proceed).

#### **3.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares and options into a larger or smaller number.

#### **3.3 Fractional entitlements and taxation**

Not all Shareholders and Optionholders will hold that number of Shares and Options which can be evenly consolidated on a one (1) for 20 basis. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share and Option.

Shareholders and Optionholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's Advisers) accept any responsibility for the individual taxation implications arising from the Consolidation.

#### **3.4 Holding statements**

From the date of the Consolidation all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares and Options on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares and Options to be issued to holders of those Shares and Options.

It is the responsibility of each Shareholder and Optionholder to check the number of Shares and Options held prior to any disposal or exercise (as the case may be).



### 3.5 Effect on capital structure

The effect which the Consolidation will have on the capital structure of the Company is set out in the table in Section 1.8 of this Explanatory Statement. The notes to that table also set out the effect the Consolidation will have on the exercise price of the current Options on issue.

### 3.6 Timetable

The indicative timetable for the Consolidation is as follows:

Event	Date
General Meeting to approve transaction	15 December 2014
Notification to ASX of results of General Meeting	15 December 2014
Last day for trading in pre-reorganised securities	16 December 2014
Trading in reorganised securities on a deferred settlement basis would ordinarily occur	17 December 2014
Last day to register transfers on a pre-reorganisation basis	19 December 2014
▶ First day for Company to send notice to Shareholders and Optionholders of change of holdings as a result of reorganisation	22 December 2014
▶ First day for Company to register securities on a post-reorganisation basis and for issue of holding statements	
▶ Issue date	30 December 2014
▶ Deferred settlement market ends	
▶ Last day for securities to be entered into the holders' security holdings and for Company to send notice to each security holder	

## 4. RESOLUTION 4 – ISSUE OF CONSIDERATION SECURITIES TO THE VENDORS

### 4.1 General

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of:

- 17,628,621 Shares to the Y&B Shareholders (or their nominees) (excluding Shashi Fernando for whom approval is sought under Resolution 2) in consideration for the transfer of their interests in Y&B Shares;
- 23,975,000 Replacement Management Options to the holders of Y&B Management Options (or their nominees) (excluding Shashi Fernando for whom approval is sought under Resolution 2) in consideration for the transfer of their interests in Y&B Management Options; and
- 1,500,000 Replacement Adviser Options to the holders of Y&B Adviser Options (or their nominees) (excluding Shashi Fernando for whom approval is sought under Resolution 2) in consideration for the transfer of their interests in Y&B Adviser Options.

Refer to Section 0 for further details in relation to the Terms Sheet, specifically the consideration for the Acquisition.

Yonder & Beyond currently has 36,500,000 Y&B Options on issue (this includes 11,035,000 held by Shashi Fernando). Management of Yonder & Beyond currently holds 35,000,000 Y&B Options that were issued to incentivise management in performing their respective duties (Y&B Management Options). These Y&B Management Options are separated into three classes:

- 15,000,000 Y&B Options exercisable at \$0.20 on or before 30 November 2017;
- 10,000,000 Y&B Options exercisable at \$0.25 on or before 30 November 2017; and
- 10,000,000 Y&B Options exercisable at \$0.40 on or before 31 May 2018.

The remaining 1,500,000 Y&B Options are exercisable at \$0.20 on or before 30 November 2017 and were issued to advisers who assisted Yonder & Beyond in a \$1,500,000 seed capital raising (Y&B Adviser Options).

In consideration for the transfer of the Y&B Management Options and Y&B Adviser Options, the Company has agreed to issue the Y&B Optionholders the Consideration Options that are on identical terms to the Y&B Management Options and Y&B Adviser Options they currently hold.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Consideration Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 17,628,621 (on a post-Consolidation basis) (excluding the Consideration Shares to be issued to Shashi Fernando under Resolution 2);
- (b) the maximum number of Options to be issued is 25,475,000 (on a post-Consolidation basis) (excluding the Replacement Management Options to be issued to Shashi Fernando under Resolution 2) being 23,975,000 Replacement Management Options (10,275,000 Tranche 1, 6,850,000 Tranche 2 and 6,850,000 Tranche 3) and 1,500,000 Replacement Adviser Options;
- (c) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the Shares and Options will be issued for nil cash consideration in consideration for the transfer to the Company of Y&B Shares and Y&B Options currently on issue in Yonder & Beyond (other than those held by Mr Fernando which are the subject of Resolution 2);
- (e) the Shares and Options will be issued to Y&B Shareholders and Y&B Optionholders (or their nominees) (excluding Mr Fernando). None of the Y&B Shareholders and Y&B Optionholders are related parties of the Company, other than Mr John Bell. The Board considers that approval under ASX Listing Rule 10.11 is not required for the issue of Consideration Securities to Mr John Bell as he is only a related party of the Company by virtue of being a proposed Director, which is a direct result of the Acquisition (ASX Listing Rule 10.12, Exception 6);
- (f) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Replacement Management Options will be issued on the terms and conditions set out in Schedule 1, and the Replacement Adviser Options will be issued on the terms and conditions set out in Schedule 4; and
- (h) no funds will be raised from the issue of the Shares and Options as they are being issued in consideration for the transfer of Y&B Shares and Y&B Options.

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### 5. RESOLUTION 5 – APPROVAL FOR ISSUE OF ADVISER OPTIONS

#### 5.1 General

The Company has engaged Taylor Collision Limited and Foster Stockbroking Pty Ltd (Joint Lead Managers, JLM) as Advisers to the Company in relation to the Capital Raising. In consideration for JLM's Advisory services, the Company has agreed to issue the JLMs (or their nominee) 3,000,000 Options exercisable at \$0.25 within 3 years of the date of issue at a subscription price of \$0.0001 per Option (**Adviser Options**). The issue of the Adviser Options is also an obligation under the Terms Sheet. Refer to Section 1.4 for further details in relation to the Terms Sheet.

Resolution 5 seeks Shareholder approval for the issue of 3,000,000 Adviser Options to the JLMs (or their nominees).

A summary of ASX Listing Rule 7.1 is described above at section 4.1.

The effect of Resolution 5 will be to allow the Company to issue the Adviser Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Adviser Options to be issued is 3,000,000;
- (b) the Adviser Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Adviser Options will occur on the same date;
- (c) the Adviser Options will be issued at an issue price of \$0.0001 per Option in consideration for advisory services provided in relation to the Capital Raising;
- (d) the Adviser Options will be issued to the JLMs (or their nominees) , who will not be related parties of the Company;
- (e) the Adviser Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) \$300 will be raised from the issue of the Adviser Options which shall be applied to working capital expenses.

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## 6. RESOLUTION 6 – APPROVAL FOR ISSUE OF OPTIONS TO WOLFSTAR

### 6.1 General

The Company has entered into agreement with Wolfstar Group Pty Ltd (**Wolfstar**) for the provision of corporate and accounting services. Under the agreement, the Company has an obligation to issue Wolfstar 1,000,000 Options exercisable at \$0.20 within 3 years of the date of issue at a subscription price of \$0.0001 per Option as an introduction fee in relation to the Acquisition (**Introduction Fee Options**). The Introduction Fee Options will be issued to Wolfstar upon final settlement of the Acquisition.

Wolfstar is a related party of the Company by virtue of being a company that is jointly controlled by Jay Stephenson, a Director. Jay Stephenson is a major shareholder and director of Wolfstar.

The issue of the Introduction Fee Options is also an obligation under the Terms Sheet. Refer to Section 1.4 for further details in relation to the Terms Sheet.

Resolution 6 seeks Shareholder approval for the issue of 1,000,000 Introduction Fee Options to Wolfstar (or its nominees).

### 6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Introduction Fee Options to Wolfstar will constitute giving a financial benefit. Wolfstar is a related party of the Company by virtue of being a company that is jointly controlled by Jay Stephenson.

The Directors (other than Mr Stephenson who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Wolfstar (or their nominee) because the corporate advisory agreement with Wolfstar was negotiated and entered into on an arm's length basis.

### 6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Introduction Fee Options are being issued to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Introduction Fee Options will be issued to Wolfstar Group Pty Ltd (or their nominee);
- (b) the maximum number of Introduction Fee Options to be issued is 1,000,000;
- (c) the Introduction Fee Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Introduction Fee Options will be issued at an issue price of \$0.0001 per Option in satisfaction of a success fee in relation to the Acquisition;
- (e) the Introduction Fee Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) \$100 will be raised from the issue of the Introduction Fee Options which shall be applied to working capital expenses.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Introduction Fee Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Introduction Fee Options to Wolfstar (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 7. RESOLUTION 7 – CAPITAL RAISING

### 7.1 General

As set out in section 1.4 of this Explanatory Statement, it is a condition precedent of the Acquisition that the Company complete a post Consolidation capital raising of at least \$5,000,000 and no more than \$8,000,000.

Resolution 7 seeks Shareholder approval for the issue of up to 40,000,000 Shares at an issue price of not less than \$0.20 per Share to raise up to a total of \$8,000,000 (on a post-Consolidation basis and before costs) (**Capital Raising**) under a prospectus to be issued by the Company pursuant to ASX Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Prospectus**) and satisfy the condition precedents to the Acquisition. The minimum amount that may be raised under the Prospectus is \$5,000,000 (before costs).

The Company intends to issue the Prospectus on or about 17 November 2014.

A summary of ASX Listing Rule 7.1 is described above at section 4.1.

The effect of Resolution 7 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 7.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the offer of Shares under the Prospectus:

- (a) the maximum number of securities to be issued is 40,000,000 Shares (on a post-Consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date;
- (c) the issue price will be not less than \$0.20 per Share (on a post-Consolidation basis);
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Directors will determine to whom the Shares will be issued and will ensure that these persons will not be related parties of the Company; and
- (f) the Company intends to use the funds raised from the Capital Raising to enable the Company to fund the following:

Source and Use of Funds	Notes	Minimum Subscription \$5M \$'000	Maximum Subscription \$8M \$'000
Investment in portfolio companies	1	4,024	4,024
New investments	2	-	3,000
Expenses of the offer (excl. Application Handling Fees)		247	247
Joint Lead Managers' fees		300	300
Committed exploration expenditure		95	95
General operations and business development		334	334
<b>TOTAL FUNDS APPLIED</b>		<b>5,000</b>	<b>8,000</b>

Notes:

1. Investment in portfolio companies is allocated as follows:

Company	\$'000
▶ Boppl Limited	1,666
▶ Wondr.it Limited	416
▶ PlayMeet Inc., and	1,110
▶ Gophr Limited	833
<b>TOTAL</b>	<b>4,024</b>

2. Where the Maximum Subscription is complete, the Y&B will apply the funds to further investments opportunities.

Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

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## **8. RESOLUTIONS 8 TO 10 – PARTICIPATION OF DIRECTORS AND PROPOSED DIRECTORS IN THE CAPITAL RAISING**

### **8.1 General**

Pursuant to Resolution 7, the Company is seeking Shareholder approval for the issue of up to 40,000,000 Shares at an issue price of not less than \$0.20 per Share to raise up to \$8,000,000.

The Company currently owes approximately \$60,000 to Jay Stephenson and \$18,750 to Julia Beckett in Director fees. Mr Stephenson and Ms Beckett have entered into offset deeds with the Company under which they have agreed to offset the amount owing to them in Director fees via the subscription of Shares under the Capital Raising. Mr Bell is also proposing to subscribe for up to 250,000 Shares under the Capital Raising for cash.

Resolutions 8 to 10 seeks Shareholder approval for the issue of up to 300,000 Shares to Mr Stephenson (or his nominee), 93,750 Shares to Ms Beckett (or her nominee) and 250,000 Shares to Mr Bell (proposed Director) arising from their potential participation in the Capital Raising (**Participation**).

### **8.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit. Mr Stephenson and Ms Beckett are related parties of the Company by virtue of being Directors, and Mr Bell is a related party of the Company by virtue of being a proposed Director.

The Directors (other than Mr Stephenson who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation of Mr Stephenson (or his nominee) because the Shares will be issued to Mr Stephenson (or his nominee) on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Ms Beckett who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation of Ms Beckett (or his nominee) because the Shares will be issued to Ms Beckett (or his nominee) on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation the subject of Resolutions 10 because the Shares will be issued to Mr Bell on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

### **8.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### 8.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Mr Stephenson, Ms Beckett, and Mr Bell (or their nominee);
- (b) the maximum number of Shares to be issued is 643,750, of which up to 300,000 will be issued to Mr Stephenson (or his nominee), up to 93,750 will be issued to Ms Beckett (or her nominee) and up to 250,000 will be issued to Mr Bell (or their respective nominees);
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.20 per Share, being the same as all other Shares issued under the Capital Raising;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in section 7.2(f) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Stephenson, Ms Beckett, and Mr Bell (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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#### 9. RESOLUTIONS 11 – ELECTION OF JOHN BELL AS A DIRECTOR

In accordance with clause 11.7 of the Constitution, the Company may elect a person as a Director by resolution passed at a general meeting. The person intending on becoming a Director, or a Shareholder intending to propose them as Director, must leave a notice in writing at the Company's registered office signed by the nominee giving his consent to the nomination and evidencing his candidature for the office (**Notice of Directorship**). Clause 11.7 of the Constitution requires the Notice of Directorship to be given to each Shareholder as part of the notice of meeting relating to the appointment as Director.

In accordance with the Terms Sheet, the Company proposes to elect Mr John Bell as a Director. The appointment of Mr Bell as Director will take effect on and from completion of the Acquisition. The Notice of Directorship for Mr John Bell is annexed to this Notice at Annexure B.

It is intended that Mr Bell will serve the Company as Executive Director and Chief Financial Officer.

Mr Bell's biography is included at section 1.3 of this Explanatory Statement on page 15.

##### 9.1 Other Directorships and relationships

There are no material directorships, or any other relationships which might influence the Director's capacity to bring independent judgement on issues.

##### 9.2 Personal Searches

The Company has conducted personal searches on Mr Bell, including criminal record and bankruptcy searches. The Company confirms that no material adverse results were returned from such searches.

##### 9.3 Directors' Recommendation

The Board unanimously recommend Shareholders vote in favour Resolution 11.

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#### 10. RESOLUTION 12 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 12 seeks the approval of Shareholders for the Company to change its name to [Yonder & Beyond Group Limited](#).

If Resolution 12 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 12 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Acquisition in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

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## **11. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **11.1 General**

On 8 August 2014, the Company issued 18,842,000 Shares (on a pre-Consolidation basis) at an issue price of \$0.01 per Share to raise \$188,420.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is described above at section 4.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **11.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 18,842,000 Shares were issued;
- (b) the issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Taylor Collison Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used for working capital purposes and expenses associated with the Acquisition.



**\$** means Australian dollars.

**Acquisition** means the acquisition of all the issued capital of Yonder & Beyond on the terms set out in the Terms Sheet.

**Adviser Options** means the 3,000,000 Options to be issued pursuant to Resolution 5 on the terms set out in Schedule 2.

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

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Capital Raising** has the meaning set out in section 1.6 of the Explanatory Statement.

**Chair** means the chair of the Meeting.

**Company** or **QRL** means Quintessential Resources Limited (ACN 149 278 759).

**Consideration Shares** has the meaning set out in section 2.1 of the Explanatory Statement.

**Consideration Options** means the Replacement Management Options and Replacement Adviser Options.

**Consideration Securities** means the Consideration Shares and Consideration Options.

**Consolidation** means the consolidation of the Company's securities the subject of Resolution 3.

**Consolidation Ratio** means the ratio that the Consolidation will take place at, being 1 Share for every 20 Shares held by Shareholders.

**Constitution** means the Company's constitution.

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

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Independent Expert** means Stantons International Securities Pty Ltd.

**Independent Expert Report** means the report prepared by the Independent Expert in relation to Resolution 2.

**Introduction Fee Options** means the 1,000,000 Options to be issued to Wolfstar Group Pty Ltd pursuant to Resolution 6 on the terms set out in Schedule 3.

**Investee Company** means a company in the technology and media sector that the Yonder & Beyond Group has an interest in and has an active part in the development of the company as part of the Yonder & Beyond Group's operations.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** has the meaning set out in section 7.1 of the Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice.

**Replacement Management Options** means the 35,000,000 Options to be issued to the holders of Y&B Management Options pursuant to Resolutions 2 and 4 on the terms set out in Schedule 1.

**Replacement Adviser Options** means the 1,500,000 Options to be issued to the holders of Y&B Adviser Options pursuant to Resolution 4 on the terms set out in Schedule 4.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

**Shareholder** means a registered holder of a Share.

**Terms Sheet** has the meaning set out in section 1.2 of this Notice.

**Transaction Resolutions** mean Resolutions 1 to 7, and 11 to 13.

**Vendors** means the Y&B Shareholders and Y&B Optionholders that have agreed to sell their interests in Y&B Shares and Y&B Options on the terms set out in the Terms Sheet.

**VWAP** means the volume weighted average price of Shares.

**WST** means Western Standard Time as observed in Perth, Western Australia (UTC +8:00).

**Y&B Adviser Option** has the meaning set out in section 4.1 of the Explanatory Statement.

**Y&B Management Option** has the meaning set out in section 4.1 of the Explanatory Statement.

**Y&B Option** means an option to acquire a Y&B Share.

**Y&B Optionholder** means a holder of Y&B Options.

**Y&B Share** means a fully paid ordinary share in the capital of Yonder & Beyond.

**Y&B Shareholder** means a holder of Y&B Shares.

**Yonder & Beyond** or **Y&B** means Yonder and Beyond Ltd (ACN 168 223 765).

**Yonder & Beyond Group** means Yonder & Beyond and all of its subsidiary companies.

## SCHEDULE 1 – TERMS AND CONDITIONS OF REPLACEMENT MANAGEMENT OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option will entitle the holder to subscribe for one (1) Share at an exercise price of:
  - (i) Tranche 1 – 15,000,000 Options are exercisable at \$0.20 on or before 30 November 2017;
  - (ii) Tranche 2 – 10,000,000 Options exercisable at \$0.25 on or before 30 November 2017;
  - (iii) Tranche 3 – 10,000,000 Options exercisable at \$0.40 on or before 31 May 2018.
- (b) The Options are exercisable at any time from when they vest, to on or before 5.00pm (WST) on their expiry date wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (c) The Options vest on the following terms:
  - (i) Tranche 1 – Options vest immediately upon issue;
  - (ii) Tranche 2 – Options vest upon the five (5) day VWAP of the Company being equal to or in excess of \$0.50 per Share; and
  - (iii) Tranche 3 – Options vest upon the five (5) day VWAP of the Company being equal to or in excess of \$0.80 per Share,subject to the beneficial holder of the Options being either (1) continuous employed with [Yonder & Beyond](#) and/or the Company or (2) not a Bad Leaver.
- (d) The Options shall be escrowed as follows:
  - (i) 25% of the Options issued to each holder shall be escrowed for a period of 3 months from the date of issue; and
  - (ii) 25% of the Options issued to each holder shall be escrowed for a period of 6 months from the date of issue; and
  - (iii) 50% of the relevant Options issued to each holder shall be escrowed for a period of 12 months from the date of issue,subject to any longer escrow period that ASX may impose on the Transaction Options.
- (e) Shares issued on exercise of the Options will rank equally in all respects with the Company's then existing Shares, subject to a six (6) month escrow period after settlement of the Transaction.
- (f) Official Quotation:
  - (i) The Company will not apply for official quotation on the ASX of the Options.
  - (ii) Application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of the Options not later than ten (10) business days after the date of issue.
- (g) Holders of the Options may only participate in new issues of securities as Shareholders if the Option has been exercised and a Share has been issued in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Options as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of an Option or the number of Shares over which a Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further details in paragraph (i) below).
- (i) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) If, prior to the expiry of any Option, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules.

## SCHEDULE 2 – TERMS AND CONDITIONS OF ADVISER OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option will entitle the holder to subscribe for one Share at an exercise price of \$0.25 per Option.
- (b) The Options are exercisable at any time on or before 5.00pm (WST) on three (3) years from date of issue.
- (c) The Options are exercisable wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (d) All Shares issued on exercise of the Options will rank equally in all respects with the Company's then existing Shares.
- (e) The Options shall be escrowed as follows:
  - (i) 25% of the Options issued to each holder shall be escrowed for a period of 3 months from the date of issue; and
  - (ii) 25% of the Options issued to each holder shall be escrowed for a period of 6 months from the date of issue; and
  - (iii) 50% of the relevant Options issued to each holder shall be escrowed for a period of 12 months from the date of issue,subject to any longer escrow period that ASX may impose on the Transaction Options.
- (f) Official Quotation:
  - (i) The Company will not apply for official quotation on the ASX of the Options;
  - (ii) Application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Options not later than ten (10) business days after the date of issue.
- (g) Holders of Options may only participate in new issues of securities as Shareholders if an Option has been exercised and a Share has been issued in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further details in paragraph (i) below).
- (i) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) If, prior to the expiry of any Option, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules.

### SCHEDULE 3 – TERMS AND CONDITIONS OF INTRODUCTION FEE OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option will entitle the holder to subscribe for one Share at an exercise price of \$0.20 per Option.
- (b) The Options are exercisable at any time on or before 5.00pm (WST) on the date which is three (3) years from date of issue.
- (c) The Options are exercisable wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (d) All Shares issued on exercise of the Options will rank equally in all respects with the Company's then existing Shares.
- (e) The Options shall be escrowed as follows:
  - (i) 25% of the Options issued to each holder shall be escrowed for a period of 3 months from the date of issue; and
  - (ii) 25% of the Options issued to each holder shall be escrowed for a period of 6 months from the date of issue; and
  - (iii) 50% of the relevant Options issued to each holder shall be escrowed for a period of 12 months from the date of issue,subject to any longer escrow period that ASX may impose on the Transaction Options.
- (f) Official Quotation:
  - (i) The Company will not apply for official quotation on the ASX of the Options;
  - (ii) Application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Options not later than ten (10) business days after the date of issue.
- (g) Holders of Options may only participate in new issues of securities as Shareholders if an Option has been exercised and a Share has been issued in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further details in paragraph (i) below).
- (i) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) If, prior to the expiry of any Option, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules.

## SCHEDULE 4 – TERMS AND CONDITIONS OF REPLACEMENT ADVISER OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option will entitle the holder to subscribe for one Share at an exercise price of \$0.20 per Option.
- (b) The Options are exercisable at any time on or before 5.00pm (WST) 30 November 2017.
- (c) The Options are exercisable wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (d) All Shares issued on exercise of the Options will rank equally in all respects with the Company's then existing Shares.
- (e) The Options shall be escrowed as follows:
  - (i) 25% of the Options issued to each holder shall be escrowed for a period of 3 months from the date of issue; and
  - (ii) 25% of the Options issued to each holder shall be escrowed for a period of 6 months from the date of issue; and
  - (iii) 50% of the relevant Options issued to each holder shall be escrowed for a period of 12 months from the date of issue,subject to any longer escrow period that ASX may impose on the Transaction Options.
- (f) Official Quotation:
  - (i) The Company will not apply for official quotation on the ASX of the Options;
  - (ii) Application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Options not later than ten (10) business days after the date of issue.
- (g) Holders of Options may only participate in new issues of securities as Shareholders if an Option has been exercised and a Share has been issued in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further details in paragraph (i) below).
- (i) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) If, prior to the expiry of any Option, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules.

## SCHEDULE 5 – PRO FORMA BALANCE SHEET

	Notes	Actual		Pro-forma Group	
		30 June 2014	30 June 2014	(Unaudited)	(Unaudited)
		(Audited)	(Audited)	Merged	Merged
			QRL	/ QRL	/ QRL
		\$	\$	\$5M Raise	\$8M Raise
				\$	\$
<b>Current assets</b>					
Cash and cash equivalents	(b)	454,703	29,081	6,934,592	9,751,592
Trade and other receivables	(c)	127,172	24,839	230,237	230,237
Other current assets	(d)	-	10,028	10,548	10,548
<b>Total current assets</b>		<b>581,875</b>	<b>63,948</b>	<b>7,175,377</b>	<b>9,992,377</b>
<b>Non-current assets</b>					
Property, plant, and equipment	(e)	-	10,739	26,586	26,586
Intangible assets	(f)	-	-	4,508,812	4,508,812
Exploration and evaluation assets		-	16,572	16,572	16,572
Goodwill		-	-	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>27,311</b>	<b>4,551,970</b>	<b>4,551,970</b>
<b>Total assets</b>		<b>581,875</b>	<b>91,259</b>	<b>11,727,347</b>	<b>14,544,347</b>
<b>Current liabilities</b>					
Trade and other payables	(g)	886,527	156,404	1,620,198	1,620,198
Current tax liabilities	(h)	-	-	37,059	37,059
Provisions		-	1,652	1,652	1,652
<b>Total current liabilities</b>		<b>886,527</b>	<b>158,056</b>	<b>1,658,909</b>	<b>1,658,909</b>
<b>Total liabilities</b>		<b>886,527</b>	<b>158,056</b>	<b>1,658,909</b>	<b>1,658,909</b>
<b>Net assets</b>		<b>(304,652)</b>	<b>(66,797)</b>	<b>10,068,438</b>	<b>12,885,438</b>
<b>Equity</b>					
Issued capital	(i)	3,500	12,281,777	12,044,210	14,861,210
Foreign currency translation reserve	(j)	(145)	(605,798)	(145)	(145)
Accumulated losses	(k)	(308,007)	(10,862,310)	(1,033,692)	(1,033,692)
Non-controlling interest	(l)	-	(880,466)	(941,935)	(941,935)
<b>Total equity</b>		<b>(304,652)</b>	<b>(66,797)</b>	<b>10,068,438</b>	<b>12,885,438</b>

### (a) Pro-forma Adjustments

- (1) *Share consolidation* – Restructure of QRL's share capital by way of a consolidation of the issued capital on a 1 for 20 basis. This transaction has no impact on the Pro-forma Balance Sheet.
- (2) *Acquisition of Yonder and Beyond Limited* – The acquisition of Y&B by the issue of 757,500,000 ordinary shares in QRL (on a pre-consolidation basis).
- (3) *Pre-offer Capital Raisings* – Subsequent to 30 June 2014, QRL and Y&B successfully raised a net combined total of \$2,236,908 after of costs.
- (4) *Replacement Management Incentive Option Scheme* – QRL will replace Y&B's existing management incentive option scheme, like for like, through the issue of 35,000,000 options as detailed below in the following tranches:
  - ▶ Tranche 1: 15,000,000 on or before 30 November 2017 at an exercise price of \$0.20 per option;
  - ▶ Tranche 2: 10,000,000 on or before 30 November 2017 at an exercise price of \$0.25 per option; and
  - ▶ Tranche 3: 10,000,000 on or before 31 May 2018 at an exercise price of \$0.40 per option;

in QRL to Y&B shareholders.

- (5) For accounting purposes, the acquirer has been identified as Y&B and the business combination referred to as a reverse acquisition. Accordingly, the pro-forma Group incorporates the assets and liabilities of QRL and of Y&B as if the Group was headed by Y&B. At acquisition date the assets and liabilities of Y&B (being the acquirer for accounting purposes) are recorded at their book value and the assets and liabilities of QRL (being the acquiree for accounting purposes) are recorded at fair value. Furthermore, for pro-forma purposes, the 757,500,000 in QRL have been treated as issued capital for the purpose of determining the notional purchase price of QRL. The 15,850,000 issued options in QRL have also been treated as issued capital for the purposes of the pro-forma.

Components of equity (other than issued capital), including retained earnings and other reserves, reflect the balances of the accounting acquirer, Y&B.

- (6) *Subsequent to 30 June 2014 acquisition by Y&B of Boppl Limited, Prism Digital Limited, and Wondr.it Limited* – For the purposes of the pro forma, Y&B's acquisitions of its subsidiaries have been included as they form part of the acquisition of Y&B by QRL.
- (7) *Shares issued under the Prospectus* – As part of QRL's re-compliance with Chapters 1 and 2 of the ASX Listing rules, the Company is seeking shareholder approval to conduct a capital raising by offering under a Prospectus up to 40,000,000 Shares (minimum of 25,000,000) at a price of \$0.20 per share to no less than the number of new investors in the Company required by ASX, to raise up to \$8,000,000 (minimum of \$5,000,000). **For the purposes of the pro forma the value per shares has set at \$0.20, being the minimum value required by the ASX. QRL reserves the right to amend this amount, up to issue of the Company's Notice of Meeting.**
- (8) The Directors estimate that costs for the preparation and implementation of the Prospectus and Due Diligence will be \$547,000 (\$225,000 in respect to Due Diligence) and this estimated cost has been deducted from the capital raising of \$5,000,000. Total costs are estimated to increase to \$730,000 with Due Diligence costs remain the same.
- (9) *Costs associated with the acquisition of Y&B* – For pro-forma purposes the costs of acquisition for due diligence, preparation of the explanatory memorandum, etc. are assumed to have been incurred and expensed in the pro forma Group balance sheets.
- (10) No pro-forma adjustment has been made for any capital raised as a result of the exercise of any options.

(b) **Cash and cash equivalents**

The movement in cash and cash equivalents as reflected in the unaudited pro-forma balance sheet at 30 June 2014 is shown as follows:

	\$5M Raise \$	\$8M Raise \$
Cash and cash equivalents at 30 June 2014 – Actual	483,784	483,784
<i>Pro-forma adjustments</i>		
- Net proceeds from 1:4 entitlement issue of 31,403,262 shares at \$0.01	267,807	267,807
- Net proceeds from placement of 18,841,957 shares at \$0.01	176,420	176,420
- Net proceeds from Y&B seed capital raise	1,792,681	1,792,681
- Estimated due diligence costs	(225,000)	(225,000)
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	(239,100)	(239,100)
- Net proceeds from Prospectus	4,678,000	7,495,000
	<u>6,934,592</u>	<u>9,751,592</u>

(c) **Trade and other receivables**

	\$
Trade and other receivables at 30 June 2014 – Actual	152,011
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	104,895
- Elimination of Y&B Group balances	<u>(26,669)</u>
	<u>230,237</u>

(d) Other current assets

	\$
Trade and other receivables at 30 June 2014 – Actual	10,028
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	520
	<u>10,548</u>

(e) Property, plant, and equipment

	\$
Trade and other receivables at 30 June 2014 – Actual	10,739
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	15,847
	<u>26,586</u>

(f) Intangible assets

Intangible assets represent the fair value of the intellectual property acquire through Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited as follows:

	\$
Intangible assets at 30 June 2014 – Actual	-
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	4,508,812
	<u>4,508,812</u>

(g) Trade and other payables

	\$
Trade and other payables at 30 June 2014 – Actual	1,042,931
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	577,267
	<u>1,620,198</u>

(h) Current tax liabilities

	\$
Current tax liabilities at 30 June 2014 – Actual	-
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	37,059
	<u>37,059</u>



(i) Issued capital

The movement in issued capital as reflected in the pro forma balance sheets at 30 June 2014 is shown below:

Notes			\$5M Raise		\$8M Raise	
	Issued ordinary shares No.	Options over shares No.	Merged & /QRL \$	Issued ordinary shares No.	Options over shares No.	Merged & /QRL \$
Quintessential Resources 30 June 2014 – Actual	(1) 125,613,048	15,850,000	3,269,919	125,613,048	15,850,000	3,269,919
<i>Merged QRL / Y&amp;B Issued Capital</i>						
Opening: Y&B 30 June 2014 – Actual	350,000	-	3,500	350,000	-	3,500
- Elimination of existing shares of Y&B	(350,000)	-	-	(350,000)	-	-
- Net proceeds from Y&B Seed Capital Raise	-	-	1,792,681	-	-	1,792,681
- Shares issues by Y&B for acquisition of subsidiaries	-	-	3,811,446	125,613,048	15,850,000	3,811,446
- Existing shares of QRL	125,613,048	15,850,000	-	125,613,048	15,850,000	-
- Issued as part placement of 18,842,000 at \$0.01 (net of costs)	(3) 18,842,000	-	-	18,842,000	-	-
- Issued as part 1:4 entitlement issue placement at \$0.01 (net of costs)	(4) 31,403,262	-	-	31,403,262	-	-
- Issued as part of reverse acquisition	(2),(7) 757,500,000	-	1,758,583	757,500,000	-	1,758,583
Pre consolidation sub-total	933,358,310	15,850,000	7,366,210	1,058,971,358	31,700,000	7,366,210
- Implied consolidation at 1 for 20	(5) 46,667,919	792,500	-	52,948,571	1,585,000	-
- Issued pursuant to prospectus	25,000,000	-	5,000,000	40,000,000	-	8,000,000
- Transaction Costs	(6) -	5,500,000	(322,000)	-	5,500,000	(505,000)
	71,667,919	6,292,500	12,044,210	92,948,571	7,085,000	14,861,210

- (1) *Quintessential Issued Capital* – As at 30 June 2014, QRL had on issue 125,613,048 fully paid ordinary shares and 15,850,000 unlisted options.
- (2) *Yonder and Beyond* – QRL is to acquire Y&B in exchange for the issue of 757,500,000 ordinary shares in QRL. The acquisition has been accounted for as a reverse acquisition in accordance with AASB 3 *Business Combinations*.
- (3) *Completed Post-30 June QRL placement* – of 18,842,000 Shares, using QRL's placement capacity under ASX Listing Rule 7.1, at an issue price of \$0.01 per Share raise up to \$176,420 net of costs. Included in existing QRL shares.
- (4) *Completed Post-30 June QRL entitlement issue* – of one (1) for four (4) non-renounceable entitlement issue of Shares at an issue price of \$0.01, raising approximately \$267,808 net of costs. Included in existing QRL shares.
- (5) The shares and options of QRL are to be consolidated on an indicative 1 for 20 bases after the acquisition, resulting in QRL having 8,792,916 shares 792,500 options on issue immediately prior to this Notice.
- (6) *Transaction costs* – Transaction costs include the following options issued to advisers as part of the transaction:
  - 3,000,000 Options to advisers assisting with the Post-consolidation Capital Raising;
  - 1,000,000 discretionary Options to advisers assisting with the Post-consolidation Capital Raising; and
  - 1,500,000 Options to advisers of Y&B ("Adviser Options") that currently hold identical options in Y&B. The Adviser Options are being issued as a like for like swap of the options in Y&B held by the Y&B advisers; and
- (7) *Reverse Acquisition – Quintessential* – The pro-forma adjustment reflects the deemed issue of shares to acquire QRL. The fair value of QRL's net assets and non-controlling interest at 30 June 2014, per the audited balance sheet was \$1,257,897 (excluding estimated Due Diligence costs of \$225,000) and the fair value of the deemed consideration was assessed at \$1,758,583. The difference between the deemed purchase price (\$1,758,583) and fair value of net assets acquired and non-controlling interest (\$1,257,897) represents \$500,686 as goodwill for the estimated fair value of the listing status. This balance has been expensed as the Directors believe the goodwill value of QRL cannot be supported.

(8) *Replacement Management Performance Options* – The pro forma has not included the following options that will be issued in accordance with AASB 2 *Share-based Payments*:

- 35,000,000 options in replacement of the incentive scheme options received by key management of Y&B.

(j) *Foreign currency translation reserve*

	\$
Foreign currency translation reserve at 30 June 2014 – Actual	(605,943)
<i>Pro-forma adjustments</i>	
- Reverse acquisition of QRL	605,798
	<u>(145)</u>

(k) *Accumulated losses*

	\$
Accumulated losses at 30 June 2014 – Actual	(11,170,317)
<i>Pro-forma adjustments</i>	
- Estimated due diligence costs	(225,000)
- Reverse acquisition of QRL	10,862,310
- Write-off of excess consideration over net assets of QRL	(500,685)
	<u>(1,033,692)</u>

(l) *Non-controlling interest*

	\$
Non-controlling interest at 30 June 2014 – Actual	(880,466)
<i>Pro-forma adjustments</i>	
- Y&B acquisition of Boppl Limited, Prism Digital Limited, and Wondr.it Limited	(61,469)
	<u>(941,935)</u>



10 November 2014

The Directors  
Quintessential Resources Limited  
Level 4, 66 Kings Park Road  
WEST PERTH WA 6005

**The Independent Expert has concluded that the transactions related to the issue of a total of 20,246,379 post consolidated shares (404,927,585 ordinary pre-consolidated shares in Quintessential and 11,025,000 post consolidated share options (as part of the Acquisition of Yonder & Beyond Limited) to Shashi Fernando and allow the exercise of 11,025,000 post consolidated Management Options by Shashi Fernando, the subject of Resolution 2 outlined in this Notice of General Meeting are fair and reasonable to Shareholders of the Company (not associated with Shashi Fernando) as at the date of this report.**

Dear Sirs

**Re: QUINTESSENTIAL RESOURCES LIMITED (ACN 149 278 759) ON THE PROPOSAL TO ISSUE A TOTAL OF 20,246,379 POST CONSOLIDATED SHARES (404,927,585 PRE-CONSOLIDATED ORDINARY SHARES) AND 11,025,000 POST CONSOLIDATED SHARE OPTIONS TO SHASHI FERNANDO ("FERNANDO") AS PART CONSIDERATION TO ACQUIRE 100% OF YONDER AND BEYOND LIMITED ("YONDER AND BEYOND") AND ALLOW THE EXERCISE OF 11,025,000 POST CONSOLIDATED MANAGEMENT OPTIONS BY FERNANDO. SHAREHOLDERS MEETING PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001 ("TCA") AND AUSTRALIAN SECURITIES EXCHANGE LISTING RULE 10.1**

## **1. Introduction**

- 1.1 We have been requested by the Directors of Quintessential Resources Limited ("Quintessential" or "the Company") to prepare an Independent Expert's Report to determine the fairness and reasonableness as noted in Resolution 2 (the issue of a total of 20,346,379 post consolidated shares (404,927,585 pre-consolidated ordinary shares) to Fernando, the issue of 11,025,000 post consolidated share options and allowing the exercise of 11,025,000 post consolidated share options as noted in below) and as referred to in the Notice of Meeting of Shareholders ("Notice") and Section 2 of the Explanatory Statement ("ES") attached to the Notice to be forwarded to shareholders in November 2014.
- 1.2 It is proposed that Quintessential will acquire 100% of the issued capital of Yonder and Beyond as announced to the market on 24 July 2014.
- 1.3 The proposal to acquire 100% of the shares in Yonder and Beyond is known in this report as the Acquisition. Yonder and Beyond operates as an incubator of technology companies involved in developing Applications. Currently or by Completion (as defined) of the Acquisition, Yonder and Beyond will have a a 60% shareholding interest in Prism Digital Limited (a digital recruitment agency), a 72.6% shareholding interest in Boppl Limited (a mobile ordering and payment App), a 100% interest in Wondr.it.Limited (brings major social network platforms into a single, simple feed) and a 75% shareholding in Gophr (a delivery App company). Yonder and Beyond may acquire interests in other app development companies in the near future. On 23 October 2014, the Company announced

that Yonder and Beyond may, subject to due diligence, acquire a 10% stake in the US based social media service, PlayMeet. PlayMeet is a social music application that aims to revolutionise the way people connect through music. If acquired, Yonder and Beyond is required to pay \$500,000 within 30 days of acceptance and a further \$500,000 within 90 days of acceptance (a total consideration of \$1,000,000).

1.4 The Consideration for the Acquisition is as follows:

- 757,500,000 pre-consolidated shares (“Consideration Shares”) in Quintessential to the shareholders of Yonder and Beyond (this will be approximately 37,875,000 post consolidated ordinary shares assuming the proposed 1 for 20 consolidation of capital takes place (refer below); and
- 1,500,000 Options exercisable at 20 cents each on or before 30 November 2017 (post consolidation basis) (“Corporate Adviser Options” or “Replacement Adviser Options”) to advisers of Yonder and Beyond that currently hold identical options in Yonder and Beyond. The Adviser Options are being issued as a like for like swap of the share options in Yonder and Beyond held by the Yonder and Beyond Seed Adviser Option Holders.

1.5 In addition, in recognition of the incentive scheme options received by key management personal (“KMP’s”) of Yonder and Beyond, Quintessential has elected to replace them with 35,000,000 post consolidated share options (“Management Options” or Replacement Management Options”) in Quintessential, separated into three tranches with varying terms and vesting conditions.

- Tranche 1 of the Management Options (15,000,000) are exercisable at 20 cents each, on or before 30 November 2017. These options vest on issue.
- Tranche 2 of the Management Options (10,000,000) are exercisable at 25 cents each, on or before 30 November 2017. These options only vest upon the 5 day volume weighted average share price (“VWAP”) of the Company is equal to or in excess of 50 cents per share.
- Tranche 3 of the Management Options (10,000,000) are exercisable at 40 cents each, on or before 31 May 2018. These options only vest upon the 5 day VWAP of the Company is equal to or in excess of 80 cents per share.

1.6 There will be employment conditions attached and a “bad lever” clause in relation to whether the Management Options can be exercised.

1.7 Associated with the Acquisition will be a finance package consisting of:

- A Prospectus offer to raise a minimum of \$5,000,000 (25,000,000 post consolidated shares) (was initially announced to be \$3,500,000 and a maximum of \$8,000,000 (40,000,000 post consolidated shares) at 20 cents per post consolidated share, to comply with Chapters 1 and 2 of the Australian Securities Exchange Limited (“ASX”) listing rules. The shares to be issued via a Prospectus are known as the Capital Raising Shares;
- A Placement to new investors to raise up to \$188,420 (before costs) at 1.0 cent per share (18,842,000 shares) on a pre- consolidation basis (“Placement Shares) (now completed and all funds received- \$188,420 gross); and
- A 1 for 4 Right Issue, underwritten by Taylor Collison Limited (“TCL”) to the Company’s shareholders to raise up to \$314,033 (before costs) at 1.0 cent per pre-consolidated share (“Rights Issue Shares”) (the Rights Issue Prospectus closed on 22 August 2014 and all funds raised and 31,403,262 post consolidated shares issued in October 2014) (refer below).

- 1.8 The conditions precedent to the Acquisition include, inter-alia:
- Both parties being satisfied with their due diligence investigations;
  - Completion of a capital raising by Quintessential of at least \$5,000,000 (was increased from \$3,500,000) and a maximum of \$8,000,000;
  - Execution of a formal share sale agreements (“SSA”);
  - Quintessential re-complying with Chapters 1 and 2 of the ASX Listing Rules and ASX providing conditional approval to the re-instatement of Quintessential to trading on ASX following Completion of the Acquisition;
  - Quintessential shareholder and other regulatory approval and all necessary third parties approvals; and
  - The Company changing its name to Yonder and Beyond Group Limited.
- 1.9 In order to comply with readmission to the ASX, the Company may be required to undertake a consolidation of its capital to enable the share price to each the minimum value per share required under ASX Listing Rules. Such ratio will be determined as part of the readmission process. Currently, it is assumed a 1 for 20 consolidation ratio will be used.
- 1.10 In addition, 4,000,000 share options will be issued at a subscription price of 0.01 cents each (post consolidation) and will be exercisable within three years of date of issue (“New Options”). 3,000,000 of such share options will be issued to advisors assisting with the post consolidated Capital Raising (exercisable at 25 cents each) (described in the Notice as Adviser Options) and 1,000,000 of such share options will be issued an introduction fee for the acquisition of Yonder and Beyond (exercisable at 20 cents each) (described in the Notice as the Introduction Fee Options).
- 1.11 Post issue of all pre and post consolidation shares as noted above and assuming the minimum capital raising of \$5,000,000 is achieved, there will be 71,667,919 post consolidated ordinary shares on issue and the post consolidated share options to be issued as noted above along with 792,500 post consolidated existing share options.
- 1.12 The Vendors of Yonder and Beyond collectively will own post Acquisition approximately 52.85% of the expanded issued capital of the Company (assumes 71,667,919 post consolidated shares on issue) of which Fernando will own approximately 28.25% with the possibility of Fernando increasing his shareholding in the Company to approximately 37.82% if only 11,025,000 of the 35,000,000 Management Options noted above and owned by Fernando were exercised. The range of Fernando’s shareholding in the Company may range from approximately 27.88% to 37.82% depending on the number of share options exercised post Acquisition (assumes the Minimum Capital Raising of \$5,000,000).
- 1.13 An independent expert’s report should accompany the Notice of Meeting stating whether the proposals as noted in Resolution 2 to issue a total of 20,246, 379 post consolidated Consideration Shares (404,927,585 pre-consolidated Consideration Shares) and 11,025,000 post consolidated Management Options to Fernando and allow the exercise of a total of 11,025,000 post consolidated Management Options (Tranche 1, 4,725,000, Tranche 2, 3,150,000 and Tranche 3, 3,150,000) by Fernando as noted above are fair and/or reasonable to the shareholders of Quintessential not associated with Fernando.
- 1.14 There are 13 resolutions being put to the shareholders. Resolution 1 relates to the Acquisition of Yonder and Beyond; Resolution 2 relates to the issue of 20,246,379 post consolidated Consideration Shares (404,927,585 pre-consolidated Consideration Shares) to Fernando, the issue of 11,025,000 Management Options and allowing 11,025,000 Management Options to be exercised and new shares in Quintessential issued on exercise of such share options and are the proposals that we are specifically reporting on fairness and/or

reasonableness; Resolution 3 refers to the proposed 1 for 20 consolidation of capital; Resolution 3 relates to the issue of 17,728,621 post consolidated Consideration Shares (354,574,415 pre-consolidated shares) and 25,475,000 share options (23,975,000 Management Options and 1,500,000 Corporate Adviser Options) as part consideration for the acquisition of 100% of Yonder and Beyond's shares and Yonder and Beyond's share options; Resolutions 5 and 6 relate to the issue of a total of 4,000,00 share options to two parties (4,000,000 New Options); Resolution 7 relates to the proposal to issue up to 40,000,000 post consolidated shares at 20 cents each to raise up to \$8,000,000; Resolutions 8, 9 and 10 allow Messrs Jay Stephenson, Julia Beckett and John Bell respectively to participate in the Capital Raising; Resolution 11 relates to the election of Mr John Bell as a Director of Quintessential following completion of the Acquisition; Resolution 12 relates to the proposal to change the name of the Company to Yonder & Beyond Group Limited and Resolution 13 relates to the ratification of the issue of 18,842,000 pre-consolidated shares to raise a gross \$188,420.

We are not reporting on the merits or otherwise of Resolutions 3 to 13 but note that for us to report on the proposal as noted in Resolution 2 we in effect are required to opine on the fairness and reasonableness of the proposal to acquire Yonder and Beyond (as noted in Resolutions 2 (from a related party) and 3 (from non-related parties) and in effect comment on the proposal pursuant to Resolution 1.

1.15 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals
- Corporate history and nature of business of Quintessential and Yonder and Beyond
- Future direction of Quintessential
- Basis of valuation of Quintessential shares
- Value of consideration
- Basis of valuation of Yonder and Beyond
- Fairness of the Acquisition
- Conclusion as to fairness
- Reasonableness of the offer
- Conclusion as to reasonableness
- Sources of information
- Appendix A and our Financial Services Guide

1.16 In determining the fairness and reasonableness of the acquisition of 100% of the shares of Yonder and Beyond, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair.

An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. Although in this case the proposed acquisition of Yonder and Beyond is not a takeover offer, we have considered the general principals noted above to determine our opinions on fairness and reasonableness.



1.17 In our opinion, the proposals as outlined in paragraph 1.1 and Resolution 2 may, on balance, taking into account the factors referred to in 11 below and elsewhere in this report, be considered to be **fair and reasonable** to the shareholders of Quintessential (not associated with Fernando) as at the date of this report.

1.18 The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report.

## 2. Implications of the Proposals

2.1 Following the issue of 18,842,000 Placement Shares shares at 1.0 cent each on 8 August 2014 to raise \$188,842 and 31,403,262 Rights Issue Shares by 28 October 2014, as at 31 October 2014, there were 175,858,367 ordinary fully paid pre-consolidated shares on issue in Quintessential. The top 20 shareholders list as at 28 October 2014 discloses the following:

Shareholder	No. of fully paid shares	% of issued fully paid shares
Exploration and Management Consultants Pty Ltd	7,996,145	4.55
Dejul Trading Pty Ltd	7,825,550	4.45
Frontier Resources Limited	7,450,015	4.24
Mrs Paige Simone McNeil	7,226,776	4.11
Perishing Australia Nominees Pty Ltd	6,930,000	3.94
	<u>37,428,486</u>	<u>21.29</u>

2.2 The top 20 shareholders as per the top 20 shareholders list at 28 October 2014 owned approximately 53.55% (94,177,067 shares) of the ordinary issued capital of the Company.

2.3 The movement in the issued capital of the Company will be:

	Maximum Number	Minimum Number
Shares on issue at 8 August 2014	144,455,105	144,455,105
Issue of Rights Issue Shares	<u>31,403,262</u>	<u>31,403,262</u>
<b>Pre the Acquisition and consolidation of capital as at 31 October 2014</b>	<u>175,858,367</u>	<u>175,858,367</u>
1 for 20 consolidation of capital		
<b>Post consolidated ordinary shares on issue</b>	<b>8,792,919</b>	<b>8,792,919</b>
Capital Raising Shares	40,000,000	25,000,000
Consideration Shares	<u>37,875,000</u>	<u>37,875,000</u>
<b>Ordinary shares on Issue post Acquisition</b>	<b>86,667,919</b>	<b>71,667,919</b>
<b>Potential issue of further shares</b>		
Exercise of Adviser Options and New Options	<u>5,500,000</u>	<u>5,500,000</u>
<b>Sub Total</b>	<b>92,167,919</b>	<b>77,167,919</b>
Exercise of Management Options Tranche 1	<u>15,000,000</u>	<u>15,000,000</u>
<b>Sub Total</b>	107,167,919	92,167,919
Exercise of Management Options Tranche 2	<u>10,000,000</u>	<u>10,000,000</u>
<b>Sub total</b>	117,167,919	102,167,919
Exercise of Management Options Tranche 3	<u>10,000,000</u>	<u>10,000,000</u>
<b>Shares on issue after exercise of Adviser, New Options and Management Options</b>	<b>127,167,919</b>	<b>112,167,919</b>
Exercise of all other share options at various prices	<u>792,500</u>	<u>792,500</u>
<b>Potential shares on issue</b>	<b><u>127,960,419</u></b>	<b><u>112,960,419</u></b>



- 2.4 The current Board of Directors is expected to change in the near future as a result of the Acquisition. The Board as at 31 October 2014 is Shashi Fernando, Jay Stephenson and Julia Beckett. The Company Secretary is Jay Stephenson. Mr John Bell (as Executive Director) will become a new director of Quintessential from Completion (as defined) of the Acquisition. Ms Julia Beckett will resign following completion of the Acquisition. Mr Jay Stephenson will remain as the Company Secretary. Paige McNeill resigned as a director on 17 October 2014 and Shashi Fernando was appointed a director on 17 October 2014 and will become the Chief Executive Officer following completion of the Acquisition.
- 2.5 Yonder and Beyond will become a legally wholly owned subsidiary of Quintessential. Currently Yonder and Beyond has or will have by Completion of the Acquisition a 60% shareholding interest in Prism Digital Limited (a digital recruitment agency), a 72.6% shareholding interest in Boppl Limited (a mobile ordering and payment App), a 100% interest in Wondr.it.Limited (brings major social network platforms into a single, simple feed) and a 75% shareholding in Gophr Ltd (a delivery App company). These companies, in effect become partly owned subsidiaries of the expanded Quintessential Group post Acquisition. Refer paragraph 1.3 above for the contingent acquisition of a 10% interest in PlayMeet at a total cost of \$1,000,000.
- 2.6 In the event that the ordinary Consideration Shares are issued to the Yonder and Beyond shareholders, the Yonder and Beyond shareholders would own approximately between 43.70% and 52.85% of the expanded issued ordinary capital of Quintessential.
- Fernando may own between 23.36% and 28.25% of the expanded issued capital of Quintessential immediately following the Acquisition and between 32.00% and 37.82% if only Fernando exercises its 11,025,000 Management Options (unlikely scenario as the Placement Options have VWAP conditions attached as noted above). If all Management Options, Adviser Options and New Options are exercised (at 20 cents each), Fernando's shareholding interest may fall in the range of 24.59% and 27.88% (Fernando would own 31,271,379 post consolidated shares in Quintessential).
- 2.7 We have been advised that the Company proposes to raise a minimum of \$5,000,000 (25,000,000 post consolidated shares) and a maximum of \$8,000,000 (40,000,000 post consolidated shares) at 20 cents each. The majority of the funds raised may ultimately be used by Yonder and Beyond (assuming the Acquisition proceeds) and part for working capital of Quintessential.
- 2.8 Share Options (on a post consolidated basis) outstanding will be as follows:
- 500,000 unlisted share options, exercisable at \$4.00 each, on or before 31 December 2014;
  - 30,000 unlisted share options, exercisable at \$7.20 each, on or before 31 October 2015;
  - 100,000 unlisted share options, exercisable at \$7.40 each, on or before 30 July 2015;
  - 162,500 unlisted share options, exercisable at \$2.80 each, on or before 2 April 2015;

Additional Share Options Issued

- 1,500,000 unlisted Corporate Adviser Options, exercisable at 20 cents each, on or before 30 November 2017;
- 35,000,000 unlisted Management Options. Tranche 1 of the Management Options (15,000,000) are exercisable at 20 cents each, on or before 30 November 2017. These options vest on issue. Tranche 2 of the Management Options (10,000,000) are exercisable at 25 cents each, on or before 30 November 2017. These options only vest upon the 5 day volume weighted average share price ("VWAP") of the Company is equal to or in excess of 50 cents per share. Tranche 3 of the Management Options (10,000,000) are exercisable at

40 cents each, on or before 31 May 2018. These options only vest upon the 5 day VWAP of the Company is equal to or in excess of 80 cents per share.

- 4,000,000 unlisted New Options, (1,000,000 exercisable at 20 cents each and 3,000,000 exercisable at 25 cents each), within 3 years of issue date.

- 2.9 In the event that the Corporate Advisor Options are exercised, the Company would receive \$300,000 and in the event that the New Options are exercised, the Company would receive \$950,000.

If the Tranche 1 Management Options were exercised at 20 cents each (market based condition needs to have been met), the Company would receive \$3,000,000. If the Tranche 2 Management Options were exercised at 25 cents each (market based condition needs to have been met), the Company would receive \$2,500,000. If the Tranche 3 Management Options were exercised at 40 cents each (market based condition needs to have been met), the Company would receive \$4,000,000.

### 3. **Corporate History and Nature of Businesses**

#### **Quintessential**

##### 3.1 Principal Activities and Significant Assets

Quintessential is an ASX listed mineral exploration and evaluation company having achieved an ASX listing in August 2011. The Company has divested itself of the majority of its mineral interests in 2014. The only remaining tenement interests are in New Guinea.

An external assessment of value of the remaining tenement interests (minor in nature and if not sold will be surrendered) has been assessed with a range of values between \$nil and \$120,000. For the purposes of this report we have use a fair value of \$60,000 (the mid - point). The carrying value at 30 June 2014 was \$38,443. The Company has noted that minimal funds (\$10,000) will be spent on exploration in the three months to 31 December 2014.

#### **Yonder and Beyond**

- 3.2 Yonder and Beyond is incorporated in Australia as a non-listed public company. Yonder and Beyond operates as an incubator of technology companies involved in developing Applications. Currently its has a 60% shareholding interest in Prism Digital Limited (a digital recruitment agency), a 72.6% shareholding interest in Boppl Limited (a mobile ordering and payment App), a 100% interest in Wondr.it.Limited (brings major social network platforms into a single, simple feed) and a 75% shareholding in Gophr (a delivery App).

The following is an edited extract from an Information Memorandum released by Yonder and Beyond in April 2014 in relation to a planned capital raising.

Beginning of edited extract

“As a former board member of HTC Corporation, one of the world’s leading smartphone manufacturers, and the founder and former CEO of Saffron Digital Ltd which raised £2 million in 2007 and was acquired in 2011 for £30million, Shashi is a proven performer in the delivery of world class mobile solutions. Shashi delivered Saffron into the heart of the mobile and entertainment industry by securing clients such as Vodafone, T-Mobile, Samsung USA, Paramount and Disney to name but a few of the 40 plus global relationships that were established over his time there. Having been named twice in the top 50 in Mobile Entertainment, Shashi led Saffron to multiple industry accolades over the period, delivering

a profitable business and 100% growth for 3 years. Following Saffron Digital, Shashi was appointed to the board of HTC Corporation where he served as the Chief Content Officer responsible for delivering all media related technologies for HTC. Since his time at HTC, Shashi has been an angel investor and moved to bring to market 3 new digital start-ups that he now intends to contribute to Yonder and Beyond. Shashi has a Bachelor of Laws and Bachelor of Commerce from Oxford University and is a member of the Institute of Chartered Accountants in England and Wales.

The high growth of mobile, communications and data analytics, and the increasing adoption of new technologies in everyday life and business, is accelerating the pace of innovation and creating opportunities to capture value through smart investments in the technology space. Technology and communications are becoming more and more embedded into our everyday lives. The number of people that are using the internet continues to grow. The prevalence of smart phones has meant that the use of mobile devices to access the internet and global mobile data traffic is growing at an even faster rate.

While first world countries have a relatively high penetration of internet usage among its population, the world average penetration still has a long way to go to catch these countries. This demonstrates a massive potential market that is yet to access the internet and all it has to offer. Consumer behaviour indicates that the usage of devices is becoming more social and content rich, with expanded use of photos, video and audio. Not only do people use their phones to stream and share content, they also use their phones as a medium to carry out lots of life tasks, including paying for groceries using a banking application, booking train tickets online or finding a suitable dating partner. People look to their smartphone as a multipurpose device and businesses are increasingly responding to this need through their online and mobile presence.

In addition, this pervasive use of mobile phones is creating large flows of data that can be harvested, stored and analysed to assess consumer behaviour and identify new and more efficient ways to market, sell, consume and invest, thereby creating also large opportunities for B2B businesses. On the back of existing and new business models, the worldwide technology spend, already worth trillions of dollars, is likely to continue to grow in 2014. In this environment, Yonder and Beyond believes there is a unique opportunity to deploy capital to realise strong investment value.

The cost of starting a business in the technology sector has decreased significantly. Start-ups are now able to produce products and services that are accessible by large populations and can be delivered to global companies with relatively low levels of capital investment and in a short space of time. Using widely available software development tools and social media, free or discounted products can be deployed and tested in market on a large scale to determine their appeal to customers, before being modified for paying customers. Silicon Valley investment funds such as Y-Combinator and Idea Lab are multi-billion dollar companies which, through investments in a number of successful start-ups, have shown that early stage technology investment funds can be extremely successful. Yonder and Beyond intends to develop and expand this concept by differentiating and creating additional value through the investment of time and expertise, in addition to capital, in a portfolio of promising companies and management teams. Yonder and Beyond proposes to foster growth and reduce the risks of its Investee Companies through the use of its innovative model where Yonder and Beyond and the Management Team (spanning multiple skill sets) are involved on a daily basis in the Investee Companies.

## **Philosophy and Criteria**

Yonder and Beyond's investment philosophy emphasizes a number of key principles:

- a) Invest in the right product at the right time, provide support by the right management, delivering a clear path to market with a real potential for significant economic upside;
- b) Bring clear value-add to Investee Companies through direct operating involvement and extensive use of the Management Team's relationships;
- (c) Invest in companies where clear management influence can be exercised, generating potential for additional equity stakes through rewards for Yonder and Beyond's expected performance as managers;
- (d) Diversify risks by investing across a number of investments;
- (e) Leverage Yonder's positioning to maximise synergies, further de-risk the Investee Companies and enhance value; and
- (f) Develop cash flow sustainability through charging Investee Companies for services provided by Yonder.

Yonder and Beyond believes that the technology and entertainment sector provides a large number of opportunities presenting these characteristics, especially in Europe where Yonder and Beyond's initial technical presence is located.

Yonder will acquire a 72% interest in Boppl from Shashi Fernando (50%) and other shareholders of Boppl (22%) following completion of the Capital Raising. Boppl is a mobile ordering platform focused on the hospitality industry that allows users to order and pay for food and drinks using an application on their mobile device. Since first conceptualising the idea in May 2013, Boppl has launched on both iOS and Android operating systems as well as deployed into a number of locations including bars, clubs, and takeaway outlets. Boppl, the app that makes food and drink ordering simple, has been shortlisted as one of Mobile Entertainment magazine's Top 50 Mobile Innovators for 2013. Since inception, Boppl has already been named as 'App of the Day' by Mobile Entertainment magazine, and announced as one of five winners sharing a prize worth £1million from Judo Payments, given to British based start-up companies who build apps for Android and Apple smartphones. Boppl takes orders, payments and provides real time reporting to venues on sales and stock control

**“Media Sharing Made Easy”** - Wondr is a dedicated media sharing application that aims to solve current problems inherently present in sharing functions within social networks. Today, sharing functions assume you want to share media with those you are permanently connected to. Distributions are based on repository directories, and permissions are set on directories. With Wondr, media can be organized by categories and adhoc sharing circles can be created around those categories. A category can be an event, type of media, or even a simple communication channel. Media can be pictures, videos or music. This is particularly important for event-driven media. Whether a user want to take a bunch of pictures from a concert that are stored in DropBox and share it with 3 of their Facebook friends plus 2 who are on their address book only, or create an art collection video to share with potential students or even investors, all the way to just creating a quick sharing of music to a potential date across the bar, Wondr can make this very easy for the end consumer, directly or from within other applications. Unlike many other social media services, Wondr allows users to retain control and ownership of their content.

Wondr has completed market research, competitive analysis and overall staged scoping exercises. The key leadership individuals have been identified to take the helm of the product and company with guidance from the Management Team. Company setup and development is planned to start as soon as funds are available. It is intended that a working application will be available within 12 to 16 weeks of funds availability.

### **Prism Digital**

Yonder and Beyond will acquire a 60% interest in Prism Digital from Yonder Ltd, being the personal holding of Shashi Fernando, following completion of the Capital Raising. Recruitment is very costly for a start-up in terms of time and money, so an early focus for Shashi Fernando was Prism Digital. It is a recruitment consultancy focussed on development and infrastructure hiring within the technology industry. Two senior recruitment professionals, Nick Pederson and Alex Dover, have years of recruitment experience and head up the company. They cover specific technical areas such as backend and front-end development, having proficient understanding of programming languages, such as Ruby, PHP and Python. They also cover user experience, mobile technology such as iOS, Android and Windows 8, databases and tech support.

Whilst it is proposed that Prism will support all of the Yonder and Beyond and Yonder and Beyond's Beyond Investee Companies in terms of hiring, it is also a growing business in its own right and has secured clients such as Salesforce.com, play.com and DXI. Prism strives to be a recruitment consultancy based on the ethos of Yonder and Beyond, focussing on what people and companies actually need and want and basing decision making on integrity and honesty. The business strategy is to extend the retained model that Prism have with Yonder and Beyond to more of their external clients, this retained model focuses on continuous client satisfaction, rather than one off placements, providing a highly integrated search function for a monthly payment plan.

### **Gophr**

It is proposed that Yonder and Beyond will acquire a 75% interest in Gophr following completion of the Capital Raising. The acquisition is subject to the parties agreeing and executing a formal agreement in respect of that acquisition. While a non-binding term sheet has been entered into, there is no guarantee that a formal agreement will be agreed and executed, nor that the investment in Gophr will proceed. Gophr is a courier application in the early stages of development, born out of the frustrations and problems experienced by both customer and courier in the logistics industry. It intends to enable customers to book jobs directly with the courier, track their progress and review their performance, cutting out the expense of going through a courier company. Booking jobs through courier companies is considered cumbersome and inefficient. Courier companies currently operate often on margins of 30% and upwards. Gophr will take a smaller cut leaving the courier with more earning potential whilst providing the customer with a cheaper service and with the ease of being able to book through their smart phones. The app also should allow couriers to have more flexible working hours and therefore more earning potential.

Gophr has completed market research, competitive analysis and overall staged scoping exercises. The key leadership individuals have been identified to take the helm of the product and company with guidance from the Management Team. Company setup and development is planned to start as soon as funds are available. It is intended that a working application will be available within 12 to 16 weeks of funds availability (since this was written, we have been advised that Gophr has recently begun development of its applications and intends to have its first release within 12 to 16 weeks).



Yonder and Beyond is in advanced negotiations with a third party in relation to a music based social network business. In the negotiations, it is proposed that Yonder and Beyond shall acquire a 10% interest in a new or existing entity that shall own the business. The investment is subject to the parties agreeing and executing a formal agreement in respect of that acquisition. While the parties are in advanced negotiations, there is no guarantee that a formal agreement will be agreed and executed, nor that the investment will proceed”.

End of edited extract

On 6 November 2014, Quintessential released an announcement to the ASX that Boppl™ has formed a seamless integration, sales and marketing partnership with IKentoo, a leading cloud-based point-of sale solution for hospitality and hotel industries.

- 3.3 A summary unaudited adjusted consolidated balance sheet (consolidated statement of financial position) of the Yonder and Beyond Group as at 30 June 2014 is noted elsewhere in this report.
- 3.4 On 23 October 2014, the Company announced that Yonder and Beyond may, subject to due diligence, acquire a 10% stake in the US based social media service, PlayMeet. PlayMeet is a social music application that aims to revolutionise the way people connect through music. If acquired, Yonder and Beyond is required to pay \$500,000 within 30 days of acceptance and a further \$500,000 within 90 days of acceptance (a total consideration of \$1,000,000).

#### **4. Future Directions of Quintessential**

- 4.1 We have been advised by the directors and management of Quintessential that:
- There are no proposals currently contemplated either whereby Quintessential will acquire any further assets from Yonder and Beyond’s shareholders (however Quintessential will issue ordinary to the Yonder and Beyond shareholders as outlined above in relation to the Acquisition) or where Quintessential will transfer any of its property or assets to Yonder and Beyond’s shareholders;
  - The composition of the Board will change in the short term as noted above;
  - The Company will undertake a 1 for 20 consolidation of capital;
  - The Company is to shortly raise between \$5,000,000 and \$8,000,000 via a Capital Raising and most of these funds will be on-lent to Yonder and Beyond;
  - The Company completed its fully underwritten Rights Issue to raise a gross \$314,033 and may initially lend up to \$1,200,000 in secured loan funds to Yonder and Beyond;
  - The Company proposes to change its name to Yonder and Beyond Limited;
  - No dividend policy has been set; and
  - The Company will endeavour to enhance the value of its interests in its existing mineral assets by sale and will concentrate on its investment in Yonder and Beyond, once acquired.

#### **5. Basis of Valuation of Quintessential Shares**

##### **5.1 Shares**

- 5.1.1 In considering the proposal to acquire all of the shares in Yonder and Beyond, we have sought to determine if the consideration payable by Quintessential to the Yonder and Beyond shareholders, (including Fernando) is fair and reasonable to the existing non-associated shareholders of Quintessential.

- 5.1.2 The offer would be fair to the existing non-associated shareholders if the value of the ordinary shares in Yonder and Beyond being acquired by Quintessential is greater than the implicit value of the Consideration Shares (ordinary shares) and Adviser Options in Quintessential being offered as consideration. Accordingly, we have sought to determine a theoretical value that could reasonably be placed on Quintessential shares for the purposes of this report.
- 5.1.3 The valuation methodologies we have considered in determining a theoretical value of a Quintessential ordinary share (and also a Yonder and Beyond share) are:
- Capitalised maintainable earnings/discounted cash flow;
  - Takeover bid - the price at which an alternative acquirer might be willing to offer;
  - Adjusted net asset backing and windup value; and
  - The market price of Quintessential shares (and Yonder and Beyond shares).
- 5.2 Capitalised maintainable earnings and discounted cash flows.
- 5.2.1 Due to Quintessential's current operations, a lack of a reliable long term profit history arising from business undertakings and the lack of a reliable future cash flow from current business activities, we have considered these methods of valuation not to be relevant for the purpose of this report. Quintessential made an audited loss of approximately \$7,575,000 for the year ended 30 June 2014 and as at 30 June 2014 has audited losses in excess of \$10,862,000.
- 5.3 Takeover Bid
- 5.3.1 It is possible that a potential bidder for Quintessential could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of Quintessential have formed the view that there are unlikely to be any takeover bids made for Quintessential in the immediate future. However, if the agreement to acquire Yonder and Beyond is completed, Fernando will initially control approximately between 23.36% and 28.25% of the expanded ordinary issued capital of Quintessential. Also refer paragraph 2.6 above.
- 5.4 Adjusted Net Asset Backing
- 5.4.1 We set out below an audited balance sheet (statement of financial position) of Quintessential (Balance Sheet "A") as at 30 June 2014, adjusted for the Placement of a gross \$188,420, Placement raising costs of \$12,000, incurring estimated administration, due diligence and other costs of \$270,000 and allowing for cash raised of \$314,033 from the Rights Issue and allowing for capital raising costs of \$46,225.

In addition, we disclose a pro-forma consolidated Balance Sheet "B" assuming the following:

- The 1 for 20 consolidation of capital;
- The completion of the Capital Raising assumed to be the maximum gross amount of \$5,000,000 and incurring capital raising costs of \$550,000;
- The acquisition of all of the shares in Yonder and Beyond by way of an issue of 37,875,000 ordinary post consolidated Consideration Shares (equivalent to 757,500,000 pre-consolidated shares) at a deemed issue price of 20.0 cents per post consolidated share (using the Capital Raising share issue price) for a total deemed consideration of \$7,575,000 (using reverse acquisition accounting principles and expensing the goodwill on acquisition);
- Allowing for indirect costs of the Acquisition and Notice preparation of approximately \$75,000;

- The issue of 1,500,000 Corporate Adviser Options as part of the Consideration at a deemed fair value of say \$150,000;
- The issue of 4,000,000 New Options to various parties at a deemed fair value of say \$400,000;
- The issue of 35,000,000 post consolidated Management Options shares to various KMP (includes 11,025,000 Management Options to Fernando) at a total deemed value of \$1,834,000.

In addition, we disclose the audited consolidated statement of financial position of the Yonder and Beyond Group as at 30 June 2014 after allowing for parent company administration costs to 31 December 2014 and adjusting for subsequent capital raisings and acquisitions of a 72.6% interest in Boppl (will be completed by the time of Completion of the Acquisition of Yonder and Beyond by Quintessential). In effect, the adjusted Yonder and Beyond statement of financial position is a best estimate of what the expanded Yonder and Beyond will look like immediately prior to the Acquisition by Quintessential.

	Audited Adjusted 30 June 2014 Quintessential  \$000 "A"	Unaudited Pro-forma 30 June 2014 Quintessential (including consolidation of Yonder and Beyond) \$000 "B"	Audited Adjusted Consolidated Yonder and Beyond 30 June 2014  \$000
<b>Current Assets</b>			
Cash assets	203	4,897	319
Trade and other receivables	25	290	265
Other current assets	10	10	-
<b>Total Current Assets</b>	<b>238</b>	<b>5,197</b>	<b>584</b>
<b>Non Current Assets</b>			
Plant and equipment	10	28	18
Intangibles	-	1,080	1,080
Capitalised exploration costs (refer below in paragraph 5.4.4)	17	17	-
<b>Total Non Current Assets</b>	<b>27</b>	<b>1,125</b>	<b>1,098</b>
<b>Total Assets</b>	<b>265</b>	<b>6,322</b>	<b>1,682</b>
<b>Current Liabilities</b>			
Trade and other payables	156	1,512	1,356
Employee entitlements	2	2	-
<b>Total Current Liabilities</b>	<b>158</b>	<b>1,514</b>	<b>1,356</b>
<b>Total Liabilities</b>	<b>158</b>	<b>1,514</b>	<b>1,356</b>
<b>Net Assets</b>	<b>107</b>	<b>4,808</b>	<b>326</b>
<b>Equity</b>			
Issued Capital	12,726	13,818	1,793
Reserves	(606)	2,387	3
Accumulated (Losses)/Profits	(11,133)	(11,336)	(1,409)
Non-controlling interests	(880)	(61)	(61)
<b>Total Equity</b>	<b>107</b>	<b>4,808</b>	<b>326</b>



The net asset (book value) backing per fully paid (pre acquisition of Yonder and Beyond) ordinary Quintessential share as at 30 June 2014 based on the unaudited adjusted balance sheet (Balance Sheet "A") and 175,858,367 pre-consolidated ordinary shares on issue is approximately 0.061 cents (refer paragraph 5.4.6 below) (approximately 1.21 cents on a post consolidated basis).

Based on the unaudited pro-forma consolidated net asset book values, this equates to a value per fully paid ordinary share post the Acquisition (71,667,919 post consolidated shares) of approximately 6.70 cents per share (ignoring the value, if any, of non-booked tax benefits). Reverse acquisition accounting principles have been used and thus the pre Acquisition capital of Quintessential is eliminated.

- 5.4.2 We have accepted the Quintessential amounts as disclosed for all current assets and non-current assets, except for the carrying value of the Company's interest in the Exploration Assets. We have been advised by the management of Quintessential that they believe the carrying value of all current assets, fixed assets and liabilities at 30 June 2014 (as adjusted as noted above) are fair and not materially misstated.
- 5.4.3 In determining the net tangible asset value on a going concern basis it is necessary to adjust the book values of the Exploration Assets to reflect the technical (market) fair value of those Exploration Assets. It is noted that the Exploration Assets are relatively very minor in nature and value and most exploration assets have been sold in 2014. We have been advised that no exploration costs are to be conducted on the remaining exploration assets and that if not sold shortly, the remaining exploration assets will be forfeited. An independent valuation was obtained of the remaining mineral interests of the Quintessential Group (in PNG). An independent geologist, John Kirakar of Adelbert Geosciences Ltd ("Adelbert") prepared an assessment of value and provided a range of values. Due to the immaterial valuations of the Exploration Assets by Adelbert, we have not attached the Adelbert Valuation Report to this independent expert's report. A copy of the Valuation Report is available for inspection at the registered office of the Company.
- 5.4.4 Adelbert ascribed a market value for the Exploration Assets at between \$nil and \$120,000 and for the purposes of this report we have used the mid figure of \$60,000 (book values as at 30 June 2014 totalled \$16,572).
- 5.4.5 Using the fair value of \$60,000 and based on the assumptions/values provided to us of the other assets and liabilities of Quintessential as at 30 June 2014 as per Balance Sheet A above, the net fair value of the Quintessential Group is expected to lie in the range as follows:

	Paragraph	Preferred \$000's
Exploration Assets	5.4.4	60
Property, plant and equipment		10
Current assets		238
Total liabilities		(158)
Total Net Assets at fair values		<u>150</u>
Number of shares on issue		175,858,367
<b>Net asset per share at fair value (cents)</b>		<b>0.085</b>

- 5.4.6 Based on the preferred values, the adjusted net book values at 30 June 2014 equates to a value per pre-consolidate share (175,858,367 shares) of approximately 0.085 cents (ignoring the value, if any, of non-booked tax benefits). **On a post consolidated basis, the preferred fair value equates to approximately 1.70 cents** (8,792,919 post consolidated shares on issue). See comments below on ASX share prices.
- 5.4.7 We note that the market has been informed of all of the current projects, joint ventures and farm in/farm out arrangements entered into between Quintessential and other parties. We also note it is not the present intention of the Directors of Quintessential to liquidate the Company and therefore any theoretical value based upon wind up value or even net book value (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in Quintessential based on the market perceptions of what the market considers a Quintessential share to be worth. It is noted that as Quintessential is to divest itself of all mineral interests, the potential value of a Quintessential share would be the issue price that the Capital Raising is to be undertaken (to finance the expansion of Yonder and Beyond on the assumption the Yonder and Beyond Acquisition proceeds), being 20 cents per post consolidated share.
- 5.4.8 The market has either generally valued the vast majority of mineral exploration companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years although we also note that there is an orderly market for Quintessential shares and the market is kept fully informed of the activities of the Company. However, it is noted that from Quintessential's point of view as the legal parent company, the value ascribed to the 757,500,000 pre-consolidated ordinary Consideration Shares (37,875,000 post consolidated ordinary Consideration Shares) to be issued to the Yonder and Beyond shareholders (including Fernando) would be accounted for at the market value of a Quintessential share at date of issue or 20 cents each, being the issue price of the Capital Raising Shares.

The actual share price at the date of acquisition of Yonder and Beyond cannot be determined at this point of time. For accounting purposes under Australian Equivalents to International Financial Reporting Standards ("IFRS"), the consideration for the issue of Quintessential shares to acquire the shares in Yonder and Beyond from the Yonder and Beyond shareholders will be booked at the fair value of the shares in Yonder and Beyond or at the share price of a Quintessential share at the date of Acquisition and not any perceived technical value.

## 5.5 Market Price of Quintessential Fully Paid Ordinary Shares

- 5.5.1 Share prices in Quintessential as recorded on the ASX since 1 January 2014 up to and including 22 July 2014 (last sale before the announcement of the proposed Acquisition on 24 July 2014) have been as follows:

2014	High Cents	Low Cents	Closing Price Cents	Volume 000's
January	1.7	1.3	1.7	1,894
February	1.6	1.1	1.3	3,498
March	1.5	1.1	1.5	2,349
April	1.3	1.2	1.2	1,531
May	1.3	1.2	1.2	6,983
June	1.5	1.1	1.5	4,119
July (to 22nd)	1.6	1.2	1.5	1,542

As can be seen from the trading volume on ASX, there was very little trading of the Quintessential shares before the announcement of the Acquisition. The Yonder and Beyond acquisition was announced to the market on 24 July 2014. There were many trading days over the six months to 22 July 2014 where there were no trades of Quintessential shares on ASX.

As can be seen above, the price at which shares traded varied considerably and it is difficult to arrive at a fair value for a Quintessential share, particularly in light of the modest trading volumes. Due to the modest volumes (no Deep Market exists), varying share price and the Company's relatively low cash position and lack of exploration assets that may be affecting the share price, we have considered that the listed share price methodology is not the most appropriate methodology to use in this instance.

Subsequent to the announcement of the Acquisition, the shares in Quintessential have traded on ASX mainly at between 0.9 cents and 1.9 cents with a last sale on 7 November 2014 of 1.2 cents (all on a pre-consolidation basis). The volume of trades in Quintessential shares post the announcement has risen significantly and between 24 July 2014 and 7 November 2014, the volumes of trades in Quintessential shares on ASX has been approximately 46.736 million.

## **6. Preferred valuation method of valuing a Quintessential Share**

6.1 In assessing the fair value of Quintessential and a Quintessential ordinary share pre the Acquisition of Yonder and Beyond from Fernando we have selected the net assets on a going concern methodology as the preferred methodology as:

- Quintessential does not generate revenues or profits and per the audited accounts has incurred significant losses in the financial years ended 30 June 2013 and 2014. Therefore the capitalisation of future maintainable earnings and discounted future cash flows are not appropriate; and
- Although the shares of Quintessential are listed, as there is only moderate trading volumes on ASX and the share prices in recent times may be affected by the lack of cash resources it is arguably inappropriate to use market share prices to value the Company and the shares in the Company for the purposes of this report. We note share prices as a secondary methodology and have considered share prices in assessing reasonableness of the proposals with Fernando.

6.2 As stated at paragraph 5.4.5 we have assessed the value of a Quintessential share (pre-consolidated) prior to the proposed Acquisition of Yonder and Beyond on a net asset basis on a going concern basis as follows:

### **Preferred**

<b>Net asset per share (cents)</b>	<b><u>0.085</u></b>
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We note that, the technical net asset value may not necessarily reflect fair values in the current economic circumstances of the Company.

6.3 As noted above the estimated net asset price per pre-consolidated share after adjusting for the valuation of the Exploration Assets approximates 0.085 cents per pre-consolidated share which is less than the last ASX share price of 1.5 cents on 22 July 2014 (the last trading share price date before of the announcement of the Acquisition on 24 July 2014).

6.4 The future value of a Quintessential share will depend upon, inter alia:

- \* the future success of the business of Yonder and Beyond being obtained via the Acquisition;
- \* the state of Australian and overseas stock markets;
- \* the strength and performance of the Board and management and/or who makes up the Board and management;
- \* Foreign exchange rates;
- \* general economic conditions;
- \* the liquidity of shares in Quintessential; and
- \* possible ventures and acquisitions entered into by Quintessential.

## 7. Premium for Control

- 7.1 Premium for control for the purposes of this report, has been defined as the difference between the price per share, which a buyer would be prepared to pay to obtain or improve a controlling interest in the Company and the price per share which the same person would be required to pay per share, which does not carry with it control or the ability to improve control of the Company.
- 7.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders control more than 20% of the issued capital. In this case, Fernando's voting shareholding in Quintessential could increase from approximately nil% as at 31 October 2014 to approximately between 23.36% to 28.25% after the issue of the Consideration Shares and then approximately 24.59% to 27.88% on the exercise of the Adviser Options, New Options and all Management Options (if Performances Tranches 1, 2 and 3 are met).
- 7.3 It is generally accepted that premium for control may vary from nil to 40% or more depending on many different factors including the nature of the business, the financial position of a company, and shareholding percentages. It is our view that a control premium of 20% is reasonable.
- 7.4 Our preferred methodology is to value Quintessential and a Quintessential share on a technical net asset basis which assumes a 100% interest in the Company. Therefore no adjustment is considered necessary to the technical asset value determined under paragraph 5.4.5 as this already represents the fair value of the Company or a share in the Company on a pre Proposed Transactions (Acquisition) control basis.
- 7.5 We set out below the comparison of the low, preferred and high values of a Quintessential share compared to the potential issue price for the ordinary Consideration Shares based on ASX share prices in July 2014. The Preferred price in cents is the approximate 16 day volume weighted average share price ('VWAP') of a Quintessential share to 1 August 2014.

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a Quintessential ordinary Share	5.4.4	0.085	0.085	0.085
Issue price of the ordinary Consideration Shares on a pre-consolidation basis		1.10	1.50	1.60
Excess/(shortfall) between Issue Price and fair value		1.-15	1.415	1.515

On a pre Acquisition control basis, the technical value (not market value based on ASX share trades) of a Quintessential share approximates 0.085 cents per pre-consolidated share.

On a post 1 for 20 consolidation basis, this equates to approximately 1.70 cents.

The Consideration Shares are to be issued at market that on a pre-consolidation basis may be in the range of 1.1 cents and 1.60 cents (equivalent to approximately 22.0 cents and 32.0 cents on a post consolidation basis). Based on the preferred value of a Quintessential share as noted above, a premium for control is being paid by Fernando. If the 20.0 cent Capital Raising price is used (1.0 cent on a pre-consolidated basis), Fernando is paying a premium for control.

- 7.6 We note that Yonder and Beyond does not have Board control of Quintessential before the Proposed Transactions pursuant to Resolutions 1 and 3. Post the Acquisition, Yonder and Beyond will have three persons to the Board of Quintessential (Messrs Fernando, Bell and Li) and thus have Board control as only one of the existing Directors of Quintessential will remain on the Board.

## 8. Value of Consideration

- 8.1 Based on the pre-announcement assessed fair value of an ordinary share in Quintessential (not ASX share prices), the ordinary share consideration range would be:

	Preferred
37,875,000 post-consolidated	
Consideration Shares at 1.7 cents each	\$643,750 (refer below)
1,500,000 post consolidated Adviser Shares	<u>\$150,000</u>
Total Consideration	<u>\$793,875</u>
Assumed post consolidated	
share issue price based on assessed	
fair values (paragraph 7.5)	<u>1.70 cents</u>

We have excluded the indirect costs and legal and other fees.

- 8.2 It is noted that at the time of negotiation of the Acquisition, the Quintessential directors considered that the fair market value of a Quintessential ordinary share may have been around the 1.1 cents to 1.5 cents (pre-consolidation) range approximately 22.0 cents to 30.0 cents on a post consolidated basis).
- 8.3 If we used the 1.0 cent (mid October 2014) to 1.90 cent ASX share price since the announcement of the proposed Acquisition as noted above but adjusted for the planned 1 for 20 consolidation of capital, the amounts attributable to the ordinary Consideration Shares would lie in the range of \$7,575,000 to \$14,392,500. Based on the last sale price on 7 November 2014 adjusted for the planned 1 for 20 consolidation of capital, the deemed accounting consideration (for the ordinary Consideration Shares only) may approximate \$9,090,000 (1.2 cents pre-consolidated share equivalent to 24.0 cents on a post consolidated basis). Using the 20 cents Capital Raising issue price, the deemed Consideration attributable to the 37,875,000 post consolidated Consideration Shares would be \$7,575,000.
- 8.4 It is noted that the original Binding Term Sheet signed in late July 2014 stated that 569,548,872 pre-consolidated Consideration Shares would be issued at a deemed \$0.0133 each (1.33 cents pre-consolidated) so that the deemed Consideration for the Consideration Share issue would be \$7,575,000. However, the final Binding term Sheet of October 2014, notes that the number of pre-consolidated Consideration Shares is to be 757,500,000 but is silent on the deemed issue price but the consolidation of capital ratio has been altered from an estimated 1 for 13.333 to 1 for 20.

Fernando's interest in the share consideration would equate to \$5,385,537 if we used the original deemed issue price of 1.33 cents on a pre-consolidation basis and \$4,049,276 if we used a pre-consolidated share price of 1.0 cents. Fernando is receiving none of the Adviser Options as part of the Consideration for the Acquisition.

8.5 The Company is to issue 35,000,000 Management Options (post consolidated) to various KMP's and existing shareholders (not all shareholders) of Yonder and Beyond of which Fernando is to receive 11,025,000 of the Management Options.

- Tranche 1 of the Management Options (15,000,000) are exercisable at 20 cents each, on or before 30 November 2017. These options vest on issue.
- Tranche 2 of the Management Options (10,000,000) are exercisable at 25 cents each, on or before 30 November 2017. These options only vest upon the 5 day volume weighted average share price ("VWAP") of the Company is equal to or in excess of 50 cents per post consolidated share.
- Tranche 3 of the Management Options (10,000,000) are exercisable at 40 cents each, on or before 31 May 2018. These options only vest upon the 5 day VWAP of the Company is equal to or in excess of 80 cents per post consolidated share.

If we assumed an issue date of 24 December 2014, a share price (post consolidated) of 20 cents, a volatility of 75%, an interest rate of 2.75% and applying a 70% and 90% discount to the Tranche 2 and 3 Management Options respectively (to reflect the market based vesting conditions) and allowing for rounding, the value of the Tranche 1 Management Options may approximate \$1,500,000, the value of the Tranche 2 Management Options may approximate \$265,000 and the value of the Tranche 3 Management Options may approximate \$73,000.

Fernando's share of the deemed values would approximate \$472,500 (4,725,000 Tranche 1 Management Options), \$83,475 (3,150,000 Management Options) and \$22,995 (3,150,000 Management Options) respectively.

If the Management Options were exercised, (Tranches 2 and 3 need to meet VWAP market based performance conditions), the Company would receive \$3,000,000 from the exercise of the Tranche 1 Management Options (Fernando \$945,000), \$2,500,000 from the exercise of the Tranche 2 Management Options (Fernando \$787,500) and \$4,000,000 from the exercise of the Tranche 3 Management Options (Fernando \$1,260,000).

## **9. FAIRNESS OF THE PROPOSALS WITH FERNANDO (AND OTHER YONDER and BEYOND SHAREHOLDERS)**

9.1 In arriving at our conclusion on fairness, we considered whether the transaction is "fair" by comparing:

- (a) the fair market value of a Quintessential share pre-transaction on a control basis; versus
- (b) the fair market value of a Quintessential share post-transaction on a minority basis, taking into account the additional cash raised via the Capital Raising and the associated dilution resulting from the issue of new ordinary shares under the proposed Acquisition, the issue of the other shares to various parties involved with the Acquisition and the exercise of Adviser, Management and New Options.

9.2 The preferred value of a Quintessential share **pre the Proposed Acquisition on a control basis** (but after the 1 for 20 consolidation of capital) as noted in paragraph 5.4.5 is 1.7 cents.



- 9.3 The preferred fair value of a Quintessential share has been estimated at 0.085 cents on a pre proposed transaction control basis (only takes into account the issue of the Placement Shares and Rights Issue Shares as noted above but excludes the Capital Raising Shares that are subject to shareholder approval and are only taking place due to the proposed Acquisition). The post consolidation equivalent is 1.70 cents.
- 9.4 We set out below the range of estimated technical net asset values of Quintessential based on Pro-forma Balance Sheet B as detailed in paragraph 5.4.1 and after adjusting for the following transactions:
- The completion of the Capital Raising assumed to be the maximum gross amount of \$5,000,00 and incurring capital raising costs of \$550,000;
  - The 1 for 20 consolidation of capital;
  - The acquisition of all of the shares in Yonder and Beyond by way of an issue of 37,875,000 post consolidated ordinary Consideration Shares (757,500,000 pre-consolidated Consideration Shares). However, as noted below we cannot currently ascribe a fair value to Yonder and Beyond and its businesses and have thus used the value of the Yonder and Beyond Group as at 30 June 2014 as noted in paragraph 10.9 below. The ultimate fair value of Yonder and Beyond may materially exceed such value if projections made by Yonder and Beyond management are achieved (refer section 10 of this report);
  - Allowing for indirect costs of the Acquisition and Notice preparation of approximately \$75,000;
  - The issue of 1,500,000 post consolidated Corporate Adviser Options and exercise thereof to raise a gross \$300,000;
  - The issue of 4,000,000 post consolidated New Options and exercise thereof to raise a gross \$950,000;
  - The issue of 35,000,000 post consolidated Management Options and exercise thereof (after meeting vesting conditions in relation to the Tranche 2 and 3 Management Options) to raise a gross \$9,500,000.

	<b>Preferred</b>
Net assets at fair values pre Acquisition	150,000
Net Cash raised from the Capital Raising	4,450,000
Value of Yonder and Beyond at fair value (refer 10.9 below)	846,000
Indirect costs	(75,000)
Options exercised proceeds	<u>10,750,000</u>
<b>Total post Acquisition Value on a fully diluted basis (see below)</b>	<b><u>\$16,121,000</u></b>
Number of post consolidated shares on issue	<u>112,167,918</u>
Net asset value per share	14.37
Minority interest discount	16.67%
<b>Minority value per share (cents)</b>	<b>11.97</b>

If the number of Capital Raising Shares was 40,000,000 (instead of 25,000,000) and the net Capital Raising was \$7,270,000, the net position would be as follows:

	Preferred \$
Net assets at fair values pre Acquisition	150,000
Net Cash raised from the Capital Raising	7,270,000
Value of Yonder and Beyond	
(refer paragraph 10.9 below)	846,000
Indirect costs	(75,000)
Options exercised proceeds	<u>10,750,000</u>

<b>Total post Acquisition Value on a fully diluted basis (see below)</b>	<b><u>18,941,000</u></b>
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Number of post consolidated shares in issue	<u>127,167,918</u>
Net asset value per share	14.89
Minority interest discount	16.67%
<b>Minority value per share (cents)</b>	<b>12.41</b>

Both of the above calculation tables takes into account the Capital Raisings (at 20 cents per post consolidated share) as part and parcel of the Acquisition. Shareholders must approve the Acquisition before the Capital Raising proceeds. In the absence of the Acquisition approval, the Acquisition will not proceed and Quintessential will end up as virtually a cash box.

In the event that we used pro-forma net book values (\$326,000) as a fair value of Yonder and Beyond the minority value per share post the Acquisition and Capital Raisings (and exercise of share options as noted above) would be 11.59 cents (\$5,000,000 Capital Raising) or 12.07 cents (\$8,000,000 Capital Raising).

If we ignored the exercise of the Options to raise a gross \$10,750,000, the value to a minority shareholder using the above figures, would equate to approximately 6.24 cents per share (on a Capital Raising of \$5,000,000) and approximately 7.87 cents (on a Capital Raising of \$8,000,000).

It is also noted that if we ascribed no value to Yonder and Beyond, the minority value per share would range between 5.26 cents and 7.06 cents on an undiluted basis and 11.34 cents and 11.85 cents on a diluted basis.

The deemed value of a Quintessential share prior to the Acquisition and Capital Raising on a post consolidated basis approximates 1.70 cents.

- 9.5 We have taken into account the 35,000,000 Management Options Performance Shares of which the Tranche 2 and Tranche 3 Management Options can only be exercised as noted above. However we assume that additional value would be added to the Yonder and Beyond business being acquired if the Vesting Conditions 1 and 2 were met. We included the Corporate Adviser Options and New Options being exercised as cash of \$1,250,000. It would be unlikely that the Corporate Adviser Options and New Options will be exercised until the share price of a Quintessential share as traded on ASX consistently exceeds the exercise price (20 cents post consolidated) for such share options.

We have excluded the existing share options on issue as they are considered to be materially “out of the money” and unlikely to be exercised by the relevant expiry dates.

- 9.6 In order to reflect the minority interest value we have applied a minority interest discount to the technical net asset value. The minority interest discount has been calculated as the inverse of the premium for control of 20% as discussed in paragraph 7.3.



- 9.7 Using the preferred net asset fair values, the estimated fair value of a Quintessential share pre the Proposed Acquisition on a control basis is greater than the estimated fair value of a Quintessential share post the proposals on a minority basis (on a diluted basis that includes the exercise of the 40,500,000 post consolidated share options) and on the preferred methodology basis, the issue of 35,785,000 post consolidated Consideration Shares (757,500,000 pre-consolidated Consideration Shares) to the Yonder and Beyond shareholders would be fair.

## **10. Basis of Valuation of Yonder and Beyond**

- 10.1 The usual approach to the valuation of an asset is to seek to determine what an informed, willing but not anxious buyer would pay to an informed, willing but not anxious seller in an open market.
- 10.2 Yonder and Beyond is an unlisted private company and therefore valuing the shares on a takeover basis and on a market based approach are not relevant. There are no indications that other parties wished to acquire all of the shares in Yonder and Beyond other than Quintessential. The shareholder in Yonder and Beyond does not have an active market to trade its shares.
- 10.3 The adjusted consolidated balance sheet of Yonder and Beyond at 30 June 2014 is disclosed under paragraph 5.4.1 above. This consolidated balance sheet shows the Yonder and Beyond Group net assets carried at a book value of \$326,000 with intangibles (goodwill on acquisitions) carried at a book value of \$1,080,000. The book pro-forma working capital deficiency of the consolidated Yonder and Beyond is \$772,000.
- 10.4 Completion of the Acquisition is conditional on all necessary due diligence being undertaken on the ownership interests of Yonder and Beyond, Yonder and Beyond's shareholding and interests and ownership of the technology behind the business. We advise that we have not undertaken any further steps to ascertain ownership of Yonder and Beyond and its assets and liabilities.
- 10.5 The usual approach to the valuation of an asset is to seek to determine what an informed, willing but not anxious buyer would pay to an informed, willing but not anxious seller in an open market. To estimate the fair market value of the shares in Yonder and Beyond, we have considered valuation methodologies recommended by ASIC Regulatory Guideline 111 regarding valuation reports of independent experts and common market practice. These are discussed below.
- 10.6 Market based methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or market value of comparable companies. Market based methods include:

- Capitalisation of maintainable earnings;
- Analysis of a company's recent share trading history; and
- Industry specific methods.

The capitalisation of maintainable earnings methods estimates fair market value based on the company's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings is appropriate where the company's earnings are relatively stable. The most recent share trading history provides evidence on the fair market value of the shares in a company where they are publicly traded in an informed and liquid market. Industry-specific methods estimate market value using rules of

thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence on market value of a company, since they may not account for company-specific factors.

#### 10.7 Discounted cash flow method

The discounted cash flow method estimates market value by discounting a company's future cash flows to their present value. This method is appropriate where a projection or forecast of future cash flows can be made with a reasonable degree of confidence. The discounted cash flow method is commonly used to value early stage companies or projects with a finite life.

#### 10.8 Asset-based methods

Asset-based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset-based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net asset on a going concern basis.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter timeframe. Since winding up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis, estimates the market values of the net assets of the company but does not take account of realisation costs.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets. Asset-based methods are appropriate when companies are not profitable or a significant proportion of a company's assets are liquid.

#### 10.9 Selection of Valuation Methodologies

All of the valuation methodologies considered above have significant limitations or restrictions in their application to the Yonder and Beyond Group.

Capitalisation of maintainable earnings is not appropriate because Yonder and Beyond is not presently profitable. Recent share trading is not applicable as it is an unlisted public company. The discounted cash flow method has not been applied because no reliable prospective financial information is available (refer below). An asset-based method is limited by the fact that the Yonder and Beyond Group's primary assets are interests in App's that drives the business model that have yet to be fully commercially exploited due in part to a lack of working capital. The book values of the Yonder and Beyond Group's assets and liabilities as at 30 June 2014, as adjusted is noted in paragraph 5.4.1 and net assets disclosed at approximately \$26,000 (intangibles are noted at approximately \$1,080,000 and a pro-forma book value working capital deficiency is \$772,000).

However, it is noted that Yonder and Beyond is acquiring a 72.6% shareholding interest in Boppl from various parties, including Fernando. The shareholders are receiving £1 for each Boppl share being acquired and ignoring share options in Boppl, a 72.6% interest in Boppl equates to approximately £894,432 (approximately \$1,600,000). Arguably as some non related parties were involved, then it may be a reasonable conclusion to state that a 72.6% interest in BOPPL is \$1,600,000.

We cannot ascribe values to the other investments of Yonder and Beyond.

Thus, the net value of the Yonder and Beyond Group (refer paragraph 5.2.1) may be as follows:

Cash	319,000
Receivables	265,000
Investment in Boppl	1,600,000
Plant	<u>18,000</u>
Total assets at fair value	2,202,000
Less: Estimated liabilities	<u>(1,356,000)</u>
Net assets at fair values	<u>\$846,000</u>

10.10 In this section we consider the valuation of Yonder and Beyond. We have considered the valuation of Yonder and Beyond in assessing whether or not the proposal outlined in Resolution 1 is fair and reasonable for Quintessential's non-associated shareholders. In forming our opinion on the value of Yonder and Beyond we have, inter-alia:

- Considered the stage of development of Yonder and Beyond and the prospective financial information available;
- Considered the appropriateness of the valuation methodologies available; and
- Considered the ability of Yonder and Beyond to continue as a going concern without funding.

10.11 Valuation of Yonder and Beyond

As discussed, the capitalisation of maintainable earnings and discounted cash flow methodologies have limitations in their application to Yonder and Beyond. It is noted that there are no internal valuations prepared and no formal adoption of cash flow and profit and loss forecasts (other than preliminary projections for 2014/15 and to June 2016). However, arguably the fair value of the Yonder and Beyond Group on an asset backing basis may approximate \$846,000 (the book value of the Yonder and Beyond Group approximates \$326,000) as noted in paragraph 5.2.1).

10.12 Summary of valuation methodology and conclusion

Yonder and Beyond has prepared preliminary projections for the period 1 July 2014 to 30 June 2016, however the projected figures (turnover and costs) are predicated on Yonder and Beyond raising sufficient funds to expand the business. The Yonder and Beyond Group does generate revenue and a gross profit but does not generate sufficient revenues to meet all costs and thus to 30 June 2014 losses have been incurred. Subject to financing, Yonder and Beyond is projecting to be cash flow positive from around January 2016 (in a small way but increasing to June 2016).

The directors of Yonder and Beyond believe projections will be achieved and based on such projections (not disclosed), the Consideration payable by Quintessential is fair. However, we have not relied on the projections and assessed the assumptions behind them.

It is noted that the Yonder and Beyond Group has estimated cash reserves/receivables of \$584,000 but current liabilities totalling \$1,357,000. Loans from Quintessential will be used to expand the Yonder and Beyond business model. If the acquisition of the Yonder and Beyond Group by Quintessential is achieved, Quintessential will need to meet the liabilities of the Yonder and Beyond Group. Quintessential does not have large cash reserves and is in the process of raising a gross \$5,000,000 to \$8,000,000 and as noted elsewhere in this report the majority will be lent to Yonder and Beyond for working capital and further investments (assumes the Acquisition proceeds).

Using the assessed fair values of the assets of Yonder and Beyond as noted above, the fair value of the Yonder and Beyond Group may approximate \$846,000.

It is noted that the market (small investors in Quintessential) has acted favourably in relation to the Acquisition in that there has been a small share price increase (from around 1.5 cents to mainly trade in August/early September 2014 in the 1.6 to 1.8 cents range. However, over the past month to early November 2014, the share price of a Quintessential share traded in the 0.9 cents to 1.4 cents range on low volumes, partly reflecting the downturn in the overall market and possibly due to delays in finalising the Acquisition.

## 11. **Conclusion as to Fairness**

11.1 The proposal pursuant to Resolution 1 (and in effect the proposals pursuant to Resolutions 2 and 4) is believed fair to Quintessential's non-associated shareholders if the value of the consideration offered is equal to or less than the value of the shares in Yonder and Beyond (100%) to be acquired.

11.2 Owing to the nature of the business of Yonder and Beyond, valuations depend on the value placed on the technology interests of the company. The valuation of technology interests and valuing future profitability and cash flows is extremely subjective because it involves assumptions regarding future events that are not capable of independent substantiation.

11.3 We have assessed a fair value of Yonder and Beyond at \$846,000. In arriving at our view, we have, inter-alia, referred to the following factors:

- The relative newness of the businesses and insufficient revenues to meet all costs;
- The ability to produce positive cash flow and profits over a period of time is still uncertain;
- Yonder and Beyond needs to obtain sufficient working capital to meet its planned objectives;
- The lack of longer term cash flow models;
- The risks associated with commercialisation of the business model.

11.4 The "cost" of the Acquisition based on our ascribed fair value of a Quintessential share as noted above under paragraph 8.1 is \$793,875.

The assessed fair value of the Yonder and Beyond Group as noted above is \$846,000 but well may be more or less depending on future trading results.

In addition, post the Acquisition and Capital Raising, the existing shareholders are better off as compared with their position prior to the Acquisition and Capital Raising and thus **we conclude that the proposals pursuant to Resolution 1 are fair.**

## 12. **Reasonableness of the Yonder and Beyond Acquisition**

12.1 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed Acquisition that we considered in arriving at our conclusion on the reasonableness of the Acquisition and in particular the proposals pursuant to Resolution 1.

### **Advantages**

12.2 The Company, in effect moves from a near cash box company with only one mineral asset (to be sold or relinquished) to a technology/App investment driven company in the incubation of app development companies with some opportunities to move into the earning

of profits and positive cash flows if the Yonder and Beyond investment businesses can be successfully commercialised.

- 12.3 The Company may be better placed to raise further funds by way of share equity as a result of acquiring all of the shares in Yonder and Beyond. It is noted that \$5,000,000 to \$8,000,000 is being raised on the back of the proposed acquisition of Yonder and Beyond and if commercial success comes Yonder and Beyond's way, Quintessential may be able to raise further funds for expansion of the Yonder and Beyond businesses.
- 12.4 There is an incentive to Quintessential and Yonder and Beyond, to successfully exploit the investments of Yonder and Beyond that are developing App businesses as the Yonder and Beyond shareholders (Vendors), including Fernando (and certain key management personal of Yonder and Beyond) will or may have collectively significant shareholding interests in Quintessential. The Management Options (Tranches 2 and 3) as noted above can be exercised to ordinary shares in Quintessential on meeting the Vesting Conditions and Beyond shareholders (Vendors), including Fernando (and certain key management personal of Yonder and Beyond) could then increase their ordinary shares held in Quintessential and the key management personal will obtain substantial ordinary shares in Quintessential. All shareholders would benefit from an increased share price which would be expected if the Vesting Conditions were achieved in relation to the Tranche 2 and Tranche 3 Management Options (increased share prices).
- 12.5 Quintessential currently has one remaining mineral prospect and this project will soon be sold or relinquished. Diversification into the App incubator sector by acquiring 100% of Yonder and Beyond may reduce the risk of the Company being suspended from trading and remaining in effect a cash box. Currently capital raisings for small junior exploration companies is extremely difficult and by diversifying into other businesses, increases the scope for new capital raisings.
- 12.6 Existing shareholders may be given the opportunity to sell their shares in excess of the share prices existing prior to the Acquisition announcement. However, those shareholders who consider the risk of entering into a new business outside mineral exploration mineral to be too high may wish to sell their shareholdings in Quintessential. The market via an increased volume of trades in Quintessential shares (and an increased share price) subsequent to the announcement of the proposed Acquisition has indicated a positive response to the proposal.
- 12.7 The net book assets of Quintessential are estimated at \$107,000 whilst post the Acquisition, the net book assets of the Quintessential Group that will include the Yonder and Beyond Group is estimated to be an initial \$4,808,000 (assumes a Capital Raising of \$5,000,000) (although intangibles may amount to around \$1,080,000). The value attributable to the existing shareholders approximates \$590,000 compared with a current shareholding interest of approximately \$107,000.

### **Disadvantages**

- 12.8 Currently, Fernando and the key management personal of Yonder and Beyond have a beneficial interest in nil shares in the Company and if Resolutions 1, 2 and 4 are passed, the Yonder and Beyond interests (including the holders of the Management Options and Adviser Options) will increase their collective ordinary shareholding interest in Quintessential to approximately between 43.70% and 52.85% and possibly a collective 58.48% to 66.30% if all Management Options, Adviser Options and New Options are able to be exercised to ordinary shares in Quintessential. See section 2 of this report for the individual possible shareholding of Fernando. The existing shareholders will be diluted from owning a current 100% shareholding interest in Quintessential and its underlying assets to a smaller shareholding of approximately 10.14% to 12.27% post the Acquisition

(before exercise of Corporate Adviser Options, New Options and Management Options to ordinary shares).

- 12.9 The App Incubator businesses operated by the Yonder and Beyond Group may not turn out to be commercially viable and thus losses may continue to be incurred. Loans will be made by Quintessential to Yonder and Beyond and these plus the investment cost may need to be impaired if Yonder and Beyond does not record in the future sufficient profits and positive cash flows.
- 12.10 The Yonder and Beyond Group has cash reserves/receivables of \$584,000 but current liabilities totalling \$1,357,000 and is expected to incur losses in the near future. If the acquisition of the Yonder and Beyond Group by Quintessential is achieved, Quintessential will need to meet the liabilities (current and future) of the Yonder and Beyond Group that may be material in nature. New capital may need to be raised in 2015 and beyond.

### **Other Factors**

- 12.11 It is noted that for accounting purposes in the books of Quintessential, the ordinary Consideration Shares will be booked at the market value of the ordinary shares in Quintessential at the date the ordinary Consideration Shares are issued to the Yonder and Beyond shareholders. Quintessential as the legal parent entity will account for the value of the ordinary Consideration Shares at the market value of the ordinary shares in Quintessential that may be considered to be around 20 cents per share (after adjusting for the 1 for 20 consolidation of capital). The ultimate longer term fair value of an investment in Yonder and Beyond is at this stage unknown (but we have ascribed a current fair value of approximately \$846,000) and write downs in the investment may be required at a later stage (particularly if commercial success is not forthcoming). Fair values attributable to the Adviser Options, New Options and Management Options may prove to be optimistic if losses continue in Yonder and Beyond.
- 12.12 The proposed Acquisition provides the Company with a clear strategic direction as compared with the existing position of shareholders owning shares in a near dormant company with minimal cash and no clear vision. The Company requires a business that will provide it with the opportunity to sustain a viable business and allow the Company to be a going concern in the longer term.
- 12.13 The number of post consolidated fully paid ordinary shares on issue rises to as noted in paragraph 2.3 of this report. This represents a substantial increase in the ordinary shares of the Company based on the number of shares on issue at the time of the announcement of the Acquisition on 24 July 2014 (after allowing for the planned 1 for 20 consolidation of capital). In addition, if all Vesting Conditions are met, the 25,000,000 Management Options (2 and 3 Tranches) can be exercised to ordinary shares in Quintessential further diluting the existing shareholders. However, if this was to occur, it would be expected that the share prices of a Quintessential share would be substantially higher than July to 28 October 2014 share prices (as adjusted for the 1 for 20 consolidation of capital) and thus the existing shareholders would benefit. In addition, the Company would receive \$300,000 from exercise of the Corporate Adviser Options, \$950,000 from exercise of the New Options and a total of \$9,500,000 if all Management Options were exercised.
- 12.14 The proposed new board member, being a Yonder and Beyond Director brings technical and business experience. Further details on the proposed new director has been included in the ES.
- 12.15 The ultimate share price of a Quintessential share will be higher at the time of meeting the Vesting Conditions attached to the Tranche 2 and Tranche 3 Management Options.



12.16 It is the view of the Board of Quintessential that the investment in Yonder and Beyond is in the best interests of all shareholders.

12.17 Based on the slight rise in the share price (and volumes of trades) of an Quintessential share following the announcement as compared with the last sale price before the announcement of the proposed Acquisition, the market is arguably favourable of the proposals.

### **13. Conclusion as to Reasonableness**

13.1 **After taking into account the factors referred to in 12 above and elsewhere in this report we are of the opinion that the advantages to the existing shareholders outweigh the disadvantages and thus the proposed Acquisition as noted in paragraphs 1.1 and 1.2 and Resolution 2 in the Notice may be considered, on balance, to be reasonable to the existing non-associated shareholders of Quintessential at the date of his report.**

### **14. Shareholder Decision**

14.1 Stantons International Securities has been engaged to prepare an independent expert's report setting out whether in its opinion the issue of 20,246,379 post consolidated Consideration Shares (404,927,585 pre-consolidated Consideration Shares) and 11,025,000 Management Options to Fernando and allowing the issue to and exercise of 11,025,000 Management Options by Fernando is fair and reasonable and state reasons for that opinion. Stantons International Securities has not been engaged to provide a recommendation to shareholders in relation to the proposals/transactions under Resolution 2 but conclude whether the proposals pursuant to Resolution 2 are fair and/or reasonable to those shareholders not associated with Fernando. The responsibility for such a voting recommendation lies with the directors of Quintessential.

14.2 In any event, the decision whether to accept or reject Resolution 2 is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposals under Resolution 2, shareholders should consult their own professional adviser.

14.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Quintessential. This is an investment decision upon which Stantons International Securities does not offer an opinion and is independent on whether to accept the proposals under Resolution 2. Shareholders should consult their own professional adviser in this regard.

### **15. Sources of Information**

15.1 In making our assessment as to whether the proposed Acquisition as noted in paragraphs 1.1 and 1.2 is fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company, Yonder and Beyond and the App incubator business that is relevant to the current circumstances. In addition, we have held discussions with the management of Quintessential about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of Quintessential.



15.2 Information we have received includes, but is not limited to:

- a) Draft Notices of Quintessential and ES of September to 10 November 2014;
- b) Discussions with management of Quintessential and Yonder and Beyond;
- c) Details of historical market trading of Quintessential ordinary fully paid shares recorded by ASX for the period 1 June 2013 to 7 November 2014;
- d) Shareholding details of Quintessential as supplied by the Company's share registry as at 28 October 2014;
- e) Audited balance sheet of Quintessential as at 30 June 2013 and 30 June 2014;
- f) Reviewed balance sheet of Quintessential as at 31 December 2013;
- g) Announcements made by Quintessential to the ASX from 1 January 2012 to 9 November 2014;
- h) The unaudited and audited financial statements/consolidation spread sheet of Yonder and Beyond for the year ended 30 June 2014;
- i) Preliminary cash flow forecasts of Yonder and Beyond for 2014/15 and 2015/16;
- j) The original Term Binding Sheet executed in August 2014 for the proposed acquisition of all of the shares in Yonder and Beyond and the final signed Term Binding Sheet of October 2014;
- k) The Valuation Report of Adelbert Geosciences Ltd of 19 August 2014;
- l) The financial statements of in Prism Digital Limited (a digital recruitment agency), Boppl Limited (a mobile ordering and payment App), Wondr.it.Limited (brings major social network platforms into a single, simple feed) and Gophr as at 30 June 2014 (after adjusting for transactions to occur prior to the Acquisition of Yonder and Beyond by Quintessential).

14.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully

**STANTONS INTERNATIONAL SECURITIES PTY LTD**  
**(Trading as Stantons International Securities)**



**J P Van Dieren - FCA**  
**Director**

## **APPENDIX A**

### **AUTHOR INDEPENDENCE AND INDEMNITY**

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 10 November 2014, relating to the issue of 20,246,379 post consolidated Consideration Shares (404,927,585 pre-consolidated Consideration Shares), the issue of 11,025,000 Management Options and allowing such Management Options to be exercised as they relate to Fernando as outlined in Section 1 and 2 of the report and Resolution 2 in the Notice of Meeting to Shareholders and the Explanatory Statement proposed to be distributed to the Quintessential shareholders in November 2014.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposals. There are no relationships with Quintessential and Yonder and Beyond other than acting as an independent expert for the purposes of this report. Before accepting the engagement Stantons International considered all independence issues and concluded that there were no independence issues in accepting the assignment to prepare the Independent Experts Report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at a maximum of \$30,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities does not hold any securities in Quintessential and Yonder and Beyond. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

### **QUALIFICATIONS**

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (No. 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. The directors of Stantons International Audit and Consulting Pty Ltd are the directors of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John P Van Dieren, FCA, and Mr Martin Michalik (ACA) the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

## **DECLARATION**

This report has been prepared at the request of the Directors of Quintessential in order to assist them to assess the merits of the proposals as outlined in Resolution 2 to which this report relates. This report has been prepared for the benefit of Quintessential's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of Quintessential and the Yonder and Beyond Group and their assets, including the value of the Mpire business. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of Quintessential and the Yonder and Beyond Group. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

## **DUE CARE AND DILEGENCE**

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposals set out in Resolution 2 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolution 2.

## **DECLARATION AND INDEMNITY**

Recognising that Stantons International Securities Pty Ltd may rely on information provided by Quintessential and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), Quintessential has agreed:

- (a) To make no claim by it or its officers against Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which Quintessential may suffer as a result of reasonable reliance by Stantons International Securities Pty Ltd on the information provided by Quintessential; and
- (b) To indemnify Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from Quintessential or any of its officers providing Stantons International Securities Pty Ltd any false or misleading information or in the failure of Quintessential or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities Pty Ltd

A draft of this report was presented to Quintessential directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE  
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD  
(Trading as Stantons International Securities)  
Dated 10 November 2014**

1. Stantons International Securities ABN 42 128 908 289 and Financial Services Licence 448697 (“SIS” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. **Financial Services Guide**

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. **Financial services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. **General Financial Product Advice**

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

**5. Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

**6. Remuneration or other benefits received by our employees**

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

**7. Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

**8. Associations and relationships**

SIS is ultimately a wholly subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. Stantons International Audit and Consulting Pty Ltd trades as Stantons International that provides audit, corporate services, internal audit, probity, management consulting, accounting and IT audits.

From time to time, SIS and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

**9. Complaints resolution**

**9.1 Internal complaints resolution process**

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer  
Stantons International Securities Pty Ltd  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

## **9.2 Referral to External Dispute Resolution Scheme**

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOSL”). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited  
PO Box 3  
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399

## **10. Contact details**

You may contact us using the details set out above.

Telephone	08 9481 3188
Fax	08 9321 1204
Email	<a href="mailto:jvdieren@stantons.com.au">jvdieren@stantons.com.au</a>

11 November 2014

The Board of Directors  
Quintessential Resources Limited  
Level 4, 66 Kings Park Road  
West Perth WA 6005

In accordance with clause 11.7 of the constitution of Quintessential Resources Limited (ACN 149 278 759) (**Company**), I, John Bell, signify my intention to become a director of the Company and consent to my nomination at the upcoming meeting of shareholders to be held on or around 11 December 2014.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'John Bell', written in a cursive style.

John Bell



## PROXY FORM

### QUINTESSENTIAL RESOURCES LIMITED

ACN 149 278 759

### GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

☐

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, 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 Meeting to be held at 8:30AM (WST), on 15 December 2014 at Level 4, 66 Kings Park Road, West Perth WA 6005 and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

VOTING ON BUSINESS OF THE GENERAL MEETING	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval for the Acquisition of Yonder & Beyond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval for the issue of Securities to Shashi Fernando	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Consideration Securities to the Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval for Issue of Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval for Issue of Options to Wolfstar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Participation of Jay Stephenson in Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Participation of Julia Beckett in Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Participation of John Bell in Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Appointment of Mr John Bell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please 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 be counted in computing the required majority on a poll.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Shareholder 2

Shareholder 3

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Sole Director/Company Secretary

Director

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail  
in relation to this Proxy Form:

YES ☐

NO ☐

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member 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 the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Quintessential Resources Limited, Level 4, 66 Kings Park Road, West Perth WA 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 6141 3599; or
  - (c) email to the Company at [info@quintessentialresources.com.au](mailto:info@quintessentialresources.com.au) ,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**