

28 April 2017

## Quarterly Activities Report For the Period Ended 31 March 2017

The Board of Directors of Kabuni Ltd (the “Company” or “Kabuni”) is pleased to provide an update on the Company’s activities for the three-month fiscal period ended 31 March 2017 (the “third quarter”).

### Acquisition of Design Campus

On 24 January 2017, the Company announced that it had signed a binding agreement to acquire Design Campus, an online education platform and training resource for the professional design community. Design Campus was co-founded by Lori Dennis, a leading interior designer and star of HGTV’s “The Real Designing Women.” The acquisition completed on 31 January 2017 (Vancouver time). Total costs for both the acquisition and integration of the business are approximately US\$100,000.

On the same date, the Company also announced that Ms. Dennis and the Company have entered into a consulting services agreement, pursuant to which Ms. Dennis has joined Kabuni as a Strategic Advisor. As part consideration for her consulting services, the Company has issued Ms. Dennis 1,000,000 options to purchase ordinary shares in the capital of the Company, exercisable at A\$0.06 on or before 30 June 2019.

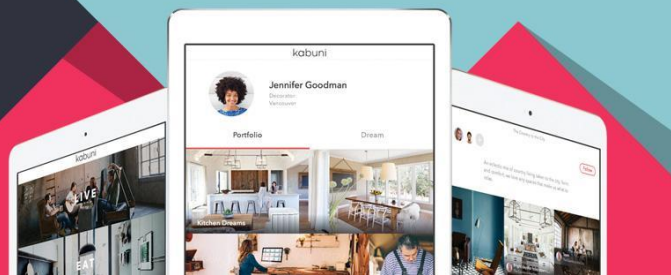
### Proposed Transaction with Print the Future, Inc.

On 8 March 2017, the Company announced the receipt of a signed non-binding Letter of Intent (the “LOI”) from Print the Future, Inc. (“PTF”), regarding the potential acquisition by PTF of the shares of the Company’s operating subsidiaries, Kabuni Technologies Inc. (“KTI”), Kabuni USA, Inc. and Kabuni Technologies (India) Private Limited. PTF is an early stage technology Company being pioneered by Kabuni founder Neil Patel, with operations in Vancouver and New York City.

On 5 April 2017, the Company announced that PTF and the Company signed a revised letter of intent, amending the terms of the LOI (the “Revised LOI”). The total consideration for the acquisition is approximately AUD \$6.52 million, payable at the closing in equal amounts of 50% cash as an initial payment, and 50% by issuing a convertible note. Kabuni and PTF are in the process of negotiating the terms of a definitive purchase agreement relating to the acquisition. The Revised LOI is indicative only and non-binding. Completion of the transaction will remain subject to shareholder approval, at a meeting to be scheduled in the coming months.

### Temporary Services Agreement

On 5 April 2017, the Company announced that it had entered into a Temporary Services Agreement (“TSA”) with PTF. The TSA is entered into between the Company’s operating subsidiary, KTI, as services provider, and PTF, and provides that KTI will, on PTF’s reasonable request, make certain employees and equipment of Kabuni available to provide software development, marketing and other services (“Temporary Services”) to PTF, provided in each case, that (i) Kabuni’s resources shall continue to be applied in order to carry out the Kabuni’s own business strategies, and (ii) in no event shall the Temporary Services be rendered to the



extent that they result in any adverse impact on the Company's business. The Company is a party to the TSA for the limited purpose of guaranteeing the performance of KTI's obligations under the TSA.

In consideration for the Temporary Services, and for each month of the term of the Temporary Services Agreement, PTF will pay to KTI a fee in an amount that is equal to the operating expenses of Kabuni's operating subsidiaries for such month (including but not limited to salaries, benefits, third party contractors' fees, professional and consulting, legal, finance and accounting services, software expenses, travel, marketing, rent, office, and the Design Campus costs, but excluding any expenses of the Vendor, such as directors' fees or public company expenses) (the "Service Fees"). The intent of Kabuni and PTF is that the Service Fees will not exceed CAD\$300,000 per month (though any excess will remain payable by the PTF).

The TSA is effective as of March 6, 2017, and contains other covenants, representations and warranties, indemnification provisions and termination rights of a type and form that is usual in a services agreement of this nature.

### **Termination and Release Agreement**

Pursuant to the LOI, Mr. Patel and KTI entered into a termination and release agreement in regard to Mr. Patel's employment agreement with KTI (the "Release"). The Release does not affect any of the rights or obligations of the Company or Mr. Patel to the extent arising in connection with Mr. Patel's service as a director of the Company or its subsidiaries.

The Release provides for the termination of Mr. Patel's employment agreement and his formal resignation as Managing Director and Chief Executive Officer of Kabuni and its subsidiaries. Mr. Patel has kindly agreed to remain as a one of three corporate directors of the Company's Indian subsidiary pending the completion of the proposed acquisition or until the Board otherwise determines, to avoid the time and administrative costs involved in effecting such changes under Indian corporate law.

The Release provides that KTI will pay to Mr. Patel the sum of CAD\$61,666, which shall be paid in eight (8) equal installments of CAD\$7,708, commencing on March 15, 2017 and payable then and every two weeks thereafter for the following seven 2-week periods. During this period, KTI will also maintain coverage for Mr. Patel under the company's extended health and other benefits plan. If the letter of intent or definitive purchase agreement are terminated, KTI's payment obligations under the Release also terminate.

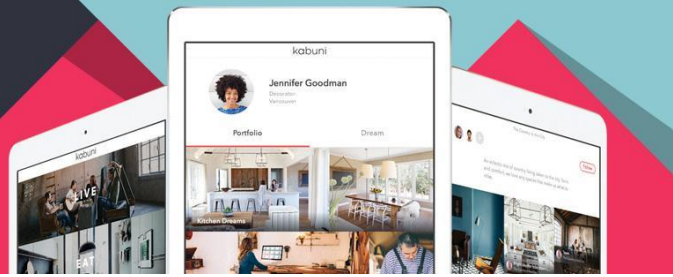
Both the Board and Mr. Patel remain committed to full transparency and driving shareholder value for Kabuni shareholders.

### **Appointment/Resignation of Company Secretary**

On 5 January 2017, the Company announced that Mr. Aaron Bertolatti resigned as Company Secretary. On the same date, the Company announced the appointment of Mr. Brett Tucker as Company Secretary, with effect from 1 January 2017. Mr. Tucker is a Chartered Accountant with a strong background in audit and compliance. Mr. Tucker also has extensive technology and resources industry experience having worked with a number of small and mid cap ASX listed companies.

### **Executive Changes**

On 8 March 2017, the Company announced that Frans Tjallingii, the Company's Chief Operating Officer, has departed the Company on mutually agreed terms. Lisa Dea, the Company's Chief Financial Officer,



has temporarily assumed the responsibilities of Chief Operating Officer. Ms. Dea will report directly to Kabuni's Board of Directors.

### **Kabuni Organisational Restructure**

During the third quarter, Kabuni has restructured and focused its business operations to grow and strengthen its international design and build network, as well as integrate and promote its recent acquisition, Design Campus.

At the start of the calendar year, the Board set a target to reduce the burn and restructure the Company by March 2017. In line with this, Kabuni has, under the guidance of the Board and Lisa Dea, CFO and acting COO, consolidated the monthly burn to approximately \$300,000 and refocused to drive growth across its three identified business units,

- Network
- Education
- Tools

### **Operational Update**

During the third quarter, the Company also redesigned its website to align with this refocus and continued to deepen its local Vancouver network through the Kabuni House as well as market its educational tools through the Design Campus marketplace and into newly identified target groups.

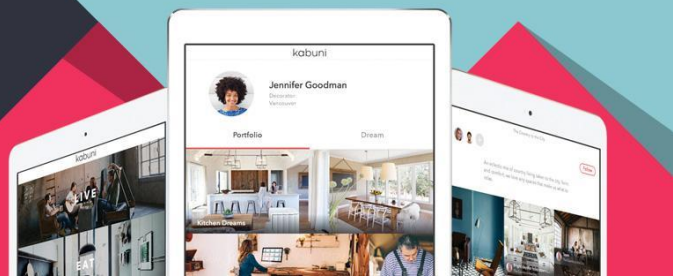
The Company undertook considerable software development activities to make certain technological improvements to the Design Campus online platform. The Company is now working on adding new video content to the Design Campus platform, in order to grow the course offering for members. Online memberships to the Design Campus platform also continued to increase during the quarter.

In addition, in the third quarter, the Company added new members to the Kabuni House in Vancouver. Existing and potential members were also given the opportunity to attend several educational and social events. Kabuni House events continue to be well attended and to increase brand awareness within the design and build community. In general, existing Kabuni House members may attend the events for no added cost, while non-members are required to pay a fee. These events have proven to be an added incentive to promote Kabuni House memberships.

While management continues to carry out Kabuni's refocused operational business plan, unless the proposed transaction with PTF is completed in the coming months, continued operations are dependent on the Company's ability to obtain additional debt or equity financing. While Management continues to explore all viable options, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

### **For further information please contact:**

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### Forward Looking Information

Certain statements contained in this document constitute forward-looking information. These statements relate to future events or the Company's future performance. The use of any of the words "could", "expect", "predict", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. The Company's prospectus and other documents filed with securities regulatory authorities (accessible through the ASX website <http://www.asx.com.au/> and the SEDAR website [www.sedar.com](http://www.sedar.com)) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. The Company disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.