

19 September 2017

Company Announcements Office

ASX Limited

*By E-Lodgement*

## Update on Transaction with PTF

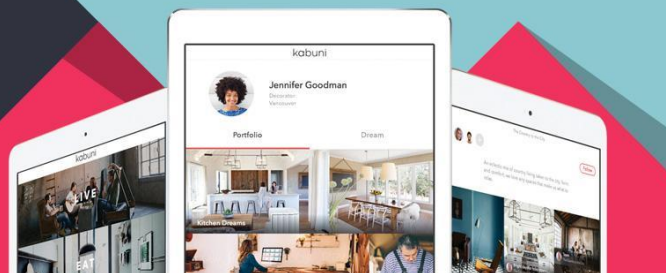
---

The Board of Kabuni Limited (“Kabuni” or the “Company”) provides an update on the proposed transaction with Print the Future, Inc. (“PTF”).

### Transaction with PTF

As announced to the ASX on 3 July 2017, the Company has entered into an Amended and Restated Purchase Agreement with PTF (the “Amended SPA”), pursuant to which the Company proposes to sell to PTF all of the issued and outstanding shares of two of its subsidiaries, Kabuni Technologies Inc. (“KTI”) and Kabuni Technologies (India) Private Limited, on the terms set out in the Amended SPA (the “PTF Transaction”). On 13 September 2017, the Company filed with the ASX a Notice of Special Meeting and Notice of General Meeting of the shareholders of the Company to be held on 16 October 2017 to seek shareholder approval of the PTF Transaction (the “Meeting”), including an independent expert’s report in regard to the PTF Transaction.

Currently, PTF is indebted towards the Company pursuant to a convertible promissory note in the original principal amount of A\$843,900.2 (the “Note”). As previously announced, on 15 July 2017, PTF elected to repay the first instalment due on the Note of A\$150,000 by procuring Mr. Neil Patel to agree to cancel his shares in the Company and procuring a company controlled by Mr. Patel, Property Beacon Technology, Inc. (“PBT”), to partially release a loan owing to it by KTI (the “PBT Loan”). Further, as previously announced, on 15 August 2017, PTF elected to partially repay the second instalment due on the Note of A\$175,000, by procuring PBT to release the outstanding balance of the PBT Loan, leaving an amount of AUD\$148,803.73 outstanding and unpaid by PTF under the Note. On 15 September 2017, the remaining balance of the Note became due and payable by PTF, being an amount of A\$518,900.22. PTF has failed to pay such amount when due. Accordingly, the Company has provided PTF with a further formal notice that an event of default has



occurred under the Note, confirming that the Company has not waived the default and expressly reserving all of the Company's rights, powers, privileges and remedies under the Note, applicable law or otherwise.

As at the date hereof, the total unpaid principal amount outstanding under the Note is \$667,703.95 (which amount accrues default interest at the rate of 22% per annum). Provided that the shareholders approve the PTF Transaction at the Meeting and that completion occurs, PTF will, on completion and in consideration for the purchase, issue a further convertible promissory note to the Company in the amount of approximately A\$3.7 million, which further note is repayable on 30 November 2017.

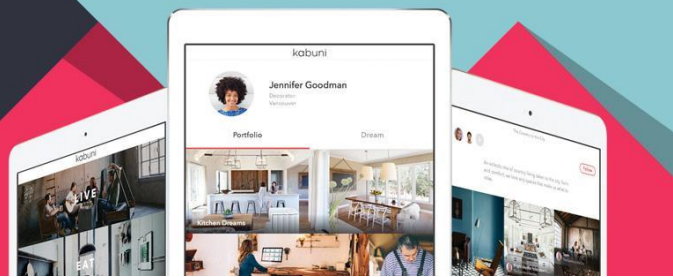
As a result of PTF's default, the Company continues to have the right (not the obligation) to terminate the Amended SPA with PTF. The Board considers that at this stage it is in the best interests of the Company to continue to proceed with the proposed transaction with PTF and to allow shareholders to consider the transaction at the Meeting on the 16 October 2017. If shareholders decide to approve the PTF Transaction, it is anticipated that completion will occur on or before 31 October 2017.

The Company continues to consider all available rights and recourses in order to recover amounts due under the Note. Moreover, the Company is, in conjunction with PTF, implementing additional cost-cutting measures to mitigate potential ongoing liabilities. The Company remains concerned at the progress to date of the Transaction and is ensuring all avenues of opportunity are being explored.

#### **Update on PTF Capital Raising Initiatives**

As previously announced, PTF is an early stage technology company operated by Kabuni founder, Neil Patel, headquartered in Vancouver, B.C. Since signing the share purchase agreement with the Company, PTF has been endeavoring to raise capital in order to fund its ongoing operations as well as finance the repayment of the Note and purchase price for the PTF Transaction. PTF has advised that it has raised, to date, a total of approximately US\$120,000 from investors, and has obtained loans from related parties in an amount of approximately CAD\$160,000. These funds have been applied to the payment of PTF's startup, operating and capital raising costs as well as to salaries and other liabilities of the Company's subsidiaries, pursuant to PTF's obligations under the Amended SPA.

Moreover, PTF has undertaken an ongoing equity crowdfunding offering in the United States, for an amount of up to US\$100,000 and which, to date, has received subscriptions from investors for an amount of approximately US\$16,000. PTF has advised that the release of these funds is subject to certain regulatory conditions and it remains uncertain whether PTF will receive the said funds.



In addition, PTF has indicated that it continues to be in discussions with a number of investment banks, brokers and high net worth individuals in Canada and the United States, with regards to funding options but at this time no formal mandate, agreement or term sheet has been signed.

Under the terms of the Note, PTF is required to apply 100% of net proceeds actually received by it pursuant to any financing (whether by way of sale of securities, borrowing or otherwise), to pay the amounts in default under the Note. In addition, PTF is required to keep the Company updated on the status of its capital raising initiatives under the terms of its agreements with the Company. The Company will inform the market as and when it is made aware of any material updates.

**For further information please contact:**

**Brett Tucker**

Company Secretary

p: + 61 8 9482 0506