

YONDER & BEYOND

PROSPECTUS

For the offer of 25,000,000 Shares at an offer price of 20 cents each to raise a Minimum Subscription amount of \$5,000,000 (Public Offer). Oversubscriptions of up to a further 15,000,000 Shares at an issue price of 20 cents each to raise up to a further \$3,000,000 may be accepted under the Public Offer.

This Prospectus also contains:

- ▶ an offer of up to 37,875,000 Shares, 35,000,000 Replacement Management Performance Options and 1,500,000 Y&B Adviser Options to the Y&B Vendors in consideration for the acquisition of all of the issued capital in Y&B (Y&B Offer). Refer to Sections 6.7 and 6.5.4 of this Prospectus for further details of the Y&B Offer; and
- ▶ an offer of up to 3,000,000 Adviser Options to the Joint Lead Managers (or their nominee) and other parties determined at the discretion of the Company and 1,000,000 Corporate Adviser Options to Wolfstar Group Pty Ltd (or its nominee) as part consideration for services provided by these parties in connection with the Public Offer (Adviser Offer). Refer to Sections 6.5.2 and 6.5.5 of this Prospectus for further details of the Adviser Offer.

Completion of the Offer is conditional upon Shareholders approving, at the General Meeting to be held on Monday, 15 December 2014, various resolutions, including the change in nature and scale of activities, consolidation of capital and the issue of the Shares and Options offered by this Prospectus. Please refer to Section 1.4 for further details.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

Unless otherwise stated, all references to Securities in this Prospectus are made on the basis that the Consolidation for which Shareholder approval is being sought at the General Meeting has taken effect.

JOINT LEAD MANAGERS:



Australian Financial Services Licence ("AFSL"): 247083



FOSTER STOCKBROKING
AFSL: 223687

Important Information

This Prospectus provides important information to assist prospective investors in deciding whether or not to invest in the Company. It should be read in its entirety. If you do not understand it, you should consult your professional advisers.

THE SECURITIES OFFERED UNDER THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

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CORPORATE DIRECTORY

CURRENT DIRECTORS (Immediately prior to the acquisition of Yonder and Beyond Limited)

Jay Stephenson	<i>Chairman</i>	(to continue as Chairman post-acquisition)
Shashi Fernando	<i>Non-Executive Director</i>	(to continue as Chief Executive Officer ("CEO") post-acquisition)
Julia Beckett	<i>Non-Executive Director</i>	(to step-down as a director post-acquisition)

INCOMING DIRECTOR (To be appointed post-acquisition of Yonder and Beyond Limited)

John Bell	<i>Executive Director, Chief Financial Officer ("CFO") (elect)</i>
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COMPANY SECRETARY

Jay Stephenson

REGISTERED OFFICE

Street: Level 4, 66 Kings Park Road
WEST PERTH WA 6005
Postal: PO Box 52
WEST PERTH WA 6872
Telephone: +61 (0)8 6141 3500
Facsimile: +61 (0)8 6141 3599
Email: info@quintessentialresources.com.au
Website: www.quintessentialresources.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000
Website: www.investorcentre.com

JOINT LEAD MANAGERS

Taylor Collison Limited
Level 16, 211 Victoria Square
ADELAIDE SA 5000

SECURITIES EXCHANGE

Australian Securities Exchange
ASX Code – QRL
Proposed new ASX Code will be YNB

Foster Stockbroking Pty Ltd
Level 25, 52 Martin Place
SYDNEY NSW 2000

SOLICITORS TO THE COMPANY

Steinepreis Paganin
Level 4, The Read Buildings, 16 Milligan Street
PERTH WA 6000

INVESTIGATING ACCOUNTANT

Moore Stephens Perth Corporate Services Pty Ltd
Level 3, 12 St Georges Terrace
PERTH WA 6000

AUDITORS ^①

Moore Stephens
Level 3, 12 St Georges Terrace
PERTH WA 6000

CORPORATE ADVISER

Wolfstar Group Pty Ltd
Level 4, 66 Kings Park Road
WEST PERTH WA 6005

^① This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

CHANGE IN NATURE AND SCALE STATEMENT

RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

Quintessential Resources Limited ("Quintessential" or "the Company") has historically operated as a minerals exploration company with mineral exploration tenement interests in Papua New Guinea. As announced to the Australian Securities Exchange ("the ASX") on 24 July 2014 the Company has entered into a binding agreement to acquire 100% of the issued capital in **Yonder and Beyond Limited** (ACN 168 223 765) ("Y&B") by way of a Share Sale Agreement ("Agreement"). For further information on Y&B, and Quintessential's acquisition thereof, refer to Sections 0 and 2.3 commencing on page 27 of this Prospectus.

The acquisition of Y&B will result in a significant change to the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules.

The Company has convened a general meeting of its Shareholders to be held on 15 December 2014 to seek Shareholder approval for, amongst other approvals, the issue of Shares and Options to effect the acquisition of Y&B, the change in nature and scale of the Company's activities, and the change of Company name to **Yonder & Beyond Group Limited**. A copy of the notice of meeting is available on the Company's website and has been dispatched to Shareholders.

The Offers made under this Prospectus and the issue of Securities pursuant to this Prospectus are subject to and conditional upon Shareholders passing the Transaction Resolutions at the General Meeting to be held on 15 December 2014 and the satisfaction of the conditions referred to in those resolutions. If all the Transaction Resolutions are not passed or the conditions referred to in those resolutions are not satisfied, the Offers will not proceed, no Securities will be issued pursuant to this Prospectus and the Company will repay all money received from Applicants without interest. In addition, even if the Transaction Resolutions are passed, there is a risk that the Company may not be able to meet other requirements imposed by ASX for the reinstatement of Shares to Official Quotation. If this occurs the Company will not proceed with either the Acquisition or the Offers and will repay all application monies received (without interest).

The Company must also comply with ASX requirements to re-list on the ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.



IMPORTANT INFORMATION

This Prospectus is dated 24 November 2014 and was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. Neither ASIC nor the ASX takes any responsibility for the contents of this Prospectus. No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Directors of, and advisers to, the Company do not guarantee the success of the Company, the repayment of capital, the payment of dividends or the price at which Shares will trade on the ASX.

Application will be made to ASX within seven (7) days of the date of this Prospectus for Quotation of the Shares the subject of this Prospectus. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered under this Prospectus should be considered speculative.

ELECTRONIC PROSPECTUS

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet at www.quintessentialresources.com.au. The Offers pursuant to the electronic Prospectus are only available to persons receiving an electronic version of this Prospectus in Australia. The *Corporations Act 2001* (Cth) prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by email at info@quintessentialresources.com.au.

FOREIGN JURISDICTIONS

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

CONSOLIDATION OF SHARE CAPITAL

Unless otherwise stated, all references to securities of the Company as set out in this Prospectus are on the basis that the proposed Consolidation of the Company's share capital (which is proposed for Shareholder approval at the general meeting of Shareholders to be held 15 December 2014) has been implemented.

RISK FACTORS

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Investment Overview and Section 3 on page 38 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

FORWARD LOOKING STATEMENTS

This Prospectus may contain forward looking statements or information. Forward-looking statements can be identified by the use of words such as "may", "should", "will", "expect", "anticipate", "believe", "estimate", "intend", "scheduled" or "continue" or similar expressions. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in such forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 3 on page 38 of this Prospectus, as well as other matters not yet known to the Company or not currently considered material by the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

WEBSITE ADDRESS

The Prospectus can be downloaded from www.quintessentialresources.com.au.

PHOTOGRAPHS AND DIAGRAMS

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

DEFINITIONS

Throughout this Prospectus abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Definitions in Section 8 on page 99 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

CONDITIONS PRECEDENT

The Offers made under this Prospectus and the issue of Securities pursuant to this Prospectus are subject to and conditional upon Shareholders passing the Transaction Resolutions at the General Meeting to be held on 15 December 2014 and the satisfaction of the conditions referred to in those resolutions. The Company must also comply with ASX requirements to re-list on the ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules.

If all resolutions are not passed or the conditions referred to in those resolutions are not satisfied, the Offers will not proceed, no Securities will be issued pursuant to this Prospectus and the Company will repay all money received from Applicants without interest. In addition, even if the Transaction Resolutions are passed, there is a risk that the Company may not be able to meet other requirements imposed by ASX for the reinstatement of Shares to Official Quotation. If this occurs the Company will not proceed with either the Acquisition or the Offers and will repay all application monies received (without interest).

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Quintessential Resources Limited ("Quintessential" or "the Company"), it is my pleasure to introduce this Prospectus to you. This Prospectus has been issued by Quintessential to enable the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules through the offer of 25,000,000 Shares at an offer price of 20 cents each to raise a Minimum Subscription amount of \$5,000,000. Oversubscriptions of up to a further 15,000,000 Shares at an issue price of 20 cents each to raise up to a further \$3,000,000 may be accepted.

This Prospectus also contains:

- ▶ an offer of up to 37,875,000 Shares, 35,000,000 Replacement Management Performance Options and 1,500,000 Y&B Adviser Options to the Y&B Vendors in consideration for the acquisition of all of the issued capital in Y&B (Y&B Offer). Refer to Section 6.7 and 6.5.4 of this Prospectus for further details of the Y&B Offer; and
- ▶ an offer of up to 3,000,000 Adviser Options to the Joint Lead Managers (or their nominee) and other parties determined at the discretion of the Company and 1,000,000 Corporate Adviser Options to Wolfstar Group Pty Ltd (or its nominee) as part consideration for services provided by these parties in connection with the Public Offer (Adviser Offer). Refer to Sections 6.5.2 and 6.5.5 of this Prospectus for further details of the Adviser Offer.

The Company was incorporated on 15 February 2011 for the purpose of identifying exploration projects in Papua New Guinea with the aim of discovering commercially significant mineral deposits. However, as announced to the ASX on 24 July 2014, the Company has now moved to change the nature and scale of its operation through the acquisition of all the shares in Yonder and Beyond Limited ("Y&B").

Y&B was formed to invest in and help accelerate high growth and high potential businesses in the global technology and mobile space. Y&B's Management Team, as described in section 2.3.6(b) on page 35, brings a wealth of experience and relationships across the technology and entertainment landscape and is able to maximise synergies amongst its investment portfolio to accelerate growth and user acquisitions.

The acquisition of Y&B will result in a significant change to the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules.

The Company has convened a general meeting of its Shareholders to be held on 15 December 2014 to seek Shareholder approval for, amongst other approvals, the issue of Shares and Options to effect the acquisition of Y&B, the change in nature and scale of the Company's activities, and the change of Company name to Yonder & Beyond Group Limited.

Subject to the satisfaction or waiver of the conditions precedent in the Share Sale Agreement, successful implementation of the Agreement, Shareholder approval and re-compliance with the ASX Listing Rules, the Company will own 100% of the shares and options in Y&B. Further details of the Agreement are contained in Section 5.1 on page 67 of this Prospectus.

Following the change in name to Yonder & Beyond Group Limited a process will begin that will see the new board of the Company undertaking a review of the Papua New Guinean assets to investigate opportunities to divest its existing assets and projects. The Company will seek to maximise its position from the exit process, possibly via joint venture or outright sale should market conditions allow.

It is envisaged that post readmission, the Company will focus on developing the existing Y&B investee companies and identifying new investment opportunities that fit the Y&B investment criteria.

The Board believes the proposed acquisition and change of business post transaction are both very positive and in the interest of Shareholders.

This Prospectus contains detailed information about Y&B, and the Agreement. Please read this Prospectus carefully before you make a decision to invest and, where necessary, consult with your professional advisers.

Yours sincerely



JAY STEPHENSON
Chairman

INVESTMENT OVERVIEW

The information in this section is a summary of the key points only and is not intended to provide comprehensive details of the Offers. You should read the full text of this Prospectus and, if in any doubt, you should consult with your professional advisers before deciding whether to apply for Securities. The Securities offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

THE COMPANY AND PROJECTS

The Company was incorporated on 15 February 2011 for the purpose of identifying exploration projects in Papua New Guinea ("PNG") with the aim of discovering commercially significant mineral deposits, and listed on the Australian Securities Exchange on 10 August 2011.

The Company currently has the following exploration projects:

- ▶ Bismarck Exploration License (EL 1727) PNG (Quintessential 90%, Exploration and Management Consultants Pty Ltd as Trustee for the Malalo Trust ("Malalo Trust") 10%);
- ▶ M'Sende Exploration License (EL 2162) PNG (Quintessential 90%, Malalo Trust 10%);

Subject to completion of the acquisition of Y&B, these projects will not be considered material to the Company and a process will begin to actively but prudently divest the Company's exploration interests.

Further details on the Company's existing exploration projects can be found in section 2.1 on page 26 of this Prospectus.

THE ACQUISITION OF YONDER AND BEYOND LIMITED



The Company has entered into an Agreement with a public Australian company, Yonder and Beyond Limited ("Y&B"), to acquire all of the issued capital in Y&B. For details of the Agreement, refer to Section 5.1.1 on page 67 of this Prospectus. The combined group will comprise Quintessential Resources Limited (renamed Yonder & Beyond Group Limited), Yonder and Beyond Limited, and its subsidiaries.

Y&B was incorporated on 24 February 2014. Y&B is a multi-national company that provides a professional and experienced Management Team (section 2.3.6(b) on page 35) to develop and accelerate start-up companies in the technology and media sectors. For detailed information in respect to Y&B, refer to Sections 0 and 2.3 of this Prospectus on page 27.

If the acquisition and associated resolutions are approved and implemented at the meeting to be held on 15 December 2014:

- (a) Quintessential will acquire all of the Y&B Shares and Y&B Options and Y&B will become a wholly-owned legal subsidiary of Quintessential;
- (b) Quintessential new Shares will be issued in consideration of the acquisition of the Y&B Shares;
- (c) Quintessential Replacement Management Performance Options will be issued to replace the incentive scheme options received by key management of Y&B;
- (d) One (1) of the Directors of Quintessential will resign and one (1) new Director will be appointed;
- (e) Quintessential will maintain its ASX listing and change its name to Yonder & Beyond Group Limited; and
- (f) Y&B shareholders will, via the acquisition (and prior to the Shares issued under the Public Offer), hold approximately 81.16% of Quintessential's issued ordinary share capital (based on voting Shares on issue and subject to Shareholders passing all resolutions at the meeting to be held on 15 December 2014, on a pre-consolidation basis).

OBJECTIVES AND STRATEGY

The Company intends to provide a professional and experienced Management Team (section 2.3.6(b) on page 35), invest in, develop and accelerate early and growth stage companies in the mobile technology sector.

KEY RISKS

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to, and that may have a direct influence on the Company and its activities or assets. Further risks associated with an investment in the Company are outlined in Section 3 on page 38 of this Prospectus.

► Industry specific risks

(i) 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.

(ii) 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.

► Company specific risks

(i) No market for shares of Investee Companies

There is no established market for trading the shares of the investee companies and Y&B may find it difficult to dispose of its shareholding in certain investee companies at a particular time.

(ii) Investee Companies not wholly owned

Y&B has a controlling, but not 100% interest in some of its investee companies. Y&B intends to negotiate shareholder agreements with these subsidiaries' shareholders. However, where a shareholders agreement does not exist, or is not in effect, the ability of Y&B to control these Investee Companies may be impaired.

(iii) Speculative Investments

The key investments of Y&B 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.

(iv) Reliance on Key Personnel

Y&B's ability to pick investee companies and manage the growth of their businesses is dependent largely on the skills of the Management Team (section 2.3.6(b) on page 35). Changes in the Management Team may require appointment of new members, who have not yet been identified.

► **Economic and financial risks**

(i) **Shortage of funding**

The funds raised pursuant to the Public Offer will be used to accelerate the Company's business, marketing and growth plans (for more information, refer to "Use of Funds" on page 10 of this Prospectus). If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out the full scope of its plans. Any additional financing through share issues may dilute shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

THE OFFERS

The Company invites applications for up to 25,000,000 Shares at an issue price of 20 cents each to raise a Minimum Subscription amount of \$5,000,000. Oversubscriptions of up to 15,000,000 Shares at an issue price of 20 cents each to raise up to a further \$3,000,000 may be accepted. The key information relating to the Offer and references to further details are set out below.

This Prospectus also contains:

- an offer of up to 37,875,000 Shares, 35,000,000 Replacement Management Performance Options and 1,500,000 Y&B Adviser Options to the Y&B Vendors in consideration for the acquisition of all of the issued capital in Y&B (Y&B Offer). Refer to Section 6.7 and 6.5.4 of this Prospectus for further details of the Y&B Offer; and
- an offer of up to 3,000,000 Adviser Options to the Joint Lead Managers (or their nominee) and other parties determined at the discretion of the Company and 1,000,000 Corporate Adviser Options to Wolfstar Group Pty Ltd (or its nominee) as part consideration for services provided by these parties in connection with the Public Offer (Adviser Offer). Refer to Sections 6.5.2 and 6.5.5 of this Prospectus for further details of the Adviser Offer.

INDICATIVE TIMETABLE

KEY MILESTONE	DATE ⁽¹⁾
Despatch Notice of Extraordinary General Meeting and Independent Expert's Report	14 November 2014
Lodgement of this Prospectus with ASIC and ASX	24 November 2014
Offers under Prospectus open	24 November 2014
Offers under Prospectus close	12 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 <i>(being four (4) Business Days from commencement)</i>	19 December 2014
Completion of Y&B acquisition and issue of Securities under the Prospectus	24 December 2014
Consolidation completed <i>(being nine (9) Business Days from commencement)</i>	30 December 2014
Expected date for re-quotations of the Company's Shares on the ASX	5 January 2014

⁽¹⁾ The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

KEY INFORMATION

KEY INFORMATION	FURTHER DETAIL
<p>Type of security being offered and its rights and liabilities</p> <ul style="list-style-type: none"> ▶ Public Offer: Fully paid ordinary shares in the capital of the Company ranking equally with existing Shares on issue. ▶ Y&B Offer <ul style="list-style-type: none"> i. Fully paid ordinary shares in the capital of the Company ranking equally with existing Shares on issue. ii. Replacement Management Performance Options iii. Y&B Adviser Options ▶ Adviser Offer <ul style="list-style-type: none"> i. Adviser Options ii. Corporate Adviser Options 	Section 1.2
<p>Minimum Subscription of the Offers</p> <ul style="list-style-type: none"> ▶ Public Offer: \$5,000,000 ▶ Y&B Offer All Shares, Replacement Management Performance Options and Y&B Adviser Options to be subscribed for. ▶ Adviser Offer No minimum subscription. 	Section 1.2
<p>How to apply for Shares</p> <ul style="list-style-type: none"> ▶ Public Offer: Complete and return the Application Form together with payment in full for the quantity of Shares being applied for. Applications must be for a minimum of 10,000 Shares (\$2,000.00), and thereafter in multiples of 2,500 Shares (\$500.00). ▶ Y&B Offer <ul style="list-style-type: none"> i. Only to be completed by a holder of Y&B Shares or Y&B Options. ii. Complete and return the Y&B Application and Acceptance Form in respect of all Y&B Shares and Y&B Options held. ▶ Adviser Offer <ul style="list-style-type: none"> i. Only to be completed by a Joint Lead Manager (or nominee) or Wolfstar Group Pty Ltd (or nominee) or other persons directed by the Company. ii. Complete and return the Adviser Application Form in respect of the number of Adviser Options or Corporate Adviser Options agreed with the Company. 	Section 1.5
<p>Will the securities be listed?</p> <p>Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within seven (7) days after the date of this Prospectus.</p>	Section 1.9
<p>How will Shares be allocated?</p> <p>The Directors will determine the recipients under the Public Offer in their sole discretion.</p>	Section 1.6

KEY INFORMATION	FURTHER DETAIL
Where will the Offers be made? No action has been taken to register or qualify the Securities, or, otherwise permit a public offering of the Securities the subject of this Prospectus, in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consent are required or whether any other formalities need to be considered and followed.	Section 1.11
Broker commissions The Company reserves the right to pay a commission of up to 6% (excluding GST) on amounts subscribed through any licensed securities dealers or Australian financial services licensee and accepted by the Company.	Section 1.8
CHESS and Issuer Sponsorship The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.	Section 1.10
Who should I contact with queries? Any questions concerning the Offers should be directed to the Company by telephone on +61 (0)8 6141 3500.	

PURPOSE OF THE OFFERS

The purpose of the Public Offer is to facilitate an application by the Company for re-admission of the Company to the official list of the ASX and to raise a minimum of \$5,000,000.

The Company is seeking to satisfy Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Company aims to achieve the objectives set out above, including the completion of the acquisition of Y&B and the development of the merged Company's business as described in this Prospectus.

The primary purpose of the Y&B Offer and Adviser Offer is to remove the need for an additional disclosure document upon the sale of the Shares and Options issued under those offers in the 12 months following their respective dates of issue and the issue of Shares upon the exercise of the Options and any subsequent on-sale of those Shares in the 12 months following the date of their issue.

USE OF FUNDS

The funds raised under the Prospectus are intended to be used primarily for the following purposes, upon Y&B's acquisition:

- ▶ accelerate and scale the business of existing investee companies;
- ▶ invest into new companies as opportunities arise; and
- ▶ business development and general operations of the Company.

The Directors believe that, on completion of the Public Offer, the Company will have sufficient working capital to carry out the objectives stated in this Prospectus.

The Company intends to apply funds raised from the Public Offer together with existing cash reserves over the first two (2) years following admission of the Company to the official list of the ASX as follows:

Source and Use of Funds	Notes	Minimum Subscription \$5,000,000 \$'000	Percentage of funds raised %	Maximum Subscription \$8,000,000 \$'000	Percentage of funds raised %
TOTAL RAISED IN THIS PUBLIC OFFER	1	5,000		8,000	
Investment in portfolio companies	2	2,581	51.62	2,581	32.26
Initial investment in Gophr Limited	3	833	16.66	833	10.41
Expenses of the offer (excl. Application Handling Fees)	4	243	4.86	246	3.08
Joint Lead Managers' fees	4	300	6.00	480	6.00
Committed exploration expenditure	5	180	3.60	180	2.25
Business development	6	610	12.20	3,427	42.84
General operations	7	253	5.06	253	3.16
TOTAL FUNDS APPLIED		5,000	100.00	8,000	100.00

Notes:

1. Minimum Subscription is 25,000,000 Shares at 20 cents to raise \$5,000,000. Maximum Subscription is 40,000,000 Shares at 20 cents each to raise \$8,000,000.

2. Investment in portfolio companies is allocated as follows:

Company	\$'000
Boppl Limited	2,165
Wondr.it Limited	416
TOTAL	2,581

3. The Company will apply the funds to Gophr Limited as referred to in section 2.3.4(d) on page 32.
4. For details on Expenses of the Offer and Joint Lead Managers' Fees refer to the section entitled "Expenses of the Offer" on page 18 of this Prospectus.
5. Committed exploration expenditure includes expected costs for the divestment of the PNG assets including amounts disclosed at section 2.1 on page 26.
6. Business development includes costs associated with the advancement of the Y&B investment portfolio.
7. General operations costs are net of revenues earned from service fees charged to the Y&B portfolio companies listed above and in section 2.3.4 on page 28.
8. If the Company raises more than the Minimum Subscription but less than the Maximum Subscription, the Company intends to apply these funds first to the Joint Lead Managers' fees and expenses of the Offers and secondly to new investments.
9. The Directors believe that, on completion of the Public Offer, the Company will have sufficient working capital to carry out these objectives.

CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is summarised below:

Equity Component	Minimum Subscription \$5,000,000		Maximum Subscription \$8,000,000	
	No.	%	No.	%
Shares				
Existing Quintessential Shares:				
▶ Prior to Prospectus lodgement	175,858,367		175,858,367	
▶ After consolidation	8,792,919	12.27	8,792,919	10.15
Issued as consideration 100% of Y&B's Issued Capital				
▶ Prior to consolidation	757,500,000		757,500,000	
▶ After consolidation	37,875,000	52.85	37,875,000	43.70
Shares pursuant to the Public Offer	25,000,000	34.88	40,000,000	46.15
TOTAL SHARES	71,667,919	100.00	86,667,919	100.00
Options				
Existing Quintessential Options:				
▶ Prior to Prospectus lodgement	15,850,000		15,850,000	
▶ After consolidation	792,500	12.59	792,500	12.59
Issued to Joint Lead Managers	3,000,000	47.68	3,000,000	47.68
Issued to Y&B Option-holders	1,500,000	23.84	1,500,000	23.84
Issued to Advisers	1,000,000	15.89	1,000,000	15.89
TOTAL OPTIONS	6,292,500	100.00	6,292,500	100.00
Replacement Management Performance Options				
Unlisted Tranche 1 Performance Options	15,000,000	42.86	15,000,000	60.00
Unlisted Tranche 2 Performance Options	10,000,000	28.57	10,000,000	40.00
Unlisted Tranche 3 Performance Options	10,000,000	28.57	10,000,000	40.00
TOTAL PERFORMANCE OPTIONS	35,000,000	100.00	25,000,000	100.00

Notes:

- ▶ For further information, refer to the Investigating Accountant's Report in Section 4 on page 42 and section 1.6 on page 23.
- ▶ Rights attaching to the Shares are summarised in Section 6.4 on page 85 of this Prospectus.
- ▶ Rights attaching to the proposed Replacement Management Performance Options are summarised in Section 6.7 on page 92.
- ▶ The consolidation ratio is based on a Quintessential share price of 1.0 cents.

As at the date of this Prospectus, Quintessential has 15,850,000 Options on issue as follows:

Option Terms	IPO Prospectus Options	Employee Share Plan Options	Employee Share Plan Options	Lead Manager Options
Existing Quintessential Options:				
▶ Prior to Prospectus lodgement	10,000,000	2,000,000	600,000	3,250,000
▶ After consolidation	500,000	100,000	30,000	162,500
Exercise Price:				
▶ Prior to Prospectus lodgement	\$0.20	\$0.37	\$0.36	\$0.14
▶ After consolidation	\$4.00	\$7.40	\$7.20	\$2.80
Expiry date	31 December 2014	30 July 2015	4 April 2015	1 December 2014

Terms and conditions of the Company's options on issue can be found in Section 6.5 on page 87 of this Prospectus.

SUBSTANTIAL SHAREHOLDERS

Those Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus:

As at the date of this Prospectus:

Shareholder	Shares No.	Undiluted %	Diluted ⁽²⁾ %
Ms Paige McNeil and related entities ⁽¹⁾	13,332,269	7.58	7.58
Taycol Nominees Pty Ltd	10,012,500	5.69	5.69

Notes:

⁽¹⁾ For the purpose of calculating Shares, entities related to Ms McNeil have been included in the total.

⁽²⁾ No dilution has been applied, as all Options currently on issue are anti-dilutive (Refer Option Table above).

On completion of the Acquisition of Y&B and the Offer (assuming a 20:1 Consolidation, Minimum Subscription, and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Public Offer):

Shareholder	Pre-consolidation Shares No.	Consolidated Shares No.	Undiluted %	Diluted ⁽¹⁾ %
Mr Shashi Fernando	404,927,585	20,246,379	28.25	27.88

Notes:

⁽¹⁾ For the purpose of calculating the diluted Shares, only the Joint Lead Manager Adviser Options (refer section 6.5.2 on page 87), Y&B Adviser Options (refer Section 6.5.4 on page 89), Corporate Adviser Options (refer section 6.5.5 on page 90), and Replacement Management Performance Options (refer Section 6.7 on page 92) have been taken into account as having a dilutive effect on the Shares on issue.

⁽²⁾ For the purpose of calculating the diluted Shares, Replacement Management Performance Options have been allocated to Shashi Fernando as follows:

- ▶ 4,725,000 Tranche 1 Options, 3,150,000 Tranche 2 Options; and 3,150,000 Tranche 3 Options.

The Company will announce to ASX details of its top 20 Shareholders (following completion of the Offer) prior to the recommencement of trading on the ASX.

RESTRICTED SECURITIES

Currently the Company has neither Shares nor Options on escrow.

Subsequent to the approval of the acquisition of Y&B at the General Meeting to be held on 15 December 2014 and the completion of this Offer, it is anticipated that Options issued under the Adviser Offer, and Shares and Options issued under the Y&B Offer may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months beginning on the date on which re-quotation of the Company's securities commences, and may not be transferred, assigned or otherwise disposed of during that period.

During the period in which these securities are prohibited from being transferred, trading in Shares may be less active which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

None of the Shares issued pursuant to the Public Offer are expected to be restricted securities.

The Company will announce to the ASX full details of the quantity and duration for the Shares and Options required to be held in escrow prior to recommencing trading on the ASX.

FINANCIAL INFORMATION

For financial information related to the Company and the Group subsequent to the proposed Y&B acquisition, refer to the Investigating Accountant's Report in Section 4 on page 42.

TAXATION

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

DIVIDEND POLICY

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

CURRENT DIRECTORS AND KEY PERSONNEL

- ▶ **JAY STEPHENSON** MBA, FCPA, CMA, FGIA, MAICD
Chairman and Company Secretary

Mr Stephenson holds a Master of Business Administration, is a Fellow Certified Practicing Accountant, a Certified Management Accountant (Canada), a Fellow of the Governance Institute of Australia and is a Member of the Australian Institute of Company Directors.

Mr Stephenson has been involved in business development for over 25 years including approximately 21 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Mr Stephenson is currently a non-executive Chairman of Quintessential Resources Limited, and is a Director of Drake Resources Limited, Doray Minerals Limited, Strategic Minerals Corporation NL, and Nickelore Limited as well as Company Secretary for a number of ASX-listed resource and industrial companies.

- ▶ **JULIA BECKETT** GIA (Cert.)
Non-Executive Director (to step down as a non-executive director post-acquisition of Y&B)

Ms Beckett has a Certificate in Governance Practice and Administration and is a Certificated member of the Governance Institute of Australia.

Ms Beckett is a corporate governance professional, having worked in corporate administration and compliance for the past seven years. She has been involved in business acquisitions, mergers, initial public offerings and capital raisings, as well as statutory and financial reporting. Ms Beckett is currently Company Secretary of European Metals Holdings Limited, and Parker Resources NL.

Ms Beckett was previously a director of Blina Minerals NL until 18 February 2014.

Ms Beckett is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of her judgement.

- ▶ **SHASHI FERNANDO**
Non-Executive Director (to assume an executive director role post-acquisition of Y&B)

For background on Mr Fernando, please refer to Incoming Executives, Director, and Key Personnel below.

INCOMING EXECUTIVES, DIRECTOR, AND KEY PERSONNEL

► **SHASHI FERNANDO**

Chief Executive Officer (to assume an executive director role post-acquisition of Y&B)



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 by HTC in 2011 for £30 million, Mr Fernando 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, Mr Fernando 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, Mr Fernando has been an angel investor and moved to bring to market three new digital start-ups that he has now contributed to Y&B.

Mr Fernando is currently a non-executive director of Quintessential Resources Limited. With the exception of the Company's acquisition of Y&B, Mr Fernando is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of her judgement.

► **JOHN BELL B COMM, CA, CTA**

Chief Financial Officer (to assume an executive director role post-acquisition of Y&B)



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. Mr Bell'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.

CORPORATE GOVERNANCE

To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council ("Recommendations").

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 6.2 on page 72 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 6.2.9 on page 78 of this Prospectus.

The complete Corporate Governance Plan is available from the Company's website at:

www.quintessentialresources.com.au.

DISCLOSURE OF INTERESTS
► REMUNERATION OF DIRECTORS

The Directors (including the managing director) are entitled to be remunerated for their services as follows:

- The amount of the remuneration of the Directors is a yearly sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company;
- The Directors' remuneration accrues from day to day.
- The maximum aggregate annual remuneration which may be paid to non-executive Directors is \$250,000. This amount cannot be increased without the approval of the Company's Shareholders.

The Company may also pay the Directors' travelling and other expenses that they properly incur:

- In attending Directors' meetings or any meetings of committees of Directors;
- In attending any general meetings of the Company; and
- In connection with the Company's business.

The annual remuneration paid to Directors for the financial years ended 30 June 2013 and 30 June 2014 is set out in the tables following.

Year Ended 30 June 2013

Directors	Short-term benefits		Post-employment benefits	Other Payments	Total
	Salary, fees and leave	Other ⁽¹⁾	Superannuation		
	\$	\$	\$	\$	\$
Jay Stephenson ⁽²⁾	54,167	2,683	4,875	-	61,725
Paige McNeil	182,801	2,683	-	-	185,484
Salam Malagun ⁽³⁾	95,383	3,337	8,012	-	106,732
	332,351	8,703	8,012	-	353,941

Year Ended 30 June 2014

Directors	Short-term benefits		Post-employment benefits	Unpaid Accrued Director fees (Non-cash) ⁽³⁾	Total
	Salary, fees and leave	Other ⁽¹⁾	Superannuation		
	\$	\$	\$	\$	\$
Jay Stephenson ⁽²⁾⁽³⁾	8,598	1,858	590	39,292	50,338
Paige McNeil	113,383	1,858	-	-	115,241
Julia Beckett ⁽³⁾	12,177	867	1,126	5,000	19,170
Salam Malagun ⁽⁴⁾	-	-	-	-	-
	134,158	4,583	1,126	44,292	184,749

Notes:

- (1) Other Short-term benefits relate to Directors and Officers Insurance contribution.
- (2) On 11 August 2011, the Company engaged Wolfstar Corporate Management Pty Ltd to appoint Mr Stephenson as CFO. Wolfstar Corporate Management Pty Ltd is a related party of the Company by virtue of it being jointly controlled by Mr Stephenson. Refer to Agreements with Directors or Related Parties on page 18 for details of this agreement.
- (3) As at 30 June 2014, the Company had accrued directors' fees for Mr Stephenson and Ms Beckett, totalling \$44,292. These amounts remain unpaid, and will be settled by way of Shares once approved at the Company's general meeting to be held 15 December 2014.
- (4) Balance at the end of year represents directors' remuneration as the date of resignation of Mr Malagun (27 May 2013) and the appointment of Ms Beckett as non-executive director (27 May 2013).

The proposed annual remuneration for each of the Directors for the financial year ending 30 June 2015 is set out in the table below.

Proposed Remuneration

Directors	Short-term benefits		Post-employment benefits	Other Payments	Total
	Salary, fees and leave	Other ⁽¹⁾	Superannuation		
	\$	\$	\$	\$	\$
Shashi Fernando ⁽²⁾	126,900	998	-	-	127,898
John Bell ⁽²⁾	96,200	998	-	-	97,198
Jay Stephenson ⁽³⁾	50,000	1,858	4,750	-	56,608
Paige McNeil ⁽⁴⁾	100,000	555	-	30,000	130,555
Julia Beckett ⁽⁵⁾	13,900	860	1,321	-	16,081
	327,000	5,269	6,071	90,000	428,340

Notes:

- (1) Other Short-term benefits relate to Directors and Officers Insurance contribution.
- (2) Amounts paid to Messrs Fernando and Bell are proposed to be £132,000 and £100,000 respectively. For the purposes of the above table, these amounts have been converted at a rate of A\$1.7909 to £1.00. Fees have been calculated based upon executive appointment occurring on or about 24 December 2014.
- (3) On 11 August 2011, the Company engaged Wolfstar Corporate Management Pty Ltd to appoint Mr Stephenson as CFO. Wolfstar Corporate Management Pty Ltd is a related party of the Company by virtue of it being jointly controlled by Mr Stephenson. Mr Stephenson was appointed Company Secretary on 30 July 2014 Refer to Agreements with Directors or Related Parties on page 18 for details of this agreement.
- (4) Ms McNeil resigned 17 October 2014. Fees disclosed as salary, fees, and leave are calculated up to the date of resignation. Other payments relate to consultancy services for overseeing the divestment of the PNG assets.
- (5) In respect to Ms Beckett, for the financial year ending 30 June 2015, remuneration is estimated up to the date of expected date of resignation, being 24 December 2014.

► DIRECTOR SECURITIES INTERESTS

The direct and indirect interests of the current Quintessential Directors in the securities of the Company as at the date of this Prospectus are as follows:

Director	Shares (pre-consolidation)		Options ⁽¹⁾	
	Direct No.	Indirect No.	Direct No.	Indirect No.
Jay Stephenson	26,250	656,250	-	2,000,000
Julia Beckett	18,750	-	-	-
Shashi Fernando	-	-	-	-
	45,000	656,250	-	2,000,000

Notes:

- (1) The terms and conditions of these Options are set out in Section 6.5 on page 87 of this Prospectus.

The direct and indirect interests of the proposed Quintessential Directors in the securities of the Company as at the date of this Prospectus, and assuming the acquisition of Y&B is completed, are as follows:

Director (Proposed)	Shares (post-consolidation)		Options ⁽¹⁾		Performance Options ⁽²⁾	
	Direct No.	Indirect No.	Direct No.	Indirect No.	Direct No.	Indirect No.
Jay Stephenson	1,313	32,813	-	600,000	-	-
Shashi Fernando	20,246,380	-	-	-	11,025,000	-
John Bell	-	2,251,017	-	-	-	5,250,000
	20,247,693	2,283,830	-	600,000	11,025,000	5,250,000

Notes:

(1) The terms and conditions of these Options are set out in Section 6.5 on page 87 of this Prospectus.

(2) Rights attaching to the proposed Performance Options are summarised in Section 6.7 on page 92 of this Prospectus.

EXPENSES OF THE OFFERS

The estimated total expenses of the Offers (exclusive of GST) are expected to be applied as set out below:

Expenses	Notes	Minimum Subscription \$5,000,000 \$'000	Maximum Subscription \$8,000,000 \$'000
ASX and ASIC fees		72	75
Corporate advisory fees	(1)	60	60
Investigating Accountant's Report	(2)	13	13
Joint Lead Managers' fees	(3)	300	480
Legal expenses		50	50
Printing, marketing and distribution, and share registry		48	48
TOTAL EXPENSES		543	726

Notes:

(1) Details of corporate advisory fee can be found in Section on 6.9.3 page 96 of this Prospectus.

(2) Details of Investigating Accountant's fees can be found in Section on 6.9.1 page 95 of this Prospectus.

(3) Details of the Joint Lead Managers' fees can be found in Section 1.7 on page 23 of this Prospectus.

AGREEMENTS WITH DIRECTORS OR RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- (a) A Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) For the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

► Chief Financial Officer agreement with Wolfstar Corporate Management Pty Ltd ("Wolfstar")

On 11 August, the Company engaged Wolfstar to appoint Mr Stephenson as Chief Financial Officer ("CFO"). Mr Stephenson was appointed Company Secretary on 30 July 2014. Wolfstar is a related party of the Company by virtue of it being jointly controlled by Mr Stephenson.

In consideration for Company Secretary and Financial Reporting services provided, Wolfstar is entitled to a monthly fee. The Company will reimburse Wolfstar for all reasonable out-of-pocket expenses incurred including, but not limited to: photocopying; facsimile; long-distance telephone charges; delivery services; and travelling expenditure which may be required.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

The Directors who did not have a material personal interest in this agreement considered that it was negotiated at arm's length.

Subject to the acquisition of Y&B, the Company expects that the agreement will remain in effect.

► **Indemnity, insurance and access deeds**

The Company has entered an Indemnity, Insurance and Access Deed with each Director. The Proposed Director will enter into said deed prior to his appointment pursuant to the acquisition of Y&B.

Pursuant to the Deed:

The Director is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of:

- (a) The date which is seven (7) years after the Director ceases to be an officer of the Company; and
- (b) The date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company ("Relevant Proceedings").

The Director has the right to inspect and copy a Company document in connection with any relevant proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of:

- (a) The date which is seven (7) years after the Director ceases to be an officer of the Company; and
- (b) The date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

► **Yonder and Beyond Investee Company share sale agreement**

Y&B and Mr Fernando executed a share sale agreement on 30 March 2014 and an amended agreement on 20 June 2014 under which Mr Fernando agreed to sell his 100% shareholding interest in Wondr.it Limited and his 60% shareholding interest in Prism Digital to the Company in return for the issue of 179,699,248 Shares in Y&B upon successful completion of a \$1,500,000 seed capital raising which was completed in July 2014.

Y&B has entered into and completed an agreement for the sale and purchase of certain shares of the share capital of Boppl Limited. Under the agreement, Y&B acquired a total of 1,057,836 of the shares of Boppl Limited comprising 735,488 shares owned by Mr Fernando and 322,348 shares owned by other non-employee shareholders of Boppl Limited for £1 per share. These shares represent 72.6% of the fully diluted share capital of Boppl Limited. Payment was made in Pounds Sterling at completion except for one shareholder who has elected to receive 9,127,773 shares in Y&B and Mr Fernando who will be issued 102,304,722 shares in Y&B.

▶ **Executive services agreements with director and executive director elect**

Y&B has entered in to executive service agreements ("ESA") with Mr Fernando (individually), and Mr Bell through Dromana Holdings Pty Ltd as trustee for the Barringtons Trust (ACN: 008 944 821)("Barringtons"). Upon approval of the acquisition of Y&B, the ratification of Mr Fernando's appointment, and the appointment of Mr Bell, the ESAs will be an *Agreement with Directors or Related Parties* under this Prospectus.

ESAs have been made between each Mr Fernando and Mr Bell's related entities and Y&B on the following bases:

- ▶ Mr Fernando is employed by Y&B as the Chief Executive Officer of the Y&B Group on a full-time basis.
- ▶ Mr Bell is employed by Y&B as the Chief Financial Officer of the Y&B Group and to carry out duties commensurate with that office or as assigned by the Company from time to time.
- ▶ The effective commencement date of each ESA is 24 February 2014, and varied 4 June 2014.
- ▶ The gross annual remuneration package for Mr Fernando is £132,000 per annum, payable in monthly instalments.
- ▶ The gross annual service fee for Mr Bell (Barrington's) is £100,000 per annum, payable in monthly instalments.
- ▶ The Remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.
- ▶ Mr Fernando and Mr Bell will be eligible to participate in any short term and long term incentive arrangements operated or introduced by the Company or a Group Company from time to time:
 - (a) In accordance with the terms and conditions governing those arrangements;
 - (b) As determined or varied (including in respect of the form of any benefit provided to the executive) at the discretion of the board from time to time.
- ▶ Y&B will reimburse all reasonable expenses incurred by Messrs Fernando or Bell (Barrington's) for all reasonable out-of-pocket expenses.
- ▶ The ESAs shall continue until terminated by either party giving to the other not less than six months prior written notice.
- ▶ Y&B may terminate an ESA if the employee is in material breach of the ESA.
- ▶ The Service Agreement includes provisions protecting the intellectual property rights of the Company including in respect of any inventions and includes non-compete restrictions for a period of twelve months after termination.

1 DETAILS OF THE OFFERS

1.1 INTRODUCTION

The information set out in this section is not comprehensive and should be read together with the other information in this Prospectus.

1.2 THE OFFERS AND MINIMUM SUBSCRIPTION

Pursuant to this Prospectus, the Company invites applications for up to 25,000,000 Shares at an issue price of 20 cents each to raise a Minimum Subscription amount of \$5,000,000. Oversubscriptions of up to 15,000,000 Shares at an issue price of 20 cents each to raise up to a further \$3,000,000 may be accepted.

All Shares issued pursuant to the Public Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 6.4 on page 85 of this Prospectus.

If the Minimum Subscription of \$5,000,000 for the Public Offer is not achieved within four (4) months of the date of this Prospectus, or such longer period as is permitted under the *Corporations Act 2001* (Cth), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the *Corporations Act 2001* (Cth), without interest.

This Prospectus also contains:

- ▶ an offer of up to 37,875,000 Shares, 35,000,000 Replacement Management Performance Options and 1,500,000 Y&B Adviser Options to the Y&B Vendors in consideration for the acquisition of all of the issued capital in Y&B (Y&B Offer); and
- ▶ an offer of up to 3,000,000 Adviser Options to the Joint Lead Managers (or their nominee) and other parties determined at the discretion of the Company and 1,000,000 Corporate Adviser Options to Wolfstar Group Pty Ltd (or its nominee) as part consideration for services provided by these parties in connection with the Public Offer (Adviser Offer).

The rights attaching to the Shares and terms and conditions of the various classes of Options to be issued under the Y&B Offer and Adviser Offer are summarised in section 6.7 on page 92 and sections 6.5.2 and 6.5.4 on pages 87 and 89 of this Prospectus respectively.

1.3 OFFER PERIOD

The Offers will open on the Opening Date and will remain open until 5:00pm (AWST) on the Closing Date. The Company reserves the right to close the Offers at an earlier time or date or to extend the time or date without prior notice. Applicants are encouraged to submit their Applications as early as possible.

1.4 CONDITIONAL OFFER

Completion of the Offers are conditional upon Shareholders approving a change in nature and scale of activities of the Company, the Consolidation, and the issue of Shares and Options offered under the Offers at the General Meeting scheduled to be held on 15 December 2014.

The business of the General Meeting will consider resolutions in relation to:

- ▶ a change in the nature and scale of the Company's activities;
- ▶ the Consolidation;
- ▶ the capital raising (which is the subject of the Public Offer);
- ▶ issue of Shares and Options in consideration of the Acquisition; and
- ▶ the issue of Options to the Joint Lead Managers and Advisers.

A copy of the Notice of Meeting is available upon request.

Completion of the Offers is also subject to:

- ▶ the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules;
- ▶ the Company raising the Minimum Subscription; and
- ▶ the Company receiving conditional approval for re-quotation of the Company's Shares on the ASX.

In the event that the above conditions are not satisfied, the Offer will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, the Company will repay all application monies received (without interest).

1.5 HOW TO APPLY

1.5.1 Public Offer

Applications under the Public Offer may be made, and will only be accepted, in one of the following forms:

- ▶ On the relevant Application Form accompanying this Prospectus; or
- ▶ On a paper copy of the relevant electronic Application Form, which forms part of the electronic version of this Prospectus, can be found at and downloaded from www.quintessentialresources.com.au.

Application Forms must be accompanied by a personal cheque or a bank draft, payable in Australian dollars, for an amount equal to the number of Shares for which the Applicant wishes to apply multiplied by the Application Price of 20 cents per Share. Cheques or bank drafts should be made payable to "Quintessential Resources Limited Share Account" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants. The amount payable on Application will not vary during the period of the Offer.

Applications for Shares must be for a minimum of 10,000 Shares (\$2,000.00) Shares and thereafter in multiples of 2,500 Shares (\$500.00) Shares and payment for the Shares must be made in full at the issue price of 20 cents per Share.

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected. Application monies will be held in trust in a subscription account established and controlled by the Company until the issue of Shares has taken place.

1.5.2 Y&B Offer

The Y&B Offer is an offer to holders of Y&B Shares and Y&B Options only.

Only the Y&B Vendors may accept the Y&B Offer. A personalised Application and Acceptance Form in relation to the Y&B Offer will be issued to each Y&B Vendor together with a copy of this Prospectus. The Company will only provide the Y&B Offer application forms to the persons entitled to participate in the Y&B Offer.

1.5.3 Adviser Offer

The Adviser Offer is an offer to the Joint Lead Managers, Wolfstar Group Pty Ltd and other parties determined at the discretion of the Company. Only these parties may apply under the Adviser Offer. A personalised Application Form in relation to the Adviser Offer will be issued to each person eligible to participate in the Adviser Offer together with a copy of this Prospectus. The Company will only provide the Adviser Offer application forms to the persons entitled to participate in the Adviser Offer.

1.5.4 General

Completed Application Forms should be delivered or posted to:

Quintessential Resources Limited Share Issue
 C/- Computershare Investor Services Pty Limited
 GPO Box D182
 Perth WA 6840
 AUSTRALIA

Application Forms must be received at the above address by no later than 5:00pm (AWST) on the Closing Date.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. Applicants are not required to sign the Application Form.

1.6 ISSUE OF SECURITIES

Subject to ASX granting conditional approval for quotation of the Shares and the Minimum Subscription being raised, the issue of Securities will occur as soon as practicable after the Offer closes. All Shares issued pursuant to the Offers will rank equally in all respects with the existing Shares of the Company other than any escrow imposed by ASX in respect of Shares issued under the Y&B Offer. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in Shares.

The Directors will determine the recipients of all the Shares to be issued under the Public Offer in their sole discretion. In the event of oversubscription the Directors reserve the right to scale back applications at their discretion. The Directors reserve the right to reject any Application or to issue a lesser number of Shares than subscribed for in an Application Form. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Money will be promptly refunded to the Applicant without interest.

Each of the Y&B Offer and the Adviser Offer are specific offers made to Y&B Vendors and Joint Lead Managers, Wolfstar Group Pty Ltd and other parties determined at the discretion of the Company respectively. As such, Securities under those Offers will be allocated and issued to those parties (or their nominees) only and is guaranteed.

1.7 JOINT LEAD MANAGERS

The Company has exclusively engaged Taylor Collison Limited (AFSL: 247083) and Foster Stockbroking (AFSL: 223687) to act as Joint Lead Managers to the Public Offer.

Joint Lead Managers will provide corporate and financial services to the Company including, but not limited to:

- ▶ reviewing the capital requirements of the Company and advising on the optimum amount of funds to be raised through the offering;
- ▶ advising in relation to the pricing and structure of the offering;
- ▶ assisting with the marketing, distribution and allocation of shares to be issued under the prospectus with the objective of achieving sufficient spread of marketable parcels to enable the Company to comply with the admission criteria of the ASX;
- ▶ giving written consent to be named in the prospectus as the Joint Lead Managers, subject to Taylor Collison Limited and Foster Stockbroking Limited, in their absolute discretion, being satisfied with the contents of the prospectus;
- ▶ participating in the due diligence process as committee members;
- ▶ co-ordination of the institutional, investor and broker presentations;
- ▶ assisting in negotiations, where necessary, with Australian regulatory agencies; and
- ▶ such other services as may be agreed between the Company and the Joint Lead Managers.

In the event of a successful transaction, Joint Lead Managers will be paid fees as follows:

- ▶ a placement fee of 5% of funds raised under the Prospectus;
- ▶ a 1% management fee;
- ▶ up to 3,000,000 Options in Quintessential. Terms of these options can be found in Section 6.5.2 on page 87 of this Prospectus.

In addition, Joint Lead Managers will appoint their own legal advisers to provide legal advice to the Joint Lead Managers in relation to the Public Offer. These legal fees will be for the account of the Company. Such fees will be capped at \$20,000.

The Company has agreed that it will not, without prior consultation with the Joint Lead Managers, during the period commencing 24 October 2014 and ending 180 days from the date of the Prospectus, allot or issue or agree to allot or issue, or grant an option, right or warrant over, shares or other securities in the capital of the Issuer, or change the nature of the business of the Issuer, or acquire or divest any material assets. This will not apply to:

- ▶ the issue of the shares under the terms of the Prospectus; and
- ▶ the issue of securities under the terms of any director or employee share or option plan of the Company, where applicable.

1.8 BROKERAGE AND HANDLING FEES

Brokerage and handling fees on Applications of up to 6% (excluding GST) will be payable by the Company to member firms of the ASX or licensed investment advisers on Application Forms bearing their stamp and accepted by the Company.

1.9 STOCK EXCHANGE LISTING

Application will be made to the ASX within seven (7) days after the date of this Prospectus for Quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to Quotation within three (3) months after the date of this Prospectus, or such longer period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the *Corporations Act 2001* (Cth).

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

1.10 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP

The Company is a participant CHESS, operated by ASX Settlement Pty. Limited ("ASPL"), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors in relation to their Shares. Instead, Shareholders will receive a statement of their shareholdings in the Company.

If an investor is broker sponsored, ASPL will send said investor CHESS statements. The CHESS statements will set out the number of Shares issued to each investor under this Prospectus, give details of the Shareholder's holder identification number ("HIN") and give the participant identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored sub-register, the statements will be dispatched by the Share Registrar and will contain the number of Shares issued under this Prospectus and the Shareholder's security holder reference number ("SRN").

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be made for additional statements.

1.11 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company as constituting a representation that there has been no breach of such laws.

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit a public offering of the Securities, in any jurisdiction outside Australia.

The Offers pursuant to an electronic Prospectus are only available to persons receiving an electronic version of this Prospectus within Australia.

1.12 PRIVACY ACT

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this Prospectus and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the *Corporations Act 2001* (Cth) requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public registers. This information must remain in the registers even if that person ceases to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. Successful Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

1.13 UNDERWRITING AGREEMENT

The Offers are not underwritten.

1.14 FINANCIAL FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings. Given the potential range of external variables on the Company's expected financial performance, the likely range of financial outcomes may be so wide that any forecast of earnings for future financial years has the potential to be more misleading than informative to potential investors. Accordingly, the Directors consider that there is no reasonable basis on which to provide quantitative financial information regarding the Company, other than as set out in the Investigating Accountant's Report on page 42.

1.15 INVESTOR ENQUIRIES

This document is important and should be read in its entirety. If you are in doubt as to the course of action to be followed then you should consult your stockbroker, solicitor, accountant or other professional adviser without delay.

Additional copies of this Prospectus can be obtained from either the Company or the Share Registrar or further advice on how to complete the Application Form can be obtained from the Share Registrar by telephone on 1300 850 505 (within Australia) or +61 (0)3 9415 4000.

Questions relating to the Offers may be directed to the Company by telephone on +61 (0)8 6141 3500.

2 OVERVIEW OF THE COMPANY AND THE ACQUISITION OF YONDER AND BEYOND

2.1 COMPANY BACKGROUND

The Company was incorporated on 15 February 2011 for the purpose of identifying exploration projects in Papua New Guinea with the aim of discovering commercially significant mineral deposits, and listed on the Australian Securities Exchange on 8 August 2011.

The Company listed on the Australian Securities Exchange on 8 August 2011 pursuant to:

- ▶ one (1) exploration license: Bismarck Exploration License (EL 1727) PNG (Quintessential 90%, Exploration and Management Consultants Pty Ltd as Trustee for the Malalo Trust ("Malalo Trust") 10%);
- ▶ two (2) exploration license applications: Fergusson/Goodenough ELA 1822 (Relinquished) and East Normanby ELA 1823 (Relinquished) (Quintessential 90%, Malalo Trust 10%);

The Company currently has the following exploration projects in PNG:

Tenement Holder					PNG Mineral Resources Authority expiry date	Estimated commitment per annum ⁽¹⁾ \$	Estimated commitment remaining term ⁽¹⁾ \$
	Holding %	EL/ELA Number	Name	Square Km			
Quintessential	90	EL 1727	Bismarck	100	18 Feb 2014	≈29,000	≈58,000
Malalo Trust	10				Under renewal		
Quintessential	90	EL 2162	M'Sende	87	11 Nov 2015	≈55,000	≈37,000
Malalo Trust	10						
Current total area				187	Totals	≈ 84,000	≈ 95,000

Notes:

- ⁽¹⁾ The above stated obligations and commitments may be renegotiated, farmed out, reduced in area, or relinquished during the term of the title.

Exploration activities since ASX listing have been broadly in line with proposed exploration detailed in the Company's prospectus dated 17 June 2011. Exploration in the twelve months ending June 2014 is summarised below.

- ▶ **Bismarck** (EL 1727) PNG (Quintessential 90%, Malalo Trust 10%)

The Company applied for an additional two (2) year renewal (Term 3) for EL1727 Bismarck. As prescribed by the Mining Act, the tenement must be reduced by half to a maximum of 30 sub blocks then no further reduction is required.

No other exploration activity was conducted during 2014 financial year on this tenement.

- ▶ **M'Sende** (EL 2162) PNG (Quintessential 90%, Malalo Trust 10%)

EL 2162 M'Sende was granted during the financial year and was originally part of EL1727 Bismarck in the first term. As required by the Mining Act, the tenement was reduced by 50% and the M'Sende section was relinquished and then reapplied for as a separate tenement.

No other exploration activity was conducted during 2014 financial year on this tenement.

Subject to completion of the acquisition of Y&B, a process will begin to actively but prudently divest the Company's exploration interests. The Company will seek to maximise its position from the exit process.

2.2 THE ACQUISITION OF YONDER AND BEYOND LIMITED

The Company has entered into an Agreement with a public Australian company, **Yonder and Beyond Limited**, to acquire 100% of the issued capital in **Y&B**. For details of the Agreement, refer to Section 5.1.1 on page 67 of this Prospectus. The combined group will comprise Quintessential Resources Limited (renamed **Yonder & Beyond Group Limited**), **Yonder and Beyond Limited**, and its subsidiaries.

The transaction includes the appointment of one (1) director, being John Bell as Executive Director. Shashi Fernando will take on the role as Chief Executive Officer.

Mr Fernando is 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. Mr Fernando is a proven performer in the delivery of world-class mobile solutions who was named twice in the top 50 in Mobile Entertainment.

Mr Bell is a Chartered Accountant and business professional with international business and financial management expertise and a proven record of creating value and managing business. Mr Bell'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). Mr Bell 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 Corporation.

Additional background on each of the proposed new directors is provided in the section "Investment Overview" at the subsection entitled "Incoming Executives, Director, and Key Personnel" on page 15.

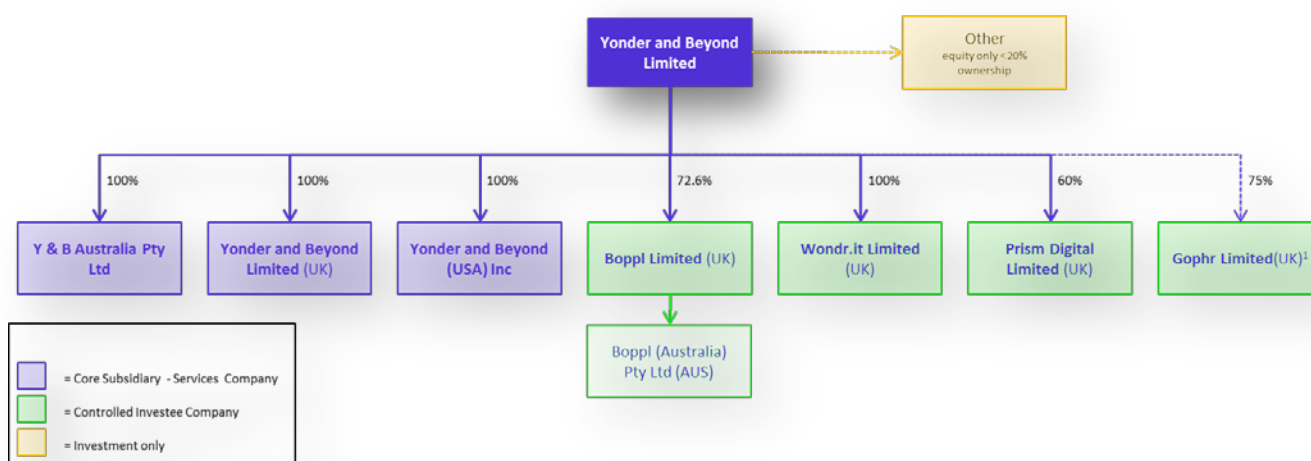
2.3 YONDER & BEYOND BACKGROUND



2.3.1 Yonder & Beyond Overview

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

- ▶ **Yonder and Beyond Ltd** (ACN 168 223 765), an Australian unlisted public company. This entity 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**.
- ▶ **Y & B Australia Pty Ltd** (ACN 167 305 866), an Australian private company. This entity is currently inactive.
- ▶ **Yonder and Beyond Limited** (Company No. 8831712), a company incorporated under the laws of England and Wales. This company employs the UK-based executive management team.
- ▶ **Yonder and Beyond (USA) Inc**, a company incorporated under the laws of California. This company employs the USA-based executive management team.
- ▶ Investee Companies as referred to in section 2.3.4 on page 28.



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

2.3.2 Background and proposed strategy

Y&B provides a professional and experienced Management Team 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 (section 2.3.6(b) on page 35). 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 late in 2012 with the beginning of the first of the Yonder group businesses, led by Mr Fernando, who made several investments in the following months.
- (b) Y&B has:
 - (i) purchased Mr 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 potential 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, Y&B intends to invest in a portfolio of high growth technology assets with potential for cross-company synergies.
- (f) Y&B intends to create and invest in high potential new and early stage companies and help them grow to their full potential. Y&B 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.
- (g) The Management Team is able to make quick commercial decisions with respect to the viability of a product, thereby assisting capital preservation of Y&B. Y&B's ability to affect decisions about products within Investee Companies will depend on the level of control Y&B has over the particular Investee Company.

2.3.3 Yonder and Beyond Financial Performance

The loss for the Y&B consolidated entity after providing for income tax amounted to \$308,007. At 30 June 2014, Yonder and Beyond Limited was in the process of raising capital to invest in, and develop, a portfolio of promising technology start-ups.

For further information, refer to the Investigating Accountant's Report in Section 4 on page 42.

2.3.4 Yonder and Beyond Businesses

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

Company	Ownership Shareholding %
Boppl Limited	72.6
Wondr.it Limited	100.0
Prism Digital Limited	60.0

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

Company	Notes	Proposed Shareholding %
Gophr Limited	1	75.0

Notes:

1. Y&B Australia Pty Ltd (formerly called Yonder and Beyond Pty Ltd) and the sole shareholder of Gophr have signed a term sheet where Y&B (or its nominated affiliates) has the exclusive right to negotiate the acquisition of a 75% shareholding interest in Gophr for £500,000. The exclusivity period expires on 31 December 2014. This terms sheet is non-binding but the parties are in the process of preparing formal documentation and it is the Company's intention that this acquisition be completed immediately following the completion of the acquisition of Y&B.

(a) **Boppl Limited ("Boppl")**

(United Kingdom, Company No. 8462167)



(i) **Background**

Y&B has acquired a 72.6% fully diluted interest in Boppl from Shashi Fernando (50%) and other shareholders of Boppl (22%). Boppl Limited has a wholly owned Australian subsidiary, Boppl (Australia) Pty Ltd (ACN 165 630 419).

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 venue owners the ability to capture and report on product sales in real time. Boppl's business model is to generate revenue by charging venues a monthly service fee for using their product.

(ii) **Target venues**



Boppl can collect a range of data on customer purchasing behaviour, which may provide opportunities for venues to better service their customers

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 currently being added to Boppl, 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.

(iii) 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 avenue.

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.



(iv) Integration with ePOS systems

Boppl has agreed with several Point of Sales 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.

(v) 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 December. Deployment across several new venues in London has also been agreed recently.

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

(vi) 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.

(vii) 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.

As the value of big data increases on a global scale, Boppl anticipates that it could potentially, over time, derive additional revenue from monetisation of its proprietary data.

(b) **Wondr.it Limited ("Wondr")**

(United Kingdom, Company No. 8903618)

(i) **Background**

Y&B has acquired a 100% interest in Wondr from Shashi Fernando.

"Media Sharing Made easy" 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.

Development is ongoing and a working application will be available in the first quarter of 2015.

(ii) **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. Wondr 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.

(iii) **Benefits for target user**

Wondr will 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")**

(United Kingdom, Company No. 8275274)

(i) **Background**

Y&B owns a 60% interest in 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. Mr Fernando co-founded Prism Digital ("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.

wondr



prism
digital

Mr Fernando 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 nine people, each focussed on a specific vertical technological.

Whilst it is proposed that Prism will support all of the Y&B Investee Companies in terms of hiring, it is also a growing business in its own right and has secured clients such as eBay Inc., Jack Wills, Greene King, eSalesforce.com, Rackspace, and DXI.

Prism generates revenue from third party customers and provides a valuable internal resource for recruiting employees for Yonder investee companies.



"We create valuable relationships for technology and digital industries"

(d) Gophr Limited ("Gophr")

(United Kingdom, Company No. 8872811)



(i) Background

Y&B Australia Pty Ltd (formerly called Yonder and Beyond Pty Ltd) and the sole shareholder of Gophr have signed a term sheet where Y&B (or its nominated affiliates) has the exclusive right to negotiate the acquisition of a 75% shareholding interest in Gophr for £500,000. The exclusivity period expires on 31 December 2014. This terms sheet is non-binding but the parties are in the process of preparing formal documentation and it is the Company's intention that this acquisition be completed immediately following the completion of the acquisition of Y&B. (refer section 5.4.3 Term Sheet with Gophr on page 69).



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.

(ii) 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.

(iii) The courier

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

- (A) 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.
- (B) 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.

(iv) 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.

(v) The Gophr team

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

2.3.5 Industry Overview

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.

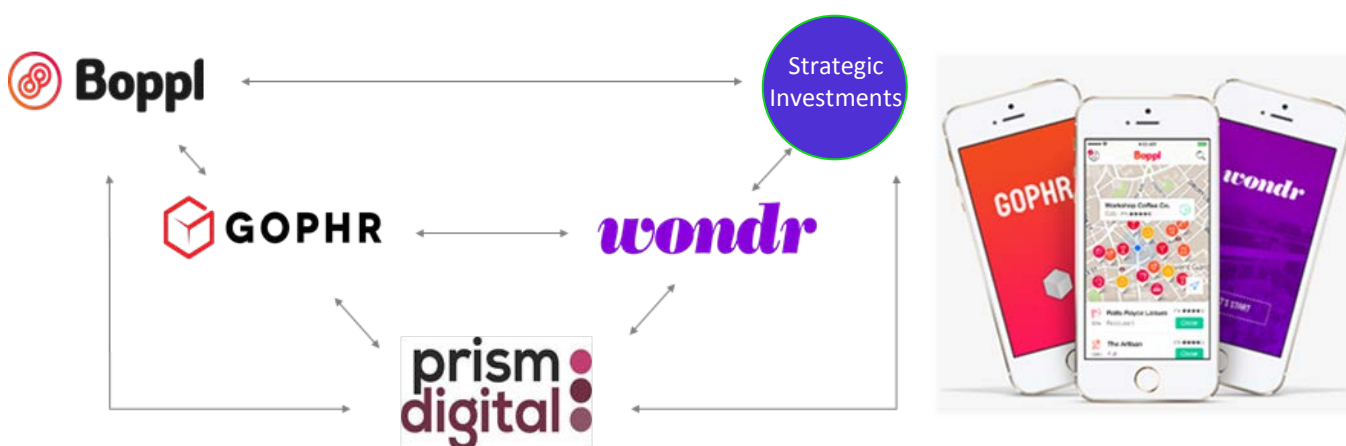
Consumer behaviour indicates that the usage of devices is becoming more social and content-rich, with expanded use of photos, video and audio. Not only do people use their phones to stream and share content, they also use their phones as a medium to carry out lots of life tasks, including paying for 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.



Quintessential
Resources Ltd

- (v) Leverage Y&B's positioning to maximise synergies, manage risks of the Investee Companies and enhance value; and
- (vi) Develop cash flow sustainability through charging Investee Companies for services provided by Y&B.

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



(b) The Yonder and Beyond Management Team

Y&B'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.

▶ **SHASHI FERNANDO**

Chairman and Chief Executive Officer

Detail information on Mr Fernando may be found in the section "Investment Overview" at the subsection entitled "Incoming Executives, Director, and Key Personnel" on page 15.

▶ **JOHN BELL**

Chief Financial Officer

Detail information on Mr Bell may be found in the section "Investment Overview" at the subsection entitled "Incoming Executives, Director, and Key Personnel" on page 15.

▶ **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 Y&B 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.

► **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.

► **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 Mustafa 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.

► **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 and 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.

Mr Sedeffow 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 Sedeffow 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.

(c) The Yonder and Beyond's Advisory Board:

The Y&B Management Team is advised by a group on very strong senior experts with backgrounds in media and technology that have expressed an interest in helping the Management Team to identify and assess opportunities.

As such, Y&B has created a formal Board of Advisers initially composed of five individuals who will be available on an as-needed basis to:

- (i) identify new investment opportunities;
- (ii) assess path to market and consistency of underlying business value of each prospective investment; and
- (iii) assist Y&B Investee Companies to access key partners and clients.

The advisory board is comprised of individuals that have held positions ranging from Senior Vice President at Major Film studio and Music Labels, to Chief Marketing Officer at a prominent US mobile network operator and have extensive experience in technology and entertainment.

2.3.7 Industry and Yonder and Beyond Specific Risks

The key risk factors of which investors should be aware are set out in the Investment Overview and Section 3 on page 38.

3 RISK FACTORS

3.1 INTRODUCTION

THE RISKS CONTAINED BOTH IN THE INVESTMENT OVERVIEW SECTION AND THIS SECTION 3 SHOULD BE CONSIDERED CAREFULLY BY POTENTIAL INVESTORS.

The Securities offered under this Prospectus should be considered speculative because of the nature of the commercial activities of the Company. Whilst the Directors commend the Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's activities and its existing involvement in the exploration industry, and attributable to the Y&B business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed activities of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Securities. Prospective investors should consider whether the Securities offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisers before deciding whether to apply for Securities.

The following, which is not exhaustive, identifies some of the major risks associated with an investment in the Company, of which potential investors need to be aware before making a decision on whether or not to invest in the Securities.

3.2 KEY RISKS

The Key Risks identified in the Investment Overview section entitled "Key Risks" on page 7 of the Prospectus are as follows:

- ▶ Reliance on the Company's ability to innovate
- ▶ Reliance on attracting and retained skilled labour
- ▶ No market for shares of Investee Companies
- ▶ Speculative Investments
- ▶ Reliance on Key Personnel

INVESTORS SHOULD NOTE THAT DETAIL RELATING TO THESE RISK FACTORS HAS NOT BEEN REPEATED IN THIS SECTION.

3.3 INDUSTRY SPECIFIC RISKS

Refer to the Investment Overview section entitled "Key Risks" on page 7 for the following key Industry Specific risks:

- ▶ Reliance on attracting and retaining skilled labour
- ▶ Reliance on the Company's ability to innovate

3.3.1 Limited operating history

Y&B has limited operating history. The potential and viability is unproven and therefore no assurance can be given that the Company will achieve commercial viability through the successful implementation of its business plans.

3.3.2 Programming errors in products

The Investee Companies' products contain complicated programming which, combined with a focus on efficient and effective development of new products, creates a significant risk for programming errors. Such errors can have adverse consequences to the Company's brand, client base, revenue streams and have the potential to create liability for damages, any of which could affect business and functional activities.

3.3.3 Inability to prevent third parties from unauthorised use of its intellectual property

The Company's profitability significantly relies on the confidentiality of its intellectual property. Protection of such assets relies on confidentiality and license agreements with consultants and third parties along with trade secret, copyright and patent laws. There are, however, residual risks which are out of the Company's control.

3.3.4 Regulatory system

The Company operates in Australia, the UK and other jurisdictions, and is therefore subject to local rules and regulations in the industry. The Company may therefore incur certain costs associated with compliance and failure to comply with legislative requirements.

Changes in regulatory requirements, such as reporting frequency, can increase operational costs associated with compliance (including legal and professional fees) and could also have negative impact on Y&B's business. Furthermore, a failure by the Company to meet its obligations such as periodic lodgement of tax returns, could result in further regulations, penalties and fines.

3.3.5 Reliance on Internet services and internal network

The Company's operations are spread throughout a number of different locations. Significant adverse consequences could result from failure of internet and internal network services. Examples of events that could potentially cause a disruption include, but are not limited to, problems with the internet service provider, technical problems with internal software, damage or destruction of infrastructure following natural disasters or human error. Such events have the potential to adversely affect the availability of key information, and the Company's ability to continue operations.

3.3.6 Information system security risk

The Company's business activities and ability to generate revenue rely on its capacity to protect company sensitive information. Due to the nature of the industry there are inherent risks associated with hacking, system security failure, and poor internal controls. Although management has implemented strict and effective internal controls there are residual risks that can occur from unexpected and unpredictable events. This could potentially result in third parties obtaining unauthorised access to company assets. Such events carry a risk of adverse consequences to the Company.

3.4 COMPANY SPECIFIC RISKS

Refer to the Investment Overview section entitled "Key Risks" on page 7 for the following key Company Specific risks:

- ▶ No market for shares of Investee Companies
- ▶ Investee Companies not wholly owned
- ▶ Speculative Investments
- ▶ Reliance on Key Personnel

3.4.1 Lack of diversification

Y&B intends to invest in and operates Investee Companies in the technology sector. This concentration of its portfolio may present inherent risks for an Applicant relating to a lack of diversity.

3.4.2 Non-controlling interest in Investee Companies

Y&B may invest from time to time in non-controlled companies. While Y&B intends to negotiate management agreements with these subsidiaries, the conclusion of such agreement and the ability of Y&B to control these Investee Companies may be impaired.

3.4.3 Future capital raising by Investee Companies

Over time, Y&B Investee Companies may need additional capital. Such capital raising for a Y&B Investee Company may involve significant dilution for Y&B participation. Such capital may also not be available, thus potentially impairing the ability of the Investee Companies to grow and, ultimately, Y&B's economic position.

3.4.4 Employee incentive scheme dilution

The value of Y&B's Investee Companies is strongly dependent on the underlying teams and managers for each Investee Company. Each subsidiary will put in place employee incentive schemes that may dilute the Y&B stake.

3.4.5 No dividends may be declared

Dividends may not be declared by the Company. Any dividend payment (whether by the Company or by any Investee Company to the Company) will be subject to the Company's (or Investee Company's) ability to meet any of its then cash funding requirements for growth taking into account the capital and trading requirements at that time. The Company is not in a position to predict when it will pay a dividend or when and if its Investee Companies will pay a dividend.

3.4.6 PNG mining assets

Subject to completion of the acquisition of Y&B, a process will begin to actively but prudently divest the Company's exploration interests. If a disposal is unable to be completed by 30 June 2015 (the period to which expenditure has been budgeted for) the Company may incur additional costs in order to maintain the tenements in good standing until a sale is completed. It is not expected that any additional expenditure will be a material amount but it will require the Company to divert funds from another category of investment.

3.5 ECONOMIC AND FINANCIAL RISKS

Refer to the Investment Overview section entitled "Key Risks" on page 7 for the following key Economic and Financial risks:

3.5.1 Economic Conditions

The performance of Y&B is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below.

- ▶ Future demand in the technology and media sectors;
- ▶ The level of spending in technology and media sectors by business in Australia and overseas;
- ▶ General financial issues which may affect policies, exchange rates, inflation and interest rates;
- ▶ Deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance;
- ▶ The strength of the equity and share markets in Australia and throughout the world;
- ▶ Financial failure or default by any entity with which Y&B may become involved in a contractual relationship;
- ▶ Industrial disputes in Australia and overseas;
- ▶ Changes in investor sentiment toward particular market sectors;
- ▶ The demand for, and supply of, capital; and
- ▶ Terrorism or other hostilities.

3.5.2 Foreign Exchange Risk

Y&B operates subsidiary companies in the USA and Great Britain. Costs associated with those international presences are charged in the local currencies (being US dollar ("USD") and Pounds Sterling ("GBP")), consequently exchange rate fluctuations that increase the relative values of USD and GBP to the Australian dollar ("AUD") will impact the costs when consolidated back into Y&B, impacting profitability.

3.6 GENERAL RISKS

3.6.1 Government Policies and Legislation

Y&B may be affected by changes to government policies and legislation in Australia and overseas, including those relating to technology and media sectors, and taxation. Government policies could be reversed or changed which could impact the technology and media sectors in which Y&B operates.

3.6.2 Insurance

The Company does, wherever practicable and economically advisable, utilise insurance to mitigate business risks. Such insurance may not always be available or incidents affecting the Company may fall outside the scope of insurances' cover. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.

3.6.3 Litigation

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business, particularly in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.

3.6.4 Other General Risks

Other general risks associated with investment in the Company may include:

- ▶ Fluctuation of the price at which the Company's Shares trade due to market factors; and
- ▶ Price volatility of the Company's Shares in response to factors such as:
 - ▶ Additions or departures of key personnel;
 - ▶ Litigation and legislative change;
 - ▶ Newspaper or other media reports; and
 - ▶ An actual or anticipated variation in the Company's operating results.

4 INVESTIGATING ACCOUNTANT'S REPORT**MOORE STEPHENS**
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21 November 2014

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

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT**1. Introduction**

This report has been prepared at the request of the Directors' of Quintessential Resources Limited ("Quintessential" or "the Company") for inclusion in the Prospectus.

On 24 July 2014 the Company announced that it had signed an agreement to acquire 100% of the issued share capital of Yonder & Beyond Limited ('Y&B'). Amongst other things, shareholder approval of the acquisition and the significant change to the nature and scale of the Company's activities that will result from the acquisition will be required at an upcoming general meeting of shareholders. In addition the Company will need to apply for re-admission to the Official List of the Australian Securities Exchange Limited ("ASX")

Pursuant to the Prospectus, the Company is offering a total of 40,000,000 fully paid ordinary shares (on a post-consolidation basis) at an issue price of \$0.20 (20 cents per share), payable in full on application to raise up to \$8 million ("Capital Raising" or the "Offer"), with a minimum level of subscription of 25,000,000 shares (\$5 million).

Expressions defined in the Prospectus have the same meaning in this report.

2. Basis of Preparation

This report has been prepared to provide investors with information in relation to historical and pro-forma financial information of Quintessential as at 30 June 2014 and for the year then ended.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Quintessential nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus, other than responsibility for this report.

Moore Stephens Perth Corporate Services Pty Ltd
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3. Background

Quintessential is a public company which is incorporated in Australia and listed on the Australian Securities Exchange (ASX: QRL). Quintessential's principal activities during the year ended 30 June 2014 were exploration and evaluation of gold and copper projects in Papua New Guinea.

On 24 July 2014 the Company announced that it had signed an agreement to acquire 100% of the issued share capital of Yonder & Beyond Limited ('Y&B'). The Agreement is subject to a number of conditions including Quintessential receiving all necessary approvals required by law and a post consolidation capital raising of a minimum of \$5,000,000 and a maximum of \$8,000,000.

The acquisition of Y&B will result in a significant change to the nature and scale of the Company's operations.

Y&B is a public unlisted company incorporated in Australia on 24 February 2014. It is a technology incubation company that provides resources and expertise at group level to start-up companies in the sector, particularly in mobile, technology and entertainment. Y&B has appointed a management team to assess, invest in and develop early stage companies in the technology and media sectors.

During the period from incorporation to 30 June 2014 Y&B's operations largely comprised the establishment of its operations, the raising of capital to fund future acquisitions and for working capital and the assessment of potential acquisitions.

Subsequent to 30 June 2014 Y&B acquired controlling interests in a number of technology start-up companies. These acquisitions have been included in the pro-forma condensed consolidated statement of financial position as at 30 June 2014.

For accounting purposes, the acquisition of Y&B will be accounted for as a reverse acquisition and Y&B deemed to be the accounting acquirer in the business combination. The pro-forma financial information has therefore been prepared as a continuation of the business and operations of Y&B. Accordingly the pro-forma condensed consolidated statement of financial position of Quintessential as at 30 June 2014 incorporates the net assets of Quintessential and Y&B as if the group was headed by Y&B. At the acquisition date the net assets of Y&B are recorded at their book value and the net assets of Quintessential are recorded at their fair value.

Further information about the acquisition of Y&B and the future plans of the Company can be found in other sections of the Prospectus.

4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report on:

- a) The condensed consolidated statement of profit or loss and other comprehensive income of Y&B for the period from incorporation on 24 February 2014 to 30 June 2014;
- b) The condensed consolidated statement of financial position of Quintessential as at 30 June 2014; and
- c) The condensed consolidated pro-forma statement of financial position of Quintessential as at 30 June 2014 adjusted on the basis of the acquisition of 100% of the share capital of Y&B and the completion of certain other transactions as disclosed in this report.

The scope of our report did not include the condensed consolidated statement of profit or loss and other comprehensive income of Quintessential for the year ended 30 June 2014, but rather included the condensed consolidated statement of profit or loss and other comprehensive income of Y&B for the period from incorporation to 30 June 2014, because post completion of the acquisition, the accounts of the group will be treated as a continuation of the business and operations of Y&B.

5. Scope of Review

Sources of information

The historical financial information for Quintessential has been extracted from the audited consolidated financial statements of Quintessential for the year ended 30 June 2014. These financial statements were subject to audit by Moore Stephens Perth (the Company auditor) in accordance with Australian Accounting Standards and International Reporting Standards.

Y&B's historical financial information has been extracted from the audited consolidated financial statements for the period ended 30 June 2014. These financial statements were subject to audit by Bentley's Chartered Accountants (Y&B's auditor) in accordance with Australian Accounting Standards and International Reporting Standards.

Management's Responsibilities

The Directors of Quintessential are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our Responsibilities

We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the proposed acquisition on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a) a review of contractual arrangements;
- b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- c) a review of work papers of the auditor of Quintessential, including making enquiries of the auditor, to the extent considered necessary.
- d) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by Quintessential and Y&B;
- e) a review of the assumptions used to compile the condensed consolidated pro-forma statement of financial position; and
- f) enquiry of directors, management and advisors of Quintessential and Y&B.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

These procedures have been undertaken to form an opinion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 3 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the consolidated pro-forma financial position of the Company and its controlled entities (pro-forma) as at 30 June 2014 and of the consolidated financial result of Y&B for the period then ended.

Historical and Pro-Forma Financial Information

The condensed consolidated statement of profit or loss and other comprehensive income of Y&B for the period ended 30 June 2014 is included at Appendix 1. The condensed consolidated statement of profit or loss and other comprehensive income of Y&B for the period ended 30 June 2014 comprises the actual results of Y&B for the period ended 30 June 2014 without adjustment.

The condensed consolidated statement of financial position as at 30 June 2014 of Quintessential is included in Appendix 2.

Also included in Appendix 2 is the condensed consolidated pro-forma statement of financial position of the Company which incorporates the condensed consolidated statement of financial position as at 30 June 2014, adjusted on the basis of the completion of the minimum Capital Raising of \$5 million and the completion of certain other transactions, including the acquisition of Y&B, as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 3.

6. Valuation of Capitalised costs – Intangible assets

Upon completion of the acquisition of Y&B, a significant asset of Quintessential's will be intangible assets associated with Y&B's various subsidiaries, comprising goodwill and intellectual property which have been capitalised in the Statements of Financial Position.

The intangible assets have been included at cost of acquisition to Y&B in the Pro-forma Statement of Financial Position.

We have not carried out valuations of the intangible assets and do not express a view on whether the carrying values of the intangible assets exceed recoverable amounts.

7. Measurement of assets and liabilities acquired

The acquisition of Quintessential (for accounting purposes Quintessential is treated as the acquiree) as recorded in the condensed consolidated pro-forma statement of financial position reflects provisional amounts allocated to the assets and liabilities acquired.

The assets and liabilities acquired will be remeasured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change somewhat as a result of this re-measurement.

8. Conclusion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The condensed consolidated statement of profit or loss and other comprehensive income of Y&B for the period ended 30 June 2014, as set out in Appendix 1, does not present fairly the results for the period then ended in accordance with the accounting methodologies required by Australian Accounting Standards;
- The condensed consolidated statement of financial position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2014 in accordance with the accounting methodologies required by Australian Accounting Standards.

- The condensed consolidated pro-forma statement of financial position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2014 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 3.
- The assumptions and applicable criteria used in the preparation of the condensed consolidated pro-forma statement of financial position of the Company as at 30 June 2014 do not provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and do not reflect proper application of those adjustments to the unadjusted financial information.

9. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2014 not otherwise disclosed in this report or the Prospectus, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

The condensed consolidated pro-forma statement of financial position as at 30 June 2014, as presented in Appendix 2 of our report, does not take into account the trading results of Quintessential and its controlled entities subsequent to 30 June 2014, except to the extent of specific transactions itemised in Note 3 of Appendix 3.

10. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens, a related practice entity, currently acts as auditor of the Company.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully



Neil Pace
Director
Moore Stephens Perth Corporate Services Pty Ltd

**QUINTESSENTIAL RESOURCES LIMITED
 AND ITS SUBSIDIARIES
 AUDITED
 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR PERIOD ENDED 30 JUNE 2014**

Summarised below is Y&B's actual condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2014. The condensed consolidated statement of profit or loss and other comprehensive income illustrates what the financial performance of Y&B was from incorporation on 24 February 2014 to 30 June 2014. The results of Quintessential have not been included and the statement does not incorporate the pro-forma adjustments set out in Appendix 3.

	Actual 30.06.2014 \$
Revenue	
Other income	137,361
Expenses	
Administrative expenses	(111,002)
Employee benefits expense	(330,830)
Share based payments	(3,500)
Finance costs	(36)
Loss before income tax	(308,007)
Income tax expense	-
Loss after income tax	(308,007)
Other comprehensive income	
Items that may be reclassified subsequently to the profit or loss	
Exchange differences on translating foreign operations	(145)
Total comprehensive income for the year	(308,152)
Total comprehensive income for the year attributable to:	
Equity holders of Y&B	(308,152)
Non-controlling interests	-
	(308,152)

To be read in conjunction with the accounting policies set out in Appendix 3

APPENDIX 2
QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES
CONDENSED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Audited Actual as at 30.06.2014 \$	Unaudited Pro-forma as at 30.06.2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	29,081	6,934,592
Trade and other receivables		24,839	230,237
Prepayments		10,028	10,548
TOTAL CURRENT ASSETS		63,948	7,175,377
Plant and equipment		10,739	26,586
Exploration and evaluation expenditure		16,572	16,572
Intangible assets	7	-	4,508,812
		27,311	4,551,969
TOTAL ASSETS		91,259	11,727,347
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		156,404	1,620,199
Current tax liabilities		-	37,059
Provisions		1,652	1,652
TOTAL CURRENT LIABILITIES		158,056	1,658,910
NON-CURRENT LIABILITIES			
Borrowings		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		158,056	1,658,910
NET ASSETS/(LIABILITIES)		(66,797)	10,068,437
EQUITY			
Issued capital	8	12,281,777	12,044,210
Reserves		(605,798)	(145)
Non-controlling interest		(880,466)	(941,935)
Accumulated losses		(10,862,310)	(1,033,693)
TOTAL EQUITY		(66,797)	10,068,437

To be read in conjunction with the accounting policies set out in Appendix 3

QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The condensed consolidated financial information of Quintessential for the year ended 30 June 2014 has been prepared on a condensed basis in accordance with the Australian Accounting Standard *134 Interim Financial Reporting*. The condensed consolidated financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with Quintessential's audited annual report for the year ended 30 June 2014 and the Company's announcements made during the last 6 months which are available on the Company's and ASX websites.

The consolidated financial information has been prepared in accordance with applicable Accounting Standards including the Australian Equivalents of International Financial Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies adopted in the preparation of this financial information are presented below and are consistent with those applied in the Company's audited financial statements for the year ended 30 June 2014.

The financial information has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

On 24 July 2014 the Company announced that it had signed an agreement to acquire 100% of the issued share capital of Yonder & Beyond Limited ('Y&B'). Under the terms of AASB 3 "Business Combinations", Y&B is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

The pro-forma financial report has been prepared as a continuation of the business and operations of Y&B. Y&B, as the deemed acquirer, has accounted for the acquisition of Quintessential

Critical accounting estimates and Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Going concern

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to meet its existing and future obligations will depend on its ability to raise funds pursuant to the Prospectus or from other sources and to complete the acquisition of Y&B.

(a) Principles of consolidation

The historical consolidated financial statements incorporate all of the assets, liabilities and results of Quintessential and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

APPENDIX 3**QUINTESSENTIAL RESOURCES LIMITED****AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(a) Principles of consolidation (cont'd)**

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Exploration and evaluation expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(c) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

QUINTESSENTIAL RESOURCES LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Income tax (cont'd)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Investment allowances

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(d) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gain or losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the reporting period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Estimates of useful lives are made at the time of acquisition and varied as required.

- Plant and equipment 4-7 years
- Motor vehicles 4 years
- Drill rigs and accessories 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

APPENDIX 3**QUINTESSENTIAL RESOURCES LIMITED****AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(d) Plant and equipment (cont'd)**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(e) Employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Share-based payments

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity

(f) Goods and services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

(g) Financial instruments**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

QUINTESSENTIAL RESOURCES LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

Classification and subsequent measurement

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and less any reduction for impairment.

The Consolidated Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Non-derivative financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

APPENDIX 3

QUINTESSENTIAL RESOURCES LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

(h) Impairment of assets

At each reporting date, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs

(i) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Fair value of assets and liabilities (cont'd)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(j) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or construction obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(k) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Consolidated Statement of Profit and Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedged or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

APPENDIX 3

**QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Foreign currency translation (cont'd)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities as available-for-sale financial assets are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities for each Consolidated Statement of Financial Position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position;
- income and expenses for each Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(l) Leases

Leases of plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the Consolidated Statement of Financial Position based on their nature.

QUINTESSENTIAL RESOURCES LIMITED

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(n) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(o) Intangible Assets

Intangible assets with finite useful lives

Intangible assets with finite useful lives, such as patents and trademarks, are carried at cost less any accumulated amortisation and any impairment losses. These intangible assets are amortised over their useful lives.

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QUINTESSENTIAL RESOURCES LIMITED

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Intangible Assets (cont'd)

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives, such as intellectual property, are recognised at the cost of acquisition. Once the asset is ready for use the asset will be carried at the lower of cost less any accumulated amortisation and any impairment losses. These assets are not amortised.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are;

Impairment

The Company assesses impairment in respect of its tangible and intangible assets at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. In relation to goodwill and intangible assets with indefinite lives these are impairment tested annually regardless of the existence or otherwise of impairment triggers. Recoverable amounts of relevant assets are reassessed using the higher of fair value less costs to sell and value in use calculations, which incorporates various key assumptions.

**QUINTESSENTIAL RESOURCES LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 3: THE PREPARATION OF THE UNAUDITED CONDENSED CONSOLIDATED PRO-FORMA STATEMENT OF FINANCIAL POSITION

The 30 June 2014 audited condensed consolidated statement of financial position of Quintessential has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2014:

- The acquisition by Quintessential of 100% of the issued share capital of Y&B, satisfied by the issue of 757,500,000 Quintessential shares at \$0.01 per share (on a pre-consolidation basis) and the issue of 36,500,000 replacement options (on a post-consolidation basis). As the acquisition is required to be accounted for as a reverse acquisition the pro-forma financial information has therefore been prepared as a continuation of the business and operations of Y&B.
- The issue of shares by Y&B, subsequent to 30 June 2014, placing 39,041,353 fully paid ordinary shares at a price of \$0.01064 each for total consideration of \$415,400 prior to deducting costs.
- The issue of shares by Y&B, subsequent to 30 June 2014, placing 112,781,951 fully paid ordinary shares at a price of \$0.0133 each for total cash consideration of \$1,500,000 prior to deducting costs.
- The issue of 291,131,743 fully paid ordinary shares in Y&B, subsequent to 30 June 2014, at \$0.0133 per share as consideration for the acquisition of equity in the following subsidiaries:
 - Boppl Limited (ownership shareholding: 72.6%)
 - Prism Digital Limited (ownership shareholding: 60.0%)
 - Wondr.it Limited (ownership shareholding: 100.0%)
- The cash consideration paid by Y&B, subsequent to 30 June 2014, for the part acquisition of shares in Boppl Limited of \$486,784 (of which \$352,919 has been paid to date).
- The accrual of an estimated \$225,000 in due diligence costs to be incurred by the Company in relation to the acquisition of Y&B and the subsequent expensing of these costs in the statement of comprehensive income.
- A pre-offer capital raising subsequent to 30 June 2014 whereby Quintessential issued the following ordinary shares raising a total of \$444,228 after costs:
 - 18,842,000 shares issued at \$0.01 per share
 - 31,403,262 shares issued at \$0.01 per share as part of an entitlement placement
- Pursuant to this Prospectus, capital raising of up to \$8 million with a minimum capital raising of \$5 million. For the purposes of the pro forma, we have assumed \$5 million will be raised via the issue of 25,000,000 ordinary shares for \$0.20 per share (on a post consolidation basis).
- The costs of \$322,000 payable by the Company in relation to the capital raising of \$5 million and the subsequent write off of these costs against the issued capital.
- The statement of financial position for Y&B's UK subsidiaries for the year ended 30 June 2014 have been translated to Australian Dollars (AU\$) from British Pounds (£) at an exchange rate of £1 to AU\$1.8039 which is the exchange rate prevailing at that date.
- The statement of financial position for Y&B's US subsidiaries for the year ended 30 June 2014 have been translated to Australian Dollars (AU\$) from American Dollars (US\$) at an exchange rate of US\$1 to AU\$1.0594 which is the exchange rate prevailing at that date.

APPENDIX 3
QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION
NOTE 4: BUSINESS COMBINATION
Reverse acquisition of Quintessential by Y&B

Under the terms of AASB 3 "Business Combinations", Y&B is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

Y&B, as the deemed acquirer, will account for the acquisition of Quintessential. Accordingly the pro-forma condensed consolidated statement of financial position of Quintessential as at 30 June 2014 incorporates the net assets of Quintessential and Y&B as if the group was headed by Y&B. 30 June 2014 has been deemed as the acquisition date for the purposes of the pro-forma and the net assets of Y&B at that date are recorded at their book value and the net assets of Quintessential at that date are recorded at their fair value.

Details of the fair value of assets and liabilities acquired and excess consideration are as follows:

Purchase consideration:	\$
Being the deemed fair value of consideration paid for Quintessential	1,758,583
Less: fair value of net identifiable assets acquired (see below)	(1,032,897)
Excess consideration	<u>725,686</u>

The excess consideration has been written off in the statement of comprehensive income because the Directors have determined that there is no future benefit associated with it.

Details of the fair value of identifiable assets and liabilities of Quintessential as at the deemed date of acquisition and after adjustments to reflect the proposed transactions in note 3 are as follows:

	Book carrying value Actual 30.06.2014 \$	Fair value Pro-forma 30.06.2014 \$
Assets		
Cash and cash equivalents	29,081	248,309
Trade and other receivables	24,839	24,839
Other assets	10,028	10,028
Exploration and evaluation expenditure	16,572	16,572
Property, plant and equipment	10,739	10,739
Liabilities		
Trade and other payables	(158,056)	(158,056)
Non-controlling interest		
Non-controlling interest	880,466	880,466
Net assets	<u>813,669</u>	<u>1,032,897</u>

**QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 5: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:

	Actual 2014	Pro-forma 2014
	\$	\$
Financial assets		
Cash and cash equivalents	29,081	6,934,592
Trade and other receivables	24,839	230,237
	<u>53,920</u>	<u>7,164,829</u>
Financial liabilities		
Trade and other payables	(156,404)	(1,657,258)
	<u>(156,404)</u>	<u>(1,657,258)</u>
Net financial (liabilities)/assets	<u>(102,484)</u>	<u>5,507,571</u>

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to British Pounds, Papua New Guinea Kina and US dollars. Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

Based on the condensed consolidated pro-forma statement of financial position as at 30 June 2014 the Group had net recognised liabilities (trade and other payables, less cash at bank, less trade and other receivables) denominated in British pounds of approximately A\$750,000. Other than this there were no other significant recognised assets and liabilities denominated in other currencies.

The Group has certain investments in foreign operations (United Kingdom, USA and Papua New Guinea) whose net assets are exposed to currency translation risk. Currency exposure to the net assets of the Groups foreign operations are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

(ii) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. Exposure to interest rates is limited to the cash and cash equivalents balances.

(iii) Fair Value

The carrying amount of financial assets and liabilities approximate their fair values.

APPENDIX 3
QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION
NOTE 5: FINANCIAL RISK MANAGEMENT (cont'd)
(b) Credit risk

Credit risk exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and inter-company loans.

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. Credit terms are generally 30 days from the invoice date. The Group has no concentrations of credit risk. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Consolidated Statement of Financial Position.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the condensed consolidated statement of financial position. All trade and other payables are non-interest bearing and due within 30 days from the reporting date.

NOTE 6: CASH AND CASH EQUIVALENTS

	Actual 30.06.2014 \$	Pro-forma Consolidated 30.06.2014 \$
CURRENT		
Cash at bank and on hand	29,081	6,934,592
The movements in cash at bank are as follows:		
Actual – Quintessential holding as at 30 June 2014		29,081
Actual – Y&B holding as at 30 June 2014		454,703
Issue of shares by Quintessential pursuant to Prospectus (assuming \$5 million is raised)		5,000,000
Costs of the offer and due diligence costs		(547,000)
Cash consideration paid by Y&B for investment in Boppl Ltd		(352,919)
Cash acquired on acquisition of Prism Digital Ltd and Wondr.it Ltd		113,818
Capital raising by Y&B subsequent to 30 June 2014 net of costs		1,792,681
Capital raising by Quintessential subsequent to 30 June 2014 net of costs		444,228
		6,934,592

APPENDIX 3

QUINTESSENTIAL RESOURCES LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 7: INTANGIBLE ASSETS

	Actual 30.06.2014 \$	Pro-forma Consolidated 30.06.2014 \$
NON-CURRENT		
Intangible Assets	-	4,508,812

Intangible assets comprise goodwill, intellectual property, patents and licences at cost of acquisition. The cost assigned to intangible assets is yet to be allocated between different types of intangible assets, which is a process to be carried out after completion of the acquisition of Y&B by Quintessential.

NOTE 8: CONTRIBUTED EQUITY

Although Quintessential's acquisition of 100% of Y&B is required to be accounted for as a reverse acquisition, the capital structure of the Consolidated Entity would be that of the legal parent, Quintessential.

(a) Paid up capital

Fully paid ordinary shares	12,281,777	12,044,210
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Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

	No. of shares Legal parent (Quintessential)	\$ Legal parent (Quintessential)
Ordinary issued and paid up share capital		
Opening balance as at 1 July 2013	72,800,166	11,932,280
Issue of shares pursuant to a capital raising	52,812,882	349,497
Actual balance as at 30 June 2014	125,613,048	12,281,777

Pro-forma adjustments:

Reverse acquisition adjustment to reverse opening share capital value in Quintessential	-	(12,281,777)
Reverse acquisition adjustment to recognise opening share capital value in Y&B	-	3,500
Issue of shares pursuant to a capital raising in Y&B subsequent to 30 June 2014, net of costs	-	1,792,681
Shares issued as consideration for acquisition of subsidiaries in Y&B subsequent to 30 June 2014	-	3,811,446
Issue of shares pursuant to a capital raising in Quintessential subsequent to 30 June 2014, prior to the Offer	50,245,262	-
Deemed consideration for the issue of shares by Quintessential as purchase consideration for Y&B as per current prospectus (757,500,000 shares issued at 1 cent each)	757,500,000	1,758,583
Share consolidation on a basis of 1 for 20 (886,690,391)	(886,690,391)	-
Shares issued pursuant to current prospectus to raise a minimum of \$5 million (assume 25 million shares issued at 20 cents each on a post consolidation basis)	25,000,000	5,000,000
Transaction costs related to \$5 million placement	-	(322,000)
Pro-forma balance as at 30 June 2014	71,667,919	12,044,210

APPENDIX 3
QUINTESSENTIAL RESOURCES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION
NOTE 8: CONTRIBUTED EQUITY (cont'd)

(c) Movements in options	No. of options Legal parent (Quintessential)
Opening balance as at 1 July 2013	15,850,000
Options issued during the period	-
Options exercised during the period	-
Options expired during the period	-
Actual balance as at 30 June 2014	15,850,000
Pro-forma adjustments:	
Share consolidation on a basis of 1 for 20	(15,057,500)
Replacement management performance options on a post consolidation basis	35,000,000
Corporate adviser options on a post consolidation basis	2,500,000
Joint lead manager options on a post consolidation basis	2,000,000
Discretionary options on a post consolidation basis	1,000,000
Pro-forma balance as at 30 June 2014	41,292,500

NOTE 9: COMMITMENTS
(a) Exploration commitments

In order to maintain the current rights of tenure to mining tenements, Quintessential has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	Actual 30.06.2014 \$	Pro-forma Consolidated 30.06.2014 \$
Within 1 year	162,275	162,275
Later than 1 year but not later than 5 years	64,512	64,512
Later than 5 years	-	-
	226,787	226,787

(b) Remuneration commitment

Commitment for termination payment of a Group KMP is payable as follows:

Within 1 year	36,000	36,000
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	36,000	36,000

QUINTESSENTIAL RESOURCES LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 9: COMMITMENTS (cont'd)

	Actual 30.06.2014 \$	Pro-forma Consolidated 30.06.2014 \$
(c) Lease commitment		
Commitments for minimum lease payments in relation to an operating lease are payable as follows:		
Within 1 year	9,600	9,600
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	<u>9,600</u>	<u>9,600</u>

(d) Other commitment

On 23 February 2014 Y&B signed an Indicative Term Sheet for the acquisition of Gophr Limited, a company incorporated in the UK. The terms of the agreement are for the company to invest £500,000 in return for an equity interest of 75%. The Indicative Term Sheet is not binding between the parties.

NOTE 10: SUBSIDIARIES

The legal corporate structure of the consolidated entity is set out below:

Actual 30.06.2014

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding
Quintessential Resources (PNG) Ltd	Papua New Guinea	Ordinary	90%

Pro-forma 30.06.2014

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding
Quintessential Resources (PNG) Ltd	Papua New Guinea	Ordinary	90%
Yonder and Beyond Pty Ltd	Australia	Ordinary	100%
Yonder and Beyond Limited	United Kingdom	Ordinary	100%
Yonder and Beyond Inc	USA	Ordinary	100%
Boppl Limited	United Kingdom	Ordinary	72.6%
Prism Digital Limited	United Kingdom	Ordinary	60%
Wondr.it Limited	United Kingdom	Ordinary	100%

NOTE 11: CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2014.

NOTE 12: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 30 July 2014, Mr. Jay Stephenson has been appointed as Company secretary.

On 17 October 2014, Mrs. Paige McNeil, resigned as Managing Director of Quintessential.

On 17 October 2014, Mr. Shashi Fernando was appointed as a Non-Executive Director of Quintessential.

APPENDIX 3**QUINTESSENTIAL RESOURCES LIMITED****AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION****NOTE 12: SIGNIFICANT EVENTS AFTER THE REPORTING DATE (cont'd)**

On 23 October 2014, Y&B announced that they will acquire a 10% stake in US based social media service, PlayMeet, a social music application. The consideration for the investment Y&B will be \$1 million staged across two tranches of \$500,000 due in 30 days and \$500,000 due in 90 days. Y&B's investment in PlayMeet is subject to completion of due diligence procedures and has not been incorporated in the pro-forma statement of financial position.

There are no other matters arising subsequent to the end of the reporting date.

5 MATERIAL CONTRACTS

Set out below are summaries of the more important provisions of contracts to which the Company is a party and which are or may be material in terms of the Offers or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offers.

To fully understand all rights and obligations in the material contracts it is necessary to read them in full. A copy of each of these contracts may be inspected during normal business hours at the registered office of the Company.

5.1 AGREEMENTS

5.1.1 Binding Terms Sheet for Share Sale

The Company has entered into a Binding Term Sheet for Share Sale ("Terms Sheet") with a privately-owned Australian company, **Yonder and Beyond Limited** ("Y&B"), to acquire 100% of the issued capital in Y&B. The acquisition is subject to the terms and conditions below.

As consideration for the issued capital of Y&B, the Company will issue the following:

- ▶ 37,875,000 Shares in the Company with a deemed issue price of \$0.01 each (Consideration Shares) (on a post-consolidation basis); plus
- ▶ 35,000,000 options to subscribe for Shares in the Company ("Management Performance Options") (on a post-consolidation basis), subject to the terms and conditions set out in Section 6.7 on page 92, in the following tranches:
 - ▶ Tranche 1: 15,000,000;
 - ▶ Tranche 2: 10,000,000; and
 - ▶ Tranche 3: 10,000,000;
- ▶ Issue to the Y&B Seed Adviser Option-holders 1,500,000 Y&B Adviser Options to subscribe for Shares in the Company (on a post consolidation basis).

The acquisition of Y&B remains conditional upon:

- ▶ completion of due diligence by the Company on Y&B and the Business;
- ▶ the Company being satisfied that:
 - ▶ All assets and intellectual property relevant to the Business (Assets), are held by Y&B; and
 - ▶ Funds received from the Seed Capital Raising have been receipted and held in a bank account in the name of Y&B, or to its benefit;
- ▶ the Company, subject to necessary Shareholder approvals, changing its name to **Yonder & Beyond Group Limited** (subject to availability);
- ▶ Y&B presenting budgets and financial forecasts in a form deemed satisfactory by the Company and its Advisers;
- ▶ the Company raising a minimum of \$5,000,000 up to \$8,000,000 (or such other amount as required to meet assets test admission criteria of the ASX), through the issue of Company Shares at \$0.20 per Company Share or a price to be determined by the Company;
- ▶ the Company obtaining all necessary shareholder approvals, pursuant to the Corporations Act, the ASX Listing Rules or any other law to allow the Company to lawfully complete the matters set out in the terms sheet;
- ▶ the Company receiving a letter from the ASX confirming that the ASX will re-admit the Company to the Official List of the ASX, subject to the satisfaction of certain conditions set out in the letter, on terms acceptable to the Company;
- ▶ the major Y&B shareholders (as agreed between the Company and Y&B) entering into a formal share sale agreement (Formal Agreement) on terms similar to this Agreement incorporating customary warranties and other terms and conditions;

- ▶ all other Y&B shareholders and Y&B option holders, entering into binding short form agreements with the Company to sell their Y&B Shares and Y&B Options to the Company;
- ▶ the Company obtaining all necessary third party approvals or consents, to give effect to the matters set out in the Term Sheet to allow the Company to lawfully complete the matters set out in this document;
- ▶ the Y&B shareholders and Y&B option-holders delivering to the Company correctly executed restriction agreements (in a form customarily accepted by ASX) for the Shares and Options issued to be issued to them at Settlement that will be subject to escrow as imposed by ASX;
- ▶ the Company entering into agreements with each of Wolfstar Corporate Management Pty Ltd and Barrington's Corporate for the provision of corporate and accounting services respectively to the Company, with a cost-effective separation of duties, on terms acceptable to Y&B; and
- ▶ completion of due diligence by Y&B on the Company to the absolute satisfaction of Y&B.

All conditions precedent must be satisfied, or otherwise waived, on or before 27 February 2015.

During the period from the date of execution of the Term Sheet and until the earlier of settlement and the 27 February 2015 ("Transaction Period"), Y&B and the Company each covenant that the Y&B or the Company will not, other than as set out in the Term Sheet enter into any agreements or arrangements outside the ordinary course of business of Y&B or the Company.

Y&B and the Company agree that each of the Y&B and the Purchaser will be managed in accordance with customary practices in the ordinary course of business during the period from the date of execution of the Term Sheet .

Y&B accepts and acknowledges that the Company will continue to fund its obligations in respect to Papua New Guinean mineral tenement assets, listed in "The Company and Projects" on page 6, under the Mining Act, held by a subsidiary of the Company. The Company undertakes to make its best effort to divest the subsidiary within the time frame.

Settlement of the Acquisition will occur on that date which is two (2) business days after satisfaction (or waiver) of all Conditions or such other date as is agreed between the parties.

The following Board changes will occur at Settlement:

- ▶ The resignation of Ms Beckett as a director of the Company, (with Mr Stephenson remaining as director and as Company Secretary) and;
- ▶ The appointment, as an additional director of the Company, Mr Bell (as Executive Director and CFO). Mr Fernando will be elevated from Non-Executive Director to CEO;

In addition, Y&B shall procure the resignations of those Y&B board members notified by the Company at least one (1) Business Day prior to Settlement and appointment of at least two (2) directors nominated by the Company.

5.2 AGREEMENTS WITH RELATED PARTIES

A summary of each of the agreements with related parties of the Company is set out in the "Investment Overview" section of this Prospectus in subsection entitled "Agreements with Directors or Related Parties" on page 18.

5.3 OTHER MATERIAL CONTRACTS

5.3.1 Joint Lead Manager Agreement

A summary of the main terms of this agreement is set out in Section 1.7 on page 23 of this Prospectus.

5.4 YONDER AND BEYOND LIMITED CONTRACTS

Set out below are summaries of the material provisions of contracts to which Y&B is a party and which are or may be material in terms of the Offers or the operations of Y&B, or otherwise are or may be relevant to an investor who is contemplating the Offers.

To fully understand all rights and obligations in the material contracts it is necessary to read them in full. A copy of each of these contracts may be inspected during normal business hours at the registered office of Y&B.

5.4.1 Share sale agreement with Shashi Fernando

Y&B and Mr Fernando executed a share sale agreement on 30 March 2014 and an amended agreement on 20 June 2014 under which Mr Fernando agreed to sell his 100% shareholding interest in Wondr.it Limited and his 60% shareholding interest in Prism Digital to the Company in return for the issue of 179,699,248 ordinary shares in Y&B upon successful completion of a \$1,500,000 seed capital raising which was completed in July 2014.

5.4.2 Agreement for the Sale and Purchase of Certain Shares of the Share Capital of Boppl

Y&B has entered into and completed an agreement for the sale and purchase of certain shares of the share capital of Boppl Limited. Under the agreement, Y&B acquired a total of 1,057,836 of the shares of Boppl Limited comprising 735,488 shares owned by Mr Fernando and 322,348 shares owned by other non-employee shareholders of Boppl Limited for £1 per share. These shares represent 72.6% of the fully diluted share capital of Boppl Limited. Payment was made in Pounds Sterling at completion except for one shareholder who received 9,127,773 shares in Y&B and Mr Fernando who was issued 102,304,722 shares in Y&B.

5.4.3 Term Sheet with Gophr

Y&B Australia Pty Ltd (formerly called Yonder and Beyond Pty Ltd) and the sole shareholder of Gophr have signed a term sheet where Y&B (or its nominated affiliates) has the exclusive right to negotiate the acquisition of a 75% shareholding interest in Gophr for £500,000. The exclusivity period expires on 31 December 2014. This terms sheet is non-binding but the parties are in the process of preparing formal documentation and it is the Company's intention that this acquisition be completed immediately following the completion of the acquisition of Y&B.

5.4.4 Management Team Service Agreements

Y&B, through Yonder and Beyond Ltd (UK), has entered in to service agreements with Messrs Mustafa, Oury, and Sedeffow, on the following bases:

- ▶ Mr Mustafa is employed by Y&B as the Chief Strategy Officer of the Y&B Group on a full-time basis, with an effective commencement date of 2 June 2014.
- ▶ Mr Oury is employed by Y&B as the Chief Investment Officer of the Y&B Group on a full-time basis; with an effective commencement date of each service agreement is 4 June 2014.
- ▶ Mr Sedeffow will be employed by Y&B as the Chief Technical Officer of the Y&B Group on a full-time basis.
- ▶ The gross remuneration package for Mr Sedeffow is £130,000 per annum, payable in monthly instalments.
- ▶ The gross remuneration package for Mr Oury is £95,000 per annum, payable in monthly instalments.
- ▶ The gross remuneration package for Mr Mustafa is \$175,000 per annum, payable in monthly instalments.
- ▶ The remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.
- ▶ Messrs Mustafa, Oury, and Sedeffow, will be eligible to participate in any short term and long term incentive arrangements operated or introduced by the Company or a Group Company from time to time:
 - ▶ In accordance with the terms and conditions governing those arrangements;
 - ▶ As determined or varied (including in respect of the form of any benefit provided to the executive) at the discretion of the board from time to time.
- ▶ Y&B will reimburse all reasonable expenses incurred by Messrs Mustafa, Oury, and Sedeffow for all reasonable out-of-pocket expenses.
- ▶ The service agreements shall continue until terminated by either party giving to the other not less than six months' prior written notice.
- ▶ Y&B may terminate the service agreements if the employee is in material breach of the service agreement.
- ▶ The Service Agreement includes provisions protecting the intellectual property rights of the Company including in respect of any inventions and includes non-compete restrictions for a period of twelve months after termination.

Y&B, through Yonder and Beyond Inc. (USA), has entered in to service agreements with Mr Dhalla on the following bases:

- ▶ Mr Dhalla is employed by Y&B as the Chief Product Officer of the Y&B Group on a full-time basis.
- ▶ The effective commencement date of each service agreement is 17 February 2014, and varied 4 June 2014.
- ▶ The gross annual remuneration package for Mr Dhalla is USD167,000 per annum.
- ▶ The Remuneration will be reviewed by the Board annually.
- ▶ Mr Dhalla, will be eligible to participate in any bonus programmes that may apply to similarly situated employees.
- ▶ Mr Dhalla shall also be granted equity in Y&B under the terms and conditions detailed in section 6.7 on page 92.
- ▶ The service agreements shall continue until terminated by either party giving to the other not less than one month's prior written notice.
- ▶ Y&B may terminate the service agreements if the employee is in material breach of the service agreement.
- ▶ The Service Agreement includes provisions protecting the intellectual property rights of the Company including in respect of any inventions and includes non-compete restrictions for a period of twelve months after termination.

5.4.5 Investee Companies Service Agreements

Y&B intends to enter into service agreements with Investee Companies for management services provided.

5.4.6 Boppl Material Agreements

Boppl, signed an offer of employee letter with Mr John Trainedes on the following bases:

- ▶ Mr Trainedes is employed by Boppl as the Chief Executive Officer of Boppl on a full-time basis.
- ▶ The effective commencement date is 1 November 2014.
- ▶ The gross annual remuneration package for Mr Trainedes is USD180,000 per annum (including taxes and healthcare), reviewable bi-annually.
- ▶ Mr Trainedes shall also be entitled to participate in any equity incentive plan up to Boppl 73,600 shares.

5.4.7 Investee Companies Service Agreements

Yonder & Beyond Ltd (UK) has entered into separate service agreements with each Investee Company for management services provided.

The material terms of the service agreements are:

- ▶ Effective date: 24 February 2014.
- ▶ Term: Two years unless terminated earlier by 180 days written notice.
- ▶ Fee: GBP£10,000 per calendar month. The quantum of the Management Fee shall be reviewed on half yearly of the agreement, in line with the work performed by the Manager.
- ▶ Expenses: All costs and expenses reasonably incurred in connection with the provision of the services by Y&B UK shall be reimbursed.
- ▶ Services: Assistance with strategic development, assistance with Business development, assistance with preparation of financial accounts and compliance, assistance with managing development activities, setting timelines, building launch strategies.

5.4.8 Operating Contracts – General

As an operating commercial business, Y&B is party to numerous standard business contracts, including but not limited to:

- ▶ Employee and Contractor Agreements;
- ▶ Finance Arrangement and Guarantees;
- ▶ Agency Agreements
- ▶ Supply or Purchase Agreements
- ▶ Agreements with Government
- ▶ Lease Agreements.

The terms and conditions of these contracts have not been disclosed with exception to those contracts that would have a material impact upon the business should they be varied or terminated.

6 ADDITIONAL INFORMATION

6.1 TAX STATUS AND FINANCIAL YEAR

The Company is taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

6.2 CORPORATE GOVERNANCE

The Board of Directors of the Company will be responsible for the corporate governance of the Company including its strategic development. The format of this Section is guided by the ASX Corporate Governance Council's principles and recommendations. The Company's corporate governance principles and policies are therefore structured as follows:

Principle 1	<i>Lay solid foundations for management and oversight</i>
Principle 2	<i>Structure the Board to add value</i>
Principle 3	<i>Act ethically and responsibly</i>
Principle 4	<i>Safeguard integrity in financial reporting</i>
Principle 5	<i>Make timely and balanced disclosure</i>
Principle 6	<i>Respect the rights of securityholders</i>
Principle 7	<i>Recognise and manage risk</i>
Principle 8	<i>Remunerate fairly and responsibly</i>

6.2.1 Board Responsibilities

The Board will be accountable to the Shareholders for the performance of the Company and will have overall responsibility for its operations. Day to day management of the Company's affairs is delegated to the Chief Executive Officer, and the implementation of the corporate strategy and policy initiatives, is currently formally managed by the Directors of the Company. Subsequent to the acquisition of Y&B, these responsibilities will remain unchanged.

In carrying out the responsibilities and powers set out in its Charter, the Board:

- (a) Recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its Shareholders; and
- (b) Recognises its duties and responsibilities to its employees, customers and the community.

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) Approving the annual, half yearly and quarterly accounts;
- (g) Approving significant changes to the organisational structure;
- (h) Approving the issue of any shares, options, equity instruments or other securities in the Company;
- (i) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) Recommending to Shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- (k) Meeting with the external auditor, at their request, without management being present.

For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

Subsequent to the acquisition of Y&B, the Company does not expect any material changes to the above disclosed Board responsibilities.

6.2.2 Size and Composition of the Board

The composition of the Board is subject to review in a number of ways, as follows:

- ▶ The number of Directors must not be less than three (3) nor more than ten (10) or such lesser number as the Directors determine provided that the number so determined must not be less than the number of Directors when the determination takes effect.
- ▶ The Constitution provides that at every annual general meeting (AGM), one third of the Directors shall retire from office but may stand for re-election. Additionally, no director may retain office for more than three (3) years without submitting himself or herself for re-election even though the submission results in more than one third of the directors retiring from office.
- ▶ A Managing Director (or, if there is more than one Managing Director at the same time, the one appointed first), is not subject to retirement by rotation and is not taken into account in determining the rotation of retirement of directors.
- ▶ The composition of the Board is to be reviewed regularly to ensure the appropriate mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to Shareholders. In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- ▶ Currently, the majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent.
- ▶ Once it has been agreed that a new director is to be appointed, a search will be undertaken, sometimes using the services of external consultants. Nominations would then be received and reviewed by the Board.

The Company considers industry experience and specific expertise to be important attributes of its Board members and therefore believes that the composition of the Board is appropriate given the size and development of the Company at the present time.

Subsequent to the acquisition of Y&B, the Company will have two (2) executive directors and two (2) non-executive directors (one being the chairman). Expected changes to the above can be found in Section 6.2.9 on page 78 of this Prospectus.

6.2.3 Ethics and Independence

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards.

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent directors. In addition, Recommendation 2.2 requires the chairperson of the Company to be independent. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

The Board will assess the independence of the Directors regularly in light of the interests disclosed by them. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest. Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.

6.2.4 Board Committees

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role. The composition of the committees shall be as follows:

- ▶ Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution;
- ▶ The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes; and
- ▶ Each committee will maintain minutes of each meeting of the committee, to be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meetings.

At the present time the Board has taken on role of the Committees due of the size of the Company and the involvement of the Board in the operations of the Company. The current Board takes ultimate responsibility for the operations of the Company including remuneration of Directors and executives and nominations to the Board.

Subsequent to the acquisition of Y&B, expected changes to the above and the following can be found in Section 6.2.9 on page 78 of this Prospectus.

(i) Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

The composition of the Committee shall be as follows:

- ▶ The Committee must comprise at least three (3) members.
- ▶ All members of the Committee must be non-executive Directors.
- ▶ A majority of the members of the Committee must be independent non-executive Directors.
- ▶ The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- ▶ All members of the Committee must be able to read and understand financial statements.
- ▶ The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- ▶ The Chairman shall have leadership experience and a strong finance, accounting or business background.
- ▶ The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- ▶ The quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- ▶ Compliance with all applicable laws, regulations and company policy;
- ▶ The effectiveness and adequacy of internal control processes;
- ▶ The performance of the Company's external auditors and their appointment and removal;
- ▶ The independence of the external auditor and the rotation of the lead engagement partner; and
- ▶ The identification and management of business risks.

The Chief Financial Officer Elect ("CFO Elect"), Mr John Bell, will provide accounting and financial support to the Company. The CFO Elect will be required to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. Included in this statement will be confirmation that the Company's risk management and internal controls are operating efficiently and effectively.

(ii) **Remuneration Committee**

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to Shareholders by:

- ▶ Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders;
- ▶ Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- ▶ Recommending to the Board the remuneration of executive Directors;
- ▶ Fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- ▶ Reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- ▶ Reviewing and approving the remuneration of Directors, reporting to the Managing Director, and as appropriate other senior executives; and
- ▶ Reviewing and approving any equity based plans and other incentive schemes.

The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

The composition of the Committee shall be as follows:

- ▶ The Committee shall comprise at least two (2) Directors;
- ▶ The Committee will be chaired by an independent Director who will be appointed by the Board;
- ▶ The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution; and
- ▶ A quorum will comprise any two (2) independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

(iii) Nomination Committee

The primary purpose of the Committee is to support and advise the Board in:

- ▶ Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- ▶ Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

The composition of the Committee shall be as follows:

- ▶ The Committee shall comprise at least two (2) non-executive Directors, the majority of whom must be independent, one of whom will be appointed the Committee Chairman; and
- ▶ The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

6.2.5 Shareholder Communication

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

- ▶ the annual report delivered by post and which is also placed on the Company's website, as well as the half-yearly report and, where applicable, quarterly reports, which are placed on the Company's website;
- ▶ disclosures and announcements made to the Australian Stock Exchange, the New Zealand Stock Exchange and the Securities and Exchange Commission in the United States, copies of which are placed on the Company's website;
- ▶ notices and explanatory memoranda of AGMs and Extraordinary General Meetings (EGM) copies of which are placed on the Company's website;
- ▶ the Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
- ▶ the Company's website, www.quintessentialresources.com.au, on which the Company posts all announcements which it makes to the ASX; and
- ▶ The auditor's lead engagement partner being present at the AGM to answer questions from Shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Subsequent to the acquisition of Y&B, the Company does not expect any material changes to the above disclosure of information to Shareholders.

6.2.6 Identification and Management of Business Risk

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal controls. The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review including:

- ▶ oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- ▶ assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- ▶ review reports by management on the efficiency and effectiveness of risk management.

The Company's process of risk management and internal compliance and control includes:

- ▶ identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- ▶ formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- ▶ monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

Subsequent to the acquisition of Y&B, the Company does not expect any material changes to the above disclosed Board responsibilities.

6.2.7 Remuneration

The Directors (including the managing director) are entitled to be remunerated for their services as follows:

- ▶ The amount of the remuneration of the Directors is a yearly sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company;
- ▶ The Directors' remuneration accrues from day to day.
- ▶ The maximum aggregate annual remuneration which may be paid to non-executive Directors is \$250,000. This amount cannot be increased without the approval of the Company's Shareholders.

The Company may also pay the Directors' travelling and other expenses that they properly incur:

- ▶ In attending Directors' meetings or any meetings of committees of Directors;
- ▶ In attending any general meetings of the Company; and
- ▶ In connection with the Company's business.

The Company is required to disclose in its annual report details of remuneration to Directors. A detailed explanation of the basis and quantum of Directors' remuneration is set out in Section 6.8.1 on page 94 of this Prospectus.

Subsequent to the acquisition of Y&B, the Company does not expect any material changes to the above disclosed remuneration policies.

6.2.8 Securities Trading Disclosure

The Company has a formal policy on the sale and purchase of securities in Quintessential Resources Limited by its Key Management Personnel (being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity).

Directors and Key Management Personnel are encouraged to be long-term holders of the Company's securities; however Directors or Key Management Personnel must not, except in exceptional circumstances deal in securities of the Company in the seven (7) days prior to, and two (2) days after release of the Company's:

- ▶ Annual financial report;
- ▶ Consolidated interim financial report; and
- ▶ Quarterly reports (together the "Block-Out Period").

Directors or Key Management Personnel should never engage in short-term trading of the Company's securities except for the exercise of options where the Shares will be sold shortly thereafter.

Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Chairman or the Board before doing so. If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairman must obtain the prior approval of the Board before doing so.

Any Key Management Personnel wishing to buy, sell, or exercise rights in relation to the Company's securities must obtain the prior written approval of the Managing Director before doing so.

In accordance with the provisions of the *Corporations Act 2001* (Cth) and the Listing Rules and Corporate Governance Plan the Company will notify the ASX within five (5) business days after any dealing in securities of the Company (either personally or through an associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

Subsequent to the acquisition of Y&B, the Company does not expect any material changes to the above disclosed policy.

6.2.9 Departures from Recommendations

Upon re-admission to the Official List of the ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out below:

PRINCIPLES AND RECOMMENDATIONS

1. Lay solid foundations for management and oversight

<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board.</p> <p>The Board will be accountable to the Shareholders for the performance of the Company and will have overall responsibility for its operations.</p> <p>The roles and responsibilities carried out by the Board are to:</p> <ul style="list-style-type: none"> ▶ Oversee control and accountability of the Company; ▶ Set the broad targets, objectives, and strategies; ▶ Monitor financial performance; ▶ Assess and review risk exposure and management; ▶ Oversee compliance, corporate governance, and legal obligations; ▶ Approve all major purchases, disposals, acquisitions, and issue of new shares; ▶ Approve the annual and half-year financial statements; ▶ Appoint and remove the Company's Auditor; ▶ Appoint and assess the performance of the Managing Director and members of the senior management team; and ▶ Report to Shareholders. <p>To assist the Board in fulfilling its duties, the Board has established an Audit and Risk Committee, a Remuneration Committee, and Nomination Committee.</p> <p>The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Board undertakes appropriate checks and provides a biography of the appointed director when announcing the appointment on the Australian Securities Exchange.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Board is preparing written agreements for each director setting out the terms of their appointment by 15 January 2015.</p>

PRINCIPLES AND RECOMMENDATIONS

<p>1.4 <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	<p>The Company's Corporate Governance Plan includes a Board Charter, which discloses the following specific role and responsibilities of the Company secretary.</p> <ul style="list-style-type: none"> (a) When requested by the Board the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors. (b) The Company Secretary is to facilitate the induction of new Directors and the implementation of Board policies and procedures. (c) The Company Secretary is to provide advice to the Board, on corporate governance matters and law. (d) All Directors have access to the advice and services provided by the Company Secretary. (e) The Board has the responsibility for the appointment and removal of the Company Secretary. <p><i>Subsequent to the acquisition of Y&B Mr Stephenson will retain the role of company secretary of the Company. The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>1.5 <i>A listed entity should:</i></p> <ul style="list-style-type: none"> (a) <i>have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</i> (b) <i>disclose that policy or a summary of it; and</i> (c) <i>disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</i> <ul style="list-style-type: none"> (1) <i>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</i> (2) <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i> 	<p>A Diversity Policy adopted by the Company as an Addendum to the existing Corporate Governance Plan.</p> <p>The Diversity Policy provides a framework for the Company to achieve:</p> <ul style="list-style-type: none"> (a) A diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals; (b) A workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; (c) Improved employment and career development opportunities for women; (d) A work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and (e) Awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, (collectively, the Objectives). <p>The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.</p> <p>The Chairman will monitor the scope and currency of this policy.</p> <p>The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives.</p> <p>Measurable Objectives as set by the Board will be included in the annual key performance indicators for the Chief Executive Officer/Managing Director and senior executives.</p> <p>In addition, the Board will review progress against the Objectives as a key performance indicator in its annual performance assessment.</p> <p><i>The Company expects to further develop this policy subsequent to the acquisition of Y&B.</i></p> <p>The Company believes that the promotion of diversity on boards, in senior management, and within the organisation generally broadens the pool for recruitment of high quality directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.</p> <p>Currently there is one woman on the board (Ms Beckett). Given the present Company size, there have been no plans to establish measurable objectives for achieving gender diversity. The need for establishing and assessing measurable objectives for achieving gender diversity will be reassessed as the Company size increases.</p> <p>The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its Board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.</p> <p><i>Subject to the acquisition of Y&B, the Group will include six women in total.</i></p> <p>The Corporate Governance Plan is posted on the Company's website.</p> <p><i>Subject to the acquisition of Y&B, the Board will strive to further develop the Company's diversity to more rigorously apply recommendations under this principle.</i></p>

PRINCIPLES AND RECOMMENDATIONS

<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months, and examine ways of assisting the Board in performing its duties more effectively, including:</p> <p>(a) Comparing performance of the Board with the Charter requirements;</p> <p>(b) Examination of the Board's interaction with management;</p> <p>(c) The nature of information provided to the Board by management; and</p> <p>(d) Management's performance assisting the Board in meeting its objectives.</p> <p>A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.</p> <p>The Remuneration Committee will oversee the executive team's performance evaluation. This evaluation is based on specific criteria, including Company business performance, whether strategic objectives are being achieved, and the development of management and personnel.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company.</p> <p>The Board regularly reviews the performance of senior executives.</p> <p>The Nomination Committee shall conduct an annual performance review of the Board that:</p> <p>(a) compares the performance of the Board with the requirements of its Charter;</p> <p>(b) examination of the Board's interaction with management;</p> <p>(c) the nature of information provided to the Board by management; and</p> <p>(d) management's performance in assisting the Board to meet its objectives.</p> <p>The Remuneration Committee shall:</p> <p>(a) Review and approve recruitment, retention, and termination policies and procedures for senior management and the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.</p> <p>(b) Oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the Company business performance, whether strategic objectives are being achieved and the development of management and personnel.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>

2. Structure the board to add value

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, (3) and disclose: (4) the charter of the committee; (5) the members of the committee; and (6) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its</p>	<p>The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee.</p> <p>The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance.</p> <p>The Committee may consult independent experts where the Committee considers this necessary to carry out its duties and responsibilities.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p> <p>The Nomination Committee will arrange a performance evaluation of the Board, Committees, and individual Directors on an annual basis. To assist in this, an independent adviser may be used.</p> <p>The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months, and examine ways of assisting the Board in performing its duties more effectively, including:</p> <p>(a) Comparing performance of the Board with the Charter requirements;</p> <p>(b) Examination of the Board's interaction with management;</p> <p>(c) The nature of information provided to the Board by management; and</p> <p>(d) Management's performance assisting the Board in meeting its objectives.</p> <p>A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.</p> <p>The Remuneration Committee will oversee the executive team's performance evaluation. This evaluation is based on specific criteria, including Company business performance, whether strategic objectives are being achieved, and the development of management and personnel.</p> <p>The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance.</p> <p><i>Subsequent to the acquisition of Y&B the Company will have a Management Team, of which four (4) are not directors. In addition, the Company will have two (2) executive directors and one (1) non-executive director being the chairman. The Company will continue to consider a formal structure to more rigorously apply recommendations under this principle.</i></p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board is currently preparing a board skills matrix, to be completed by 30 June 2015 setting out the mix of skills and diversity on the current Board.</p>

PRINCIPLES AND RECOMMENDATIONS

<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in the Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Company reports such matters in its annual directors' reports and in shareholder communications, including notices of meetings.</p> <p>The Board determines the independence of a director in accordance with definitions as set out in the ASX Corporate Government guidelines and the Sarbanes-Oxley Act of 2002.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Corporate Governance Plan requires the majority of the Board is comprised of non-executive Directors, and where practical, at least 50% of the Board will be independent. Currently, one (1) of the three (3) Directors is independent.</p> <p>The Board currently considers that, given the Company's size, it is not feasible to have a board of a majority of independent directors as it would be cost prohibitive and counterproductive.</p> <p><i>Subsequent to the acquisition of Y&B the Company will have two (2) executive directors, one (1) non-executive director, being the chairman. Whilst this does not constitute an independent board, the Company is still not of the size to feasibly have a board of a majority of independent directors. The Board will continue to review this requirement, and consider whether to appoint additional directors as the need arises.</i></p>
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Corporate Governance Plan indicates that the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.</p> <p>As at 30 June 2014, the Chairman is non-executive, however Mr Stephenson is not independent.</p> <p>The Company's Corporate Governance Plan states the Chief Executive Officer should not be the Chairman of the Company during his term as Chief Executive Officer or in the future.</p> <p>As at the date of this Prospectus, the Company has no Managing Director, subsequent to the resignation of Ms Paige McNeil.</p> <p><i>Subsequent to the acquisition of Y&B Mr Stephenson will retain the role of chairman and company secretary of the Company. Mr Fernando will take on the role of CEO; Mr Bell will take the position as CFO. The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Refer 1.4 above</p>
<p>3. Promote ethical and responsible decision-making</p>	
<p>3.1 A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Company's Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>

PRINCIPLES AND RECOMMENDATIONS

4. Safeguard integrity in financial reporting

<p>4.1 <i>The board of a listed entity should:</i></p> <p>(a) <i>have an audit committee which:</i></p> <p>(1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, who is not the chair of the board,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the relevant qualifications and experience of the members of the committee; and</i></p> <p>(5) <i>in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</i></p>	<p>The Audit Committee previously comprises the Mr Stephenson and Ms McNeil (prior to Ms McNeil's resignation); however the Committee's composition does not comply with Recommendation 4.2 due to the current Company size.</p> <p>The Committee's charter states:</p> <ul style="list-style-type: none"> ▶ The Committee must comprise at least three members and all members of the Committee must be non-executive Directors. ▶ A majority of the members of the Committee must be independent non-executive Directors. ▶ The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution. ▶ The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent. <p>At present, the Chairperson of the Audit Committee is Mr Jay Stephenson. The Company determined that Mr Stephenson is the most suitable director to chair the Audit Committee due to his competency in corporate governance, accounting and finance and the limited Board size.</p> <p>The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses its specific responsibilities.</p> <p>The Committee's roles include:</p> <ul style="list-style-type: none"> ▶ review the Company's accounting policies; ▶ review the content of financial statements; ▶ review the scope of the external audit, its effectiveness, and independence; ▶ ensure accounting records are maintained in accordance with statutory and accounting standard requirements; ▶ monitor systems used to ensure financial and other information provided is reliable, accurate, and timely; ▶ review the audit process with external auditors to ensure full and frank discussion of audit issues; ▶ present half and full year financial statements to the Board. <p><i>The Company will continue to maintain an Audit Committee subsequent to the acquisition of Y&B with changes expected as described below.</i></p> <p><i>Subsequent to the acquisition of Y&B the Company will have a Management, of which four (4) are not directors. In addition, the Company will have two (2) executive directors, two (2) non-executive directors (one being the chairman). This will enable the Company to consider a formal structure to more rigorously apply recommendations under this principle. Mr Stephenson will continue as chair of the Audit Committee.</i></p> <p><i>The Company does not expect any further changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>4.2 <i>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</i></p>	<p>The executives acting in the capacities of Chief Executive and Chief Financial Officers state in writing to the Board that:</p> <ul style="list-style-type: none"> ▶ The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board. ▶ The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B, other than Mr Fernando taking on the role of CEO, and Mr Bell the role of CFO.</i></p>
<p>4.3 <i>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i></p>	<p>The auditor's representative is present at the AGM to answer questions from Shareholders about the conduct of the audit and preparation and content of the auditor's report.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>

PRINCIPLES AND RECOMMENDATIONS

5. Make timely and balanced disclosure

<p>5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company must comply with continuous disclosure requirements arising from legislation and the Listing Rules of the ASX, to maintain an informed market with respect to its securities.</p> <p>Once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, the Company must immediately disclose that information to the ASX.</p> <p>The Company has in place a written policy on information disclosure and relevant procedures. The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.</p> <p>The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public. All shareholders receive a copy of the Company's annual report.</p> <p>The Company Secretary is responsible for:</p> <ul style="list-style-type: none"> ▶ Overseeing and co-ordinating disclosure of information to the relevant stock exchanges and Shareholders; and ▶ Providing guidance to Directors and employees on disclosure requirements and procedures. <p>Price sensitive information is publicly released through the ASX. Distribution of other information to Shareholders and market participants is also managed through disclosure to the ASX.</p> <p>Information will be posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B, with the exception that upon acquisition of Y&B Mr Bell will take on the role of CFO.</i></p>
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6. Respect the rights of shareholders

<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Corporate Governance Plan, which includes a continuous disclosure program, is posted on the Company's website at:</p> <p>www.quintessentialresources.com.au/quintessentialresourceslimited-corporate.html.</p>
<p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Board of the Company aims to ensure that the Shareholders are informed of all major developments affecting the Company's state of affairs. The Company's Corporate Governance Plan includes a Shareholders communication strategy, which aims to ensure that the Shareholders are informed of all major developments affecting the Company's state of affairs.</p> <p>The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for Shareholders to question the Board and management about its activities at the Company's AGM.</p> <p>The auditor's representative is present at the AGM to answer questions from Shareholders about the conduct of the audit and preparation and content of the auditor's report.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Refer 6.2 above.</p>
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company's share registry gives security holders the option to receive communications from and send communications to the entity electronically.</p>

PRINCIPLES AND RECOMMENDATIONS

7. Recognise and manage risk

<p>7.1 <i>The board of a listed entity should:</i></p> <p>(a) <i>have a committee or committees to oversee risk, each of which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i></p>	<p>The Company's Corporate Governance Plan includes a risk management policy.</p> <p>The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p> <p>The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.</p> <p>The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.</p> <p>The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>7.2 <i>The board or a committee of the board should:</i></p> <p>(a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</i></p> <p>(b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i></p>	<p>Refer 7.1 above.</p>
<p>7.3 <i>A listed entity should disclose:</i></p> <p>(a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i></p> <p>(b) <i>if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</i></p>	<p>The Company currently has no internal audit function. Refer 7.1 above.</p>
<p>7.4 <i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i></p>	<p>The Company discloses all material risks in its annual financial statements.</p>

8. Remunerate fairly and responsibly

<p>8.1 <i>The board of a listed entity should:</i></p> <p>(a) <i>have a remuneration committee which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>	<p>The Company's Corporate Governance Plan includes provision that the Company establish a Remuneration Committee under the Plan's Charter, which discloses its specific responsibilities.</p> <p>The Board members are designated as members of the remuneration committee.</p> <p>It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.</p> <p>The Company's Corporate Governance Plan states:</p> <ul style="list-style-type: none"> ▶ The Committee shall comprise at least two Directors and be chaired by an independent Director who will be appointed by the Board. ▶ The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution. ▶ A quorum will comprise any two independent non-executive Director Committee members. <p>Although no formal remuneration committee has been established, the Board currently serves as the remuneration committee. The Board does not currently consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counter-productive.</p> <p>As the operations of the Company develop and the composition of the Board changes the Board will reassess the formation of the remuneration committee.</p> <p><i>Subsequent to the acquisition of Y&B the Company will have a Management, of which four (4) are not directors. In addition, the Company will have two (2) executive directors, one (1) non-executive directors being the chairman. This will enable the Company to consider a formal structure to more rigorously apply recommendations under this principle. Mr Stephenson will continue as chair of the Remuneration Committee.</i></p>
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PRINCIPLES AND RECOMMENDATIONS

<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company's constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum set by the constitution and subsequently varied by resolution at a general meeting of Shareholders.</p> <p>Subject to the Act and to the provisions of any contract between the Company and a Managing Director or Executive Officer the remuneration of the Managing Director or Executive Officer is fixed by the directors and may be by way of fixed salary or participation in profits of the Company or of any other company in which the Company is interested or by any or all of those modes but may not be by way of commission on or percentage of operating revenue of the Company.</p> <p><i>The Company does not expect any changes to the above policies subsequent to the acquisition of Y&B.</i></p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company's Board, acting in the capacity of the Remuneration committee is charges with reviewing and approving any equity based plans and other incentive schemes.</p> <p><i>Subsequent to the acquisition of Y&B the Company will have a Management Team, of which four (4) are not directors. In addition, the Company will have two (2) executive directors and one (1) non-executive director being the chairman. The Company will continue to consider a formal structure to establish a separate Remuneration Committee.</i></p>

6.3 LITIGATION

As at the date of this Prospectus, the Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

6.4 RIGHTS ATTACHING TO SHARES

The Shares to be issued under this Prospectus will rank equally with the issued Shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the *Corporations Act 2001* (Cth), the Listing Rules and general law.

6.4.1 Shares

The following is a summary of the more significant rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities attaching to Shares:

► General meeting

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the *Corporations Act 2001* (Cth) or the Listing Rules.

► Voting

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the *Corporations Act 2001* (Cth) or the Listing Rules, at a general meeting of the Company every holder of Shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per Share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Shares (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

► Issues of further shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the *Corporations Act 2001* (Cth) and any rights for the time being attached to the shares in special classes of shares.

► **Variation of rights**

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

► **Transfer of shares**

Subject to the Company's Constitution, the *Corporations Act 2001* (Cth), the ASX Settlement Business Rules and the Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Business Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the *Corporations Act 2001* (Cth) or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the *Corporations Act 2001* (Cth). The Company may decline to register a transfer of Shares in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, in accordance with the Listing Rules, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Business Rules.

► **Partly paid shares**

The Directors may, subject to compliance with the Company's Constitution, the *Corporations Act 2001* (Cth) and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

► **Dividends**

The Company in general meeting may declare a dividend if the Directors have recommended a dividend and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends, subject to the provisions of the *Corporations Act 2001* (Cth).

Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of Shares (including ordinary Shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the Shares.

► **Winding up**

Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary Shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

► **Dividend plans**

The Directors or the members of the Company, in general meeting, may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for Shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the Shares held by that member and to receive Shares instead.

► **Directors**

The Company's Constitution states that the number of directors must be not less than three (3) or more than ten (10).

► **Powers of the board**

The Directors have the power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the *Corporations Act 2001* (Cth), any other law, the Listing Rules or the Company's Constitution.

6.5 TERMS AND CONDITIONS OF OPTIONS

6.5.1 IPO Prospectus Options

As at the date of this Prospectus, the Company has on issue 10,000,000 Options to the Directors and key consultants in respect to the Company's IPO, on the following terms and conditions.

The Options held by the Option-holder are exercisable in whole or in part during the period commencing on the date shareholder approval is granted and expiring on 31 December 2014 (Exercise Period). Options not exercised before the expiry of the Exercise Period will lapse.

Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price of \$0.20 per Option in cleared funds.

The Company has not and will not apply for official quotation on the ASX of the Options. An application may be lodged at a later date to list the options in the sole discretion of the Board of the Company should the Board considers that there is sufficient spread of option holders to result in a market for the options on ASX.

The Company will make application for official quotation on the ASX of new Shares issued on exercise of the Options. Those Shares will participate equally in all respects with existing issued Shares, and in particular new Shares issued on exercise of the Options will qualify for dividends declared after the date of their issue.

Options are not transferable, except that if at any time before expiry of the Exercise Period the Option-holder dies, the legal personal representative of the deceased Option-holder may:

- ▶ Elect to be registered as the new holder of the Options;
- ▶ Whether or not he becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted; and
- ▶ If the deceased has already exercised Options, pay the exercise price in respect of those Options.

An Option-holder may only participate in new issues of securities to holders of Shares in the Company if the Option has been exercised and Shares issued in respect of the Option before the record date for determining entitlements to the issue.

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.

If the Company makes a rights issue (other than a bonus issue), the exercise price of Options will not change.

If, during the currency of the Options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with the Listing Rules and the *Corporations Act 2001* (Cth) at the time of reorganisation.

6.5.2 Lead Manager(s) Options

(i) On Issue

As at the date of this Prospectus, the Company has on issue a total of 3,250,000 Options to Cygnet Capital Pty Limited to the Company's entitlement issue prospectus, dated 16 October 2012 on the following terms and conditions:

- ▶ Each Lead Manager Option gives the Option-holder the right to subscribe for one (1) Share. To obtain the right given by each Lead Manager Option, the Option-holder must exercise the Lead Manager Options in accordance with the terms and conditions of the Lead Manager Options.
- ▶ The Lead Manager Options will expire at 5:00 pm (AWST) on 31 October 2015 (Expiry Date). Any Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. The amount payable upon exercise of each Lead Manager Option will be \$0.14 per Lead Manager Option (Exercise Price).

- ▶ The Lead Manager Options held by each Option-holder may be exercised in whole or in part.
- ▶ An Option-holder may exercise its Lead Manager Options by lodging with the Company, before the Expiry Date a cheque (with a written notice of Options (Exercise Notice) specifying the number of Lead Manager Options being exercised, or electronic funds transfer (including BPay) for the Exercise Price for the number of Lead Manager Options being exercised.
- ▶ An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- ▶ Within ten (10) Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Exercise Notice.
- ▶ The Lead Manager Options are transferable.
- ▶ All Shares issued upon the exercise of Lead Manager Options will upon issue rank pari passu in all respects with other Shares.
- ▶ Subject to the requirements of the ASX Listing Rules, the Company will apply for quotation of the Lead Manager Options on ASX.
- ▶ The Company will apply for quotation of all Shares issued pursuant to the exercise of Lead Manager Options on ASX within ten (10) Business Days after the date of issue of those Shares.
- ▶ If at any time the issued capital of the Company is reconstructed, all rights of an Option-holder are to be changed in a manner consistent with the *Corporations Act 2001* (Cth) and the ASX Listing Rules at the time of the reconstruction.
- ▶ There are no participating rights or entitlements inherent in the Lead Manager Options and Option-holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option-holders the opportunity to exercise their Lead Manager Options prior to the date for determining entitlements to participate in any such issue.
- ▶ A Lead Manager Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Lead Manager Option can be exercised.

(ii) To be Issued in conjunction with the Public Offer

As at the date of this Prospectus, the Company has agreed to grant a total of 3,000,000 Options allocated on the follow basis:

- ▶ 1,000,000 to Foster Stockbroking;
- ▶ 1,000,000 to Taylor Collison; and
- ▶ 1,000,000 to be allocated at the discretion of the Company (which may include the Joint Lead Managers and/or other parties which support the transaction in a material manner).
(collectively "Adviser Options")

on the following terms and conditions.

The Adviser Options held by the Adviser Option-holders are exercisable in whole or in part during the period commencing on and from the date of issue and expiring 5.00pm (AWST) on three (3) years from date of issue ("Exercise Period"). Adviser Options not exercised before the expiry of the Exercise Period will lapse.

Adviser Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price of \$0.25 per Adviser Option in cleared funds. All Shares issued on exercise of the Adviser Options will rank equally in all respects with the Company's then existing Shares other than any escrow imposed by ASX.

Adviser Options are transferable after the expiry of 12 months from the date of issue subject to any longer escrow period that ASX may impose.

The Company will not apply for official quotation on the ASX of the Adviser Options; however application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Adviser Options not later than ten (10) business days after the date of issue.

Holders of Adviser Options and may only participate in new issues of securities as Shareholders if an Adviser Option has been exercised and a Share has been issued in respect of the Adviser Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Adviser Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.

There will be no change to the exercise price of an Adviser Option or the number of Shares over which an Adviser 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 below).

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.

If, prior to the expiry of any Adviser Option, there is a reorganisation of the issued capital of the Company, the Adviser Options shall be reorganised in the manner set out in the Listing Rules.

6.5.3 Employee Share Plan Options

As at the date of this Prospectus, the Company has on issue 2,600,000 Options to the employees of the Company as follows:

Option Terms	Employee Share Plan Options	Employee Share Plan Options
Number issued prior to consolidation	2,000,000	600,000
Exercise Price to consolidation	\$0.37	\$0.36
Expiry date	30 July 2015	4 April 2015

The above options were issued in accordance with the terms and conditions of the Company's share option plan as described in section 6.6 Employee Share Option Scheme below.

6.5.4 Y&B Adviser Options

As at the date of this Prospectus, the Company has agreed to issue Y&B Seed Adviser Option-holders 1,500,000 Y&B Adviser Options to subscribe for Shares in the Company (on a post consolidation basis) on the following terms and conditions.

The Y&B Adviser Options are exercisable in whole or in part during the period commencing on the date of re-quotation of the Company's Shares on the ASX and expiring 30 November 2017 ("Exercise Period"). Y&B Adviser Options not exercised before the expiry of the Exercise Period will lapse.

The Y&B Adviser Options are exercisable by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise price of \$0.20 per Y&B Adviser Option. All Shares issued on exercise of the Y&B Adviser Options will rank equally in all respects with the Company's then existing Shares.

The Y&B Adviser Options shall be escrowed as follows:

- ▶ 25% for a period of 3 months from the date of issue; and
 - ▶ 25% for a period of 6 months from the date of issue; and
 - ▶ 50% for a period of 12 months from the date of issue,
- subject to any longer escrow period that ASX may impose.

The Company will not apply for official quotation on the ASX of the Y&B Adviser Options; however application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Y&B Adviser Options not later than ten (10) business days after the date of issue.

Holders of Y&B Adviser Options and may only participate in new issues of securities as Shareholders if a Y&B Adviser Option has been exercised and a Share has been issued in respect of the Y&B Adviser Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Y&B Adviser Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.

There will be no change to the exercise price of a Y&B Adviser Option or the number of Shares over which a Y&B Adviser 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 below).

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.

If, prior to the expiry of any Y&B Adviser Option, there is a reorganisation of the issued capital of the Company, the Y&B Adviser Options shall be reorganised in the manner set out in the Listing Rules.

6.5.5 Corporate Adviser Options

As at the date of this Prospectus, the Company has agreed to issue Wolfstar Group Pty Ltd (or its nominee) as an introduction fee of 1,000,000 options, on the following terms and conditions.

The Corporate Adviser Options are exercisable at any time on or before 5.00pm (AWST) three (3) years from date of issue wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise price of \$0.20 per Corporate Adviser Option. All Shares issued on exercise of the Corporate Adviser Options will rank equally in all respects with the Company's then existing Shares.

Corporate Adviser Options not exercised before the expiry of the Exercise Period will lapse.

The Corporate Adviser Options shall be escrowed as follows:

- ▶ 25% for a period of 3 months from the date of issue; and
- ▶ 25% for a period of 6 months from the date of issue; and
- ▶ 50% for a period of 12 months from the date of issue,

subject to any longer escrow period that ASX may impose.

The Company will not apply for official quotation on the ASX of the Corporate Adviser Options; however application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Corporate Adviser Options not later than ten (10) business days after the date of issue.

Holders of Corporate Adviser Options and may only participate in new issues of securities as Shareholders if a Corporate Adviser Option has been exercised and a Share has been issued in respect of the Corporate Adviser Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Corporate Adviser Option as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.

There will be no change to the exercise price of a Corporate Adviser Option or the number of Shares over which a Corporate Adviser 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 below).

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.

If, prior to the expiry of any Corporate Adviser Option, there is a reorganisation of the issued capital of the Company, the Corporate Adviser Options shall be reorganised in the manner set out in the Listing Rules.

6.6 EMPLOYEE SHARE OPTION SCHEME

The Company has established an employee share option scheme ("Scheme"). The Scheme is designed to provide eligible participants with an ownership interest in the Company and to provide additional incentives for eligible participants to increase profitability and returns to Shareholders.

The summary of the Scheme is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Scheme may be obtained free of charge by contacting the Company.

(i) General

The Board may from time to time, in its absolute discretion, offer to grant Options to eligible participants under the Scheme.

Each Option will be issued for no consideration and will carry the right in favour of the Option-holder to subscribe for one (1) Share in the capital of the Company.

The Board may determine the exercise price of the Options in its absolute discretion provided the exercise price shall not be less than the weighted average of the last sale price of the Company's Shares on the ASX at the close of business on each of the five (5) business days immediately preceding the date on which the Directors resolve to grant the Options.

(ii) Eligible Participants

Full time employees, part time employees and consultants of the Company or an associated body corporate are eligible to participate in the Scheme.

(iii) Lapse of Options

Unless the Board in its absolute discretion determines otherwise, Options shall lapse upon the earlier of:

- ▶ The expiry of the exercise period;
- ▶ The Option-holder ceasing to be within the category of eligible participant by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve within 30 days of such dismissal, resignation or termination, that the Options shall lapse on other terms they consider appropriate;
- ▶ The expiry of one (1) year after the Option-holder ceases to be within the category of eligible participant by reason of retirement; and
- ▶ A determination by the Directors that the Option-holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an associated body corporate.

(iv) Participation in Future Issues

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) business days after the issue is announced. This will give Option-holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

Subject to the Listing Rules, if the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares the exercise price of the Options shall be reduced in accordance with following formula:

$A = O - \frac{E [P - (S + D)]}{(N + 1)}$		Where:
A	=	the new exercise price of the Option;
O	=	the old exercise price of the Option;
E	=	the number of underlying Shares into which one Option is exercisable;
P	=	the average closing sale price per Share (weighted by reference to volume)

	recorded on the stock market of the ASX during the five (5) trading days immediately preceding the ex-rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
S	= the subscription price for a security under the pro rata issue;
D	= the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
N	= the number of securities with rights or entitlements that must be held to receive a right to one new security.

In the event of a bonus issue of Shares being made pro-rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

(v) Quotation

Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares issued pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time.

(vi) Reorganisation

The terms upon which Options will be granted will not prevent them being reorganised as required by the Listing Rules on the reorganisation of the capital of the Company.

(vii) Trigger Events

Upon the occurrence of certain trigger events the Directors may determine:

- ▶ that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a trigger event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- ▶ To use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the trigger event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within ten (10) days, shall lapse.

A Trigger Event means:

- ▶ The despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the *Corporations Act 2001* (Cth);
- ▶ The announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or
- ▶ The date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons

6.7 REPLACEMENT MANAGEMENT PERFORMANCE OPTIONS (subject to shareholder resolution)

- (a)** In recognition of the incentive scheme options received by Management Shareholders of Y&B, the Company has elected to replace them by issuing to the Management Shareholders (or their respective nominees) 35,000,000 options ("Management Performance Options") (on a post-consolidation basis), subject to the terms and conditions set out in below, in the following tranches:

- (i)** Tranche 1: 15,000,000;
- (ii)** Tranche 2: 10,000,000;

(iii) Tranche 3: 10,000,000;
(collectively "Management Performance Options").

The Management Performance Options issued pursuant to the Acquisition will be issued on the following same terms and conditions, unless otherwise stated.

- (b) Each Management Performance Option will entitle the holder to subscribe for one (1) Share of the Company at an exercise price of:
- (i) *Tranche 1* \$0.20 on or before 30 November 2017;
 - (ii) *Tranche 2* \$0.25 on or before 30 November 2017;
 - (iii) *Tranche 3* \$0.40 on or before 31 May 2018;
- (c) The Management Performance Options are exercisable at any time from when they vest, to on or before 5.00pm (AWST) 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.
- (d) The Management Performance Options vest on the following terms:
- (i) *Tranche 1* Immediately upon issue;
 - (ii) *Tranche 2* Upon the five (5) day volume weighted average share price ("VWAP") of the Company being equal to or in excess of \$0.50 per share;
 - (iii) *Tranche 3* Upon the five (5) day VWAP of the Company being equal to or in excess of \$0.80 per share;
 - (iv) Subject to the beneficiary of the Management Performance Options being either (1) in continuous employment/service agreement with Y&B and/or the Company or (2) not a Bad Leaver;
 - (v) The parties shall agree Good Leaver and Bad Leaver provisions as part of implementing the transaction.
- (e) The Management Performance Options shall be escrowed as follows:
- (i) *25% for a period of 3 months from the date of issue; and*
 - (ii) *25% for a period of 6 months from the date of issue; and*
 - (iii) *50% for a period of 12 months from the date of issue,*
- subject to any longer escrow period that ASX may impose.
- (f) All Shares issued on exercise of the Management Performance Options will rank equally in all respects with the Company's then existing Shares, subject to a six (6) month escrow period after Settlement;
- (g) Official Quotation:
- (i) The Company will not apply for official quotation on the ASX of the Management Performance Options.
 - (ii) Application will be made to ASX for official quotation by ASX of all Shares issued pursuant to the exercise of Management Performance Options not later than ten (10) business days after the date of issue.
- (h) Holders of Management Performance Options may only participate in new issues of securities as Shareholders if a Management Performance Option has been exercised and a Share has been issued in respect of the Management Performance Option before the record date for determining entitlements to the issue. The Company must give notice to holders of any Management Performance Options as required by the ASX Listing Rules before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (i) There will be no change to the exercise price of a Management Performance Option or the number of Shares over which a Management Performance 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 (j) below).

- (j) 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.
- (k) If, prior to the expiry of any Management Performance Options, there is a reorganisation of the issued capital of the Company, the Management Performance Options shall be reorganised in the manner set out in the Listing Rules.

6.8 DIRECTORS' AND PROPOSED DIRECTOR'S INTERESTS

Except as disclosed in this Prospectus, no Director or Proposed Director (whether individually or in consequence of a Director's or Proposed Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- ▶ The formation or promotion of the Company; or
- ▶ Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- ▶ The Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, shares, options or otherwise) have been paid or given or agreed to be paid or given to any Director or Proposed Director or to any company or firm with which a Director or Proposed Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director or Proposed Director is associated in connection with:

- ▶ The formation or promotion of the Company; or
- ▶ The Offer of the Shares.

6.8.1 Remuneration

Refer to the Investment Overview section of this Prospectus entitled "Disclosure of Interests" on page 16 for details of Director Remuneration.

All Directors are entitled to be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

6.8.2 Interests in Contracts

Refer to the Investment Overview section of this Prospectus entitled "Disclosure of Interests" on page 16 for details of Director Interests in contracts with the Company and the Group.

6.8.3 Interests in the Company's Securities

The direct and indirect interests of the Directors and Proposed Director in the securities of the Company as at the date of this Prospectus are included in the Investment Overview section of this Prospectus entitled "Disclosure of Interests" on page 16.

6.8.4 Shareholding Qualifications

The Directors and Proposed Director are not required to hold any Shares under the Constitution of the Company.

6.8.5 Indemnity, Insurance and Access

The Company has entered into an Indemnity, Insurance and Access Deed with each of the current Directors as referred to the Investment Overview section of this Prospectus entitled "Agreements with Directors or Related Parties" on page 18. The Proposed Director will enter into said deed prior to his appointment pursuant to the acquisition of Y&B.

The Company maintains Directors' and Officers' Liability Insurance on behalf of the Directors and Officers of the Company.

6.9 INTERESTS OF EXPERTS AND ADVISERS

Except as disclosed in this Prospectus, no promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two (2) year period ending on the date of this Prospectus, any interest in:

- ▶ The formation or promotion of the Company; or
- ▶ Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- ▶ The Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, shares, options or otherwise) have been paid or given or agreed to be paid or given to any promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

6.9.1 Moore Stephens Perth Corporate Services Pty Ltd ("Moore Stephens")

Moore Stephens has acted as the investigating accountant in relation to the Public Offer. As investigating accountant, Moore Stephens have been involved in undertaking a limited assurance review of historical financial information and preparing pro-forma financial accounts, and has prepared the Investigating Accountant's Report which has been included in Section 4 on page 42 of the Prospectus. In respect of this work the Company has agreed to pay Moore Stephens a total of \$13,000 (exclusive of GST) for these services.

Prior to the date of Prospectus Moore Stephens acted as the independent auditor of the Company. In respect of this work the Company paid Moore Stephens a total of \$23,050 (exclusive of GST) for these services.

Other than the above, during the two (2) year period preceding the lodgement of this Prospectus with ASIC, Moore Stephens has not received fees from the Company for any other service.

6.9.2 Steinepreis Paganin

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer, and in that capacity and otherwise assisting the Company with the preparation of this Prospectus. Steinepreis Paganin has been involved in undertaking certain due diligence enquiries in relation to legal matters and providing legal advice to the Company in relation to the Offer. The Company has agreed to pay Steinepreis Paganin at an hourly rate, on a time incurred basis, for these services up to the date of this Prospectus. The Company has paid or will pay approximately \$47,587 for the services (excluding GST).

The Company has also incurred fees not connected with this Offer, in respect to the preparation of the EGM Notice of Meeting, and the Share Sale Agreement for the acquisition of Y&B by the Company. Fees incurred in respect to this have amounted to approximately \$31,812 (exclusive of GST).

Other than the above, during the two (2) year period preceding the lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received any other professional fees from the Company.

6.9.3 Wolfstar Group Pty Ltd ("Wolfstar")

Wolfstar has acted as Corporate Adviser to the Company in relation to this Prospectus. In respect of this work, the Company has agreed to pay Wolfstar an hourly rate based on a time incurred, for these services up to the date of this Prospectus, and a success fee, payable on successful re-admission of the Company to the ASX, will be payable at an amount of \$10,000.00 plus GST. The Company expects to pay approximately \$60,000 for the services (excluding GST).

In addition, Wolfstar has acted as CFO and Company Secretary, as referred to in "Investment Overview" section of this Prospectus in the subsection entitled "Agreements with Directors or Related Parties" on page 18. In respect of this work, the Company has incurred fees of \$141,000 over the previous two years prior to the date of this Prospectus.

Other than the above, during the two (2) year period preceding the lodgement of this Prospectus with ASIC, Wolfstar has not received fees from the Company for any other service.

6.9.4 Taylor Collison Limited and Foster Stockbroking ("Joint Lead Managers")

Taylor Collison Limited (AFSL: 247083) and Foster Stockbroking (AFSL: 223687) to act as Joint Lead Managers to the Public Offer. Details of the agreement with Joint Lead Managers are set out in Section 1.7 on page 23 of this Prospectus.

In addition, in the previous two years prior to the date of this Prospectus, Taylor Collison undertook to place a rights issue of the Company. The Company incurred fees in respect to this placement of \$9,262.

Other than the above, during the two (2) year period preceding the lodgement of this Prospectus with ASIC, neither Taylor Collison Limited nor Foster Stockbroking have received any fees from the Company.

6.10 CONSENTS

Each of the parties referred to in this section:

- (a) Does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section; and
- (b) To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

6.10.1 Moore Stephens Perth Corporate Services Pty Ltd ("Moore Stephens")

Moore Stephens has given its written consent to the inclusion in Section 4 of this Prospectus of its Investigating Accountant's Report in the form and context in which the report is included, and to being named as Investigating Accountant, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

6.10.2 Steinepreis Paganin

Steinepreis Paganin has given and, as at the date hereof, has not withdrawn its written consent to be named as Solicitor to the Company in the form and context in which it is named. Steinepreis Paganin has not authorised or caused the issue of any part of this Prospectus.

6.10.3 Wolfstar Group Pty Ltd ("Wolfstar")

Wolfstar has given and as at the date hereof has not withdrawn its written consent before lodgement of this Prospectus with ASIC, to be named in this Prospectus as the Corporate Adviser to the Company in the form and context in which it is named.

6.10.4 Computershare Investor Services Pty Limited ("Computershare")

Computershare has given and, as at the date hereof, has not withdrawn its written consent to be named as Share Registrar in the form and context in which it is named.

Computershare has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare has not authorised or caused the issue of any part of this Prospectus.

6.10.5 Taylor Collison Limited and Foster Stockbroking ("Joint Lead Managers")

Taylor Collison Limited and Foster Stockbroking have given their written consent to being named in the Prospectus as the Joint Lead Managers of the Public Offer and to the distribution of paper and electronic versions of the Prospectus. The consent of the Joint Lead Managers is given on the basis that Joint Lead Managers have given and not withdrawn their consent to being named in the Prospectus as Joint Lead Managers to the Company as at the date of lodgement of the Prospectus with the ASIC, has not authorised or caused the issue of the Prospectus or the making of the Public Offer, and makes no representation regarding and takes no responsibility for any statements in or omissions from any part of the Prospectus.

6.10.6 Moore Stephens Perth

Moore Stephens Perth has given and, as at the date hereof, has not withdrawn its written consent to be named as Auditor in the form and context in which it is named. Moore Stephens Perth has had no involvement in the preparation of any part of this Prospectus other than being named as Auditor to the Company. Moore Stephens Perth has not authorised or caused the issue of any part of this Prospectus.

6.10.7 Other Persons

There are a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause this issue of the Prospectus.

6.11 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the *Corporations Act 2001* (Cth) to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of securities in response to an electronic application form subject to compliance with certain provisions.

If a person has received this Prospectus as an electronic prospectus they should ensure that they have received the entire Prospectus accompanied by the Application Form. If they have not, they should email the Company at info@quintessentialresource.com.au and the Company will send to that person, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with section 722 of the *Corporations Act 2001* (Cth).

6.12 CONTINUOUS DISCLOSURE OBLIGATIONS

Following readmission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the *Corporations Act 2001* (Cth)) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7 DIRECTORS' CONSENTS

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

In accordance with Section 720 of the *Corporations Act 2001* (Cth), each Director and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.

Dated this 24th day of November 2014

Signed for and on behalf of the Company



JAY STEPHESON
Chairman

8 DEFINITIONS

In this Prospectus, unless the context otherwise requires:

A\$ and \$ means Australian dollars, unless otherwise stated.

£ and GBP means Pounds Sterling, unless otherwise stated

Acquisition means the acquisition by the Company of all the issued capital of Y&B.

Adviser Offer means the offer of up to 3,000,000 Adviser Options to the Joint Lead Managers (or their nominee) and other parties determined at the discretion of the Company and 1,000,000 Corporate Adviser Options to Wolfstar Group Pty Ltd (or its nominee) as part consideration for services provided by these parties in connection with the Public Offer..

Adviser Options means Options with the terms and conditions set out in Section 6.5.4 of this Prospectus.

AGM means Annual General Meeting

Applicant means a person who submits an Application Form under this Prospectus.

Application means a valid application to subscribe for Securities.

Application Form means the application form contained in this Prospectus or a copy of the application form contained in this Prospectus or a direct derivative of the application form which is contained in this Prospectus.

Application Money means 20 cents being the amount payable in respect of each Share under the Public Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange and ASX Limited (ACN 008 624 691).

AWST means Australian Western Standard Time (UTC +8:00).

Board of Directors and **Board** means the Board of Directors of the Company as constituted from time to time.

Business Day means a day on which the trading banks are open in Perth, Western Australia.

the **Company** means Quintessential Resources Limited (ABN 76 149 278 759).

Completion of the Offer means the issue of at least 25,000,000 Shares offered under this Prospectus.

Consolidation means the consolidation of the Company's issued capital on a ratio of 1:20.

Constitution means the constitution of the Company.

Corporate Adviser Options means Options with the terms and conditions set out in Section 6.5.5 of this Prospectus.

Directors means the directors of the Company.

General Meeting means the meeting of Shareholders to be held on 15 December 2014 to consider the business set out in the Notice of Meeting.

Group means the combined entity subsequent to the acquisition of Yonder & Beyond, comprising Quintessential Resources Limited, Yonder and Beyond Limited and the Yonder & Beyond Group.

HIN means holder identification number.

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.

Issue means the issue of Shares pursuant to this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means listing rules of the ASX.

Management Team means the individuals so described in 2.3.6(b) The Yonder and Beyond Management Team on page 35

Maximum Subscription means \$8,000,000 or 40,000,000 Shares.

Minimum Subscription means \$5,000,000 or 25,000,000 Shares.

Mining Act means the Mining Act 1992 (Papua New Guinea) as amended from time to time.

Notice of Meeting means the notice of general meeting including the Explanatory Statement and Proxy Form dated announced to ASX on 14 November 2014.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offers means the Public Offer, the Y&B Offer and the Adviser Offer or any one of them as the context requires.

Official List means the Official List of the ASX.

Opening Date means the date specified in the indicative timetable for the Offer.

Option means a right to subscribe for a Share.

Option-holder means a holder of an Option.

Oversubscription means \$3,000,000 or 15,000,000 Shares taking total subscription in this case to \$8,000,000 or 40,000,000 Shares.

Proposed Director or Incoming Director means the person identified in the Corporate Directory.

Prospectus means this disclosure document.

Public Offer means the invitation to apply for Shares pursuant to this Prospectus.

Quintessential Resources or Quintessential Resources Limited means the Company.

Quotation means quotation of the Shares on the Official List.

Replacement Management Performance Options means Options with the terms and conditions set out in Section 6.7 of this Prospectus.

Share Registrar means Computershare Investor Services Pty. Limited.

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

Shareholder means a holder of Shares in the Company.

Transaction Resolutions means resolutions 1 to 7 and 11 to 13 in the Notice of Meeting.

Y&B Adviser Options means Options with the terms and conditions set out in Section 6.5.4 of this Prospectus.

Y&B Offer means the offer of up to 37,875,000 Shares, 35,000,000 Replacement Management Performance Options and 1,500,000 Y&B Adviser Options to the Y&B Vendors in consideration for the acquisition of all of the issued capital in Y&B.

Y&B Options means options to acquire Y&B Shares

Y&B Shares means fully paid ordinary shares in the capital of Y&B.

Y&B Vendors means holders of Y&B Shares or Y&B Options or both.

US\$ means United States dollars, unless otherwise stated.

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.



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See overleaf for completion guidelines ➔

How to complete this Application Form

<p>A Number of Shares applied for Enter the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares (\$A2,000).</p> <p>Application Monies B Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of A\$ 0.20.</p> <p>Applicant Name(s) C Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applications may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.</p> <p>Postal Address D Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.</p> <p>Contact Details E Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.</p>	<p>F CHES Quintessential Resources Ltd will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Quintessential Resources Ltd and allocated a Securityholder Reference Number (SRN).</p> <p>G Payment Make your cheque, bank draft or money order payable in Australian dollars to 'Quintessential Resources Ltd' and cross it 'Not Negotiable'. Cheques must be drawn from an Australian bank. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Receipts will not be forwarded. Funds cannot be directly debited from your bank account.</p>
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Before completing the Application Form the Applicant(s) should read this Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in Quintessential Resources Ltd is upon and subject to the terms of the Prospectus and the Constitution of Quintessential Resources Ltd, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm WST on 12 December 2014. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

Neither CIS nor Quintessential Resources Ltd accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

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

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund